

**LEGISLATIVE ASSEMBLY OF ALBERTA**Title: **Monday, October 20, 1980 2:30 p.m.**

[The House met at 2:30 p.m.]

**PRAYERS**

[Mr. Speaker in the Chair]

**Point of Privilege**

MR. SINDLINGER: Mr. Speaker, may I please rise on a point of personal order?

Mr. Speaker, Members of the Legislative Assembly: last Thursday the Progressive Conservative caucus met, and at that time decided to terminate my membership in the Conservative caucus. The reason for doing so was that the members of the caucus felt I had expressed viewpoints in public which were contrary to those viewpoints held by the government. I understand that the caucus, in its deliberations, felt this was such an important matter that there be party unanimity, and also that there was a need for party discipline.

I respect the decision the party has taken, and I thank all the members for the courtesy and consideration they gave me. I understand the parliamentary system. I understand the responsibility it places on each of us and the place party discipline has in that system.

I feel, ladies and gentlemen, that that issue is a very important one, and one for which I was asked to leave the caucus. It's in regard to the resolution, which is before the House of Commons today, dealing with the patriation of the Canadian constitution. I have a great deal of concern about that, especially when the federal Conservative leader states that it could be the end of our country. I feel that if the magnitude of the decision is that great, each one of us as legislators, individuals, each one of us in this country, from the bar rooms to the board rooms, from the locker rooms to the Legislature, must express a personal opinion on this matter. All of us must know where we stand in regard to the constitution.

In regard to the resolution before the House of Commons today, I do not support it in its entirety, nor do I dismiss it completely as being absolutely unacceptable. I feel there are some good parts to it, and I feel there are some bad parts to it. As it stands with the bad parts, unless it were revised or amended, I could not support it. Nevertheless, I think it's a beginning, and a necessary beginning, to end the uncertainty that faces our country.

I want to make it perfectly clear where I stand on that issue. I want it to be known in the future, when my children and their children ask me where I stood when it came to this critical juncture in our country's history, exactly where I stood. I stand for this land. I stand for this country. And I stand for this Canada, a nation proud and free, a nation among all other nations in this world.

**head: INTRODUCTION OF VISITORS**

MR. SPEAKER: I have the honor this afternoon to introduce to hon. members a distinguished delegation of our colleagues from the parliament of Ontario, who are

here under the auspices of the Alberta branch of the Commonwealth Parliamentary Association. They are taking part in some important discussions with us during these days. I would ask that they be recognized by the Assembly as I name them: Mr. Michael Breaugh, Mr. Michael Davison, Mr. Herbert Epp, Mr. John Lane, Mr. Remo Mancini, Mr. Bruce McCaffrey, Mr. Robert McKessock, and Mr. Russel D. Rowe. They are in the Speaker's gallery, accompanied by their spouses. I would ask them to stand and receive the welcome of the Assembly.

**head: INTRODUCTION OF BILLS**

MR. JOHNSTON: Mr. Speaker, although formal notice has not been given to the Assembly, I would request unanimous consent to introduce a Bill today.

HON. MEMBERS: Agreed.

**Bill 60****The Referendum Act**

MR. JOHNSTON: Mr. Speaker, I have the privilege and request leave to introduce Bill 60, The Referendum Act. This being a money Bill, His Honour the Lieutenant-Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

Bill 60, The Referendum Act, is an extremely important piece of legislation for this government, Mr. Speaker, and I would simply ask your indulgence for a few moments to outline very briefly the principles. The principle of this Bill, sir, is to provide the legislative capacity to seek an expression of opinion from the people of Alberta, by referendum, on a matter of significant importance to us. Mr. Speaker of this Assembly, the legislation now provides the opportunity to seek referendums on certain issues, but of course this would go beyond the issues described by this specific legislation.

It should be noted as well that the legislation I will introduce provides for debate by resolution by this Assembly before that question could be put to the people of Alberta. Finally, Mr. Speaker, it should be noted that while the context of the debate to date and in the weeks ahead likely will be on the area of the constitution — the amendment of the constitution by the federal initiatives — there could be other important matters which would be considered.

Mr. Speaker, I move first reading of Bill No. 60, The Referendum Act.

[Leave granted; Bill 60 read a first time]

**head: TABLING RETURNS AND REPORTS**

MR. BOGLE: Mr. Speaker, I would like to file with the Legislature Library a report entitled Interprovincial Comparison — Day Care Facilities Licensed Full Day Program, recently prepared for the Department of Social Services and Community Health by Price Waterhouse Associates.

MR. LEITCH: Mr. Speaker, I would like to file for each Member of the Legislative Assembly a copy of Alberta's energy proposal, including commitments for Canadian

energy self-sufficiency, as delivered by the Premier to the Prime Minister on July 25, 1980.

MR. RUSSELL: Mr. Speaker, I'd like to table the response to Motion for a Return 109.

MR. McCRAE: Mr. Speaker, I'd like to table two copies of the Gallup omnibus study conducted for the Alberta government, September 1980, on four questions of vital importance to Albertans.

#### head: INTRODUCTION OF SPECIAL GUESTS

MR. BATIUK: Mr. Speaker, it's a real pleasure for me today to introduce to you, and through you, 16 students participating in a worldwide youth exchange. Eight of them are from Indonesia; the other eight are Canadian. They are going to reside in Vegreville for 10 weeks. After this they will go home, and the eight Canadian hosts will go with them for 10 weeks.

They are seated in your gallery, Mr. Speaker, accompanied by Mrs. McKenzie. I would ask that the students and Mrs. McKenzie rise and receive the welcome of the Assembly.

#### head: ORAL QUESTION PERIOD

##### Federal Constitutional Proposal

MR. R. CLARK: Mr. Speaker, the first question is to the Premier. The question focuses on the resolution regarding the constitution currently before the Parliament of Canada. What representation has the Alberta government made to the government of Canada regarding resource control since the Prime Minister announced the constitutional package?

MR. LOUGHEED: Mr. Speaker, there have been no representations, in the direct way the question has been phrased, relative to resource control as merely one element of the constitutional proposals of the Prime Minister. The hon. Leader of the Opposition and others are aware — and I'm prepared to develop it in some detail this afternoon — that our concerns with regard to the constitutional proposals of the Prime Minister go to the root of unilateral action by the Prime Minister. Hence, representations on a specific as distinguished from the general objection we have to unilateral action, in our view are not in the best interests of Albertans and could clearly be misconstrued.

MR. R. CLARK: Mr. Speaker, a further supplementary question to the Premier. What representation has the government of Alberta made to the government of Canada, since the Prime Minister announced the constitutional package, regarding the question of an amending formula? I take it from the Premier's last answer that no representation has been made by the government of Alberta on the specific question of an amending formula since the Prime Minister announced his intentions.

MR. LOUGHEED: Mr. Speaker, I believe the Prime Minister is fully and completely aware of the views of Alberta with regard to the amending formula. Later this afternoon, it is my intention to outline in full the history of those discussions. I had lengthy discussions of a pri-

vate nature on that very matter with the Prime Minister at Harrington Lake on July 24. He is well aware of our views, which have been expressed not only in the public conference but also in private discussions at Sussex [Drive] on September 11.

As far as any subsequent representations that might be made by ourselves as a provincial government, I relate back to my first answer: as far as we're concerned, the whole concept of the federal government moving unilaterally in a federal state is objectionable in the extreme to the people in this province. That's not our view of Canada.

MR. R. CLARK: Mr. Speaker, a further supplementary question to the Premier. What formal discussions have there been between representatives of the government of Alberta and Alberta's MPs concerning the question of the constitutional proposal presently before the House of Commons?

MR. LOUGHEED: Mr. Speaker, there have been extensive discussions, but they have not been formalized. I have been in conversation with almost half of the federal Members of Parliament. It is our intention to have the Alberta government caucus of this Legislature meet with the federal Members of Parliament, but we felt it would be better advised to do that after the federal budget so the agenda could cover both constitutional and energy matters.

MR. R. CLARK: Mr. Speaker, a further supplementary question to the Premier. What representation has the Alberta government made to the cabinet committee on western affairs chaired, I believe, by the hon. minister, Mr. Axworthy, on the question of an amending formula, on the question of resource control, and on the budget question of export tax — and I ask the question in the same context as my first question — since the constitutional proposal was put forward by the Prime Minister?

MR. LOUGHEED: Mr. Speaker, if there was any doubt in our minds that the federal government was unaware of our views with regard to the constitution, we may have considered a submission of them. Our views are very well known to the Prime Minister and to those ministers — particularly the Attorney General, who was involved with our Minister of Federal and Intergovernmental Affairs over a course of weeks and weeks of discussion this summer. There is no question that the federal government is fully and completely aware of the Alberta views on the constitution.

Again, with regard to the matter of an export tax, I will deal with that at greater length in my remarks today. The Prime Minister and the Minister of Energy, Mines and Resources are fully aware of the position of this government on that issue from very extensive, direct discussions that we have had.

MR. R. CLARK: Mr. Speaker, a further supplementary question to the Premier. I take it from that answer that no representation has been made to the cabinet committee on western affairs. I would pose a further question and ask if the Premier, his Minister of Federal and Intergovernmental Affairs, or other ministers have been in direct contact with Senator Bud Olson, Alberta's representative in the federal cabinet, dealing with this question of the constitution, with the question of resource

control and export tax, since the Prime Minister set out his views on the resolution.

MR. LOUGHEED: Mr. Speaker, again I repeat the position: when the hon. leader refers to representations, the implication is that the federal government is not aware of the Alberta position. They're fully and completely aware of them. On the energy issues, it's our view that the appropriate method of communication is by myself to the Prime Minister and by the Minister of Energy and Natural Resources in this province to the federal Minister of Energy, Mines and Resources.

With regard to constitutional matters, as I've explained in previous answers to this series of questions by the Leader of the Opposition, the whole issue is one in which we're clear that through years of discussion, a multitude of conferences, discussions by myself with the Prime Minister, discussion with other premiers, a six-day conference in September, and weeks of discussion this summer, there is no misunderstanding by the federal government of the views of the government of Alberta on constitutional issues.

MR. R. CLARK: Mr. Speaker, I'd like to pose one further supplementary question to the Premier. Given the comment that the Premier has made, but also keeping in mind that the governments of Saskatchewan, Ontario, and New Brunswick at least, and perhaps some other provincial governments, have been actively involved in lobbying for changes within the proposal since the constitutional package was outlined by the Prime Minister, why hasn't the government of Alberta followed the same approach in attempting to get some very much needed changes to that package?

MR. LOUGHEED: Mr. Speaker, the answer to that is clear. Our position is well known. With regard to lobbying, we're not in the position to have changes made in a proposal by the federal government to move unilaterally. If there is any view by the federal government, through the Prime Minister, that there is some merit in further discussions between the provinces in our federal state and the federal government, we will welcome such initiatives. But what we have heard from the Prime Minister is his clear intention to move unilaterally in a federal state to change our constitution. There is no way that we in this government and, I trust, in this Legislature, accept unilateral action by the federal government on the constitution. By following through on the suggestion of the Leader of the Opposition that we lobby some of the aspects of that Bill on a piecemeal basis, we are in fact in a very significant way being hypocritical in the extreme in our view that the federal government should not alter the constitution without the concurrence of the provinces.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier for clarification. From the Premier's response, is the Legislature to understand that the government of Alberta will not be making any representation, either through the Minister of Federal and Intergovernmental Affairs or any other representative from the government of Alberta, to the all-party committee that has been established or will be established to review the package of proposals the government in Ottawa is now discussing?

