

LEGISLATIVE ASSEMBLY OF ALBERTA

Monday, April 24th, 1972

(The House met at 2:30 pm.)

PRAYERS

(Mr. Speaker in the Chair.)

POINT OF PRIVILEGE

MR. FARRAN:

Mr. Speaker, I rise on a point of privilege, and I think that, despite your statement of a few days ago, there are very few genuine points of privilege; you will admit this one is justified.

On Friday, during the televised oral Question Period, the hon. Member for Drumheller asked the hon. Premier to account for an expenditure by me for \$20 for entertainment on November 3rd. The hon. Premier quite rightly said that the whole question of task force expenses had been sufficiently examined at great length on many occasions. At that point, I didn't think my honour was attacked, although I appreciated that possibly the usual innuendo was there, that entertainment expenses were for theatre tickets, or go-go girls, or other forms of high living.

MR. TAYLOR:

Mr. Speaker, on a point of order. There is no honour attacked. He was simply asked what the expense was used for --

MR. SPEAKER:

The hon. member has not yet stated his point of privilege.

MR. FARRAN:

Even then, Mr. Speaker, had I wished to correct or to explain, there was no opportunity in the Question Period because as you know the rules only provide for questions through hon. ministers of the Crown, and not questions and answers to and from private members.

On the front page of Saturday's *Albertan* there was a story that was headlined: "\$20 Entertainment Starts Hot Debate". The story begins:

"What happened to the \$20 Roy Farran, head of the provincial task force on provincial-municipal financing, used for entertainment in the course of his task force duties?" It then goes on to say that "Mr. Taylor also wanted to know what the entertainment consisted of. The hon. Premier did not answer the question, saying the whole task force matter had been dealt with in full in past debates. Mr. Farran did not choose to volunteer the information to the Assembly, which is in the process of approving the entire 1972-73 operating budget. In the meantime, what happened to the \$20 remains a mystery."

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SOME HON. MEMBERS:

Agreed.

MR. FARRAN:

Any journalist will recognize that the way that story has been put together is a calculated smear. There is small hope that any subsequent correction will be given the same prominence on the front page of the paper. I will now explain for the record what the entertainment was.

On November 3rd, the task force met with the Alberta Association of Municipal Districts and Counties to discuss municipal assistance grants, the foundation plan for education levy, possible benefits for senior citizens and assessment problems generally. One meal was bought by this rural executive and the other was paid for me on behalf of the provincial government -- paid for by me. The meal averaged \$2 per head for the people present and was at the Cathayan Chinese restaurant behind the AAMDC office. Unlike Premier Bennett of B.C., I didn't think it was the policy of Alberta to freeload all the time on the local authorities when meetings were called for mutual purposes. However, I will tell you that I have not been reimbursed for other official luncheon meetings such as ones with the AUMA and The Alberta Health Care Insurance Commission.

I will be satisfied that my point of privilege, all \$20 worth, has been properly dealt with, if you will just allow me to conclude with these two lines from St. Thomas a Kempis on the subject of humility and patience. And I quote:

"And why should a little thing spoken against thee make thee sad? Had it been greater, thou should not have been disturbed. But now let it pass; 'tis nothing strange, it hath happened before, and if thou live longer, it will happen again."

MR. TAYLOR:

Mr. Speaker, on a point of order. If the hon. Premier had answered the question, that's all there would have been to the matter.

MR. SPEAKER:

Order, please. That was not a point of order.

#### INTRODUCTION OF VISITORS

MR. CHAMBERS:

Mr. Speaker, I am pleased to introduce to you and on your behalf to the members of this Assembly 117 fine-looking, intelligent Grade VI students from St. Angela's Separate School, which is located in the Edmonton Calder constituency. These students are accompanied by their teachers, Miss Chcmiak, Mrs. Mackie, Mr. Kantor and Mr. Landry. I want to congratulate them all for their interest in observing the proceedings of this House. They are seated in the public and also in the members' gallery and I would now ask that these students and teachers stand and be recognized by the members of this Assembly.

DR. HOHOL:

Mr. Speaker, from the constituency of Edmonton Belmont, 60 Grade V students from the Delwood Elementary School are presently sitting in the public gallery. I should like to introduce them to you, Sir, and through you to the Assembly. With them are two classroom teachers, Miss Laura Miller and Mr. Ervin Barros, also two parents,

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Mrs. De Wacht and Mrs. Guest. And Mr. Speaker, if I mispronounced their names, I apologize in advance because four years pass in a hurry. If you'd rise and be recognized, please.

ORAL QUESTION PERIOD

Industries in Slave Lake Area

MR. BARTON:

Mr. Speaker, with reference to the recent release by the hon. Minister, Don Getty on CBC, Friday night, April 21, 1972, some clarification is necessary for the peace of mind of my constituency. Question: what industries have received offers from DREE under the special areas agreement and incentive plan?

MR. GETTY:

Mr. Speaker, the member has raised a question which would take some investigation. I would appreciate it if he would put it on the Order Paper.

MR. BARTON:

A supplementary then. How many industries have signified they would rather have set up elsewhere other than the Lesser Slave Lake area, as indicated by your remarks on the CBC release Friday, April 21, 1972?

MR. GETTY:

Mr. Speaker, I don't accept the connotation that he's put into my remarks. Nevertheless, I'd like to get all the information he wants, and if he'd put it on the Order Paper, I'd certainly do that.

MR. BARTON:

A supplementary then. How many HRIA meetings have you had with the ministers with authority to discuss the Special Areas program?

DR. HORNEF:

Mr. Speaker, on a point of order in regard to the question period. We've just now had an example of the kind of questions that should be put on the Order Paper and made an Order for a Return. When you talk about how many meetings, when you talk about how many companies, when you talk about how many of these kinds of things -- if my hon. friend for Lesser Slave Lake will peruse Beauchesne, he will find that these are properly matters that should be put on the Order Paper under a Motion for a Return.

MR. BARTON:

Thank you, Mr. Speaker. I appreciate the clarification.

Carbon Black Plant for Medicine Hat

MR. HENDERSON:

Mr. Speaker, I would like to ask the hon. Minister of the Environment a very brief question concerning an announcement about the construction of a carbon black plant in the vicinity of Medicine Hat. I wonder if the hon. minister could inform the House just very generally as to the adequacy of the environmental precautions that his department will be taking to avoid the prospects of air pollution. These types of plants, as I am sure the hon. minister knows, are notorious from the standpoint of air pollution. I am sure

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he has dealt with the matter, but I think it would be of interest to the public.

MR. YURKO:

Mr. Speaker, I certainly agree with the hon. member that this type of plant is conducive to a great deal of air pollution. But I honestly must say at this point in time that I can't answer his question specifically. I would like to take it under advisement and report back to the House. Perhaps the hon. Minister of Industry and Commerce might like to respond in connection with that question.

Industries in Slave Lake Area (cont.)

MR. R. SPEAKER:

Mr. Speaker, a further question to the hon. Minister of Federal and Intergovernmental Affairs. Has he completed the submission for Ottawa, for Mr. Marchand?

MR. GETTY:

Yes, Mr. Speaker, it is in Ottawa.

MR. R. SPEAKER:

Mr. Speaker, supplementary. Would the hon. minister then consider the questions and the concerns that the hon. Member for Slave Lake has in that particular submission?

MR. GETTY:

I am not sure of the intent of the question, Mr. Speaker. I wonder if he would rephrase it.

MR. R. SPEAKER:

Mr. Speaker, the hon. Member for Slave Lake has indicated that his constituents are concerned with regard to the number of agreements that have been honoured by Ottawa in the Slave Lake area. That is number 1. Number 2 -- there has been an indication from the hon. minister in a release last Friday that the minister has felt that the industries now being planned for Slave Lake would possibly have located elsewhere in the province, or somewhere in the province anyway. I am wondering if that type of question would be answered in the submission to Ottawa.

MR. GETTY:

Mr. Speaker, the submission to Ottawa would tackle the problems involved in the question, I think, that the hon. Member for Slave Lake was getting at. I don't think there was any specific reference to an individual industry at all.

MR. SPEAKER:

The hon. Member for Spirit River-Fairview, followed by the hon. Member for Calgary Bow.

The Farm Machinery Act

MR. NOTLEY:

Mr. Speaker, I would like to direct a question to the hon. Minister of Agriculture. Several days ago I asked you about a legal decision that had a fairly distinct bearing on the operation of The Farm Machinery Act. If my memory serves me correctly, at that time

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you said you would investigate it. I am wondering if you are in a position today to report back to the House on your investigation.

DR. HORNER:

Not as yet, Mr. Speaker, but I will jog the department and see if they have an answer.

Calgary Fires

MR. WILSON:

Mr. Speaker, I would like to address a question to the hon. Attorney General. Inasmuch as there have been four recent fires in Calgary causing millions of dollars damage, plus loss of life and injury, will the government be making a special investigation into the possibility of an arsonist being responsible?

MR. LEITCH:

Mr. Speaker, at this stage I have no plans to conduct a special investigation. The matter is under investigation by the City of Calgary Police Force. All fires in which there is the slightest suspicion of arson are investigated by the Fire Commissioner's office. At the present moment there are two avenues of investigation that will be going on. Beyond that I have no present plans to have a further investigation, although if information comes to light out of the existing investigations or from any other source that indicates something in addition ought to be done, we will certainly consider it, Mr. Speaker.

MR. WILSON:

Supplementary, Mr. Speaker. Has the government received from Mayor Sykes of Calgary a request for investigation into possible arson activities?

MR. LEITCH:

Not this member of the government, Mr. Speaker.

Medicare Premiums and Doctors' Fees

DR. BUCK:

Mr. Speaker, I would like to address a question to the hon. Minister without Portfolio Responsible for the Medicare Program, Miss Hunley. In view of the answer I received in relation to the deficit of between \$6 million and \$7 million that the program is in, I would like to know, is the hon. minister considering raising premiums within the near future?

MISS HUNLEY:

No, Mr. Speaker.

DR. BUCK:

Supplementary, Mr. Speaker. Is the hon. minister then considering lowering the amount of money that would be paid to doctors? Is she considering that at this time?

MISS HUNLEY:

Well, Mr. Speaker, there will be a great deal of consideration given to this whole matter, and certainly all aspects of it will be considered, but as far as being on the point of having a policy announcement or anything to make, we do not have one at this time.

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DR. BUCK:

A final supplementary, Mr. Speaker. When will the House be informed of some of these decisions?

MISS HUNLEY:

When we make them.

MR. SPEAKER:

The hon. Member for Lesser Slave Lake followed by the hon. Member for Camrose and the hon. Member for Olds-Didsbury.

MR. BARTON:

I would like to --

DR. PAPROSKI:

I would like to direct a question to the hon. Minister without Portfolio. Would the hon. minister tell the House how much the schedule of fees of the medical profession has been increased over the past three years?

MISS HUNLEY:

Well, Mr. Speaker, I need a little latitude to explain it correctly. Could I have a couple of sentences?

HON. MEMBERS:

Agreed.

MISS HUNLEY:

It could be misinterpreted if I don't explain it fully. There has been no increase in the schedule of fees paid to doctors, but during the last plan year the provincial government did pick up the difference -- at one time they were paying 90 per cent and the doctors, when they wished to do so, billed the patients for the additional. However, during the last plan year, the second plan year, the Alberta government started paying the full schedule of fees, which therefore means that even though the amount charged for a particular service did not increase, the amount of money that went out of the Alberta Health Care Insurance Commission to the doctors, did increase by approximately 5.6 to 6 per cent, and that is covered in the Annual Report.

DR. PAPROSKI:

Then it would be true, Miss Minister, that in fact the increased cost of Medicare is largely due to increased utilization?

MISS HUNLEY:

I'm not in a position to answer that, Mr. Speaker. It could be that there is more utilization, but there are more people, so how do you know whether more people are using the doctor more, or whether there are more people in Alberta to use it? Utilization is going up, at about 1,000 claims per working day, but this doesn't mean that the individual is necessarily using it more. I don't have that information -- it could mean that there are more people in Alberta; there are also more doctors in Alberta. This is a thing you can't answer with exact statistics.

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MR. SPEAKER:

I believe there is a supplementary waiting from the hon. Member for Spirit River-Fairview, and also from the hon. Member for Highwood.

MR. NOTLEY:

A supplementary question for the hon. Minister without Portfolio in charge of the Medicare Commission. Due to the government's decision to eliminate the premiums for senior citizens, has the government given any consideration to eliminating the premiums for the working poor, who presently find even the subsidized rates too much?

MISS HUNLEY:

Not at any length, Mr. Speaker.

MR. TAYLOR:

Supplementary, for the hon. minister, Mr. Speaker.

MR. SPEAKER:

The member for Highwood is still waiting for his supplementary.

MR. BENOIT:

Mr. Speaker, when the province was paying only 90 per cent of the scheduled fee, the doctors were permitted to charge the difference. Now that the province is paying the entire scheduled fee, are the doctors still permitted to charge an additional amount?

MISS HUNLEY:

Yes, they are, Mr. Speaker, providing they advise the patient first that there will be an additional fee over and above the schedule paid by the Alberta Health Care Insurance Commission.

MR. TAYLOR:

Supplementary, Mr. Speaker. Is there anything to indicate that any doctors have been charging an additional amount for other than specialized services?

MISS HUNLEY:

I don't have an indication that they have been charging for anything other than specialized fees. For instance, I have had one complaint personally from a person who had heart surgery, that there was an additional charge by one of the stand-by surgeons. I think this is a specialized thing. There may be others, but we only get them when people write in and complain. The law says that they are allowed to do this, providing they advise the patient first, and unless we change the law, I guess that is the way it is going to be.

MR. TAYLOR:

A further supplementary question, Mr. Speaker. Does the government have any reason to believe that the doctors should not be paid 100 per cent of a proper fee?

MISS HUNLEY:

I'm not just sure that I can clearly answer that yes or no. I think the fees as set up by negotiation between the previous administration and the doctors and the Health Care Insurance

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Commission, was probably decided to be adequate at that time and it hasn't been revised up until the present time nor have we had an application for revision.

DR. BUCK:

Mr. Speaker, a supplementary. I would just like to get my mind clear on this. In relation to the deficit, you have said you would let us know in due time or when you arrived at some figure -- whatever it was -- but will we not know before the next budget is brought down? This is the question I was trying to get across -- will we know, say, in the fall or will we have to wait until the next budgetary period to find out how the deficit is going to be removed?

MISS HUNLEY:

Mr. Speaker, I'm not in a position to answer that because up to the present time we haven't actually discussed it in an attempt to come up with a firm policy, though I expect it to be discussed because it's a matter of concern for all Albertans.

MR. SPEAKER:

The hon. Member for Lesser Slave Lake, followed by the hon. Member for Camrose and the hon. Member for Olds-Didsbury.

DREE Program

MR. BARTON:

Mr. Speaker, I'll try and simplify the question to the hon. Minister of Federal and Intergovernmental Affairs. Has the government made the decision to include the DREE agreement for all of northern Alberta? Just yes or no.