MR. LOUGHEED: Mr. Speaker, I'm sorry if the hon. member interpreted my earlier answers to mean that. We

have not reached a conclusion with regard to an all-party House of Commons committee. Depending upon the structure of that committee, the quorum, and its terms of reference, we may consider making representations in that sense. That would not be representation to the federal government *per se*, but to a parliamentary committee. We view that differently, in terms of the circumstances of representation and relative to the answers I gave to the previous question.

MR. D. ANDERSON: Mr. Speaker, a supplementary question to the hon. Premier. Could the Premier indicate if the Prime Minister is accurate when he states that the premiers of all provinces, including this one, agreed to the principle of entrenchment of French language rights in Montreal in 1979?

MR. LOUGHEED: Mr. Speaker, I presume the hon. member is referring to the statement made by the Prime Minister on the evening of October 2 on national television, referring to the meeting held by the 10 premiers on the issue of French language instruction. I believe it was held February of 1978 in Montreal.

Mr. Speaker, that was a clear misrepresentation of the position of the provincial governments there, and Alberta as well. What we said is that we would work on our best efforts to assure the maximum accessibility, where numbers warrant, to French language or second language instruction in our province. It was not a concurrence with constitutional guarantees as was implied — at least I took it fairly to be clearly implied — by the Prime Minister in a misinterpretation of the provincial view in his remarks of October 2 on that question.

MR. D. ANDERSON: Mr. Speaker, one further supplementary question to the hon. Premier. Could the Premier indicate the substantial difference between the entrenchment of French language rights currently in the constitution motion before Parliament and the Alberta government's position on that particular issue?

MR. LOUGHEED: Mr. Speaker, it's essentially the difference between an approach of compulsion, arising out of constitutional guarantee, and one of encouragement, which has been the Alberta way. We have moved forward on that matter with some very considerable success, creating harmony within the many communities in this province, and assuring those of neither French nor English descent that they are in no way any less Canadian as a result of that situation.

MR. D. ANDERSON: Mr. Speaker, just one final supplementary question on that. Is it the Premier's feeling that the programs presently in place in the province of Alberta would afford people of the two official languages in Canada the same kind of opportunities that would result from the entrenchment in the constitution of Canada?

MR. SPEAKER: Possibly the question could be put in a different way. As it was put, it would be a clear invitation to debate, for which of course the question period is not designed.

MR. D. ANDERSON: Mr. Speaker, I'll endeavor to put it in a different way. Could the Premier indicate if the province of Alberta is intending to supply French lan-

guage instruction in this province to people of French extraction, where numbers warrant?

MR. LOUGHEED: Mr. Speaker, I'd refer that question to the Minister of Education, who I know would be anxious to respond.

MR. KING: I will attempt to respond briefly to such an important question. Mr. Speaker, we are enjoying very considerable success in providing French language instruction and instruction in other languages to students throughout the province, wherever numbers warrant. This spring I asked for and received a description of outstanding problem situations in the province, relating to the provision of French language instruction. There were fewer than 12. Since I received the report this spring, six of those have been resolved.

MR. KNAAK: Mr. Speaker, a supplementary to the Premier or the Minister of Federal and Intergovernmental Affairs. During 1978 the federal Liberal government introduced referendum legislation, which the Conservative government under Joe Clark withdrew. Could the Premier or the minister advise whether he's monitoring the federal situation, and where the federal government is with respect to its legislation on the referendum?

MR. JOHNSTON: Mr. Speaker, the Member for Edmonton Whitemud is very accurate. In fact the federal legislation, which died on the Order Paper in late 1978, did provide for a referendum across Canada. In reviewing the proposed constitutional resolution now before the federal Parliament, there are also two references to the use of referenda in the amending process. From the point of view of the government, it would seem to me that we should be prepared to deal with the possibility of a federal government move in the area of applying a referendum to all of Canada. That's one of the reasons we brought forward Bill No. 60, which I recently introduced.

MR. KNAAK: Mr. Speaker, a supplementary to the Premier. The Premier has indicated that the province is considering taking legal action on the federal government's move to patriate the constitution unilaterally. Could the Premier advise whether the five provinces would act in unison or each province would go to its own court of appeal, and if any steps have been taken to this point?

MR. LOUGHEED: Mr. Speaker, six provinces are involved in responding to determine the legal validity of the federal government's unilateral action. In regard to the specific of that question, I'd refer it to the Attorney General.

MR. CRAWFORD: Mr. Speaker, no actual steps have yet been taken to resolve the sort of issue that the hon. member's question raises. Later this week, the attorneys general involved will meet and, at that time, the sort of question raised by the hon. member will be fully discussed and, if possible, resolved.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Attorney General. Will the Attorney General advise the House whether the government has sought and obtained outside legal advice with respect to the challenge?

Also, Mr. Speaker, in view of the request put in the

House of Commons — I think quite appropriately — by the Leader of the Opposition, for the disclosure of the federal government's legal advice on the constitutionality of its unilateral move, will the government of Alberta, in the interest of public discussion, make available such information that it receives?

MR. CRAWFORD: Mr. Speaker, we have indeed canvassed the situation very fully, both with the considerable abilities in the constitutional area in the Attorney General's department and with the assistance of legal counsel from the private sector.

With respect to the other part of the hon. member's question, my thought would be that it would not be helpful to the conduct of whatever discussions take place to publish actual legal opinions, pending legal proceedings, or the actual legal proceedings themselves. However, I have no doubt that the issues raised by the legal opinions will be well and fully discussed, both publicly and in this Chamber. So there will undoubtedly be opportunities to discuss some of the issues, without actually tendering opinions.

#### Oil Production Levels

MR. R. CLARK: Mr. Speaker, I'd like to direct the second question to the Minister of Energy and Natural Resources. It flows from recent announcements by the Energy Resources Conservation Board that Alberta crude oil production has been reduced by between 6 and 7 per cent for the last month's reporting, and that the projections are for something like a 15 per cent increased reduction in production for the next month. Is the minister in a position to indicate to the Assembly the reason for this cutback in production in Alberta?

MR. LEITCH: Mr. Speaker, I will check on it, but I'm quite confident that the production level is established by the nominations; that is, the demand by the refineries for crude oil supply from Alberta. My memory is that the demand was a bit below our producing capacity for September, although I'm not certain of the months to which the question of the hon. Leader of the Opposition refers.

MR. R. CLARK: I believe the month is September.

Mr. Speaker, a further supplementary question to the minister. Is the minister now in a position to indicate to the Assembly whether this is a result of a soft market or in fact a matter of the government of Canada insisting that refineries in Canada use the total portion of oil that the government of Canada has agreed to receive each month from Mexico?

MR. LEITCH: Mr. Speaker, I would have to do some checking to ascertain why the nominations are somewhat lower for the month of September than our producing capacity, but of course historically that has been so. The demand for Alberta production fluctuates depending on a number of factors, and on some occasions is above our producing capacity and on others is below. I have no information that would substantiate the comment made in the question of the Leader of the Opposition, but I'll do some checking into it.

MR. R. CLARK: Mr. Speaker, when the Minister of Energy and Natural Resources is checking into the matter, would it be possible for the minister also to check to

see if pressure is being brought to bear on some sectors of the refining industry virtually to force them to refine the total volume of the Mexican crude that Canada has agreed to take?

I raise the question because before very long we're going to be told by the federal government that we have to have more money. One of the calls on the federal purse is the large amount of money we are paying for oil from outside the country: something well in excess of \$30 a barrel, as opposed to Alberta production, which is available at very much less than \$20 a barrel. That of course will have a very direct effect on the whole budgetary situation which will come down next week. So I ask the minister to check the matter out from that point of view.

MR. LEITCH: I will, Mr. Speaker.

MR. LYSONS: Mr. Speaker, a supplementary question. When the Minister of Energy and Natural Resources is checking this very important question, I wonder if he would also look into the reason for the layoffs and cutback in the heavy oil industry in the Lloydminster area.

MR. LEITCH: Mr. Speaker, I believe I can now provide a response to that question. As I understand it, a substantial portion of that heavy oil production is exported to the United States. The demand for it had dropped off in the United States recently for a variety of reasons, but I believe price was the most significant factor and did lead to a reduction in the export charge for that type of oil.

Other factors may be affecting the demand for Lloydminster heavy oil. I will check to ascertain whether there are additional factors but, as I indicated, I think the prime factor is the price resistance being exhibited by the purchasers in the United States.

MR. R. CLARK: Mr. Speaker, I would like to direct one last supplementary question to the Minister of Energy and Natural Resources. Could he confirm to the Assembly that instructions have gone from the government of Alberta to the Petroleum Marketing Commission so that it would be in a position to implement the results of Bill 50, if directed by this Legislative Assembly by the end of November this year?

MR. LEITCH: I'm sorry, Mr. Speaker. I didn't catch all the hon. leader's question.

MR. R. CLARK: Mr. Speaker, to replace the question. I would like to ask the minister to confirm to the Assembly, or to set the record straight if it is not accurate, that the Alberta Petroleum Marketing Commission has been instructed by the government — I assume the minister or his department — to have the machinery in place so that if this Legislative Assembly, by resolution or by Acts of the Assembly, were to direct the Alberta government to implement Bill 50 by the end of November this year, the Petroleum Marketing Commission will have the necessary administrative apparatus in place to do that.

MR. LEITCH: Mr. Speaker, we have had a variety of discussions with various departments and agencies in government relating to possible actions the provincial government might take in the future, but I wouldn't want to give particulars or details of those discussions today. As members of the Assembly will know, we have felt on earlier occasions that speculating on what action the

provincial government might take in the future, and how we are preparing for such action, is really not helpful to the Alberta position and therefore really wouldn't be in the public interest.

#### Workers' Compensation Legislation

MR. NOTLEY: Thank you, Mr. Speaker. I would like to direct this question to the hon. Minister responsible for Workers' Health, Safety and Compensation, and ask the hon. gentleman if he can advise the Assembly why, after outlining last spring that the minister hoped to introduce legislation to implement the recommendations of the report of the Select Committee on Workers' Compensation, the government has now decided to delay the implementation of legislation that would bring into force the recommendations of that special select committee report.

MR. DIACHUK: Mr. Speaker, the interest created after the spring session adjourned was sufficient that I had to schedule many more meetings with employer groups and worker groups in this province for review of the recommendations. In this way, we wouldn't be rushing into legislation. As I had indicated to the Assembly, I had hoped to see legislation prepared for the fall sitting but, rather than rush it, we will only be introducing the monetary items to provide for the improvement of pensions and benefits. The hope — again, I use the word "hope" — is to be able to finalize the legislation in time for the 1981 session.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Is the minister able to advise the Assembly that draft legislation to implement the recommendations of the select committee report has in fact been ready since July this year?

MR. DIACHUK: Mr. Speaker, all legislation has to go through a different number of draft preparations. There has not been a prepared draft of the complete legislation as recommended in the select committee report.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Is the minister in a position to advise the Assembly that in fact the vast majority of submissions the government has received is not from individuals or labor groups but employer groups that are now strenuously lobbying the government to shelve the report?

MR. DIACHUK: Mr. Speaker, that is not quite accurate. A lot of individual employers are not members of employer groups. But the interest from employer groups has been good. They are the ones who pay the assessment. In fairness, it was my judgment that I should provide them an opportunity to present their opinions and reviews of the recommendations. I hope to be able to complete these by the end of this year.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. With respect to the special consultant who has been engaged by the government to review employer submissions, will it be the intention of the government to make this particular consulting report available to the public, or will it in fact only be made available to the government caucus in finally deciding on the course of the legislation?

MR. DIACHUK: Mr. Speaker, the consultant who has been contracted by myself is to assist me with the compilation and review of the material now coming to my office. The decision as to the final distribution of his report will be withheld until I receive the report. I'll then be in a better position to indicate whether it will be public information or just for my own office.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. What opportunity will the minister give to the Alberta Federation of Labour, in particular, but other groups representing working people in this province, to review the recommendations of the consultant engaged by the government — in this case a former management person himself, before he set up a consulting firm — before the government acts on any of his recommendations?

MR. DIACHUK: Mr. Speaker, I can assure the members of this Assembly that if any group, particularly the group the hon. Member for Spirit River-Fairview mentioned, the Alberta Federation of Labour, wishes to . . . They have written to me supporting the government on the implementation of the recommendations, but to date have not asked for another meeting. If they wish to, my office is always accommodating enough to allow and schedule a meeting.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Will the minister guarantee the Assembly not only that he will meet with the Alberta Federation of Labour but that the information contained in the report of the consultant engaged by the government to review the employers' submissions will be made available, so that the minister can get not only the consultant's report but also the review of it by the Alberta Federation of Labour?

MR. DIACHUK: Mr. Speaker, I can just repeat what I have indicated earlier: I will await any inquiry from the Alberta Federation of Labour, and I will take that under consideration.

MR. NOTLEY: Mr. Speaker, a supplementary question. In view of the minister's willingness to meet, is the minister in a position to advise the Assembly why there was no formal consultation with the Alberta Federation of Labour before the announcement of almost a few hours ago with respect to the special health and safety commitment from the Heritage Savings Trust Fund?

MR. DIACHUK: Mr. Speaker, the consultation that took place was really debated last spring in the Legislature. The resolution by the hon. member from Calgary with regard to a foundation was well debated in the Legislature. As a result of that resolution, I shared with my colleagues in the announcement of a proposed eight-year program to provide funds. The Alberta Federation of Labour presently is receiving some funds from my office to assist in education and research. We didn't exclude anyone. It was only a consultation done in government. After the news release, I welcome further input from any organization or group with submissions with regard to some of the funding that is going to be set aside for education and research. The Alberta Federation of Labour is welcome, and has always been advised so anytime I've met with them, to be involved in research and education. I welcome their input.

MR. SPEAKER: [Inaudible] by the hon. Member for Spirit River-Fairview and a very final, final supplementary by the hon. Member for Clover Bar.

MR. NOTLEY: Mr. Speaker, very specifically, to the hon. minister. In view of the sentiments contained in the select committee report, that any kind of health and safety legislation is dependent upon co-operation between labour, management, and government, why did the minister not seek out the Alberta Federation of Labour, subsequent to the resolution debated in the Legislature in the spring, before the announcement was made?

MR. DIACHUK: Mr. Speaker, members representing the trade union movement are on the Occupational Health and Safety Council. That council has deliberated and advised me on some of the directions. There are members of the Occupational Health and Safety Council who are members of the Alberta Federation of Labour. My advice is that that communication went to their different bodies. I don't believe the Alberta Federation of Labour has been excluded from any consideration or consultation. Again, because this announcement was just made on Friday, October 17, I welcome any interest from the trade union movement with regard to research and education.

MR. COOK: Mr. Speaker, I wonder if I might ask a supplementary question of the minister. It leads from the line of questioning by the Member for Spirit River-Fairview, who suggests that labor has not been consulted. Could the minister indicate to the Assembly the role of the consultant in reviewing the report? Is it to review the new submissions or to prepare material for presentation of the report to the Assembly?

Secondly, has the Alberta Federation of Labour indicated at this date a desire to submit a further presentation?

MR. DIACHUK: Mr. Speaker, the role of the consultant on contract is to assist my office with the material coming in: to compile and do more research, wherever I need it, on some of the submissions that are made.

As to consultation with the Alberta Federation of Labour, I repeat that they have been involved in correspondence with my office, and I don't believe they've been left out of any consultation to date.

DR. BUCK: Mr. Speaker, a supplementary question to the Premier, as chairman of Executive Council. In light of the fact that the debate on the special legislative committee report was very, very minimal and was at the end of the year, and in light of the fact that there are other representations, would the Premier consider bringing that report back to the floor of the Assembly or possibly reconstituting and letting that legislative committee receive these submissions, if it's supposed to appear as an impartial committee?

MR. LOUGHEED: Mr. Speaker, if I follow the question from the hon. Member for Clover Bar, that we were involved in perhaps inadequate debate of the recommendations of the Select Committee on Workers' Compensation, certainly that's something we should take under consideration with regard to debate.

With regard to the matter that has been raised, I might just mention in passing that it is merely a proposal that has been made by the government to the Legislature with

regard to the estimates of the capital projects division. So there's adequate time for input from the Alberta Federation of Labour to influence the Members of the Legislative Assembly in determining whether or not that research fund should proceed in the form in which it's established.

But I gather the hon. member's question is broader than that specific and has to do with the total report and the question of the length of debate. With the House leader and others, we'll certainly give that careful consideration.

#### **Pipeline Safety**

MR. PAHL: Thank you, Mr. Speaker. My question is directed to the Hon. Minister of Energy and Natural Resources. It flows from the Energy Resources Conservation Board inquiry into the pipeline failure in the Mill Woods area. In the report and the press release there was a recommendation to relocate two pipelines in the Mill Woods area to the restricted development area. My first question to the minister is: can and will this recommendation be acted on in the very near future?

The second question flowing from the report was a reference to legislation suggested by the Energy Resources Conservation Board to improve the safety of pipelines in urban areas which, among other things, recommended a retroactive application of new regulations to older pipelines. My question on that point is: would this legislation be considered for implementation?

MR. LEITCH: Mr. Speaker, I didn't catch the last few words of the hon. member's question. Was it whether such legislation would be considered during the fall sitting?

MR. PAHL: That would be even better, sir.

MR. LEITCH: I can answer that one very quickly, Mr. Speaker, by saying that I'm sure we wouldn't be able to consider the matter and have legislation ready for the fall session. As members will be aware, the report just recently became available. It is a rather lengthy report and, as I'm sure most members will agree, indicates some very important steps forward in the matter of safety that have been taken by the Energy Resources Conservation Board and others, including municipal governments. We will be giving top priority to the matter of legislation as recommended by the Energy Resources Conservation Board and will also be considering, on a priority basis, the comments the board has made with respect to the possibility of relocating two lines that are now in the Mill Woods area.

#### **Agricultural Development Corporation**

MR. MANDEVILLE: Thank you, Mr. Speaker. My question to the hon. Minister of Agriculture is with regard to the operations of the Agricultural Development Corporation. Could the minister indicate whether funds are available in the revolving fund to finance loans that have been approved by the Agricultural Development Corporation?

MR. SCHMIDT: Mr. Speaker, yes there are adequate funds for the operation of ADC, both for those applications that have been approved and those that will be oncoming and approved as we go along.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. I've had some information from the board that no funds are available for a couple of applications in my area. Has the minister had any indication from any applicants who have made applications for loans and had them approved, but they said no funds are available to process them at this time?

MR. SCHMIDT: Mr. Speaker, I've had no reports of lack of funds for applications that have been approved by ADC, other than to say to the hon. member, and indeed all hon. members, that sufficient funds are available in ADC to handle the programs they are handling at present, despite the increase in the number of applications for the beginning farmer program, which has turned out to be exceptionally interesting and challenging.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Could the minister indicate if the corporation has caught up on processing the backlog of applications they've had?

MR. SCHMIDT: Mr. Speaker, it's my understanding that the backlog is now back to normal proportions after handling and approving some 80-plus beginning farmer programs in the summer months. So it would appear that from here on, in handling applications before us, the work force would be at about a normal pace.

#### **Referendum Legislation**

MR. R. SPEAKER: Mr. Speaker, my question to the Minister of Federal and Intergovernmental Affairs is with regard to the confrontation referendum legislation that was introduced today, Bill 60. I'd like to ask the minister whether this legislation will permit the government a Quebec-style referendum, or is it the type of referendum that will necessarily keep Alberta in the rest of Canada?

MR. SPEAKER: It would seem to me that the hon. and experienced member would realize that this sort of topic would come up for discussion during second reading of the Bill. In view of the somewhat implied or expressed barb in the question, perhaps the minister ought to be able to answer briefly.

MR. JOHNSTON: Mr. Speaker, I appreciate the opportunity to respond. First of all, I suggest that this is not confrontation legislation; this is legislation which will allow us to seek the views of the people of Alberta, similar to provisions found in other Acts of this Assembly. It's unfortunate that the Member for Little Bow had to choose the connotation of referendum in the context of Quebec. That is not the intention of the legislation before us.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. Could the minister indicate why, in principle in the legislation, the resolution to the Assembly can only be introduced by a member of Executive Council and not by any other member of the Legislative Assembly?

MR. SPEAKER: It would appear that my previous remarks have encountered some difficulty of reception. Perhaps we could leave this for second reading debate.

The hon. Member for Calgary Currie, followed by the hon. Member for Calgary North West.

MR. D. ANDERSON: Mr. Speaker, my question was answered during supplementaries on the constitutional issue.

#### **Teachers' Strike — Calgary**

MRS. EMBURY: Mr. Speaker, my question is to the Minister of Education. In view of the recent teachers' strike in Calgary and some statements by some of the parents that there has been quite an exodus of teachers from the Calgary teaching system, could the minister please assure the Assembly that enough teachers have been hired to fill all the teaching positions in all the schools in Calgary?

MR. KING: Yes, Mr. Speaker. I can't be precise about the number of teachers who have either left or joined the staff of the Calgary Board of Education. But I do know that in the week following the order back to work pursuant to Section 163 of the Labour Act, the Calgary Board of Education was concerned that they actually had more teachers on staff than their student/teacher ratio demanded, as a result of having hired during the summer and in September, before it was clear to them how many teachers would be leaving their staff.

MRS. EMBURY: A supplementary question, Mr. Speaker. Two specific groups of students who probably suffered more than the average student in the school system were the grade 12 students who were on the semester system, and the children throughout the school system who have particular learning disabilities. I wonder if the minister could indicate, first, if the grade 12 students on the semester system will be able to complete their fall semester this year, and if any special evaluation will be done for the children with learning disabilities to make sure that they haven't, unfortunately, not progressed but actually taken some steps backward in their development.

MR. KING: With respect to the grade 12 students on the semester system, Mr. Speaker, the Department of Education has ratified a proposal made to it by the Calgary Board of Education which will allow students in the semester system to complete and receive credits for semester programs as though there had not been a strike. Basically, we are going to authorize the Calgary Board of Education to operate the semesters with 10 fewer hours of instruction in both the fall and spring semesters. The Department of Education will share with the Calgary Board of Education in the development of special tests for students in those programs. Provided that these tests, jointly developed by ourselves and the Calgary board, are counted for 30 per cent of the final mark in those courses, credit will be granted in spite of the fact that the actual hours of instruction are 10 fewer than conventionally.