MR. GETTY:

Mr. Speaker, the government is carrying on negotiations with the Department of Regional Economic Expansion in Ottawa. We hope, as I said before, if successfully concluded, Mr. Speaker, that it will serve the interests of the hon. member's constituency and all the people of northern Alberta in a manner which is an improvement over the present arrangement.

MR. BARTON:

Thank you, Mr. Speaker. Does that mean special area agreements including the designated area benefits?

MR. GETTY:

I'm not sure of your question.

MR. BARTON:

The special area includes certain infra-structures and designated areas for capital assistance to industry.

MR. GETTY:

That is the agreement under negotiation, that and the incentive regions, the whole area of DREE delivery systems within the Province of Alberta.

MR. BARTON:

A further supplementary, if I may ask. Is the hon. minister aware that benefits of the DREE program may be available to the Peace



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River Bloc of B.C., and if action isn't taken soon by the hon. minister any chance of similar benefits in Alberta may be lost?

MR. GETTY:

This question was raised by another member several days ago, Mr. Speaker. I am aware of what the hon. member has said. As I said the other day if we are able to conclude our negotiations successfully that will not be a problem. I, however, cannot guarantee and certainly no one would, that we are going to be completely successful in our negotiations with Ottawa. We are trying our best though to come up with a program which will allow the objectives of the Department of Regional Expansion to be implemented within this province in a manner which would best suit Albertans.

MR. BARTON:

A supplementary - would that mean by the end of this session?

MR. GETTY:

Well, the proposal is with the federal government and I'm hoping that we get an answer from them as quickly as possible, and I am hoping that when the answer has been received we may be able to remove some of the anxiety in the House. The answer may be bad or good and I can't guess at that. However, as soon as we can we will be advising all members of the House. I'm hoping for an answer as quickly as possible.

Saskatchewan Fenceposts along Alberta Highways

MR. STROMBERG:

Mr. Speaker, a question to the hon. Minister of Highways. Why is the Department of Highways using fenceposts on their rights of way in east central Alberta which are processed and bought in the Province of Saskatchewan?

MR. COPITHORNE:

Well, Mr. Speaker, we buy fenceposts in our programs in the province from several different sources. It happens that there is a limited number of fenceposts bought by tender from the Saskatchewan group, who had a lower tender to serve that area because of the proximity to their factory and their source, and who were in a better competitive position than the post processing plants elsewhere throughout the province.

MR. STROMBERG:

Supplementary, Mr. Speaker, since there are four more post plants in Alberta using Alberta labour in what is a high labour-oriented industry, and since the government had purchased last year from Glassman's Pressure Treating Company in Saskatchewan posts worth \$25,609, would you give consideration to using Alberta produce and Alberta labour?

MR. COPITHORNE:

Mr. Speaker, as I started to say in my first remarks there was one small contract allowed to the Saskatchewan post processors, and this was mainly on the basis of a tender system and, incidentally, I think because of the tenders received from that Saskatchewan group it saved the citizens of Alberta considerable money on the posts that they bought from the Alberta processors.

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MR. FRENCH:

Mr. Speaker, to the hon. Minister of Highways. Are all the fenceposts being used in Alberta treated today?

MR. COPITHORNE:

Yes, Mr. Speaker, all the fenceposts that are actually fenceposts are treated. The markers are not treated, but the fenceposts, to my knowledge, are all treated.

University of Calgary Dismissals

MR. CLARK:

Mr. Speaker, I would like to direct a question to the hon. Minister of Advanced Education and ask the minister if his department condones the actions of the University of Calgary where they have fired a number of long-term employees and have, in some cases, attempted to avoid the university's legal responsibility to pay severance pay to these employees?

MR. FOSTER:

Mr. Speaker, I think the questioner is drawing several conclusions which I don't think the hon. member is entitled to draw. But I would like to deal with the question in general terms. As the hon. member well appreciates, I am sure, the internal personnel problems of universities are not matters over which the Department of Advanced Education has any jurisdiction whatsoever. I think that it's a source of some regret to all Albertans, and certainly to myself as minister responsible, that universities -- at least some of them -- appear to be in circumstances, because of financial inadequacies, where they have to let certain people go. This is internal management and I don't think it is something into which the Department of Advanced Education should go.

On the other hand, while we regret it, there really isn't very much we can do about it, and I certainly don't propose to issue any invitation to the universities to reconsider their policies because I really don't feel I have any business in that area at all. While I am very sympathetic, I don't think I should get into that field whatsoever. So I think, Mr. Speaker, that the conclusions drawn by the hon. member are improper that there is something incorrect with the university's procedure. It is a matter of, perhaps, a question of law with which I don't think I can deal.

MR. CLARK:

Mr. Speaker, with due respect to the hon. member's ability in the field of law, a supplementary question -- and I concede that it is a matter of law in some cases. Has your department then made any effort, or has the government made any effort to provide some sort of legal counsel to these employees who are in this situation right now?

MR. FOSTER:

Well, Mr. Speaker, again, universities -- as I think we all appreciate -- are independent, relatively autonomous bodies, and I think it ill behooves government to go about providing expert assistance -- legal assistance if you will -- to persons who are involved in employment problems with universities. Now in the case of the University of Calgary, I recognize that they let some 30 support staff go. I am also aware that there are certain threatened legal proceedings as a result of that -- in fact in one case someone is claiming a year's severance pay. I am in no position, Mr. Speaker, nor is this House, to pass judgment on that claim or the merit of it -- nor would I -- but I must reiterate that I don't think

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that the government of this province can get involved in the internal management of these institutions, much less providing legal assistance to persons who say they have a claim with one of these institutions.

MR. LEITCH:

Mr. Speaker, I wonder if I may be permitted to add a point to the answer that has been given by the hon. Minister of Advanced Education, and that is with respect to the provision of legal aid to people who may have been dismissed from the University. I wanted to draw to the House's attention that any such person, assuming he qualifies for legal aid, can make an application for it.

Loans to Farmers

MR. BUCKWELL:

Mr. Speaker, a question to the hon. Minister of Agriculture. Last week, sir, we dealt with farm consolidation and rural credit as far as viable economic units for marginal farmers. The question is, has the hon. minister made any provision for loans to farmers for operating expenses for this coming year?

DR. HORNER:

That would be part of the total credit policy we are developing, and will be part of the guaranteed loan provisions as we develop the total package.

MR. BUCKWELL:

Supplementary, Mr. Speaker. If this is so, where can applications be made and for how much?

DR. HORNER:

Mr. Speaker, I'm just as anxious as the hon. member to get the legislation moving into the House, and as soon as it is we'll have the necessary application forms, etc. made available and the information made available to farmers as to where they would apply.

MR. SPEAKER:

The hon. Member for Lesser Slave Lake. Excuse me there is a supplementary from Spirit River-Fairview.

MR. NOTLEY:

Mr. Speaker, a supplementary to the hon. Minister of Agriculture dealing with a point that was raised on Friday, I believe, with respect to the Treasury Branches making loans available to farmers. My understanding of your answer was that you didn't think this was practical because a refinancing of existing debts might be a more prudent course. It is my understanding of the recommendations by the National Farmers Union that the Treasury Branches should only be used for short-term financing in order to prevent a refinancing of a former farm credit loan. On that basis I'm wondering if the government is giving any consideration to the proposal of the NFU for short-term financing from the Treasury Branches, either from the hon. Minister of Agriculture or the Provincial Treasurer.

DR. HORNER:

Well, Mr. Speaker, I think I tried to indicate on a previous occasion that in my view this wouldn't be practical for a number of reasons, and that we had introduced a number of guaranteed loan provisions and changed the provisions under the livestock loan

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regulation so that, in fact, farmers could borrow money on their present breeding stock to pay off outstanding obligations. This went a long way to help some farmers at least in catching up on their arrears with the Farm Credit Corporation. Insofar as the use of the Treasury Branches and short-term loans -- I think this is an entirely different matter than that of somebody awaiting an unemployment insurance cheque or such other monies that we know are coming. In most of these cases, Mr. Speaker, it's going to be necessary to sit down with the farmer, work out his cash position, try and improve his cash flow, and improve his income. I don't think that in a practical and pragmatic way going to the Treasury Branches for a short-term loan is, in fact, going to do this. It will just complicate the matter and in some cases may preclude the farmer from sitting down and doing a consolidation of debts and a re-organization of his financial structure.

As I said earlier in the House, Mr. Speaker, I have contacted again the Farm Credit Corporation in Ottawa, asked them for a delay, and I am dealing with the private sector in this area, also asking them to delay foreclosures, etc., until such time as we can evaluate the situation more completely.

MR. BARTON:

I'd like to direct another question to the hon. Minister of Federal and Intergovernmental Affairs. As the hon. minister appears to be the authority on the Special Area Program, could he tell the House how many times he has visited the program in Lesser Slave Lake, and seen it for himself?

MR. GETTY:

Well, Mr. Speaker, the question carries an argument that just isn't so. The minister is not the authority on the Special Areas at all. There are a great number of ministers in our government who are responsible for programs that go on in that area and certainly I would caution the House to not consider that his statement is correct. I have not been in the area since I have taken over responsibilities with the Executive Council.

MR. BARTON:

A supplementary to the hon. Minister of Federal and Intergovernmental Affairs. What minister is responsible for the Special Areas program?

MR. GETTY:

I was not talking about responsibility, I was talking about what you were saying. Mr. Speaker, his question led to the belief that I am the expert on the matter. That was where my argument came. As far as responsibility, yes. I have responsibility along with other ministers. For instance, there is a minister in charge of Northern Development; there is a Minister of Highways who will be constructing roads in the area; there is a Minister of Industry and Commerce who obviously is going to be involved in the various industrial incentives in the area; there is a Minister of Municipal Affairs who is going to be involved in some of the infra-structure; the Minister of Education who is going to be involved with the schooling in the area; the Minister of Advanced Education who is involved with adult training and retraining; there is a Minister of Labour -- it is obvious, Mr. Speaker, that many ministers have got responsibilities in that area.

MR. HENDERSON:

A supplementary, Mr. Speaker. We appreciate the elementary course in government organization. I wonder if the hon. minister

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could tell us which of all these ministers is mainly acting as the government spokesman on this particular program? Is it the hon. Minister of Federal and Intergovernmental Affairs, or is it not?

MR. GETTY:

Mr. Speaker, I have been, throughout the session so far. I don't know why the hon. member is confused.

Justice in Alberta

MR. DIXON:

Mr. Speaker, I would like to direct a question to the hon. Attorney General. Is he aware of the attack that one of the provincial judges made last week in Calgary regarding the shocking and unjustifiable failure of justice in Alberta. In particular, he was concerned regarding the Crown Prosecutor's work. I wondered if the hon. Attorney General plans on any further investigation into these charges?

MR. LEITCH:

Yes, Mr. Speaker, I heard about that last week. It was the first complaint of that nature I have received since coming to office. Immediately upon receiving it, I asked the members of my department to look into it, and I expect a report from them within a few days.

MR. DIXON:

A further question on another subject to the hon. Attorney General. In Alberta, apparently it is not possible to garnishee the wages of a federal civil servant. I wondered if the hon. Attorney General or his department made any inquiries to Ottawa to see if this situation could be corrected?

MR. LEITCH:

No, we haven't, Mr. Speaker. The reason why a court order, which is what a garnishee amounts to, cannot issue out of an Alberta court garnisheeing a federal civil servant's wages is that the order calls on the federal government to pay money. Without specific legislation authorizing the court to do so, the court has no jurisdiction to order the Crown -- that is the federal government -- to pay money. That situation isn't so in Alberta with respect to our civil servants because we do have an act that provides for garnisheement. I haven't, to this point, given any consideration to making representations to the federal government on that point, but now that it has been raised, I will do so.

Correctional Institutions

MR. CLARK:

Mr. Speaker, a question to the hon. Attorney General. Will your department be reviewing the records of unusual incidents and in the manner in which they occurred where force was used to control resistance in correctional institutions as was suggested or recommended by the Ombudsman in his report just tabled?

MR. LEITCH:

Yes, Mr. Speaker.

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MR. CLARK:

A supplementary, Mr. Speaker. Will you be reviewing and enforcing the regulations regarding the receipt and safe-keeping of prisoners' personal effects?

MR. LEITCH:

Yes, Mr. Speaker.

MR. WILSON:

A supplementary, Mr. Speaker, to the hon. Attorney General. Has your department adopted as policy, compensation to prisoners for the loss of their personal effects?

MR. LEITCH:

Mr. Speaker, that is a matter that I just have to check into. I can't give an answer to it without getting some information.

MR. WILSON:

A further supplementary then, Mr. Speaker, to the hon. Attorney General, when he is checking into that last question, on page 113 of the Ombudsman's report. Is it the policy of your department to compensate prisoners for lost wages when they have been imprisoned unlawfully due to faulty administration procedures?

MR. LEITCH:

When the hon. member speaks of policy, Mr. Speaker, I'm not sure I can give him the details on either the lost wages or the lost property. Certainly I'm aware of cases where we do compensate the prisoner if any of his property has been lost. I'm also aware of cases where we have provided compensation for someone who has been in prison either too long or, in the first instance, when he shouldn't have been because of an administrative error. My prior answer really related to getting the details of those policies. I'm aware that they exist, but I really can't discuss the details without checking them.

MR. WILSON:

A supplementary, Mr. Speaker, to the hon. Attorney General. Has your department decided to post signs in institutions advising persons of their rights of appeal to the Ombudsman?

MR. LEITCH:

Mr. Speaker, that's again something I have to check to ensure it hasn't already been done. I noticed the recommendation; I think it's a good one and think it should be put into operation.

#### School Foundation Program

MR. CLARK:

Mr. Speaker, I'd like to direct a question to the hon. Minister of Education and ask him if the members of the Legislature will be receiving this year a statement of estimated revenue that school jurisdictions in their constituencies can expect as a result of the foundation program?

MR. HYNDMAN:

Yes, Mr. Speaker, we're in the process of completing these now, so that in respect of each school jurisdiction in the province there will be a statement indicating the breakdown of the grant for this year.

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MP. GRUENWALD:

Supplementary, Mr. Speaker. Will that include, Mr. Minister, the cost per square foot for school buildings? Do you anticipate increasing the allotment for that amount as well? It's \$15.50 per square foot now. Would you expect that that will be increased?

MR. HYNDMAN:

Not at this time. No, Mr. Speaker.

Economic Advisory Committee in Peace River Area

MR. BUCKWELL:

Mr. Speaker, a question to the hon. Minister of Agriculture. Has the new Economic Advisory Council committee been established in the Peace River area?

DR. HORNER:

I'm not sure that I understand what the hon. member is getting at. Is he talking about the Industrial Economic Committee?

MR. BUCKWELL:

Mr. Speaker, maybe a word of explanation. I had a phone call this morning asking if an Economic Advisory Committee had been set up under the chairmanship of a Mr. Tisington in the Peace River country. This chap was asked to name the members.

DR. HORNER:

Well, I'll look into the matter for the hon. member, Mr. Speaker, but I doubt whether it's in my department.

Hunting of Bighorn Sheep

MR. SORENSON:

Mr. Speaker, a question to the hon. Minister of Lands and Forests. Are you aware that there is a growing scarcity of bighorn sheep in the United States and that this will possibly bring a full quota of hunters from that country to Canada? Is it your intention to raise the price of bighorn sheep licenses in Alberta?