With respect to special education programs, I would have to check with the Calgary Board of Education, because I'm not aware that they have made any request to us for special assistance in that regard. I might say that we know and are sensitive to the fact that patterning is a very, very important part of learning for some students; that is, the regular repetition of some functions. Since the students were not in school, they did not have the opportunity to be engaged in patterning activities, and some will have suffered as a result. We are concerned about the make-up of that, but I think that's more a question of instructional activity than of evaluation.

MRS. OSTERMAN: A supplementary, Mr. Speaker. I wonder if the minister could inform the Assembly whether there has been an increased interest in private schools and the different categories that are available, especially in the city of Calgary, as a result of the strike.

MR. KING: Mr. Speaker, there has certainly been increased discussion about private schools, but whether or not that manifests itself by parents' organizing private schools, it is yet too early to say. Parents have asked for information and advice from the regional office of Education about how private schools could be organized. It will take some time before we see application forms and requests for evaluation coming to the department. But if talk is an indication of greater interest, there is more interest.

### **ORDERS OF THE DAY**

#### **head: GOVERNMENT MOTIONS**

15. Moved by Mr. Lougheed:

Be it resolved that this Assembly approve in general the operations of the government since the adjournment of the spring sitting.

MR. LOUGHEED: Mr. Speaker, the spring sitting adjourned almost five months ago, and hon. members are aware that very significant events have occurred. The purpose of this traditional motion is for the leader of government, on an accountability basis, to review before the Legislature the various events, actions, and measures by the provincial government over the period of the recess and, by the very nature of opening the fall session on that basis, to open up discussion and debate with regard to a number of matters that have occurred. The report also permits the government to summarize, in a communicating way, the actions it has taken over that period of time.

I regret in advance, Mr. Speaker, that the length of my remarks involves three very major areas: first of all, a review of the operations of the government in a general sense and a departmental nature; secondly, a report to the Legislative Assembly on the state of the very crucial energy negotiations; and lastly, a review of the constitutional discussions that have occurred during the course of these five months, in response to questions that have already been asked in the Legislative Assembly and other inquiries.

Mr. Speaker, it has been a very eventful five months, with of course the 75th Anniversary celebration; the visit here of Princess Margaret, representing the Royal Family; the constitutional discussions involving the premiers' conference, the first ministers' meetings, and the ministers of federal and intergovernmental affairs; the energy discussions that have been held by the minister from Alberta and the minister of the federal government; the meetings I held with the Prime Minister on July 24 and 25; the first and historic meetings between the cabinets of the governments of British Columbia and Alberta on July 11 and October 3; and the recent tour of the cabinet throughout central Alberta.

At the outset, Mr. Speaker, I'd like to say a word about the 75th Anniversary celebrations. There's no doubt in my mind and, I believe, in the minds of the vast majority of Albertans, that it's been a very clear success.

The Minister of Culture and the other ministers who have been involved in that committee certainly deserve credit for the work involved and for their planning and judgment decisions in terms of the approach that was taken by the government on the 75th Anniversary celebrations. I think the key decision that was made was to involve our 75th at the local level in a decision-making process, and let local government make the decisions in terms of the priorities of their individual communities. I think the vast number of these projects, made by the decision-makers in individual communities, have brought into focus and completed or launched projects that perhaps would not otherwise have been done, that individually within their communities they felt were very significant in terms of long-term benefit.

Another aspect of the 75th Anniversary celebrations is the Homecoming program. Frankly, when I heard about this project initially, I didn't have any idea or appreciation of the degree to which former Albertans would respond. They responded in ways many members here can attest, in a very remarkable way of homecoming to their communities. I think this has lasting benefit, Mr. Speaker, because we recharge, if you like, the community spirit that is so much a part of our Alberta way of life.

The program of medallions for our senior citizens: those of us who have been involved recognize the positive way our senior citizens have responded to that program, and it has had a very significant impact in recognition of the pioneer contributions to this province. The celebrations we held here on the Legislature Grounds on September 1 were a success. The report of this total 75th Anniversary Commission will be prepared when the year is completed and, of course, made public and submitted to the Legislative Assembly.

Mr. Speaker, I want to start with my departmental review on people programs and the number of very important actions that have been taken by the provincial government during the course of the five-month recess. Despite the 75th Anniversary celebrations, despite the energy and constitutional pressures that have been on the government, a number of very substantial measures have been announced, launched, or implemented, and determined by the provincial government, that improve the quality of life in this province.

Let me start with a review of certain very significant decisions made by the Minister of Social Services and Community Health after consultation with his colleagues in the government caucus. The first one has to do with the important subject of day care and the recognition that in our province we have the highest participation rate of any province in Canada and obviously a very high proportion of females in the work force. This brought us to an assessment of the standards we have for our day care programs, that was tabled in the Legislature today, which indicated that in a number of areas we are doing very well, but that in a number of other areas there needs to be an improvement in standards. Despite the major financial implications involved, the government caucus made the decision to increase the standards in a very substantive way for higher child/staff ratios, to establish maximum group sizes, for greater requirements for indoor space, and for a number of other improvements. It's clear that cumulatively these steps will result in day care standards in Alberta being without question at the very top in Canada.

The second move taken by the Minister of Social Services and Community Health at his initiative was to establish review committees for the preventive social serv-

ices program in this province; it has operated for some time. At first I believe the concept of review created some alarm and concern in the minds of some, that perhaps there was an intention by the government to change direction in a major way. That was not the intention, and that was not the result. The review committee reports were made public during the summer. The decisions have now been announced with regard to extra funding, and the very important concept of decentralization of decision-making in that program was emphasized and reinforced.

Another move was taken in this area during the course of the summer, and that was to move forward with the legislation regarding the Social Care Facilities Review Committee, pursuant to the legislation we passed in the spring session. It's been established, with its membership under the capable chairmanship of the Member of the Legislative Assembly for Calgary Millican. It's under way in terms of visiting and inspecting all the social care facilities within the province, with a view to spotting any deficiencies or weaknesses and transmitting recommendations to the minister and the department.

Further steps taken in the Department of Social Services and Community Health were the improvements in the Alberta assured income for some 85,000 senior citizens — an increase of \$30 a month — and an increase in the maximum amounts for the assured income for the severely handicapped. An additional move, of a long list of important moves in five months, made by the Minister of Social Services and Community Health was the establishment of 137 new staff positions at Michener Centre and, in addition to that, a number of areas with regard to mental health, which I reviewed at a recent conference in Banff. There's no doubt that this is a very significant record of accomplishment by the minister and the department, and reflects the continued concern and priority of the government in this area. [some applause]

Mr. Speaker, the next area I wish to review is hospitals and health care. We're continuing with our position of maintaining Alberta's position of having the highest quality health care system. The recently public Hall report indicated that on a per capita basis in 1979-80, Alberta was the leading province in terms of health expenditure. In addition to that commitment on an ongoing basis we are proceeding with the announcements, that the Legislature is aware of, of major construction projects throughout all of Alberta in the way of renovation, upgrading, replacement of facilities, or new facilities. For example, those of you who have been travelling the province will be aware of the large project under way in the very important regional centre of Red Deer, where we were recently on cabinet tour; the completion and opening of the new hospital in Fort McMurray; the upgrading of facilities in Edson and Leduc, in fact all across this province.

Turning next to the area of education, I think it's important for members to be aware of the major changes involved in curriculum. We've made a major revision in social studies, grades 1 to 12 inclusive, involving a significant upgrading in Canadian history, geography, and economics, which I believe has a very significant priority in the mind of the government in the way of curriculum, and has been well accepted. We've also had some important changes in the application of senior high school mathematics to everyday situations, with more attention to computer literacy. When I say that, Mr. Speaker, there will probably be a number of us, myself included, who are glad we are not involved in the classroom facing that

particular challenge, but it's probably just as well that our young people are. I believe that those changes as well will improve the quality of education in this province.

In special education, candidly the difficulty is clear: despite commitment of dollars and despite the best intentions, there is a shortage in terms of qualified special education teachers. I know the minister is working hard to overcome that. The shortage is throughout Canada. As well, through the Department of Advanced Education and Manpower we are attempting to stimulate programs to increase the number available in terms of special education in this province. I would like to mention, too, the effective implementation of the new community school program, a new thrust that I'm sure we will discuss further on another occasion.

That brings me to the matter raised in the Assembly today. I won't go beyond just referring to the comments of the Minister of Education on French language instruction and the progress we're making there, as well as the increase in pupil transportation grants to boards offering bilingual or immersion programs. As I mentioned to the Assembly in question period, Mr. Speaker, it is the way we do things in Alberta. It is the positive and harmonious way to do it, and we're making very important progress.

Moving next to the area of Advanced Education and the student finance program in particular, members are aware of the new approach, which I've always favored and I'm glad we're bringing in, of recognizing extra expenses of students who are not able to enjoy postsecondary institutions adjacent to their own homes, and have to move and incur extra expense as a result. That rural student education opportunity equalization grant program has been implemented for this fall. In addition to that, of course, the endowment fund is under way, with matching grants of \$80 million over 20 years for both capital and operating. I believe the first decision has been made, and it is a chair in exploration geophysics at the University of Calgary. Some 50 applications are already before the minister and those involved.

Mr. Speaker, the Minister of Advanced Education and Manpower has announced a proposal to present to the Legislature this fall, under the capital projects division of the Heritage Savings Trust Fund, which has been extremely well received: a \$100 million fund, the income of which will be used for scholarships. I'm sure the minister will want to outline it in detail in committee stage of the review of the capital projects estimates, but I've had a number of people speak directly to me on that point and say, in terms of our communication on the Heritage Savings Trust Fund, that it's very important to communicate to Alberta just how the funds in the capital projects division are involved. I think that is a very imaginative proposal that has flowed from recommendations of the select committee.

There should be a report on the status of our apprenticeship program in Alberta. In this Legislature we all know that we're moving into a skilled society. In one year alone, the number of apprentices in this province grew by 16 per cent in the period ending at the fiscal year [end], March 31. The data indicates that in a period of five years, '74-79, the number involved in this program literally doubled over a previous time. With only 8.5 per cent of Canada's population, we now have 25 per cent of all of Canada's apprentices. I think that shows the nature of our skilled society and the skilled work force we have and are seeking here in Alberta.

In terms of regional expansion, decisions have been made this summer by Executive Council, and announced

by the Minister of Advanced Education and Manpower, that we want a new thrust to expand our apprenticeship and technological courses to our college and regional system throughout Alberta, to follow through on our program of decentralization of government services. I think that again will be one we'll look back on as a very important move.

This summer the Attorney General of the province was involved in two very important areas: first of all, together with the Minister responsible for Native Affairs, the government response to what we've termed the Kirby 4 report, the fourth report of the board of review into the administration of justice in the provincial courts, with an emphasis on band police, special constables, longer and more extensive training programs, and improvements in programs for native court workers. In addition to that and, I'm sure the members in opposition would appreciate, after extensive discussion on gaming in government caucus, the Attorney General finally announced, from the caucus committee and from the caucus, the views of the government on a new approach to gaming in the province, which involve a gaming commission and, depending on one's point of view as to how one interprets the report, either the broadening or tightening of the various procedures involved, which I'm sure will be the subject of some interesting debate both in the Assembly and elsewhere.

The Solicitor General, in following through on the response to concerns of the citizens of the province, and with the concurrence of Executive Council, will be involved in substantial increased funding for municipal police in the province. As members are aware, Mr. Speaker, we're concerned at the failure of the federal government to have adequate support in terms of numbers of RCMP constables in this province. That's a matter of very serious concern for our government.

With regard to the proposal to the Legislature on research for workers' safety, that matter was referred to in the question period.

Moving next to the area of Consumer and Corporate Affairs, we continue with our policy of preventive rather than remedial emphasis. I should say a word about rent decontrol, which has been the subject of much discussion within this Assembly. The transition out of rent decontrol proceeded very smoothly on June 30, and the few remaining controls were allowed to expire. That situation has developed well.

In terms of Recreation and Parks, the minister has announced a proposal, for the consideration of this Assembly, to move beyond the two metropolitan parks that form part of the Heritage Savings Trust Fund to five additional urban parks accessible to citizens in our more populated areas, in five of the cities of the province. Again, that proposal to the Legislative Assembly is for debate in the estimates of the capital projects division of the Heritage Savings Trust Fund. [some applause] I notice the response by at least some Members of the Legislative Assembly.

The decision was also made by the government this summer to finance the construction of an Olympic coliseum in Calgary in support of the 1988 games bid, with one-third of the financing from the province, one-third from the city, and one-third from the federal government, but with the province prepared to do financing on a loan basis for the federal portion if it was not forthcoming.

I'd just like to say an aside, Mr. Speaker, that I should respond to queries from certain citizens in my own constituency and in other places that I'm sure had nothing to do with the real concern of what was involved in that

decision-making. But the Members of the Legislative Assembly from the Edmonton area in the caucus agreed very quickly. I realize their decision had nothing to do with the possibility that they wanted to see any wins by a team in Edmonton over a team in Calgary.

Mr. Speaker, we've had some discussions . . .

DR. BUCK: When are you going to cover the stadium?

MR. LOUGHEED: We'll no doubt hear that debate further after the 75th Anniversary is concluded.

Mr. Speaker, the discussion in the select committee of the Legislative Assembly with regard to Kananaskis was significant. I personally had an opportunity, as did many members, to visit the Kananaskis project. To me it is one of the most exciting and unique developments of recreational activity that has occurred anywhere in Canada and, for those members who have not had an opportunity to look at what is developing there, I suggest they do. It's going to be an outstanding project for our province.

Moving next to the area of housing, Mr. Speaker, there's no need for me at this stage to give a detailed outline of our housing programs, which are unparalleled in Canada. But I did want to refer members of the Assembly to the report, issued by the minister and distributed to all members on October 7, involving an outline of provincial housing programs. It is a very extensive summary of the nature of those programs. The key programs on an April 1 to October 1 basis: the family home purchase program has increased in terms of units by 36 per cent, and the core housing incentive program has increased by 71 per cent. But we should all be aware that our housing starts are down from the record high levels. They are down quite clearly because of the withdrawal from that area by the private sector as a result of federal financial policies. The provincial initiatives we announced [in the] spring are in full operation and working well. We will be completing a monitored assessment of their impact, and no doubt the minister will wish to report to the Assembly with regard to that as soon as he is able.

In summary, Mr. Speaker, despite the pressure we've had on the energy and the constitutional side, we've made considerable progress on programs that improve the quality of life of our citizens.

I'd like to move next to the economic situation in the province and our economic programs. First of all the economic outlook. There's no question that the Alberta economy is showing signs of a slowdown. The threats of federal takeover of our energy resources and the lack of confidence in Ottawa's economic and financial management are the basic reasons. The Alberta economic boom has been primarily caused — and we should not forget this — by investor confidence in Alberta and in the Alberta government. Now that federal policies seem — regrettably, and very seriously regrettably — to have the objective of tearing down the strengths in Alberta and the west, the impact on investor confidence is showing up in a variety of ways. In our base industry of agriculture, we're fortunate that we've had a good harvest. Over 95 per cent is off the field, and we have yields from average to high.

About economic measures, I'd like to raise just a few words from a departmental point of view. In terms of Agriculture, the feed freight assistance program has been of assistance in serving our winter supply of feed to maintain basic herds for our producers. The temporary stop-loss program for hogs, which was a matter of con-

siderable discussion in the spring session, is in place. Some \$11.8 million will be committed by the end of September. But market prices have improved, the program has clearly achieved its purpose, and there is a need for a long-term stabilization program. The Agricultural Development Corporation now stands at \$236 million, in terms of its outstanding commitment. That program started at \$50 million, and direct lending since April has doubled compared to the same period of a year ago.

I'd like to say a word too about irrigation, a very important part of the economic situation in Alberta and particularly southern Alberta. The ministers of Environment and Agriculture together made a major announcement in late August with regard to water resources and irrigation development in southern Alberta. It involved massive funding to assist irrigation districts in rehabilitation and upgrading of their water distribution systems. It also involved a massive commitment for major water conveyance and water storage systems. The purpose of this is to utilize fully the potential we have in southern Alberta, enhancing the long-term stability of this part of the province: a very important move.

Specifically referring to Environment, we have a grant program to assist communities to install phosphorus removal equipment as part of their sewage treatment, which again has been a subject discussed in this Legislative Assembly.

Relative to Economic Development, Mr. Speaker, some concern was expressed during the spring session about the Prince Rupert grain terminal project, that formed a considerable part of the discussion during our last provincial election campaign. We now have agreement on financing: \$200 million in funding by Alberta. I do not think it's stretching the assessment of that to say the province of Alberta was the catalyst. Without the leadership role we have taken here, that project would never be the reality it is today. It provides very major benefits to our Alberta farmers. This of course is another example of the use of the heritage fund benefitting, not just Alberta but all of Canada, specifically those not directly in the resource area.

We are in a position to be seeing shortly 1,000 hopper cars, financed by the government of Alberta, starting to come into the system by mid-December. I think members should be aware that what we're doing here, and what other provinces are involved in, is financing projects that are clearly federal responsibilities. The federal government has responsibility with regard to transportation, yet because of an inadequate fleet of hopper cars, we're taking the position of moving forward and financing those cars to improve the situation of grain transportation in Canada.

Another area one should mention, in terms of Economic Development, is the important decisions that have been made, starting in Lethbridge, to use more effectively the land in some of our centres by way of rail relocation. That is very valuable to the strengthening of communities in our province.

Another one I'd like to mention is the whole question of international trade. The Minister of Economic Development together with the Minister of State for Economic Development — International Trade — and I welcome him back to Alberta again. We certainly have had a very important period of activity involving increased trade show activity; new market penetration of Alberta products in many diverse areas of the world; import replacement — another thrust they've been working on; and expanded coal markets as well. A great deal of effort has

been made by our province to recognize that we live in an international trading community. We have taken a role perhaps not normally taken by provincial governments, but perhaps because of our frustration at times with federal actions in this area, we felt we should be more aggressive, and we certainly have been so.

In Economic Development I should mention as well that our petrochemical projects within Alberta in the past six months have just been very exciting. It is one of the areas that has been very positive in terms of our economic activity.

Tourism has had an excellent year, although I think we should be prepared to give a great deal of credit to the Homecoming and 75th Anniversary as a reason for that, and Travel Alberta has been active in their new industry awareness program. In the past year, ending March 31, the Alberta Opportunity Company has had a record year, but in the last number of months, which is somewhat traditional at this time of year, only 202 small business loans and guarantees, which is down somewhat from the previous term. It's interesting to notice that 55 per cent of all applications have been approved. The small business arm of our government has been active in a multitude of ways. In counselling assistance, there were over 1,900 inquiries. The Alberta North conference will get under way in late November in Grande Prairie, and follow through with the government's emphasis in that area.

I should say a few words about Utilities and Telephones, particularly the major measures we announced this summer, which I'm sure hon. members may wish to raise in terms of legislative debate: first of all, the revised natural gas protection plan, that involves a 35 per cent subsidy of the Alberta border price, but secondly, a very imaginative approach that the minister brought forward relative to the remote area heating allowance, which is a new program, to assist by 35 per cent of the purchase price those Alberta residents who use fuel oil or propane for residential purposes and cannot be involved in a practical way with our rural gas system. I think this is a very significant step forward in terms of rural Alberta. Alberta Government Telephones is involved with new officers and outside directors, and I know the minister will soon be coming to this Legislature with some proposals of new directions for Alberta Government Telephones.

Relative to forest management, the agreement with B.C. Forest Products is well under way in the implementation stage. Relative to public lands, 24,000 acres have been made available recently, primarily for new settlements in the Peace River region.

Transportation: as you know, we had a very large budget appropriation. I think we've had generally fair construction weather. The pavement rehabilitation program is under way, and we're having good progress in our secondary roads system in the summer and fall.

In Municipal Affairs, the city of Fort McMurray — as of September 1, it's the city of Fort McMurray. Again that reflects the growth of the province. I was able to be present with the MLA for Pincher Creek-Crowsnest at a meeting there with the Crowsnest Pass municipality. Just as a personal experience: you're often involved distantly in some of these decisions here in the Legislative Assembly, but that was a very practical experience I had this summer. A decision we made, worked on very well by the MLA, created a situation of overdue bringing together of a number of communities in the Pass into one municipal council, to the benefit of all involved there.

The reform of our property tax assessment, by way of procedures and practices for rural Alberta, has generally

been well accepted and is under way.

Mr. Speaker, that reviews in a very brief way the action we have taken as a government in terms of people programs. There are a number of items that other members may wish to bring forward in the course of debate on this motion, but it shows that despite these energy and constitutional pressures, we've been extremely active in a number of areas for our citizens. Internationally, I have mentioned the many trade trips that have been involved. But our Minister of Federal and Intergovernmental Affairs has also been involved in strengthening our international situation in terms of information, intelligence, and communication.

This brings me to the fall session for a brief word of comment. In addition to this motion, Mr. Speaker, we obviously will be presenting to the House a number of items of legislation; of course an important one today, The Referendum Act. No doubt members will wish to debate the constitution and the constitutional proposals of the federal government, the unilateral proposals. Mr. Speaker, the Government House Leader and I would suggest this motion would serve as an ideal place to do that, which we trust will be satisfactory to members of the Assembly. As far as energy is concerned, we're all aware that eight days from now the federal budget will be brought down, which will involve energy issues. After a few days and an opportunity to analyze that budget, no doubt we could consider a special debate on the whole issue of energy in the province and in the country.

Relative to the heritage fund, we will have the traditional debate after the report of the select committee with regard to the appropriation of the 30 per cent of the natural resource revenues, and we'll also have consideration of the estimates for the capital projects division.

Mr. Speaker, I'd now like to move to the two subjects of energy and the constitution — first, to energy. I believe it's important for members of the Assembly to have a report and accounting in some detail by the leader of the Alberta government at this time on developments over the past five months. I think there's no need for me to emphasize in this Assembly the significance of oil and gas revenues to our province. We're all aware that 55 per cent of our budget comes from natural resource revenues. We're aware that we utilize 70 per cent of natural resource revenues for current purposes and put aside only 30 per cent for the Heritage Savings Trust Fund. I believe all members of this Assembly do not need any reminder about the economic significance of oil and gas, and an active petroleum industry in terms of job security and stability and prospects for advancement. As we've mentioned, and as I mentioned at length a year ago, we have worked hard on our thrust of economic diversification, and we've made considerable progress. But as we said back in 1971, it would be a difficult task for a province with only 2 million people, distant from markets and tidewater, to fully realize its objective of economic diversification for some time. That, of course, has been compounded by the emphasis that has been placed during the decade of the '70s upon the area of energy, and oil and gas in particular. During the period 1974 to 1979, the whole matter of domestic pricing of conventional crude oil and domestic natural gas sales was established by way of agreement, after difficult negotiations, between the federal government and the government of the major producing province, which is Alberta.