DR. WARRACK:

Mr. Speaker, that is an important question. I understand that the information just given is correct, that indeed there is a decrease, and some concern about this decrease, in numbers of bighorn sheep in the United States and that the natural result of that would be an expected higher level in numbers of people that might wish to hunt same in Canada and, of course, particularly in Alberta.

What we have done, however, in Alberta for the coming hunting season is that we have instituted a process where we will issue a maximum number of non-resident bighorn sheep licenses, particularly, of course, this non-resident process is almost entirely American. If there are more applications than this maximum number there would be a draw system to determine who would get these particular applications. So in fact, there will be, if anything, a slight decrease in the extent of bighorn sheep hunting in Alberta on the part of non-residents in this year.

I might mention also, Mr. Speaker, while I'm on my feet, that south of the Bow River we have cut off the bighorn sheep season for this year because of the very limited numbers of sheep in that area.

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This is another move that we have made. We have under consideration the entire structure of hunting fees -- resident, non-resident, and so forth -- for all kinds of game, which is being reccnsidered, I might add, in the light of the Fish and Wildlife Advisory Council meeting that was held in Edmonton last week.

MR. SORENSON:

Supplementary question to the hon. minister. Is it your intention to open the mountain goat season this year?

DR. WARRACK:

The hon. member mentioned this to me a day or two ago. I think the way to put it is this: that all seasons on all wildlife are open for consideration of hunting every season. So in that sense the answer would be a clear 'yes'. Now in terms of what the result of that consideration is -- again relying to a great extent on the advice of the Fish and Wildlife Advisory Council who met April 18th and 19th, last week -- I don't have the result of their report of the many items on the agenda, of which I am sure that is one, I am afraid I don't have the answer for you precisely at this time. But the answer to the extent that it would have been considered for the coming hunting season is clearly 'yes'.

#### Seminars for Jail Officials

MR. WILSON:

Mr. Speaker, I would like to address a further question to the hon. Attorney General. Do you plan to act on the Ombudsman's recommendation for more seminars dealing with disciplinary procedures for jail officials?

MR. LEITCH:

Mr. Speaker, it is a concern of mine that the officers in the correctional institutes be fully aware of all of the disciplinary procedures that are spelled out in the legislation and the regulations. In fact, since coming to office we have passed some amendments to those regulations in an effort to make them less capable of misunderstanding, if I may put it that way. While we have this concern, that they are aware of the legislation, and aware of the regulations, and carry them out properly, exactly how we ensure that I haven't yet decided. As I said earlier, I plan to review the correctional institutes and all of their operations as soon as the session is over. That will be one of the items forming part of the review.

#### ORDERS OF THE DAY

##### MINISTERIAL ANNOUNCEMENTS

#### B.C. - Alberta Ministerial Meeting

MR. YURKO:

With the indulgence of the House I would like to make a very short announcement. On Saturday, April 22nd, British Columbia and Alberta officials met to discuss areas of common interest concerning the future management of natural resources and environmental protection.

Mr. Wilson, the Minister of Lands and Forests and Water Resources for British Columbia, and his deputy minister came to Edmonton to meet with myself and the hon. minister Dr. Allan Warrack, Minister of Lands and Forests for Alberta, and several officials. We



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met for about two hours. Five areas of common interest where there could be co-operation between the two provinces were identified. These were:

- (1) Management of the Peace River waterway,
- (2) Forest management practices including fire fighting,
- (3) Environmental impact of pipelines on watersheds common to the two provinces,
- (4) Environmental management of other watersheds in which the two provinces have a responsibility. This recognition that watershed management could involve social, economic, environmental, wildlife, multi-purpose land use and other factors was an important agreement, and
- (5) General research on pollution control, water management, wildlife management, and other factors which could be of mutual benefit to British Columbia and Alberta.

To ensure continuity in action, the ministers agreed that a ministerial committee of three from each province would meet at least once a year to discuss current and long term matters. The Alberta ministers will be myself, the hon. minister Dr. Warrack, and the hon. minister, Mr. Getty. The British Columbia ministers were identified by the Hon. Mr. Wilson as being himself, the Hon. F. X. Richter, and the Hon. William Kiernan.

The ministerial committee would be supported by an interprovincial technical committee of one or more senior staff representing the ministers involved. It would meet at least twice a year to work on joint provincial areas of common interest, where co-operation would be of mutual benefit. Where necessary, they would appoint small technical sub-committees or arrange for staff on a common subject to meet to develop action plans or conduct studies on research as required. The ministers are very optimistic that considerable progress could be reported in the next few years by this agreement on co-operation. It was pointed out that such action was consistent with the objectives of the Canadian Council of Resource and Environmental Ministers, and that it would further strengthen that outstanding organization.

Mr. Speaker, I wish to table a copy of a news item on this matter that was released by my department today.

Position Paper - Natural Resource Revenues

MR. DICKIE:

Mr. Speaker, I would like to table today a position paper. The position paper that I would like to table is entitled Position Paper, Tentative "Natural Resource Revenue Plan" for the Government of the Province of Alberta, April 1972. In tabling this position paper, Mr. Speaker, I have requested the Clerk to immediately commence distributing a copy of that position paper to all hon. members. Mr. Speaker, in view of the importance of this position paper, I would like to highlight it by reading key explanatory sections, and I would therefore, Mr. Speaker, request leave of the Assembly to do this.

HON. MEMBERS:

Agreed.

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MR. DICKIE:

Mr. Speaker, I first refer to the first part of it which is the Table of Contents. It sets forth eight sections. Those eight sections cover some 43 pages. The page following the Table of Contents lists the Appendices and they cover some 36 pages.

The first section that I would like to read, Mr. Speaker, is:

"I. TERMS OF REFERENCE

The purpose of this Position Paper is to present a Tentative Natural Resource Revenue Plan for Alberta, as it relates to crude oil, for the consideration of members of the Legislative Assembly, the public of Alberta and the petroleum industry.

The basic nature of the Plan is a proposed mineral tax assessment on remaining recoverable crude oil reserves at fair actual value with no change in the existing royalty structure. It also includes an Exploratory Drilling Incentive System to help stimulate exploratory drilling in Alberta with the objective of developing new crude oil reserves and also spurring economic activity within the province. Changes in land tenure regulations are also being proposed to help stimulate exploratory drilling.

The Tentative Plan is initially directed towards crude oil reserves. A plan for natural gas reserves will not be established until after the Energy Resources Conservation Board's current hearing on natural gas pricing has been completed and the Government has had a reasonable opportunity to consider the various recommendations. The target date for establishing a plan for natural gas reserves is the fall of 1972.

This Position Paper includes relevant background information relating to the current position of the Alberta petroleum industry; applicable Federal Government policies; and description of policies established by the previous Alberta government.

The Position Paper excludes any reference to:

- (a) Oil Sands Development Policy and royalty rates, which will be the subject of a separate and subsequent Government Position Paper after completion of a Government assessment which is currently underway.
- (b) Revision in coal royalties or other minerals, which will be considered separately.

The term 'crude oil' in this Position Paper refers to crude oil and field condensate and the term 'natural gas' includes natural gas and its co- and by-products.

II. BASIC FEATURES OF TENTATIVE PLAN

- 1. To realize increased tax revenues in the order of 50 to 90 million dollars from the rights to crude oil during 1973 under The Mineral Taxation Act.
- 2. For comparison purposes a general royalty rate increase from the current average of about 15 per cent to a range between 19 to 23 per cent would produce relatively similar revenues. This could be the equivalent of increasing the current average royalty by up to one-half.

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3. The Tentative Plan is to introduce legislation providing for a tax on the assessed value of the right to all minerals in all of the land in the Province of Alberta, including the lessee's interests in Crown land. The proposed amendments to The Mineral Taxation Act will authorize the Lieutenant Governor by Order in Council to exempt any mineral in any land from assessment.

The intention is to initially assess and tax the right to crude oil in the land in Alberta; i.e., a tax on value -- both under Crown and freehold interests.

The government recognizes that there is an essential difference between proven reserves and undeveloped acreage and it is proposed that this difference can be accommodated by exemption provisions.

4. The necessary amendments to The Mineral Taxation Act are intended to take effect on January 1st, 1973.
5. The assessments will be based on the fair actual value.
6. It is proposed that the existing royalty arrangements be honoured in their present form without alteration and hence, the liability for tax under The Mineral Taxation Act amendments would be in addition to current royalty payments.
7. While the existing maximum royalty provisions in outstanding leases will not be repudiated, all new Crown leases and renewals thereof will be issued without maximum royalty limitations.
8. A five year Exploratory Drilling Incentive System will be proposed having the following features:
  - (a) For each new crude oil discovery well drilled in Alberta and an initial group of step out wells, an exemption effective May 1, 1972 from royalty payments to the Crown, and in addition, an exemption effective January 1st, 1973, from the assessment on the right to crude oil.
  - (b) Termination of the Exploratory Drilling Incentive System on December 31st, 1977 (in other words, a discovery on January 1st of 1975 would only be able to benefit for a three-year period).

### III. SUMMARY EXPLANATION OF PRIME REASONS FOR THE TENTATIVE PLAN

1. The Plan is within the constitutional jurisdiction of a provincial government.
2. The Plan does not impose a new tax but builds upon the existing tax concept; i.e., the Mineral Taxation Act.
3. The Plan honours the maximum royalty provisions of 16 2/3 per cent imposed by the previous Alberta Government and which involve the leases relating to about 75 per cent of estimated 1973 Alberta production.
4. The Plan recognizes that all existing leases contain provisions contemplating new or increased provincial taxes not in force at the time the lease was executed.
5. Royalty is a share resulting from ownership whereas taxation is a prerogative of government. Royalty is not a tax.

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6. The plan enables the Provincial Government to obtain for the citizens of the Province a fair and reasonable return from the recovery of this depleting resource.
7. The plan contains an Exploratory Drilling Incentive System designed to attempt to reverse the recent decline in discovery of crude oil reserves and the shift of exploratory drilling activity from the province by providing substantial rewards to the "wildcat enterpriser", who is prepared to take risks in Alberta with the conviction that there are still very significant crude oil discoveries yet to be made in this province.
8. The Plan appears more feasible than any other alternatives examined to date (see Section VII(iii) of this Position Paper).
9. The Plan appears to meet most adequately the objectives of a new Natural Resource Revenue Plan for Alberta for crude oil as set forth in Section VII(i) of this Position Paper.
10. The Plan also meets the various criteria established for the administration of a new plan, as set forth in Section VII(ii) of this Position Paper.

#### IV. PURPOSE OF RECEIVING SUBMISSIONS

Concurrent with the tabling of this Position Paper in the Alberta Legislature, the government intends to propose a motion to the Assembly that the Assembly adjourn for several days in May to allow the Standing Committee on Public Affairs, Agriculture, and Education (which consists of all members of the Legislative Assembly, except the Speaker) to receive written submissions from the petroleum industry and from public organizations and groups throughout the province.

The purpose of holding such a Public Hearing by a Legislative Committee is because the government is not firmly committed to the Tentative Plan and is prepared to make adjustments and changes if, after considering submissions, it appears in the public interest to do so. The Government also believe that, even though there is no legal obligation to do so, the matter is of such significance that the petroleum industry and public organizations and groups generally should have an opportunity -- to the extent practical -- to respond to this Tentative Plan before a firm government position has been established.

By such action, the government does not intend in any way to abdicate its responsibilities to make a decision and after adequate consideration has been given the submissions, the Government intends to make a decision on or about July 30th, 1972 in accordance with the mandate it recently received.

The government does not intend to propose the terms of reference for the submissions and leaves this matter to the Standing Committee of the Legislature to determine."

Section V consists of some 16 pages with relevant background information about the petroleum industry. Mr. Speaker, it is not my intention to read those but I would commend them to all hon. members for reading.

Section VI consists of four pages and it's headed 'Federal Government Policies Affecting The Alberta Petroleum Industry'. Here again, Mr. Speaker, it's not my intention to read these, but again I would commend them to all hon. members for reading.

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"VII. PROPOSED TENTATIVE NATURAL RESOURCE REVENUE PLAN

It has been well understood and accepted that the regulations respecting royalties on crude oil which were last established in 1962 would be reviewed by the Provincial Government ten years later.

Since assuming office in September 1971, the Government of Alberta has assessed the market prospects for Alberta crude oil production and also has extensively reviewed the implications of the various conditions, both existing and contemplated, of the petroleum industry in the Province of Alberta as outlined in Section V of this Position Paper.

The following details of the proposed Natural Resource Revenue Plan for crude oil is preceded by a brief description of the objectives which should be met in developing such a Plan; specific criteria considered for purposes of screening various alternatives; and identification of specific alternatives which were considered.

An integral part of the proposed Natural Resource Revenue Plan is an Exploratory Drilling Incentive System designed to stimulate drilling in Alberta. Such a System (which is outlined in Section VIII of this Position Paper) has two broad objectives: (1) to discover additional crude oil and gas reserves within Alberta, and (2) to stimulate the economy in the rural areas of Alberta where most of this exploratory drilling activity will take place.

(i) Basic Objectives

In establishing a Proposed Natural Resource Revenue Plan, it is the considered view of the Government of Alberta that the following basic objectives should be met:

- (1) The total revenues accruing to the Government of Alberta from crude oil and natural gas rights and production should provide a fair and reasonable return to the citizens of Alberta who are the owners of most of these depleting and non-recurring resources.
- (2) These total revenues should include some increased tax return to the citizens of Alberta from the rights to crude oil in acreage that are owned by others than the Crown. (About 15 per cent of crude oil production, 25 per cent of natural gas production, and 20 per cent of natural gas by-product production come from freehold acreage.)
- (3) The basis for and magnitude of these revenues to the Alberta Government should be fair and equitable to the holders of rights to, and the producers of crude oil and natural gas having regard to (a) their prior investments, (b) the substantial and unique risks inherent in the industry, and (c) current and projected profitability of their lessee interests.
- (4) The nature and substance of the proposed revisions in royalty and/or other forms of payments to the Alberta government by the petroleum industry should be sufficient, subject to major changes in circumstances, to assure that further significant adjustments would not be required for a period of years. This will assure investors a reasonable stability of lease terms and conditions.

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- (5) The exploratory drilling for new petroleum reserves in Alberta should be encouraged in order to stimulate economic activity, particularly in rural areas of the Province where increased oilwell drilling should have a significant impact in terms of both direct employment and needs for associated services and supplies.
  - (6) The Natural Resource Revenue Plan should help to pave the way for supplementary policies which will create specific incentives to increase the degree of Canadian, and particularly Albertan, equity participation in natural resource development in Alberta.
  - (7) The aggregate affect of these policies under the Natural Resource Revenue Plan should be consistant with appropriate resource conservation and environmental control practices.

(ii) Specific Criteria Established for Screening Possible Alternative Revenue Plans.

The Government of Alberta has established the following specific criteria (over and above the basic objectives referred above), which it feels should be met by any revised or new approach designed to increase government revenues from development of Alberta reserves of crude oil and natural gas:

- (1) The plan must be within the constitutional jurisdiction of the provincial government.

The constitutional basis of the taxing power in Canada was established in 1867 under The British North America Act. It restricted the provinces to "direct taxation within the province" and granted unrestricted power to the federal government to raise funds by "any mode or system of taxation".

A direct tax is one which is demanded from the very persons who it is intended or desired should pay it. For example, a "business tax". Conversely, indirect taxes which are beyond the provinces power are those which are demanded from one person in the expectation and intention that he shall indemnify himself at the expense of another. For example, "a tax on gross revenue".

- (2) The royalty provisions in existing contracts or lease agreements between the government and the petroleum industry should not be unilaterally repudiated by the government.

As indicated earlier in this Position Paper, the majority of existing petroleum and natural gas leases issued in the earlier period by the previous Alberta government contained a provision that the maximum royalty chargeable by the lessor (i.e., the Alberta government) is  $16 \frac{2}{3}$  per cent of the gross revenue. It is the view of the present Alberta government that despite the merit or otherwise of the previous government's action in establishing a stipulated maximum royalty rate, it would be undesirable for a new government to unilaterally override these maximum royalty limitations.

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- (3) The plan should provide part of the incremental revenues required by the government to stimulate substantial diversification of the Alberta economy over the next ten to 15 years.

The government is aware that as the conventional crude oil industry reaches maturity in Alberta, economic growth of the province may tend to level off, unless new and imaginative programs are initiated soon to diversify the Alberta economy along logical courses.

Diversification of a significant nature will be difficult for a number of reasons, not the least of which, are our relatively 'thin' consumer markets and transportation hurdles which affect the cost of inbound material and outbound products. It is the position of the government that in the Alberta public interest, significant expanded sources of government revenues, must begin to flow into the provincial treasury now in order to provide part of the funds for new programs specifically designed for such diversification - including the Alberta Opportunity Fund - to help finance industry for Albertans. Clearly, revenues from a depleting natural resource are an appropriate source of such funds.

- (4) The plan should be administratively practical to apply.

(iii) Alternative Revenue Plans Considered

A number of alternative revenue plans were considered in some detail. These alternatives included:

- (1) increasing existing royalty rates notwithstanding the existing contractual maximum of 16 2/3 per cent;
- (2) increasing royalty rates above 16 2/3 per cent on producing leases, lease by lease, as their respective primary lease terms expire;
- (3) a net profit tax; and,
- (4) stipulating an increased wellhead price on the Crown share of crude oil production upon which royalty revenues would be calculated.

The government considered alternatives other than these four, many of which were not within the constitutional jurisdiction of a provincial government.

The factors affecting the above alternatives were:

- (1) Across the Board Increase in Royalty Rates Above 16 2/3 Per Cent

Despite the legal right to do so, the government does not wish to unilaterally repudiate existing contracts with lessees and therefore this alternative is not proposed. The implications of unilaterally repudiating such contracts by a provincial government would have repercussions on its financial standing far beyond the issue of natural resource revenue.

- (2) Increasing Royalty Rates as Primary Lease Terms Expire

The amount of Crown royalty is fixed by contract in the vast majority of the Crown leases. However, it is fixed only for the primary terms of the lease. The

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term in some cases is 21 years and in some cases 10 years, and is thereafter extended indefinitely by production. Since the royalty is fixed by contract only during the primary term, there is no reason why the royalty to be paid after the primary term expired could not be increased. By 1980, 80 per cent of the leases will not have any fixed maximum royalty rate; 85 per cent by 1985. (Appendix B shows the leases presently in existence - how many are under 21 and 10 year terms, respectively, and the amount for which the term will be expired year by year assuming the lease remains in good standing by reason of production.)

This alternative is not proposed primarily because it would be discriminatory. Lessees with leases expiring in the near future would pay much higher royalties than lessees with leases expiring at a later date. In other words, those producers who came first and risked their investment would be penalized during the high production years as compared to the latecomers to Alberta. Furthermore, any reasonable royalty increase imposed as the primary terms of the leases expired would not generate the desired fair return to the people of Alberta.

(3) A Net Profits Tax

The administrative burden associated with such a tax, both for the government and taxpayers, would be substantial. There are nearly 17,000 producing wells in the province, having production rates which may vary from month to month under the proration system. Individual operators have different systems for determining costs and for allocating them among wells, among oil production and other operations and among provinces. A net profits tax would also be an entirely new form of tax, unlike the Tentative Plan which would build on the base of The Mineral Taxation Act.

(4) Stipulating an Increase in the Wellhead Price on the Crown's Share of Production.

The Government takes its royalty in kind, and the lessee has the obligation to sell the government's share of production. The government could, by regulation, provide that the amount of the Crown royalty be calculated on the basis of a stipulated wellhead price above the current price. This alternative is not proposed because a very significant increase in the stipulated wellhead price would be required to produce a fair and reasonable return to the people of Alberta. In addition, it would leave the industry in a position of uncertainty concerning the possibility of periodic changes in the wellhead prices as were specified on the Crown share of production.

(iv) The Nature of the Proposed Tentative Natural Resource Revenue Plan for Crude Oil.

In relation to the declared basic objectives, as well as the necessary criteria for a new approach, it became apparent that unless the government was prepared unilaterally to repudiate the existing maximum royalty limitations -- only a form of taxation would meet the basic objectives and required criteria.



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After considering the four alternatives previously outlined, the government noted two important facts:

- (1) All existing petroleum and natural gas leases -- including those with maximum royalty limitations -- contained the following significant provision:

"the lessee shall pay and discharge all taxes now charged or hereafter charged upon the rights granted under the lease.

The important point is that the leases contain a specific provision contemplating either new or increased taxes subsequent to the date of the execution of the lease!

- (2) There is already a tax on mineral rights under The Mineral Taxation Act. It is therefore suggested that to realize new provincial government revenues in the order of \$50 million to \$90 million in 1973, amendments will be introduced to The Mineral Taxation Act to assess and tax the right to crude oil in the land, both under Crown and freehold interests. The tax would first be imposed for the calendar year 1973. The assessment would be based on its fair, actual value.

The tentative natural resource revenue plan for crude oil as referred to in this Position Paper is, therefore, the combination of these three ingredients:

- (a) The continuation of existing royalty arrangements and schedules with the removal of the royalty ceiling on all future leases,
- (b) The assessment and taxation of the rights to the remaining recoverable crude oil reserves pursuant to The Mineral Taxation Act as amended during the 1972 session.
- (c) An Exploratory Drilling Incentive System to stimulate exploratory drilling in Alberta.

The advantages of the tentative plan are as follow:

- (a) It is considered to be within the constitutional jurisdiction of a provincial government.
- (b) It does not impose a new tax, but builds upon the base of an existing tax structure.
- (c) It avoids any necessity unilaterally to legislate out of existence, contractual undertakings of the previous government - and it is within the specific provision of all leases that there may be new or increased taxes charged after the date of the execution of the lease.
- (d) It assures that freehold interests, as well as holders of Crown leases, will contribute to provincial tax revenues on the same basis of taxation.
- (e) It permits the basic objectives of a fair and reasonable return to the citizens of Alberta to be realized through the provincial treasury during the existing and contemplated sellers' market phase in the 1970's.

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- (f) It allows the combination of the royalty payments and increased tax charges to be reduced by an Exploratory Drilling Incentive System.

However, it should be repeated as stated in Section IV of this Position Paper, that the Government is not firmly committed to this Tentative Plan and is prepared to make adjustments -- or even accept a completely different alternative -- if, after considering submissions, it appears in the public interest to do so.

#### VIII. EXPLORATORY DRILLING INCENTIVE SYSTEM

As part of the new Revenue Plan, the government will introduce an Exploratory Drilling Incentive System designed to encourage increased exploratory activity in Alberta.

As indicated earlier, it has been estimated that only 50 per cent of ultimate oil and gas reserves in Alberta has been discovered to date. In other words, the potential exists. However, crude oil exploratory activity has declined and many companies with substantial land holdings apparently are shifting their exploratory activity to higher-cost frontier areas. For this reason, the government proposes to 'tie-in' the Revenue Plan with an Exploratory Drilling Incentive System designed to benefit those operators who actually undertake exploration for crude oil in Alberta. Such a program can be justified because of the immediate impact it should have on drilling activity, with obvious benefits to Albertans resulting from: (a) increased discoveries, and (b) increased economic activity, including employment in the rural areas of Alberta. Although petroleum operations are not highly labour intensive, their exploratory and development expenditures create considerable indirect employment and need for services. Other possible forms of incentives -- particularly changes in land tenure regulations -- are also being proposed.

Specifically, the proposed incentive system would provide:

1. For each new crude oil discovery well drilled in Alberta, and an initial group of step out wells, an exemption effective May 1st, 1972 from royalty payments to the Crown and in addition, an exemption effective January 1st, 1973 from the assessment on the right to crude oil.
2. Termination of the Exploratory Drilling Incentive System on December 31st, 1977 (in other words, a discovery on January 1st of 1975 would only be able to benefit for a 3 year period).

It is the position of the government that in order to be effective, an incentive must be significant."

Thank you.

MR. STROM:

Mr. Speaker, just on a point of procedure, I wonder if the hon. Premier would care to advise the House as to what his intentions would be, and I'd certainly predicate my remarks on any suggestions he makes in that line. Is the hon. Premier suggesting that we will go ahead with the government motion that's on the Order Paper immediately following this and that we will conclude the debate on that motion now?

[The Premier nodded his head]

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I note that they nod their head and I would like to note that to the hon. Premier if I may, Mr. Speaker, at this time, I appreciate that the information that has just been provided to us provides a considerable amount of information, much of it which has been given by the hon. Minister of Mines and Minerals. I'm wondering if the hon. Premier would be prepared to give us some time. I certainly am not asking for a considerable amount of time to consider it before introducing the motion, because it is my understanding that we could then possibly refer to some of the items that are in the position paper itself. I would like to have the hon. the Premier give some consideration to letting the motion stand, and if no longer than until tonight -- I would prefer to Wednesday if possible -- if he could go along with holding until tomorrow night or at least give me some time to review the position paper.

MR. LOUGHEED:

Well, Mr. Speaker, certainly we would give some thought to doing it tonight and perhaps there is a misunderstanding here -- the motion is a Motion of Referral of the position paper to a standing committee to consider the receipt of written submissions. There has been, I think, due and adequate notice according to the rules of that Motion of Referral. I would presume that the hon. Speaker would, of course, be limiting debate with regard to the motion to the questions that are contained in the Motion of Referral to the standing committee rather than on the content of the position paper itself.

Our hope, as I think is obvious, is to present the position paper as a tentative plan and then refer it to the standing committee. We do feel that it's important having regard to the timing of the session, that this matter move as quickly as possible so that we can give adequate and due notice -- and even at that it's going to be a fairly tight schedule -- to the various groups and organizations throughout the province.

If I take it from the hon. Leader of the Opposition's remarks, and perhaps this is where there may be some confusion, that there would not be an opportunity to deal in debate with the position paper at any subsequent time, I think we should make it abundantly clear that the position paper refers to amendments to be placed before the House under The Mineral Taxation Act. It would be the intention of the government to introduce that act prior to the hearing of the written submissions of the standing committee and then to bring forward those amendments to The Mineral Taxation Act subsequent to the hearing by the standing committee at which time members, all members of the House, could have an opportunity to express their views on the amendments to The Mineral Taxation Act and any matter contained in terms of debate relative to the position paper.

So for that reason, Mr. Speaker, I don't consider, in fact I would question, whether or not the Motion of Referral is a motion, if it's implied by the hon. Leader of the Opposition's question that that is the place of anticipated debate relative to the contents of the position paper. Certainly there would be no intention on behalf of the government to debate the position paper at that stage and in any shape or form; it's a matter of referral so that the standing committee might set up a procedure as quickly as possible to arrange for written submissions to be received. Because of the very difficult time schedule that we face on the matter, I would certainly be prepared to hold it until eight o'clock tonight, but unless there is a misunderstanding by the hon. Leader of the Opposition on our approach, that's our feeling. In other words, there is no intention to not provide, during the course of events, some opportunity for the hon. members to debate the tentative position paper in addition to having an opportunity for the standing committee to receive written submissions.

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MR. STROM:

Mr. Speaker, I appreciate the point that the hon. Premier has made, that he would be willing to provide us some time to consider the resolution and that he would be prepared to let it stand over until 8:00 o'clock this evening.

I would like to raise another point while I am on my feet, in regard to procedure. If I understand the hon. hon. Premier's remarks correctly, I believe he is stating that the position paper will not be open for discussion at the time we discuss the resolution and that it will be merely a referral of the position paper. Now as I read the first 'Resolved':

"Be it resolved that the Position Paper of the government entitled Tentative 'Natural Resource Revenue Plan', tabled in the Legislature, be referred to the Standing Committee of the Legislature on Public Affairs",

and so on, it seems to me that this opens the door for statements as to whether or not the position paper is complete in itself, and it would seem to me that it would permit some discussion on the contents of same. I would be very disappointed if you were to rule that there would be no discussion on the paper itself, because in spite of the fact the hon. Premier mentioned that there will be legislation coming in, and that we will have opportunity to debate it then -- I accept that -- but my understanding of our ability to debate will be that it will only come after we have held the hearings. And so there will be no discussion on the Position Paper itself prior to the hearings. It seems to me there would be some merit in providing some opportunity for remarks in regard to the position paper itself. It is for that reason that I am primarily concerned with having an opportunity of a few hours to look at the contents of the material contained in the position paper.

MR. LOUGHEED:

Mr. Speaker, if I could respond to that -- I see now, I think, what the hon. Leader of the Opposition is getting at. Certainly, from our side of the House, there would be no intention to debate the contents of the tentative position paper when it is being referred to a Standing Committee of the House. On the other hand there might quite appropriately be a request for additional information that should be added to it. That certainly is something we would consider. On the other hand, if the other side of the House considers that they want to examine in detail the merits, or otherwise, of the tentative plan at this stage -- prior to the public hearing and prior to getting the written submissions -- then I think within limits, I suppose, that's true, Mr. Speaker, they could do so. It certainly would not be our intention. The whole purpose of this is to present a tentative plan, to refer it to a Standing Committee of the Legislature, to consider it as a tentative plan, and to receive written submissions; then to move from there with a schedule I would be prepared to outline when I deal with Government Motion No. 1.

With those comments, Mr. Speaker, I am certainly prepared to suggest that we let Motion No. 1 stand until 8:00 o'clock tonight and deal with it at that time.

SOME HON. MEMBERS:

Agreed.

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PRIVATE BILLS  
(Second Reading)

MR. TAYLOR:

Mr. Speaker, on a point of order, we understood we were on estimates this afternoon.

MR. HYNDMAN:

I believe I gave the list to the hon. Leader opposite that we would be doing bills tonight and estimates this afternoon, but we hope to get through second reading of the private members' bills on the last page of the Order Paper first, then go into estimates this afternoon and then into the bills tonight.

Bill No. PR 1

An Act to Incorporate the Grande Prairie Racing Association

MR. JAMISON:

Mr. Speaker, I beg leave to move second reading of Private Bill No. 1, seconded by the hon. member Mr. Purdy, An Act to Incorporate the Grande Prairie Racing Association.