I'm sure all hon. members are aware of the realities involved. The reality is simply this: under the Canadian constitution, Section 109, the provinces own the re-

sources, and with the ownership go rights and jurisdictional positions. Of course that involves the determination of what resources should be developed, in what way, and the pace of that development. Those are clearly the rights of the provinces who own resources under our constitution. However, as we have said before, but important to repeat: when a province produces a resource and it moves from the wellhead into interprovincial trade, at that time the federal jurisdiction comes into play under the constitution. So you have the obvious balance in our nation today, where you have federal jurisdiction over interprovincial trade and provincial ownership rights. Quite clearly they have to be reconciled, and that has been the way between 1974 and 1979: a reconciliation by way of agreement. Neither party can dominate the other, therefore there has to be agreement. We've recognized that over the course of the years 1974-79 by agreeing to phasing in the price of oil to commodity value. We've agreed to selling our natural gas at less than the price at which we're selling our conventional oil, to encourage substitution among other reasons. That has been the history of the Canadian energy scene in that period of time.

I'd like to remind hon. members of the negotiations this government conducted last fall with the then federal administration under Prime Minister Joe Clark. That negotiation was conducted essentially with the same civil servants in senior capacity who are in place today in the federal Department of Energy, Mines and Resources. Inaccurate suggestions have been made that the delay in concluding those arrangements was the factor in terms of the approach of the government of Alberta, but that's not so. If you check *Hansard* on November 13, 1979, you'll recall our bringing forth a ministerial statement of our deep concern over a new approach being suggested by federal officials, the same federal officials that are in place today, of a wellhead tax on production, which is essentially a federal royalty on a provincial resource. That, among other factors, delayed the negotiations which were finally concluded, and an agreement was struck with the Clark administration on or about December 11, 1979.

It was an arrangement that we felt was good for Canada and good for Alberta, because it recognized the great benefits to our country of being self-sufficient in energy. It recognized too, as an approach, that it would assure the manufacturing complex in Ontario a significant competitive advantage. It would assure the manufacturing complex in Ontario something even more important than that: an assurance of energy supply, when the basic competitors across the border in the United States would not be able to have that assurance into the mid- and late '80s.

The benefits to our country — and almost every economic and academic analysis that has been made on this subject confirms that energy self-sufficiency for Canada in its multiplier affect and in its competitive position with the United States, is a very, very major economic plus for our country.

It's also clear, by almost every economic analysis that has been made, that it is not energy prices that in any way put the manufacturing complex in Ontario, or for that matter anywhere in Canada, into a competitive disadvantage. Almost all the manufacturing complex involves a situation where energy is only 5 per cent or less of total energy costs. The facts are, and the analysis is clear, that in terms of a competitive situation only two or three industries are affected in any significant way. The fact is that the Alberta/Ottawa agreement of December 1979

did give a permanent position of competitive advantage as well as a determined effort to secure oil self-sufficiency for Canada with very significant benefits to this country, and I want to return to that.

We're aware of the decision of the voters of Canada on February 18, which saw a shift in support for the Clark administration in Ontario and certain other parts of the country but certainly not in western Canada. The support in western Canada on February 18 for the whole concept of approach to the provinces as reflected by the Clark administration is illustrated by the results of that day. The present federal government, as we all know, has no representation at all in the provinces of Saskatchewan, Alberta, and British Columbia, and nominally in Manitoba, with two seats. That is a situation that any Canadian looking at this matter should not ignore. It's a message to be very much aware of.

In that election, the federal Liberal government opposed the 18 cent a gallon tax at the pump. To set the record straight — because I had to do that on a number of occasions this summer; we're aware here, but it should be in the record of *Hansard* — the 18 cents a gallon at the pump was a federal Conservative government measure that had no relationship to the agreement we entered into with them over pricing at the wellhead of our conventional oil and natural gas.

The pricing agreement that was in existence between the federal government and the Alberta government was due to expire, as we adjourned this Legislature in late May, on June 30 this year. Now I have written down in my note here the word "negotiation", and I have some difficulty with the use of that term. There had been discussions and meetings between our Minister of Energy and Natural Resources and the federal Minister of Energy, Mines and Resources on the matter of oil and gas pricing. I believe our Minister of Energy and Natural Resources has been accurate in stating that it is really not appropriate to refer to these discussions as negotiations. They've really been a series of ultimatums by the federal minister.

In mid-June, after the Quebec referendum — because the federal minister was not prepared to get into discussions until that time — there was a meeting of some two days in duration in Ottawa between the Minister of Energy and Natural Resources of this province and the minister from Ottawa with no progress whatsoever and no effort to negotiate or compromise by the federal government. That's a very strong statement, but an accurate one. The decision was then made to extend the pricing agreement until the end of July this summer, to give the Premier of Alberta and the Prime Minister of Canada an opportunity to become involved in the whole matter of energy issues. I met with the Prime Minister for two days, on July 24 and 25.

The Minister of Energy and Natural Resources has tabled in the Legislature today, Mr. Speaker, a very important document. I ask our hon. members to consider it very carefully. I believe it's important that it be reviewed here at this time. It starts with an oil-pricing proposal over a four-year period and sets as its target not 85 per cent of the world price, which was the arrangement made with the Clark administration, but 75 per cent of the North American price. That is a very major compromise and concession, if you like, by the government of Alberta in an effort to make an arrangement with the federal government.

Some suggest that the use of the phrase "North American price", which excludes Mexico, gets into a situation

with regard to the American decontrol that's insignificant. I suggest that's not valid. Any appropriate reading of that situation in the U.S. Congress indicates that we are therefore accepting a view of the U.S. Congress over the course of that four years of altering a position of full and complete decontrol, which is a distinct possibility. But in addition to that, we have dropped our target from 85 to 75 per cent of the North American price with all of the attendant benefits that would provide to Canadians.

It would continue a situation where Canada then would have a price for its conventional oil lower than any developed country. In terms of comparison, if you go to petroleum exporting countries such as the United Kingdom, you see that they are in fact selling their oil to their own citizens at the commodity value. So that is the position we have taken. In addition to that, we took the view that we would have natural gas pricing at 85 per cent of the cost of oil to encourage natural gas.

Then we made a number of important undertakings to increase oil and natural gas supply: first of all, substitution of natural gas for oil. The gas would be priced at the Toronto city gate at 65 per cent of the cost of Alberta oil. This means, of course, that it would be a very significant incentive to substitution in Quebec and the Atlantic provinces, and through Ontario and Manitoba, to shift to the use of natural gas for home heating and commercial heating wherever it was practical to do so. It would be economically valid to follow through on that for Canadians, having regard to our very seriously declining reserves of conventional crude oil and our supplies of natural gas that we have discovered.

In addition to that, the eastern pricing zone would be extended to include Quebec City, which would result in Alberta paying the cost of transporting natural gas to that new market. As part of this proposal, Alberta also offered to have an all-out effort to develop the oil sands of this province, an asset owned by the people of the province of Alberta. The view of most is that development off the shore of Newfoundland, which includes its jurisdictional difficulties, will take some time, and that the best possibilities for Canada in terms of new domestic supply come from accelerated development of oil sands plants. Alberta was therefore prepared to commit, by way of risk investment and equity financing, up to \$7 billion in the proposed Alsands, Cold Lake, and a third new oil sands plant. This would have resulted in Canadian ownership in these next three oil sands plants exceeding 50 per cent.

We also committed ourselves, even though the oil is not required for our own needs here in Alberta, to put in place the costly infrastructure for the plants, and an additional commitment of the facilities necessary to have a permanent work force in the Fort McMurray area to ensure continuous oil sands development. As part of this offer we were prepared to accept a royalty for the people of the province of Alberta, who own the resource, lower than the Syncrude royalty, and that is for both the Alsands and the Cold Lake projects. This would have resulted in the federal government receiving billions and billions of additional dollars in corporate taxation over the lifetime of the new plants.

In addition to that the government of Alberta agreed as part of this package, or was prepared to agree as part of this package, not to increase its royalty levels on conventional oil and natural gas, regardless of future price increases — and that was a significant long-term commitment — and that Alberta would continue its exploration, development, and enhanced recovery programs, such as

the exploratory drilling and geophysical incentive program that you are aware of, our system of low royalties for new discoveries, and the very important area of enhanced recovery schemes and lower royalties for low-productivity wells.

Mr. Speaker, I'm going into this detail so that if we are required later in the fall Session — and I regret that no doubt we probably will — to go into detail over the question of what's involved here, Members of the Legislative Assembly are fully and completely aware of this Alberta proposal of July 25.

In addition to this, Alberta was prepared to make other investments in Canadian energy self-sufficiency. We were prepared to provide the entire financing necessary, equity and debt financing, to ensure the construction of both the Quebec and maritime portions of the Q & M pipeline, designed to carry Alberta natural gas to eastern Quebec and the maritime provinces to replace imported high-cost foreign oil. We were prepared to expend hundreds of millions of dollars of additional funding to the Alberta Oil Sands Technology and Research Authority to stimulate the development of enhanced recovery schemes, a very important area, thereby increasing the recovery of oil from existing fields. We now get only some 38 per cent of production under existing methods from our existing conventional fields. So that's a very major area.

In addition to that, we were prepared to finance, upon the invitation of the federal government and the involved provinces, other energy projects such as eastern refinery conversions, western electric grids, and similar projects to assist Canada in its goal of energy self-sufficiency. We made a calculation, and said the advantages to the nation of these substitution programs and additional supply initiatives, including the Alsands and Cold Lake projects, would be to reduce Canada's dependence on foreign oil by approximately 600,000 barrels per day by 1988. In 1988 it's estimated it's going to cost Canada \$15 billion in one year to import those 600,000 barrels of production per day. Today it's a \$2 billion bill; by 1988, without that 600,000 barrels, it would be a \$15 billion bill.

In addition to that, although it's not the responsibility of the government of Alberta, to use our funds to strengthen not just Alberta but all the west, we were prepared to commit by way of outright grant over \$2 billion of unconditional funding to improve transportation for western Canada, not, as has been suggested, Mr. Speaker, as something we would determine in a jurisdiction of the federal government without the federal government involvement, but that the four western premiers would meet and establish priorities and the federal government or its appropriate agencies would then approve the projects. Now we said all of this subject to provisions with regard to taxation: first of all, that there not be a tax on natural gas exports, for reasons of which we're all acquainted here and I'll deal with that in a moment; or a wellhead tax, which we discussed, as I mentioned, last fall, on either oil or natural gas; or punitive taxation of an industry centred in this province that affected jobs in Alberta in a significant way.