This bill, Mr. Speaker, would provide those citizens of Alberta located some 400 miles north of Edmonton similar facilities to those now available to other Albertans throughout central and southern Alberta. The people of the area also feel the passage of the bill would enlarge the scope of their county fair and attract more breeders of thoroughbreds and quarterhorses into the area.

MR. SPEAKER:

Is there any further discussion?

[The motion was carried without debate, and Bill No. PR 1 was read a second time.]

MR. TAYLOR:

On a point of order, I wonder if I could ask the hon. Government House Leader if it is the intention of the government, following second reading, to refer all of these bills to Private Bills Committee?

MR. HYNDMAN:

Yes, Mr. Speaker, that is the intention of the committee. It is, I believe, intending to meet this Friday and we hope to put them all in that committee so that they could be proceeded with and looked at in detail by the committee.

MR. TAYLOR:

Thank you. On the same point of order, that being the case, I see little purpose in discussing the principle of the bill at this time because they will be discussed very thoroughly in the Committee Private Bills.

MR. SPEAKER:

Ordinarily the principle would be discussed now, would it not, and the details in committee? Is there any exception for private bills?

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MR. TAYLOR:

Mr. Speaker, on the point of order, much of the information on a private bill is not made available until after you have the meeting in the committee. There is nothing to preclude any member from debating the principle now, but one doesn't know all the facts and all the information. That's why we did not propose to discuss the principle at this time.

MR. HYNDMAN:

I think, Mr. Speaker, that the House would perhaps feel that the moving of second readings of all these private bills could be done with some greater dispatch than is normally the case with second readings and we would simply move them quickly into the committee at this time.

MR. SPEAKER:

Does the House wish to move them for second reading in bulk? Have we the seconders or shall we take them one at a time in the usual way?

SOME HON. MEMBERS:

One at a time.

Bill No. PR 2  
An Act to amend An Act to  
Incorporate the Historical Society of Alberta

MR. KING:

Mr. Speaker, I am now a little bit confused and so I will beg leave -- excuse me -- I will move, seconded by the hon. member, Mr. Lee, that Private Bill No. 2, An Act to Amend An Act To Incorporate the Historical Society of Alberta, be now read a second time.

[The motion was carried without debate, and Bill No. PR 2 was read a second time.]

Bill No. PR 3  
An Act to Incorporate The Sisters  
of Charity of Providence of Calgary

Bill No. PR 4  
An Act to Amend an Ordinance to incorporate Les Sœurs  
de Charite de la Providence des Territoires du Nord Ouest

Bill No. PR 8  
An Act to Provide for an Extension of Time for Commencing  
an Action Beyond the Period Allowed by the Limitation of Actions Act

MR. FARRAN:

Mr. Speaker, I move second reading of Private Bill No. 3, seconded by the hon. Member for Calgary Buffalo, An Act to Incorporate The Sisters of Charity of Providence of Calgary.

Mr. Speaker, can I do the three together, or do you want to rise each time? I've got three.

I also beg leave, Mr. Speaker, to move second reading of Bill No. 4, An Act to Amend an Ordinance to incorporate Les Soeurs de Charite de la Providence des Territoires du Nord Ouest, seconded by the hon. Member for Calgary Buffalo.

I also move second reading, seconded by the hon. Member for Calgary Buffalo, Bill No. 8, An Act to provide for an Extension of

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Time for Commencing an Action Beyond the Period Allowed by The  
Limitation of Actions Act.

[The motions were carried without debate, and Bills No. PR 3,  
4, and 8 were read a second time.]

Bill No. PR 5

The Society of Industrial Accountants of Alberta Act, 1972

MR. JAMISON:

Mr. Speaker, I move, seconded by the hon. Member for Ponoka that  
Private Bill No. P.R. 5, The Society of Industrial Accountants of  
Alberta Act, 1972, be read a second time.

[The motion was carried without debate, and Bill No. PR 5 was  
read for a second time.]

Bill No. PR 6

An Act to amend An Act to Incorporate Canadian Junior College

MR. COOKSON:

Mr. Speaker, I beg leave to move, seconded by the hon. Member  
for Smoky River, that Bill No. 6, which is An Act to amend An Act to  
Incorporate Canadian Junior College, be read a second time.

[The motion was carried without debate, and Bill No. PR 6 was  
read a second time.]

Bill No. PR 9

An Act to Incorporate the Institute of  
Accredited Public Accountants of Alberta

MR. ASHTON:

On behalf of Mr. Gitter, seconded by Mr. Purdy, I wish to move  
that An Act to Incorporate the Institute of Accredited Public  
Accountants of Alberta be read a second time.

[The motion was carried, and Bill No. PR 9 was read a second  
time.]

#### COMMITTEE OF SUPPLY

MR. HYNDMAN:

Mr. Speaker, I move that you do now leave the Chair and the  
Assembly resolve itself into Committee of Supply for consideration of  
the estimates.

[The motion was carried without debate or dissent]

[Mr. Speaker left the Chair]

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COMMITTEE OF SUPPLY

[Mr. Diachuk in the Chair]

MR. CHAIRMAN:

The Committee of Supply will now come to order.

Department of Industry and Commerce (cont.)

Appropriation 1624 Transport, Research and Development (cont.) total  
agreed to \$ 192,730

Appropriation 1630 Research Council of Alberta

MR. FRENCH:

Mr. Chairman, I wonder if the hon. minister could advise if the Research Council at the present time is doing any research in the health foods area.

MR. PEACOCK:

Mr. Chairman, we are not. Maybe the hon. Minister of Agriculture would like to comment on what they might be doing in his department, if anything.

DR. HORNER:

Sorry, would you repeat the question?

MR. FRENCH:

Mr. Chairman, I will just repeat the question. Could the hon. minister advise if the Research Council at the present time is doing any research in the health foods area?

DR. HORNER:

Not to my knowledge. There is a fair amount of work being done -- one could call it all health foods area, but certainly in the university sector, with some assistance from the agricultural research thrust on food preparation and new product development. We're doing some in our own labs at the Longman Building under our home economists, particularly in relation to the foods area. The hon. member was kind enough to send me a coffee substitute made out of barley. There has been some development along this line in Alberta. One of the people that has had a look at this is Mr. Marwood Swain from Lacombe, who has done some preliminary work as a private businessman in relation to a coffee substitute made out of barley, for instance. We have assisted the plant at Bassano to get under way with substantial additional guarantees and they are primarily aimed at health foods. They have also received some assistance from the university and from the people in my department in relation to new product development in this area. We're hopeful and we see quite a market, as a matter of fact, for the development of certain foods in that area.

I'm sure the hon. member is aware that somebody in Colorado is marketing what they call health food beef at a premium of about 40 cents a pound. They are guaranteeing that the beef was grown on grass that wasn't fertilized and no other chemical spray used on it and they have developed a selective market in the Los Angeles area for this beef at about \$1.40 a pound, or 40 cents over and above the ordinary wholesale rate.



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MR. FRENCH:

A supplementary question, possibly to the hon. Minister of Agriculture. Do I take it from the hon. minister that there is going to be some activity in the Bassano area in this whole field?

DR. HORNER:

Yes, in Bassano a group of interested farmers and businessmen have set up a plant which is producing dehulled grain for the health food market. They are giving the guarantee that this grain hasn't been treated by any chemical, and which is purported to be healthier for one. There are certain people who want this kind of grain, and particularly the process that they are using. This is not anything new. I think other countries have done it -- certainly the middle eastern countries import a lot of our grain for use as a whole grain food for human consumption.

You may recall that not long ago a pretty bad thing happened over there. They used some treated seed grain as food for consumption, and a lot of people died. That grain didn't come from Canada fortunately. What I am saying is that this is a polishing process of whole grain and they are trying to establish that the grain they are selling there has not been treated by any chemical compounds. So this will be a health food.

Their orders to date have been very good, and the outlook is promising.

MR. BARTON:

While we are on the Research Council. This might be a little out of order, but I want to direct it back to the hon. Minister of Agriculture. Has the Research Council gone any further in your studies, in blowing or puffing the grain up for better consumption?

DR. HORNER:

I can't answer specifically, but I do know that they have assisted the industry in Alberta in the processing of puffing grain. They have developed some of the machinery for Prairie Cereals here in Edmonton -- or at least, helped them to develop it, and they are doing additional work in the foods area.

MR. BARTON:

This was in the feeder cattle area.

DR. HORNER:

No, I was thinking more primarily in regard to puffed wheat and puffed cereal for human consumption. The question of additional work being done on treating grain in relation to feed for cattle -- there is more being done, I think, at the university through the Agricultural Research Trust, rather than through the Research Council.

MR. BUCKWELL:

Mr. Chairman, may I ask the hon. Minister of Agriculture if they are still experimenting with spring grown grains where they put fertilizer and plastic on them? It would be quite a boon for MLA's. They could sow them in the fall and you'd have your crop --

DR. HORNER:

It might be a real boon, but most of the work of coating seed is being done, as I understand it, by the federal government in the experimental station in Manitoba. They have a pretty substantial program this year in Manitoba using coated seed so that you could

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seed it in the fall. Also, there are all kinds of applications that they are thinking about, and that is the incorporation of herbicides and fertilizer in the seed coating. They are doing a lot of work on that in Manitoba. Hopefully, it will --

MR. CLARK:

Mr. Chairman, I hate to cut in on the hon. Minister of Agriculture's discussion of the hon. Minister of Industry's estimates, but to the hon. Minister of Industry, I apologize I wasn't here Friday afternoon. If you dealt with this matter, refer me to Hansard and I will read it there and come back with some questions in the question period.

I would like the hon. minister, if he hasn't already done so, to outline in a bit of detail, what he sees as far as the the future of the Research Council of Alberta is concerned and its relationship with other government departments, and how he sees the liaison above and beyond the two or three ministers who sit on the council. Also the relationship with the private sector, and where the council is going in a period of years.

MR. PEACOCK:

Yes, I refer him to Hansard.

Earth Sciences Branch

MR. WILSON:

Mr. Chairman, would the hon. minister outline to us what is envisioned to take place in the Earth Sciences Branch this year that would cause the increase of \$157,629?

MR. CHAIRMAN:

Yes, Mr. Provincial Treasurer?

MR. MINIELY:

The notes I have here are that this is Appropriation 1630.

MR. CHAIRMAN:

That is right.

MR. MINIELY:

Increases are due entirely to negotiated merit increases, manager's pay adjustment, entirely due to increase in salary cost.

MR. WILSON:

Mr. Chairman, \$157,000 all to salaries in the Earth Sciences Division?

MR. PEACOCK:

Part of this I think -- there will be four soil scientists; there will be three technicians in agriculture and forestry. The equipment and capability for soil surveys interpretations and co-ordination between the University of Alberta make up basically almost that difference, that is in salaries and in equipment.

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MR. MINIELY:

I just want to point out as I have indicated before that there are double increments which were negotiated last July. If you take approximately 11 per cent of \$869,000 you have got \$90,000, and your total increase is \$157,000. The balance is just merit increases but it is all related. There is only one new staff member in total.

MR. WILSON:

Mr. Chairman, could the hon. minister tell us if there is quite a shifting of personnel in the Research Council? He has a net gain of one person, but if I understood him correctly there was quite an addition in the staff of the Earth Sciences Branch. Could he outline the details of the personnel shifting within the Research Council?

MR. PEACOCK:

Mr. Chairman, to answer the hon. member for Bow River. There is a tremendous amount of shifting in the Research Council. For this reason, by moving some of the programs, we are expecting to meet the estimates that we had established this year. You will note that the increase is very nominal, and it is all made up of a normal increase in salary. We have to hold the line. We have to re-emphasize certain other programs and redirections and we haven't really got sufficient time to lay out their reprogramming that we are trying to establish out of our Research Council.

I think that I mentioned in my opening remarks that there would certainly be more emphasis on industrial development, and the applied science programs, rather than heretofore where we had been putting a greater emphasis, or at least more emphasis, on maybe pure research areas. We would be re-emphasizing and redirecting some of these programs, and this is what we are attempting to do now in the Research Council.

Now it is very difficult to define just the actual shifts of people. But if we broke up the main headings of industrial development and mineral resources, water resources, transportation, agriculture, forestry and others, and went into all these programs, that is the reason we came out -- as a matter of fact prior to the submission of these estimates -- with our Annual Report, so that those questions could be answered or asked prior to the estimates. But our program is certainly directed into industrial development, although some of these programs aren't established, and I think you can appreciate you just can't move out of research programs and redirect them overnight and cut them off. You just can't do that. So it is a difficult question to answer.

MR. CHAIRMAN:

Very well.

MR. CLARK:

I wonder if the hon. minister would elaborate just a bit on what he is doing in the area of ground water research this year in the area that Dr. Toth has worked in and services to municipalities.

MR. PEACOCK:

I think that I might turn this over to the hon. Mr. Yurko to answer, I think he's probably familiar with what we're doing in ground surface research.

MR. YURKO:

What was the question again?

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MR. CLARK:

We're talking about the Groundwater Division of the Research Council and the work Dr. Toth is doing which on a number of occasions has been very valuable to local municipalities.

MR. YURKO:

This work is very valuable indeed. In my last discussion with the department and the Research Council they had now just about practically completed the identification of all ground water sources in the inhabited part of Alberta.

I think the hon. member will recognize that I've indicated that we are going to combine The Ground Water Control Act with The Water Resources Act and manage water on a total basis -- that's surface and ground water -- rather than just surface waters for the simple reason that we've had a case in the hon. member's constituency now where the town tapped an aquifer and a man's water was lowered substantially in his wells. There was a court case on it and the individual lost the case, but not actually because he didn't have a good case because it was inadequately documented and he didn't get the adequate type of supporting information. We have subsequently put a limitation on the amount that the town could draw out of this aquifer so it doesn't affect other supplies around the area.

But I do want to suggest at this time the work that the Research Council has done in this area has been extremely important, and they are in the process of really setting up a total map of Alberta in connection with what the ground water sources are, and I, for one, would like to have this work accelerated -- as a matter of fact finished earlier. Nevertheless it's almost completed and all I can say is that it's some of the best work done in Alberta and it is in an area of increasing conflict, which will happen in the future as the hon. member knows.

MR. BARTON:

I have one question to direct to the hon. minister. Is the research department continuing on their mapping of the seven zones through the Northern Alberta Development Council along the Pre-Cambrian Shield?

MR. YURKO:

Yes it is.

MR. BARTON:

How much money is allocated this year to it?

MR. PEACOCK:

I haven't that at my fingertips how much it is, but I'll get it for you.

MR. BARTON:

Continuing on the same principle there are six zones or seven zones and they were going to continue on a five-year or seven-year period?

MR. YURKO:

We haven't cut that program down at all. I think that program remains exactly as it was last year and the year before.

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MR. BUCKWELL:

Mr. Chairman, a question to the hon. Minister of the Environment on this ground water study. Would this not be invaluable, particularly in irrigation districts where many times irrigation districts are being sued for seepage where there may be a contributory body. But some of this seepage is uphill from a higher elevation than the irrigation canal, and this is one of the big problems we've had with the Board of Public Utilities in not being able to prove where this water comes from. Would this study that Mr. Toth has been doing be a basis, say, for recommendations to irrigation districts?

MR. YURKO:

Yes, Mr. Chairman. The study is really across most of the settled part of the province at this point in time. It will be extended later on and perhaps it is extended already in certain areas that are not settled. But I agree with the hon. member that when this material is well-documented and well-analysed it will be used to settle a number of possible court cases. As a matter of fact in the case I was referring to, information was obtained from the Research Council, to settle this particular case and give us the opportunity to put a limit on the amount drawn from this aquifer because it documented the actual availability of water in the aquifer.

I would suggest to the hon. member that in the years ahead of us I can see there will be a major effort associated with economical use of water for irrigation and, that the documentation of the entire water supplies within the irrigation area is going to be necessary for a number of reasons; some that he has indicated, and also some from the standpoint of the economical utilization of the water resources of southern Alberta.

MR. CHAIRMAN:

Yes, Mr. Minister?

MR. PEACOCK:

To answer the hon. Member for Slave Lake. In the geology division there is \$14,000 set aside for helicopter rental and other field expenses for the Pre-Cambrian Shield survey, replacing support formally obtained from the Northern Alberta Development Council. And to answer the hon. Member for Macleod, in the ground water division, there is an increase in our budget for \$16,000 for field and office expenses, for largely hydrogeological survey, and that is to complete the ground water mapping of Alberta within a ten-year schedule.

MR. CLARK:

Unaccustomed as the two hon. ministers will be to hearing this from me, could I say to you, when you're re-establishing your priorities, don't get lost in your great push -- and I commend you for it -- in the field of industrial development, because you can have all the industrial development in rural Alberta you want, but if you don't have water you just cut a number of communities off from any possibilities at all.

The hon. Minister of the Environment said that the work done by the Research Council is some of the best in Alberta. At the risk of having the hon. minister say this back to me at some time in the future under different circumstances, I think you'll find it is some of the best work done in the world -- at least this was the information we came across when we had the problem the hon. member referred to down in the Olds area. So even if you have got to bend the Provincial Treasurer's arm a second time, for goodness sake don't let him hack any money out of this area but put more in it because I

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think it is very vital if you are going to do something in rural Alberta as far as industrial development is concerned.

MR. YURKO:

I would suggest to the hon. member that there was some consideration given the cutting, but we fought pretty hard.

MR. CLARK:

If you need some help we'll help you.

MR. PEACOCK:

Mr. Chairman, just for the hon. opposition Member for Olds-Didsbury's benefit, we are very conscious of what he is saying. We happen to have been in Claresholm this morning and experienced the problem they are having there in relation to run-off and drainage, and we are also aware of the serious water problem there has been in Olds, etc.

MR. CLARK:

Mr. Chairman, now that we have got them agreeing, I wonder if they could work the program so they could become involved much earlier with the municipalities involved, because the Research Council did a very good job at Olds but the problem was that the town spent certainly in excess of \$100,000 in a number of other approaches -- as a last resort -- before the Research Council came in. Now I know very well that the Research Council doesn't like to get involved where private consulting firms can do the work and I appreciate there has to be a line some place. But on the other hand, the Town of Olds drilled well after well after well, especially west and north and south of the town. Wells would come in with many gallons a minute for a while -- give them two or three months -- and then they dribbled off to hardly anything, and over a period of, likely, three or four years it nearly broke the town. When the town got to that stage the Research Council got involved, so here's a chance for you, I think, to involve the Research Council, with the capabilities they have, an awful lot earlier and, at the same time, have some respect for private consultants -- I appreciate their role.

MR. YURKO:

Mr. Chairman, just to offer a little more light in this area, I indicated that The Ground Water Control Act is being combined with The Water Resources Act. One of the very specific reasons for this is that licences are going to be required for major ground water use so that, in fact, we can tie through the same department and to the same people uses in this particular area so that the very type of thing that the hon. member suggests won't happen in the future, we hope.

#### Product Research

MR. RUSTE:

In the Product Research, what have you got in mind here? Is this where you're working with the Agricultural Department in some of the new products, or is this apart from that?

MR. PEACOCK:

In Products Research, that's in Clover Bar basically, and we're talking in terms of coal and steel -- and I should say iron ore.

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Hail Studies

MR. CLARK:

Could we go back to Hail Studies for just a moment? Would you like to elaborate on what you are doing in this area in some detail?

DR. HORNER:

Mr. Chairman, in relation to hail studies we are continuing the program that the Research Council has had. We are also considering what additional programs should in fact be put into effect and whether or not we can develop additional assistance for those areas that want to try and help themselves as well.

We attempted to almost have a crash program and found that we couldn't do that this year, so we are now going to put the question of a weather modification authority or some similar body, through which the municipalities in the area -- particularly in the Olds, Red Deer, Morrin areas -- could have some input. We're going to add this additional question to the special committee that is going to be set up to study crop insurance, and hopefully we can come out of that with some sort of direction in relation to weather modification. In my view, after having read all of the submissions that I've seen on the matter, I believe weather modification is a useful adjunct and that we should be active in that area, and so we're pleased that the Research Council is continuing their operations. We as a department are concerned about doing something additionally, and intend to make it part of the terms of reference for the special legislative committee in regard to crop insurance and weather modification.

MR. CLARK:

A question to the hon. Minister of Agriculture. When you talk in terms of additional programs, are you thinking in terms here of this being sent to the committee on crop insurance? Or in the meantime is the government going to be viewing various opportunities here and if, in the course of a year, something comes along, you'll perhaps add to this vote here in the GAL method you tried to this year?

DR. HORNER:

Well, I'm not sure that's the method we would take. I've run into a little bit of a problem there. I'd rather that the committee, when they are dealing with this matter, would have hearings in the area, would listen to all sides and come up with a recommendation to the government or to the Legislature in relation to how best to handle this problem -- because it has been a controversy over the years, particularly in relation between the pure scientist and the practical application. In my view I don't think it would be of any benefit to anyone to continue that controversy, and that rather we should move forward now and set up a weather modification authority, or whatever you want to call it, through which the municipalities in the area could operate, and through which the provincial government would then be willing to contribute in a practical program of hail suppression.

MR. TAYLOR:

Mr. Chairman, there have been very extensive studies carried out on hail research by the Alberta Research Council now for quite a few years. As a matter of fact, many practical farmers and many others, including myself, felt that our studies were going too slowly and we weren't getting down into the practical area. When I was in the area, at least I should say when I was once in the area, and the airplane painted -- I call it painted -- painted the clouds with silver iodide, I really became a believer in hail suppression,

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because the hail fell and this was in the middle of July, as a soft snow and did no harm whatsoever. I could hardly believe my eyes frankly because it was in the Carbon area where the hails have been very, very big and where the hailstones have been as big as hen's eggs at times, and have done terrific damage over the years. And it seems to me that if we can get to the cloud in time and get the silver iodide there, that we have a tremendous opportunity to control hail.

I am hoping that bringing the whole gamut of weather modification into the deal will not have the affect of throwing back a hail suppression program. I am glad to see the hon. Minister of Agriculture indicating that will not be the case. Certainly there is need for weather modification. I would certainly like to see the hail suppression program advanced as quickly as possible because I really think it has some real merit.

MR. PEACOCK:

In answer to the hon. Member for Drumheller, we have recognized that within the Research Council, as far as the actual suppression program is concerned. They are carrying that on vigorously this year. As a matter of fact, we have taken away some \$70,000 from other programs to complete it. As the hon. Minister of Agriculture suggested, and from what feedback we have out of our Research Council at this time, they will be able to complete their program this year, for all intents and purposes, from the experimental stage into it being a reality or a continuing program for suppression. Then it will move back, as the hon. Minister of Agriculture stated, into the farm organizations which the province then will just come in and support.

MR. CLARK:

Would it be fair to ask either one of the hon. ministers if the Research Council is looking, at the same time, in addition to hail suppression, at the possibility of being able to increase the amount of precipitation? There wouldn't be a problem in this area of the province, but certainly it will be in areas farther to the south. If I understand some of the statements made by the commercial firm involved, in doing some of the seeding in this area -- and I think fairly sincerely, over the period of the last few years -- they have indicated that in some other areas of the world they have been fairly successful, they feel anyway, in increasing the amount of precipitation.

DR. HORNER:

Again, you would have to be a believer, and I am too, to a degree. But any program, depending upon its intensity can either suppress hail and/or improve the amount of rainfall in the area. If you like, the hail suppression program has, as a side benefit, an increase of moisture generally in the area.

In response to the hon. Member for Drumheller. First of all we would hope that the committee would deal more with the practical matters of how such a weather modification set-up could be arranged, rather than going back and rehashing the controversy again. Secondly, some sort of a vehicle through which the municipalities, the farmers, and the government could co-operate in a program of hail suppression.

MR. FARRAN:

I would like to take 30 seconds. The controversy last year was not over whether the seeding of silver iodide was successful or not, they seem to have come together, the two conflicting wings, over this point. The controversy was whether the method adopted by the



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Research Council last year was the best way to seed a cloud. They were seeding the edges instead of the total base of the thunderhead which was a Krick and Associates method.

DR. HORNER:

Yes, I appreciate that Mr. Farran. Also the university entered into the situation by doing an evaluation study, and this is a very interesting one, and in fact, supports the concept of weather modification.

Appropriation 1630 total agreed to \$3,935,150

Agreed to without debate:

Appropriation 1640 Alberta Commercial Branch \$ 137,670

Total Income Account

MR. WILSON:

Mr. Chairman, I would like to ask the hon. minister, where in these estimates, the provision is for task force expenses?

MR. PEACOCK:

In answer to the hon. Member for Bow River, there are no allowances for task force expenses in here.

MR. BARTON:

Mr. Chairman, I just have one little concern, and I will sum it up. I didn't exactly know how to fit it in and I missed the general remarks on the administration. Has your department made any representation to the Board of Transport Commissioners to break it down into the inter-regional representatives on a shorter term basis. What I mean, a representative from each province, rather than have them all located in eastern Canada?

MR. PEACOCK:

We haven't taken such steps at this time, but we certainly intend to.

MR. WILSON:

I'd like to ask the minister how much he has in this budget and where it is for airplane rentals from the Department of Lands and Forests.

MR. PEACOCK:

We have no allowance in this budget for airplane rentals.

MR. WILSON:

Mr. Minister, in your booklet called "Current Publications," issued in 1971, I was wondering if you could advise us how many copies of this publication were printed, how you distribute it and how you make efforts to assure that it gets into the hands of those who can make best use of it? A constructive suggestion for the future, would you consider an addressed cut-out order form to be included with the list in the publication? If you don't have the answers to those questions immediately, I would be happy to receive them in a day or two.

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MR. CHAIRMAN:

Do you agree to that, Mr. Minister?

MR. PEACOCK:

Agreed.

MR. WILSON:

Also, Mr. Minister, do you presently conduct a cost benefit analysis on all Department of Industry publications, and if not, would you consider such an undertaking?

MR. PEACOCK:

We would take that under consideration, Mr. Chairman.

MR. WILSON:

Mr. Chairman, a further question to the minister. Do you have any system of consultation with recipients of industry publications to ensure that the information meets present and future needs? In other words, do you use a feedback system of any kind for purposes of improving the quality, relevance, and organization of the information?

MR. PEACOCK:

The answer to that question, Mr. Chairman, is yes. There are many ways, both by direct contact and by mail. We intend to improve it and to extend the feedback from private sectors into the government as to what may be required from time to time.

MR. WILSON:

A further question, Mr. Chairman. In that the Alberta Trade Index provides a list of Alberta manufacturers and their products, will the Department of Industry consider production of a similar publication, listing service industries and the services which they provide?

MR. PEACOCK:

Yes, we will, Mr. Chairman.

MR. WILSON:

In the "Current Publications" pamphlet, it refers to local development companies. I was wondering if the minister could advise us how many are in operation in Alberta and could he make a list of these available to the members of the House?

MR. PEACOCK:

Well, I only know of one, frankly, but we will make a list available from checking with our department.

MR. MINIELY:

Just give him a list, Wilson.

MR. WILSON:

Mr. Chairman, I would like to ask the minister to enlarge on what efforts are made to ensure that Albertans can get federal government publications in relation to industry.

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MR. PEACOCK:

Mr. Chairman, we have a department that will assist them at any time and aid them and we anticipate programming in the future more co-operation between the federal publications and our own so that Albertans will be more aware of what the federal programs are all about and the publications are all about. We anticipate doing this.

MR. BARTON:

I have one more question. Is your department planning any tours in the north country?

MR. PEACOCK:

Yes.

MR. BARTON:

When and in what areas?

MR. PEACOCK:

When this House is through. Certainly in the north we'll be in McMurray and in the Slave area, also Peace River.

MR. CLARK:

Mr. Chairman, I would like to ask the minister where in the department we would find some funds to help local community development and industrial organizations, such as the one the hon. minister is familiar with at Olds? Where in the estimates, and how much, and how do communities go about becoming involved here?

MR. PEACOCK:

Mr. Chairman, the Alberta Opportunity Fund provides that fund. The funds for that are provided through statutory advances.

MR. CLARK:

Then a community that has its own industrial development organization will be able to get some funds to help the organization operate in its infancy? Could you give some indication -- I appreciate it is a statutory appropriation -- but are we looking in terms here of this being designed primarily for towns across the province? If so, what kind of approach?

MR. PEACOCK:

I think, Mr. Chairman, that really comes under Bill No. 50 in The Opportunity Fund. I think we will have ample opportunity to expand on that during the time we have that under discussion.

MR. CLARK:

Mr. Chairman, just as long as we are studying the Bill in committee, you don't call us to order then, when we want to refer back to estimates here, as long as that is the understanding, it is quite agreeable with me.

MR. MINIELY:

As all hon. members are aware, there are several funds including the Agricultural Development Fund that are funded by statutory appropriation. In the case of the hon. Mr. Peacock's, the amount is \$15 million. These amounts are not required to be voted upon, in effect, they have been in the past, and are treated this year, as advances from the Provincial Treasurer which are repayable or

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renewable each particular year. The Agricultural Development Fund falls into that category as well.

MR. BARTON:

Could you tell me if the Department of Industry and Tourism is planning a film on the north?

MR. PEACOCK:

Mr. Chairman, yes, we are.

MR. BARTON:

Is it in this year's appropriation?

MR. PEACOCK:

Mr. Chairman, it was in last year's.

MR. BARTON:

Is it finished? Is it ready for publication now?

MR. PEACOCK:

The quality of it is a little under question, but it should be ready fairly soon.

MR. TAYLOR:

Mr. Chairman, in view of the hon. minister's reply, or the reply understood, is it possible for towns like Carbon and Strathmore to get some financial assistance in setting up an office to attract industry? Or did I misunderstand you?

MR. PEACOCK:

Mr. Chairman, in answer to the question, there is nothing in these estimates, but in the Alberta Opportunity Fund we are looking at that area of assistance for those kind of communities.

MR. CLARK:

Perhaps I could direct a question to the hon. Provincial Treasurer if you permit. Of the \$15 million, do you have some sort of breakdown, which could be used in the area of seed money for our rural centres?