Well that, in some considerable detail, was our proposal of July 25. The proposal was rejected in its entirety by the Prime Minister and the federal government. Many throughout all parts of Canada have assessed that proposal as being reasonable, generous, and in the best interests of Canadians. It was rejected in its entirety as a package proposal for energy self-sufficiency for Canada, in the interests of Canadian harmony, Canadian unity, and Canadian economic strength.

Mr. Speaker, on August 1 the province of Alberta moved to increase the price by \$2 a barrel, which still left the value of our conventional oil being sold as it is today at approximately 50 per cent of its value. On October 2 the federal minister of energy came to Alberta to attempt to get Alberta to separate its position on the oil sands from that of the other aspects of energy in terms of conventional oil and natural gas and presented a proposal with regard to non-conventional pricing for the oil sands developments, and of course received the response he anticipated from our minister, that it was all that we presented on July 25, part of a total package.

Mr. Speaker, I think it is important for me to outline next what we've attempted to do to establish support from other provinces — at least eight other provinces — for our position with regard to energy. We had discussions. I had them personally during June with Newfoundland, Nova Scotia, and New Brunswick, and also in consultation with Prince Edward Island. In June as well with Manitoba, and the cabinet in Manitoba. Then, of course, on my way to see the Prime Minister in July, I went to see the Premier of the other oil-producing province, Saskatchewan. He issued a statement on July 22 with regard to that:

Premier Lougheed and I agree that price increases have not been rapid enough to compensate fairly the people of Alberta and Saskatchewan for the sale of . . . oil resources which they own. It is simply not fair that we should be asked to sell our oil to the rest of Canada for \$14.75 a barrel, when that oil would command a price of \$38 in the world market.

He goes on to state:

Although the federal government has agreed to pay the full world price for Mexican oil, it won't pay Canadian producers anything close to that . . . readily available, good quality Canadian oil for which the payments would remain in Canada.

Mr. Speaker, I move next, in terms of support of provinces, to the important meetings we held between the cabinet of British Columbia and the cabinet of Alberta, initiated by the Premier of British Columbia. As I mentioned earlier, those meetings were held on July 11 and October 3. Out of the meeting on July 11 came a joint statement from the two cabinets, agreeing

. . . that an energy export tax would be a wholly unjustified attack by the federal government on provincial resource ownership. Its effect would be to capture for the federal government, other than through normal profit taxes, a portion of the sale price of a provincial resource.

We discussed as well the question of natural gas export pricing, and that involved, subsequent to that, discussions the Minister of Energy and Natural Resources and I had in terms of market potential with the U.S. Secretary of Energy en route to Alaska during July. We discussed the matter of markets. We're all aware that the price at the border now, \$4.47 per thousand cubic feet, is overpriced in terms of the realities in the U.S. market, that volumes from both British Columbia and Alberta sales are down substantially, and that our pricing — that is, the federal government's pricing approach for natural gas exports — is not an effective approach.

In addition to that, the two governments discussed ports and transportation along the lines of the transportation initiatives I've mentioned as part of our July 25 proposal. We then had a meeting of all 10 provinces, the premiers' conference in Winnipeg. At that time we initiated a communique on energy, which I believe should

also form part of the record here as we move forward with this issue.

The Premiers, other than Ontario, at their Annual Conference in Winnipeg, registered their opposition to any federal tax on the export of provincially-owned resources including electricity. These provinces view such a tax as a direct attack upon provincial proprietary rights over resources as provided for in the Canadian constitution.

Later in the communique:

The Premiers, other than Ontario, agreed that the price of the depleting reserves of Canadian oil should rise in stages to more adequately reflect the value of the resource but with the proviso that such price should consistently allow for a significant and substantial benefit to Canadian consumers and manufacturers in comparison with American consumers and manufacturers.

That, of course, is what our July 25 proposal does.

Mr. Speaker, because of the seriousness of this energy situation, I'm sure hon. members are attempting to evaluate what, in addition to lining up the support of eight of the nine other provinces, the provincial government has done in these five months in terms of communicating our position. We've taken advantage of many podiums throughout the country. I have spoken in Toronto, New Brunswick, Halifax, and Winnipeg, and to the Canadian community newspapers here in Edmonton. The Provincial Treasurer is in Toronto today, an address with regard to our resource and constitutional position. Our Minister of Energy and Natural Resources has spoken on a number of occasions. Certainly we have canvassed that approach in the maximum way we can.

We've accepted whatever opportunities have been available to try to get the message of self-sufficiency across, and the reasonableness and effectiveness of the Alberta proposal of July 25. We even went so far as commissioning a public opinion poll on these sorts of subjects, which is something we've never done before. We did that because a certain newspaper in a central city in a central province issued a statement to the effect that the positions being taken by the Premier of Alberta were not supported even by his own citizens. That caused me some concern. The question was a good trick question. I'm used to it. From memory, it was: do you believe the exclusive jurisdiction over resources should be with the provinces or the federal government?

It was purely a trick question. This government has never, in any way, suggested exclusive jurisdiction. For example, we've accepted federal jurisdiction in the area of determining whether a particular resource is surplus to Canadian requirements, and in a number of other ways. In any event, it was important for us to get an assessment. I won't go into detail except to say that people throughout Canada, even a significant number of people in the province of Ontario, agree with and accept the position with regard to the ownership of the provinces relative to resources.

Mr. Speaker, I want to assure the Legislature that we have done and will continue to do everything we can to work out this situation on the basis of negotiations. However, indications are that the federal government is determined to move unilaterally in eight days, and try, no matter how it might be interpreted or presented, to take over control of Alberta resources to all intents and purposes. I sadly say that if they proceed on that basis, we will throw away, for as long as one could judge, our prospect of the economic potential for Canada, and what

that means for us in terms of jobs and reducing employment by being oil self-sufficient, when many other countries in the world in the late '80s will not be able to. Throwing away an opportunity to create activity in this country will have a multiplier effect across all of Canada, and a very significant impact on the Canadian economy in all parts, with a strong west and a multiplier effect in the manufacturing centre. We're on the verge of throwing that opportunity away by the actions of the federal government. I hope I'm wrong, but today I can give this Legislative Assembly no indication other than that analysis.

I conclude my remarks by reference now to the constitution. First of all, Albertans instinctively understand that the two issues of resources and the constitution are interwoven. We're aware of that because we as westerners know that it is only through the economic leverage we have through our resources that we can create adequate pressures to assure that we can have a fair deal from a central government in Ottawa. That's been the history of the west, and certainly the history of Alberta.

The constitution: what are we talking about? We're really talking about the kind of country we're going to have. This is something we all feel very strongly about I'm sure: what kind of country?

First of all, how did we start? We started by what essentially became provinces agreeing to get together to create a federal state. What's a federal state? A federal state is surely a system of government, of balances, where the central government cannot dominate, where the provinces, as we have them here, are a balance to domination by the central government, have jurisdiction of their own, have the strength through resources to make their own decisions, to capitalize upon the opportunities and potential of the various parts of this country.

I don't know a thoughtful Canadian who doesn't accept the position that what we need in Canada is not, on one extreme, 10 independent provinces going their own way, with no effort to pull together a national will or a national direction. On the other hand, I think, and the Gallup public opinion poll on September 24 indicates unequivocally, that the vast bulk of Canadians also want to see strong provincial governments. Why?

We have to analyze the parliamentary system, Mr. Speaker. In a parliamentary system with a majority government you have a situation, unlike the United States, where there are no realistic checks and balances, where the voting strength on a population basis from the central provinces can continue to be dominant. The reality in Canada today, difficult as it might be, is that the only real balance in our system to an overriding domination by the central government comes from strong provinces; not weak provinces, strong provinces.

Perhaps — and we entered into that discussion; I'll refer to it in a moment — there is merit in considering some national institution, such as a house of provinces, that can create in the federal system a different balance than the provinces and the leaders of government in those provinces. We're prepared to look at that as an approach. But the facts, the reality, are that in Canada today the only force that can balance a dominant central government in the parliamentary system is provinces with strength and determination and resolve. That's a reality. Therefore, we're talking about a federal state which creates that balance — that check and balance, if you like.

We have before us now in the federal House proposals that in my judgment and the judgment of many will

dramatically change that. For the fact is that if the federal government is able to move unilaterally to create a new constitution for this country, to override the objections and the opposition of a majority of provinces, we have a different Canada. From that point on, there's no question that we in this Legislature are relegated to a junior government position in a very substantial way.

Mr. Speaker, my suggestion to you and the Members of the Legislative Assembly is that if that's what you desire, if you want to see an even more dominant federal government than we've seen historically, then support the proposals of the Prime Minister. But if you want to see continuation of the federal state as we know it, then I think you need to oppose the concept of unilateral action with all the strength of will and conviction you have. [applause]

Mr. Speaker, it isn't an issue of patriation; it isn't that issue at all. I think the vast majority of Albertans or members of this Assembly would favor the concept of patriation, and we have. I'll come to that in a minute, relative to the amending formula. Those who assess Canadian and public opinion on this issue in relation to the simple question of patriation are misguiding themselves, because there are two issues for the people of this country. Only one issue is fully before them right now, and that is the issue of patriation. But over the months ahead the patriation to what, in terms of a new Canada, will become more and more evident to Canadians as not being what they in fact want. Therefore, we in the Alberta government have a position, and let's make it clear: we have and will continue to support the concept of patriation, provided it adequately safeguards the provinces and the federal state as we know it.

Mr. Speaker, let's go through a little history on this important matter. On June 8, after the House adjourned here, I attended the first meeting of the first ministers, and we agreed on 12 items of the agenda. Then, during the course of the summer our Minister of Federal and Intergovernmental Affairs and his officials met with the ministers of the nine other provinces and the federal government.

Mr. Speaker, that brings me to what I think is appropriate; that is, a review of the key issue that involves Alberta, in our judgment, and that's the amending formula. But before I do that, I think we should review what has already been debated at considerable length in this Assembly: the Alberta position on the constitution. During the fall of 1978, the government presented — and I believe we're still the only government that has presented a position paper in the Legislative Assembly and had it fully debated, where every member of the Assembly in the fall of 1978 had the opportunity to express their views. We presented that document, entitled *Harmony in Diversity: A New Federalism for Canada*.

In that document we said that "in any new arrangement, several fundamental principles must be preserved and fully respected." I'd like to review that for all of us to recall: first of all, that "responsible parliamentary government must be the basis of our system of government"; in other words, endorsing parliamentary government; secondly, that "the principles of constitutional monarchy must be maintained"; thirdly, that "all provinces have equal constitutional and legal status within Confederation"; fourthly, that "strong provinces make a strong, viable Canada, complementing the role of a strong federal government"; next, that "within their respective spheres of jurisdiction the two orders of government — federal and provincial — are equal, neither being subordinate to

the other"; and lastly, that "each of the two orders of government must respect the responsibilities and jurisdictions of the other". That was the position taken in this House, and it was that position I then took to the first meeting on the constitution in the fall of 1978.

Mr. Speaker, I recall being at the first ministers' conference in February 1979, where I again presented this statement "Harmony in Diversity", as a clear position of the government of Alberta before the last provincial election. I reiterated our position on that in terms of my remarks in this Legislature before we adjourned last May.

I'd like to go next to the September 8 to 12 meeting. I think it's only fair that I recall for hon. members some of the highlights of the 12 items that were discussed there. Mr. Speaker, there were 11 governments, and Alberta was with the majority of the governments on every single issue of the 12: a very important point to remember. In going over these items, we felt we were looking not just for . . . Let me put it this way: in taking a position on the 12 items, our premise was what was good for Canada in relationship to these principles. It was our premise that we were not down there to be lobbyists, brokers, or traders. We took each item on its own merit and what we thought was good for Canada, and we took that position.

On communications, we generally supported the position presented by a number of other provinces. On offshore resources, we'd be prepared in question period at any time, Mr. Speaker, to answer questions and elaborate on why we feel we'd have a better Canada if provinces like Newfoundland and Nova Scotia were not dependent on the whims of bureaucrats in Ottawa, but had the self-respect, self-esteem, and confidence that would flow from having the ownership of those resources for their own development. On fisheries, we agreed with the other ministers to support the position taken by the provinces, of expanding the role of fisheries to the provinces. We confirmed our view on equalization, to support a draft that had been discussed by way of principle on equalization.

We were part of initiating an amending formula called the Vancouver consensus that I'll come back to. We agreed on a preamble that used wording that the federal people had suggested. They did not accept our ideas in the Supreme Court, and we came around to agreeing generally with the approach that had been suggested there. We discussed family law, which was not a major matter to us, and endorsed it. We went along with our cousins in British Columbia on their suggestions with regard to the Senate. We joined with the majority of provinces in stating that a charter of rights was not the best way to protect rights — again, happy to answer any questions on that; we've discussed that here before. On natural resources, we took the position that we needed a position that had been discussed in February 1979, but strengthened. And in terms of powers over the economy, we agreed with a Saskatchewan proposal to constitutionally entrench the principle of an economic union.

That's the summary of 12 points, Mr. Speaker. I've already mentioned that public opinion in this area indicates very clearly that Canadians want to see a strengthening of their provincial governments across Canada. We all know that meeting ended in a very unsatisfactory manner, with no acceptance by the federal government, and a few other governments, of what the provinces had come up with over the course of the summer.

We've now had the Prime Minister propose, on October 2, a package of a constitutional Bill which is a unilateral move by the federal government. This Bill does

not follow through on undertakings given by the Prime Minister on two occasions: one, in 1976 in correspondence in which he assured the provinces that in any constitutional package there would be adequate safeguards for the provinces, and that they would in no way have any of their rights diminished as a result of patriation. He made that undertaking by use of the word "guarantee" in his opening remarks to the constitutional conference on September 8. The package he presented on October 2 is completely at odds with that because it does, in a very significant way, diminish the rights of the provinces. Mr. Speaker, I think it would have been possible for the federal government to have obtained the consent and concurrence of the provinces if it had been a matter of simple patriation, if we had been dealing with an issue of patriation as a symbolic move so that the constitution would be determined by Canadians in form as well as in substance.

Then of course we have an amending formula that is so objectionable to Alberta. I want to deal with that at length. Then we have the charter of rights. I've already mentioned the views that I thought were expressed pretty eloquently at the first ministers' conference by the premiers of Manitoba and Saskatchewan. As well, it involved the issue of constitutional entrenchment of French language rights, which we discussed during the course of the question period, and our concern about that. Mr. Trudeau's proposal has a statement with regard to equalization. I think we've made clear our position that we accept that in principle.

Mr. Speaker, what to do? First of all, if a provincial government feels that moves by the Prime Minister are not in accordance with the law, the custom, or the convention of this country, there is no way that they don't have a responsibility — in my judgment a clear responsibility — to test this matter in the courts. I think we have that responsibility, and six provinces are doing it.

I remind hon. members, Mr. Speaker, of the Senate reference case. In the Senate reference case — I can't remember his portfolio then; Attorney General I presume — Mr. Otto Lang said, we can change the Senate any way we want; we don't have to have you provinces concur. That's what he said publicly. Then he was challenged on the validity of doing that, if you recall. Finally, after some pressure, he relented and said, well, let's let the court determine that, and a reference was made to the Supreme Court of Canada by the federal government at the urging of the provinces as to whether or not the Senate could do that. That reference was made and, perhaps unfortunately, the decision of the court came out between Christmas and New Year's, which isn't exactly the best time for communication. I don't think the decision was too widely communicated for that reason. The Supreme Court of Canada stated unanimously that the federal government could not order or amend the basic structure of the Senate without the concurrence of the provinces: a very important decision. We have assessed this, as the question period indicated, and reached a conclusion that we should test in the courts the legal validity of the federal moves, which we seriously question.

I am disturbed that the Prime Minister may have stated — and I say "may", because I'm not certain about having heard it from him personally — that the move of the premiers with regard to this matter is one of delay and obstruction. It is not. It's one of principle. In fact, I would suggest we're derelict in our responsibility as a

provincial government not to test the validity of these proposals. Although I'll do it on other occasions, it's not my purpose to go into the federal document — which reminded me of the plot of the movie, *Sting* — that was released at the first ministers' meeting between September 8 and 12. I won't get into who the various parties are or what the cast is, but within that document — and they're following it remarkably well — there's a legal strategy. One of the aspects of that legal strategy is, push the matter through the House of Commons and the Parliament of Canada and through the U.K. Parliament before the courts determine it. That has to be offensive to all Canadians, to any fair-minded Canadian.

Mr. Speaker, on October 14, which was last Tuesday, the premiers met in Toronto. Six provinces have now agreed to test that in the courts and, as we indicated, the attorneys general meet on Thursday to discuss the way in which that should be done.

I'd like to go next to the amending formula, which is so fundamental to the province of Alberta, and the history with regard to it. What is the amending formula? The amending formula proposed by the Prime Minister in the constitutional bill is this: for two years we'll have unanimity. Frankly, that doesn't mean anything. Because for two years you can discuss it, but all you have to do is have a couple of vetos, which is the federal government and others, and it's all over. So that's not a reasonable way to undertake that two-year period. We'd be undertaking those discussions literally with a gun at our head.

At the end of the two years, two factors come into play: either the Victoria formula, which I'll deal with, or a national referendum. The national referendum is the same population concept. What's the Victoria formula? It gives a veto to the federal government; it gives a veto to Ontario and Quebec. Then the western provinces, in order to be able to stop some move, have to join together to oppose it, and have to have a population in excess of 50 per cent of the region. The same in the Atlantic provinces. That means of course that Alberta would have to get the support of British Columbia or the support of Saskatchewan and Manitoba in order to resist a constitutional amendment. I don't care how you describe it, that makes us a second-class province. Mr. Speaker, I don't see how members of this Legislative Assembly can accept a proposal on the constitution that makes this province into a second-class province. [applause]

Mr. Speaker, there has been a long history with regard to this matter of the Victoria charter, and it's in the record of *Hansard*. It's in the record of *Hansard* in 1972, when in answer to a question, we made abundantly clear that we rejected out of hand the Victoria charter discussion of June 1971, before being elected to office in September 10, 1971. Then in 1976, we moved a motion in the Legislative Assembly. I want to read that motion. It was passed 69 to 1. I have to give the Member for Spirit River-Fairview credit for consistency. The motion was as follows:

Be it resolved that the Legislative Assembly of Alberta, while supporting the objective of patriation of the Canadian constitution, reaffirm the fundamental principle of Confederation that all provinces have equal rights within Confederation and hence direct the government that it should not agree to any revised amending formula for the Constitution which could allow any existing rights, proprietary interests or jurisdiction to be taken away from any province without the specific concurrence of that province.

There was then an amendment by the official opposition,

which said

... that it should refuse to give its support to any [new] patriation prior to obtaining the unanimous consent of all provinces for a proper amending formula.

That was the history in 1976.

In the fall of 1978 — I've already discussed Harmony in Diversity — this matter became part of our candidates' discussion for the forthcoming provincial election. Our candidates discussed it then, and again on February 1. On February 14 we sought a mandate which followed through on the questions I raised on February 7. Our mandate specifically included support for the constitutional position of the government party as it approached that election, and we received that mandate. I reaffirmed that position in this Legislature in May 1980.

Mr. Speaker, some may fairly ask: it's one thing to be negative, but how about being positive? Shouldn't there be an approach saying, all right, instead of being against something the Alberta government should try to develop an approach by way of an alternative. We went to work, starting in February 1979, to develop an approach called the Vancouver consensus. I must admit that that was tactical. It was being called the Alberta formula, and in my obviously fond hope that we might get some federal support, I thought we might have a better chance if we called it the Vancouver consensus, which it is now being called, in case you're puzzled by it. But what does it mean? It is this proposal, and it had the support of 10 provincial governments in Ottawa in September: two-thirds of the provinces representing at least 50 per cent of the population could make amendments, which meant that Alberta could not veto a proposal of constitutional change that involved fisheries in the Atlantic provinces that didn't involve this province. We have never asked for a veto. But it did say that if any amendment involved the powers of the Legislature of a province to make laws, or the rights or privileges granted or secured by the constitution of Canada to the Legislature or government of a province, or the assets or property of a province, or the natural resources of the province, then that province wouldn't be affected by it; if it came into the Legislative Assembly, to opt out of it.

Now the objection to this formula by the Prime Minister is that it could create a checkerboard effect where there would be different constitutional provisions. I recommend a reading of the existing British North America Act to anybody who takes that position, because that is in there in spades right now. No formula is perfect, but with this formula we would have a situation of equity, where a province couldn't stop other provinces by way of veto just for something that it had wanted itself when it was a smaller province. We went that far. But we said, when it comes to something that could be imposed upon us ... Some say, this is academic; it couldn't happen. Well, I was in the room when the former Premier of British Columbia said, Mr. Prime Minister, I'll tell you what I believe about natural resources: you nationalize them and you can take them all to Ottawa. We're not talking about anything academic at all. We're talking about a reality for this province, a reality in terms of equity and fairness.

I guess if I were in Ontario or Quebec I'd think it was great; I'd win twice. I've got a system of government in Canada; I've got it both ways now. I've got it both ways because we have, as we should, representation by population in the federal government and the federal Parliament through the House of Commons. So I get it there,

through our provinces. I get it a second way. Now I get it a second way through the Victoria formula in the federal government's amending power. Now we can control it twice: control the resources of those provinces out west and the Atlantic region. So we get it both ways. Well, that's what this debate is about. This debate is about a unilateral change in our constitution that will change the fundamental nature of Canada by reducing the provinces, because it is unilateral, to subordinate junior governments. At the same time, it'll bring in a constitutional amendment that loads the dice against the western and Atlantic regions. I believe that Albertans in the vast majority are becoming more and more aware of what this means, and why they can describe it with one basic simple word: unfair. Because that's what it is! [applause]

Mr. Speaker, I close with just this comment. Some say we must move ahead with this constitutional change and this patriation because it creates uncertainty or because it's exasperating, and because it is a symbol that divides us. What I find sad is that if the objective of constitutional change is to unite the country, the way the Prime Minister is going about doing it is doing precisely the reverse. In a very extreme way, it is tearing the shreds and

the fabric and dividing the nation of Canada. For that reason I, and I hope the majority of members of the Assembly, will support our view of taking whatever action we can to resist their moves and to assure that Canada as we know it and as we thought it was will continue to be the nation we love. [applause]

MR. R. CLARK: Mr. Speaker, I beg leave to adjourn the debate.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, just before moving that the House adjourn until tomorrow afternoon, I would note that the intention is not to sit tomorrow evening, and of course not this evening because of the Commonwealth Parliamentary Association function.

[At 5:05 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]