MR. MINIELY:

Actually, the \$15 million, which is provided under the Alberta Opportunity Fund as I indicated earlier, is an advance to the fund and it is administered through the Department of Industry and Commerce. The actual ground rules under which that fund will be utilized will be detailed in The Alberta Opportunity Fund Act as well as the regulations that will apply to the act. As far as the Provincial Treasurer is concerned, there are no restrictions with respect to the operation of the fund, other than the maximum amount that is in the fund; the rest is governed by act and regulations.

MR. CLARK:

Really what the hon. Provincial Treasurer is saying, the government has no breakdown at this time, as to whether they would see 80 per cent going to a certain area, 10 per cent going to another area -- when I say area, I am thinking in terms of bringing and

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attracting industry and services that are needed, or helping a community get started on an industrial development organization.

MR. MINIELY:

Well, again I would say that basically the need for industrial development determined the total amount of the hon. minister's act, which as you know, is actually a \$50 million revolving fund. It will blend in with the existing advances under the Alberta Commercial Corporation. In this year's budget we are adding direct dollars totalling \$15 million. As well, if you have studied The Alberta Opportunities Fund Act, you will see that it provides for government guarantees in addition under the act, and as I say, as far as the actual breakdown is regarding the way these funds are utilized, that will be governed by the act. And also the regulations which might apply to the act. And, other than that, at the present time, I do not -- the minister may have his ideas, as to what kind of allocation he is going to have -- but I do not.

MR. FRENCH:

Mr. Chairman, could the minister advise if the regulations with respect to Bill No. 50 will be tabled before second reading of this bill?

MR. PEACOCK:

The question was already asked by the hon. Member for Olds-Didsbury and I advised him at the time that we would do everything we could to get it in before that.

MR. TAYLOR:

Mr. Chairman, I understand that the \$50 million will be administered by the Alberta Commercial Corporation and if this is so, is this all new money?

MR. PEACOCK:

We are getting into the act, but to answer the hon. Member for Drumheller, it is, as the Provincial Treasurer stated, a revolving fund. There is \$15 million of new money coming in, there is approximately \$10 million that is in there now, that is \$25 million and there will be approximately \$25 million in guarantees that will be available under the clauses of the new fund... So it will give you a total of approximately \$50 million. The regulations are very comprehensive, and I think they would leave us to another time to discuss them in more detail.

MR. WILSON:

Mr. Chairman, going through the Department of Industry estimates, I noticed that all the advertising budgets are down, and I was wondering if the minister would elaborate on what advertising campaigns within the department are being conducted and considered for present and future efforts to ensure the distribution of departmental information to interested Albertans and others.

MR. PEACOCK:

Mr. Chairman, in answer to the hon. Member for Bow River, first of all the advertising appropriations in the estimates of the Department of Industry, and they're down mainly because we have moved most of our publication and our advertising and PR into central service. On the other hand, those publications that are pertinent to industry -- for the acquainting of people within the province and outside the province of the opportunities that are available for locating industry in Alberta -- that program is now being developed

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and set up so that we will have, by the fall, a program that we can give to this House of what we are doing in that area for the next year or two years. And, as you can appreciate, these programs aren't developed very rapidly, they take some time, there is a lot of research. As the hon. member pointed out a little earlier in one of his questions, we have to determine that we are rifling into the problem and we are hitting with the publications information that is required in order to do the job, and that is to develop industry within the province.

MR. WILSON:

Did I understand the minister to say that his department does not let any advertising contracts or printing contracts directly, that it all goes through central services?

MR. PEACOCK:

Yes.

MR. WILSON:

I would like to ask the minister to outline his policy on taxation of machinery and equipment only.

MR. PEACOCK:

I don't quite understand the question.

MR. WILSON:

Well, some municipalities, Mr. Minister --

MR. PEACOCK:

Do you mean whether it is property tax or machinery tax?

MR. WILSON:

Right.

MR. PEACOCK:

Is there enough latitude in this House to answer those kinds of questions? That question is government policy -- as an industrialist I am very much against machinery tax.

MR. WILSON:

Thank you.

Mr. Chairman, would the hon. minister give us his thoughts and policies on the exemption from taxation of those items which are non-productive, which may include, say, plant fencing and things of this nature?

MR. FARRAN:

A point of order, Mr. Chairman, I believe the questions are in detail, on assessment practice, and under the law under the assessment manual. For instance, the taxation of machinery or a business tax is an option in the Municipal Act and I don't think it's fair to ask the hon. minister detailed questions on assessment practice.

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MR. WILSON:

Well, Mr. Chairman, on the point of order, the hon. Minister of Industry is here to explain his estimates and the policies of his department. He's a new Minister of Industry in a new government and I think that the citizens of Alberta are interested to know what his feelings are and what his policies are. I see nothing out of line whatsoever in asking him his policy on this and I think he should be --

MR. PEACOCK:

Mr. Chairman, I don't mind answering.

MR. CHAIRMAN:

Thank you, Mr. Minister.

MR. PEACOCK:

I think there are a few revolutionary ideas we have and if we want to get down to non-productive items and whether they're taxable or not, I quite agree that they should be deleted. Now I say this in relation to taxes, we get into two or three hairy questions here. First of all in the municipalities, I'm very much opposed to improvements being taxed that are non-productive, such as what you just mentioned, fencing. As you appreciate tax this becomes a little involved and also from a federal point of view, so my personal opinion is that they should have a reserve.

MR. WILSON:

Mr. Chairman, I have a further question to the hon. Minister of Industry regarding his policy on the environment and we heard from the hon. Minister of the Environment when we were discussing his estimates, but I was wondering if the hon. Minister of Industry would outline how severe, or the degrees of severity that he feels new business ventures can condone, and still attract new industries to the province?

MR. PEACOCK:

Mr. Chairman, to relate this into a percentage point or a dollar and cent figure is very difficult question to set up -- and the hon. member appreciates this -- in any criteria, any definite formula. However, we're well aware that in this pursuit of man and his employment and his development, that he has a responsibility to the environment and to those that come after him. Therefore, we have to feel this thing together -- what the industry can stand and how profitable that particular industry is, how far you can go with it, whether it relates to our resource industry; whether it be in the coal, or oil, or forest products, where they're capturing something that nature has given them or whether they're in the manufacturing area in which they're creating and developing something with man's ingenuity. So there's a complex problem here of how to relate, how far you can go in pollution control.

All I can say is this, that in relation to the hon. Minister of the Environment, as far as our department is concerned we work shoulder to shoulder -- and we are very sensitive because he has had experience in industry also -- of how far we can go in this relationship of pollution control. We would like to make it absolute, but there are no absolutes, so we're talking about degrees and consequently it's not a very satisfactory answer but you can't give any satisfactory answer at this time.

MR. WILSON:

Mr. Chairman, I'm satisfied with that answer.

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I would like to talk then about environmental regulations with existing industries and I'm thinking particularly of small industries who may find pollution control standards are a severe hardship and would it be the policy of the government to implement these on a phasing-in time?

MR. PEACOCK:

Mr. Chairman, certainly we would be. We would phase it in over a period of time. The hon. Minister of the Environment is very sensitive about this, particularly in small industry where people have given of their lives and have, through no fault of their own, unfortunately developed a situation in which it is creating an environmental problem. So in keeping with the economics, the location, and all those problems, he will be -- or they, or whatever the corporation image might be -- phased in on an equitable basis, which they could well afford.

MR. WILSON:

Mr. Chairman, I would like to now turn to the economics of environmental control. With firms or industries that have narrow credit bounds, would there be any funds within the Department of Industry, to help them purchase the required equipment or things of this nature?

MR. PEACOCK:

Mr. Chairman, we have in the Alberta Opportunity Fund a latitude for any enterprise to make application for funds, whether they be of a capital nature or otherwise. I think we suggested in the fund that it was expansive enough to cover practically all the needs of what the economy demanded.

MR. YURKO:

I think, Mr. Chairman, that I ought to add something for the hon. member. He is getting more into my department than the hon. minister's department. The Government of Canada has a fast write off program for pollution control facilities and equipment. These can be written off in two years against profit -- and it's only applicable to companies that pay income tax on the profit basis -- it is not applicable to municipalities. Initially it was intended only for water pollution. It was brought in I think in 1966; in 1970 it was extended to air pollution; so that, in fact, industries can now write off their equipment and facilities for pollution control over a two year period.

Now it is very interesting that I noted, when I took over as the Minister of the Environment and recognized that the provincial government that is now past history allocated to Procter and Gamble \$3.2 million for pollution control, and also an additional one-third for any additional equipment that went beyond the \$7.2 million package, that at no time was it investigated whether or not the company could charge and write off that equipment that was donated by the province for this particular plant, for a fast write off basis for the company's benefit. And all I can say is that I have this matter under advisement and investigation at this particular time. But I do want to suggest to the hon. member that there is quite a bit of latitude for companies that are engaged or associated with the profit motive in writing off their equipment and facilities at a very fast rate -- and, in fact, writing off as it seems to me at this point in time -- writing off equipment that is paid for by the provincial government.



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MR. WILSON:

Well, Mr. Chairman, I certainly wasn't casting any aspirations [sic] against the hon. Minister of the Environment or his department, I just wanted a clear-cut definition from the hon. Minister of Industry about how he felt his department fitted in with the previous restrictions that were talked about when we were dealing with the Department of the Environment estimates. And I think it is important that we understand how these two departments work together or apart -- however they may go in the future.

Mr. Chairman, I would like to ask a further question of the hon. Minister of Industry and this is in regard to government purchasing. What policy does he see developing -- or does he plan to develop -- regarding interdepartmental co-ordination and awareness of availability and range of Alberta products by the Public Works and the purchasing agency?

MR. PEACOCK:

Mr. Chairman, we intend to develop -- and are developing -- a complete program of purchases that are involved in the Provincial Government, directly or indirectly, and from that do an analysis of what might be economically looked at to be developed into an incentive for the private sector to either fabricate or manufacture here. We've started these programs. If the hon. member -- and I just say this in case he's going to ask me -- if you ask whether we have a purchasing policy that would identify itself with just Alberta-made products, I think the hon. member is already aware that this presents many, many problems. Certainly we will encourage the development and possibly the encouragement of Alberta products, but for suggesting any incentive program for the purchasing of Alberta products, we have no such plan underway.

MR. CLARK:

Mr. Chairman, I'd like to refer to the first question I asked the hon. minister. It was with regard to the Research Council, and it was a question of co-ordination within the government and also with the private sector on the Research Council and also future direction as far as the Council was concerned. So I've gone back and checked Hansard, and page 2, tape 19 of the hon. minister's remarks at the start of the estimates and I wonder if the hon. minister would just give the House the assurance that he sees the Research Council, firstly continuing and secondly expanding its operation. Then if that's the case -- and I hope and trust it is -- secondly, will he elaborate just a bit on the question of getting things from the Research Council into the hands of the public sector about what is being done at the Research Council, and also co-ordinating what goes on at the Research Council with government agencies? I appreciate there are two or three ministers on the Council. It's one thing to have the ministers there, another to get the stuff to the people in the department so that it isn't lost in the shuffle.

MR. PEACOCK:

Mr. Chairman, first of all to answer the hon. Member for Olds-Didsbury. Certainly we feel that the Research Council has a very viable part to play in the development of the Province of Alberta. We feel that it is the vehicle towards the co-ordination and co-operation of much research that is going on in Alberta that is maybe being duplicated in other areas. We think that the Research Council will be the vehicle of drawing this together, and particularly in the applied research areas, and taking it out, or co-ordinating it with direction from the Research Council. We refer to NAIT, SAIT, and the universities in the Province of Alberta, as well as the private sector, in what is going on in Alberta.

We hope that with such experienced personnel as Dr. Wiggins and his staff we will be able to rifle into some of the problems that we

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have experienced in the Province of Alberta in regards to the applied research area. We anticipate expanding our program so that we can take it from research to development and maybe even into marketing areas. We expect that we will develop the program, and we are doing it and it is in existence there but we expect to expand it, to get into the industrial engineering in the province to a greater extent. We also expect to develop an arm of the Research Council where we're into pure research, and where we're into long-term research, so that we have these brackets defined and identified of what we're attempting to do, and the guidelines in which we're directing into the Research Council, not only in the short-term period, but for five-year and ten-year periods.

MR. YURKO:

Mr. Chairman, if I might make just a couple of remarks, as I'm on the council with the hon. minister. I think that I made some early remarks in connection with the Research Division in my department, and my department had logged into it a research division. And I indicated during the conversation on my department's estimates that we had now reverted to a research secretariat for the Department of the Environment, which would only be composed basically of five men skilled in certain disciplines. This research secretariat under the Department of the Environment Act, would be co-ordinating research on the environment across all government agencies and departments.

One of the reasons we withdrew from establishing a research department under The Department of the Environment Act was because of the fact that we have an excellent research agency -- the Research Council of Alberta -- an excellent organization. If any research should be done, it should be done in this body. The secretariat in my department will be attempting to overview the research being done on the environment in all departments and government agencies and so forth, and I can assure you that we will be pushing as much of it as possible, where it should be -- in the Research Council of Alberta -- so that it can all be done at that point. In my department, even though it was set up with the research division, it will really not get into this area at all. It will only oversee and co-ordinate research and direct it towards the area that it should go, which is the Research Council of Alberta.

MR. PEACOCK:

Further, Mr. Chairman, we intend to do an inventory of all research in the government so that, having taken that inventory, then we know where we can eliminate duplications and better the communication.

MR. CLARK:

One comment, and hopefully one last question. When you are doing an inventory I would really urge you to include the universities and so on.

MR. PEACOCK:

We are.

MR. CLARK:

Good. The question is, then, do you plan a change or a major change in the makeup of the Research Council Board? As it is now, there are two, or three, or four ministers -- and then people from the public sector. I am not interested in who the individuals from the public sector are, but I am very interested in seeing that we maintain the principle of a number of people from the public sector, quite frankly, more of them than there are cabinet ministers on the

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Research Council. That is no disrespect to the hon. ministers involved. I think the principle was just as valid under the previous government.

MR. PEACOCK:

In answer to the hon. member's question, yes. We intend to have identified on the Research Council, the universities and any seats where they are provincially subsidized -- directly or indirectly -- NAIT and SAIT, the private sector, and the government. Yes, we are expanding it.

MR. CLARK:

So there will be more people from the private sector on the Board of the Research Council?

MR. PEACOCK:

Right.

MR. RUSTE:

Mr. Chairman, the hon. Minister of the Environment volunteered some information on the pollution control and the contribution by the provincial government to Procter and Gamble, I understood. My question to him, what is the difference in that type of an incentive and the one that was outlined this afternoon, in an exploratory drilling incentive system, designed to benefit those operators who actually undertake exploration?

MR. YURKO:

I'm not sure, Mr. Chairman, that we are on that appropriation yet. When we get to that one, perhaps we might discuss it.

MR. WILSON:

Mr. Chairman, I would like to ask the hon. minister what his policy is in regards to making available to all members of the Legislature who want them, copies of the publications of his department?

MR. YURKO:

They are available --

MR. WILSON:

Mr. Chairman, I have a few more questions. Would you like me to adjourn the debate?

SOME HON. MEMBERS:

Agreed.

MR. HYNDMAN:

Mr. Chairman, I move that the Committee rise, report progress, and ask leave to sit again.

[The motion was carried without debate or dissent.]

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[Mr. Speaker in the Chair.]

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MR. DIACHUK:

Mr. Speaker, the Committee of Supply has had under consideration certain estimates, reports progress, and begs leave to sit again.

MR. SPEAKER:

Having heard the report and the request for leave to sit again, do you all agree?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

The House stands adjourned until 8:00 this evening.

[Mr. Speaker left the Chair at 5:33 pm.]

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[Mr. Speaker resumed the Chair at 8:00 p.m.]

#### GOVERNMENT MOTIONS

1. Hon. Mr. Lougheed proposed the following motion to the Assembly, seconded by Mr. Miniely.

Be it resolved that the Position Paper of the Government entitled Tentative "Natural Resources Revenue Plan", tabled in the Legislature, be referred to the Standing Committee of the Legislature on Public Affairs, Agriculture, and Education for the purpose of providing an opportunity to the petroleum industry and to public organizations and groups to make written submissions to the Standing Committee proposing possible adjustments and changes in the Tentative Plan.

Be it further resolved that the Standing Committee meet at the earliest possible time to determine:

1. A deadline date prior to which intention to make a written submission must be received;
2. The date by which submissions will be received by the Committee;
3. A possible commencement date for proposed public hearing;
4. The form and method of Public Notice of Invitation for written submissions;
5. A date for the next meeting of the Committee.

Be it further resolved that after the Standing Committee has received notices of intention to make a written submission, the Committee shall establish such further terms of reference and procedure for receiving submissions as may be required.

Be it further resolved that the Standing Committee shall report and recommend to the Assembly as to dates which should be set aside for the said public hearings, and that upon approval by the Assembly of the Committee report the other business of the Assembly do stand adjourned during the said public hearings.

Be it further resolved that the Committee be authorized to call for persons, papers, and records, and that expenditures made on

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behalf of the Committee be charged against Appropriation No. 2020.

MR. STROM:

Mr. Speaker, I am afraid I had expected just a little more than just the moving of the motion, but I would certainly like to have a few moments of the House to make a few comments on the motion that has just been moved by the hon. Premier. Before I do, may I express my appreciation again, to you, Mr. Premier for permitting the motion to stand until this evening. It has given us some time to consider it and we certainly appreciate it from that point of view.

Mr. Speaker, I am pleased to be able to rise in my place this evening to express a few thoughts on the motion, to refer the government's position paper to the Standing Committee of the Legislature on Public Affairs, Agriculture, and Education for the purpose of providing an opportunity to the petroleum industry and public organizations and groups to make written submissions to the said Standing Committee proposing possible adjustments and changes in the tentative plan.

I want to state very clearly that our party has recognized the importance of getting on with the hearings, so that decisions can be made on this very important subject. While in office, recognizing that this was a subject that had to be dealt with, we initiated studies that would provide the terms of reference for the current review of increased revenues from oil and gas development. I must say that I am just a little disturbed that it has taken as long as it has, because I remember rather clearly that prior to August 30th, the present government -- the 'now' government -- tried to make the people of our province believe that they had all the answers to any and all questions facing government. Now we find them saying that they do not want to be pushed into hasty decisions. It is very evident from the performance up to this point in time, that the Lougheed government is indecisive, that they are incapable of making the necessary decisions in a manner to which the people of our province have been accustomed. As a result, it is my view that revenue that could be available to our province is not forthcoming as quickly as it should have been.

In order to have a proper consideration of the matter of increased revenues from oil and gas development, we concur that it is necessary to provide a position paper, and in some detail, to provide a focus for the submissions that will be made to the hearings. It is clear also, I believe, Mr. Speaker, that the position paper establishes that the government had no basis, in fact, in making the inference as the Premier did, on August 30th, in this House, or in this legislature, that limitations were placed on this government -- on April 17th. Did I say another date?

MR. TAYLOR:

You said August 30th.

MR. STROM:

I'm sorry, I meant April 17th -- that limitations were placed on this government from getting increased revenues from the oil and gas industry through the previous government's, and I quote,

"serious error in judgment many years ago in 1948, when it unnecessarily agreed to insert in oil and gas leases a specific provision that the maximum royalty rate which would be payable by the producers under these leases, would be limited on the petroleum to 16 2/3 per cent of gross production."

On pages 38 and 39 of the position paper, I read this:

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"All existing petroleum and natural gas leases - including those with maximum royalty limitations - contained the following significant provision:

'the lessee shall pay and discharge all taxes now charged or hereafter charged upon the rights granted under the lease.'

The important point is that the leases contain a specific provision contemplating either new or increased taxes subsequent to the date of the execution of the lease."

Mr. Speaker, I submit that it is not correct to say or to leave the inference that there was a limitation placed on revenues that could be received. It is abundantly clear that the ability to get more from the industry will be directly related to the market's ability to bear increases, regardless of what system is used. I would say that there is no magic to any system in its ability to extract more from the industry, and total price to the market will be the governing principle, regardless of what system is used.

I certainly have to say that in my view, hearings are now necessary to provide opportunity for consideration of the short-term and the long-term effects of increase. It is apparent that the Position Paper assumes that the implementation of the proposed mineral tax will necessitate an increase of about 15 cents per barrel on Alberta crude. It is a matter of critical judgment as to whether the market will absorb such an increase without adversely affecting the availability of sales outlets for Alberta crude.

It is disturbing to note, Mr. Speaker, the position paper makes no mention whatever as to the possible effects on revenue from Crown lease sales and land rental. I found little to encourage me in the incentive programs outlined, in that the government has given notice of destroying the 16 2/3 per cent royalty maximum, as well as instituting a new tax on the industry. Concern about the loss of revenue through the government's ineptitude and determined procedures to be followed is very evident, and using their own figures as given, it would appear that \$50 to \$90 million this year has been lost as potential revenue to the province.

Mr. Speaker, I want to say that I support the need of providing a program that will give stability to the industry, and I see no suggestion as to the length of the period to which the policy, as outlined by the government, will apply and I think that this is rather important.

Mr. Speaker, in looking at the resolution itself, I note two other points that are made here that are of great concern to me. One is found in the first "Resolved". I will not read the total, but looking at the resolution where it deals with "providing an opportunity to the petroleum industry and to public organizations and groups to make written submissions," I see no mention whatsoever of providing any opportunity to individuals to make submissions to the committee. I believe that this would be a serious error, because it is my view that there are a number of very knowledgeable individuals who could provide helpful information to the committee itself. Therefore, I feel that this ought to be changed.

Also, looking at the fourth 'resolved' portion of the motion where it states

"Be it further resolved that the Standing Committee shall report and recommend to the Assembly as to dates which should be set aside for the said public hearings, and that upon approval by the Assembly of the committee report the other business of the Assembly do stand adjourned during the said public hearings."

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My concern here is as to dates, and again it establishes in my mind that there will be a limitation of the time allowed for the hearing. I believe that I made our position clear some days ago while responding to a statement made by the hon. the Premier, when I stated as clearly as I could that inasmuch as we have announced that we intend to hold hearings, in my judgment and in my thinking, it would be wrong to set the hearings up in such a manner that we would, in fact, by determining the length of the hearings, limit those who will be permitted to make representation.

For that reason, Mr. Speaker, I would like to propose the following amendments, seconded by the hon. Mr. Hinman. In the first portion of the motion after the word 'groups' in the sixth line, by the addition of the words 'and individuals'. The motion should be further amended in the fourth 'resolved' portion of the motion by striking out the words 'the Standing Committee shall report and recommend to the Assembly as to dates which should be set aside for the said public hearings, and that . . .' Those words came out of the fourth 'resolved'.

Mr. Speaker, I just have it written in my own printing here, and I only have the one copy, but I would like to move this amendment, seconded by the hon. Mr. Hinman.

MR. HINMAN:

Mr. Speaker, I am only going to comment very briefly on the amendments. I think it has been our experience in this House when we have had other hearings that occasionally there are independent people who have a very vital concern for what is good for Alberta, and who will take the time to do the research and prepare information for us which has been very valuable in the past. And I would suggest that there may be people outside of Alberta who will have a point of view that we might well consider. Consequently, I am very much in favour of adding to that first section 'and individuals'.

As to the second section -- the hon. Leader may correct me -- I think we were not objecting to the words 'shall report'; it was 'and recommended to the Assembly as to the dates which should be set aside for the public hearings'. Am I right?

MR. HENDERSON:

The previous clause covers it.

MR. HINMAN:

Yes, the previous clause covers it. As to that, I think experience again has shown us that the government itself would be under very, very severe criticism if it should happen that we set too few dates, and that many, many written submissions are made, and that some of them are very long and very technical, so that we might underestimate by several days. Of course, we could at that time, amend the resolution, but I think it would be perhaps a little bit wiser on the part of the government even, to take out that section. If you want to do anything about it, at least wait until we have had notice of all the submissions or, in fact, received the submissions, at which time the committee might meet, and if you wish at that time, set the date limits with some assurance that you would not be cutting off the debate too early.

I'd point out that in the democratic tradition which we have followed for so many years, if there's one thing people resent, it's their not being heard when they think they have something to say. Now, frequently, they just want to talk and they don't have much to say, but as I point out, the thing they do resent is any intimation that having called a hearing, the government has the effrontery to

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suggest that some should not be heard. So it is my pleasure to second the motion for amendment, the Hon. Leader.

MR. NOTLEY:

Mr. Speaker, I have some general comments on this matter which I won't raise during the debate on the amendment, but after the amendment is dealt with, and we're back to the original resolution, I'll raise them at that time. I'd like to rise to support the amendment. First of all, I concur with the sentiments expressed by the hon. Leader of the Opposition as well as the hon. Member for Cardston with respect to the value that this Assembly, through the committee, can gain from representations and submissions made by individuals. I think that it bears repeating that there are a number of people in this province, who have expertise, who have knowledge that would well be of great profit to the members of this Assembly when we deal with the very large question of reviewing the royalties.

The second point too, it seems to me, is equally well taken, Mr. Speaker. If we're going to have a meaningful set of hearings at all, it's my submission that we must be prepared to take whatever time is necessary. Three or four days or even a week may not be adequate when we consider the complex nature of the hearings, complex nature of the subject which we will be discussing, and probably the complex nature of many of the submissions.

Might I just say, just beyond the intent of this amendment, that I would have hoped it might have gone somewhat farther. I personally believe that the Committee should hear oral as well as written submissions so that we would be in a position to cross-examine the people making representation. I think that this too, would be a useful amendment. But, to an extent, Mr. Speaker, the amendment as proposed by the Hon. Leader of the Opposition, and seconded by the Hon. Member for Cardston does represent at least a considerable improvement in the motion. I certainly support it.

MR. HENDERSON:

Mr. Speaker, I'd just like to make one or two very brief comments in support of the proposed amendment that's now before the House. I'd like to suggest Mr. Speaker, that the motion as it now stands, makes a mockery out of a matter which this government has said a lot about in recent months, the question of open government.

Surely, if opened, it should be open to everybody; this legislature should be open to anybody, it should be open to the people of the Province of Alberta. In my own mind, the question of organizations and groups comes secondary to the individual citizens who are the voters of the people of this Province. As suggested, the motion as it stands, which excludes individuals, very clearly makes a mockery of the government's own statements in the direction of open government. I suggest that the motion as it now stands, without the amendments, will basically be recorded in this legislature and accepted by the people of this province as one which signifies that the hearings themselves were nothing other than window-dressings to try to lend some semblance of credence to the government's propaganda about open government.

Very clearly, the words, 'and individuals' are appropriately to be inserted in the first portion of the motion. And I would also like to bring to the attention to the members of this House a sentence from the Throne Speech on this subject, which says:

"to the extent that the business of the House permits, the points of view of individuals and organized groups," (and I note that organized groups come secondary in the Throne Speech,) "will be presented publicly and considered before this critical decision is made."



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I therefore suggest, Mr. Speaker that the motion as now drafted contradicts the government's basic position as stated in the Throne Speech on the question of public hearings. I would like to suggest that the words of the mover are particularly well taken in suggesting that it would be far better for this legislature to accept these amendments, go through the procedure as the rest of the motion calls for, receive the written briefs and then make some decision, if one is necessary, as to where we should go from there. I think also, Mr. Speaker, that limitation in time which the motion would place on the hearings also very clearly would interfere, not only with the rights of individuals but possibly with groups to have the opportunity of making presentations to this legislature.

I would also like to hear the comments I think, Mr. Speaker, from the government as to the question brought up by the hon. Member for Spirit River-Fairview. I certainly would hope that, although the submissions are intended to be in writing to support this in principle, there nonetheless would be the opportunity for members of this House, during the hearings, to cross examine the individuals who have submitted the briefs to the Assembly. I suggest, Mr. Speaker, the proposed amendments are in keeping with the policies as stated by this government previously and as inferred by the words in the Throne Speech itself, as I repeat states:

"to the extent that the business of the House permits, the points of view of individuals and organized groups will be presented publicly and considered before this critical decision is made."

I therefore suggest, Mr. Speaker, that the merits of the amendment are self evident and should be supported by all members on both sides of the Assembly.

MR. LOUGHIEED:

Mr. Speaker, on speaking to the amendment, first of all I would like to say that I do not find myself in favour of the amendment for a number of reasons. I would have to start with the response that when remarks are made about the hearing, and I presume that they're kind of natural, of members opposite suggesting that the hearing would be a farce or the hearing would be a mockery, or the hearing would be a circus and perhaps to a degree they may hope that they would be. Perhaps too, though, the public of Alberta are going to assess the source of the statements. They are going to consider the fact that this very important matter and the decision made in 1962 by the previous administration, made at a time when the question of the maximum royalty rates might have come before the Legislative Assembly in terms of public attention, there was no effort made in any way, shape or form to have any sort of a public hearing at that time in 1962. So when comments are made on the other side about this matter I think that the public will assess them, and weight them as to that degree of lack of credibility.

With regard to the matter of the two, I think there are really three matters that have been raised by hon. members opposite with the amendment that I certainly don't feel that we can support in any way. The first matter deals with the question of oral submissions, although it's not specifically tied in to the motion as amended. It's certainly my view that in a matter of this nature and of this substance it is only going to be practical to have written submissions.

Now as far as the two points that are raised, the first one deals with the matters of individuals. I think that frankly in giving a great deal of thought to that matter -- and we have Mr. Speaker -- a fundamental point seems to come constantly to my attention and I think to members when they think about the parliamentary system. The point is simply this: every single individual Alberta citizen is represented in this Assembly by a

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Member. That's the nature of our system. In our view, and the approach that we take in regard to individuals, we feel that the proper and appropriate course is for the individuals to make their submissions to hon. members on both sides of the House.

If the individual resides in Rycroft, Medicine Hat, Calgary West, or wherever, he should make that submission as an individual constituent to an individual MLA. That, in our view, is the appropriate way in which an individual should make submissions.

It is obvious that provincial-wide groups such as the Alberta Federation of Labour, or the Alberta Teachers' Association, if I could use two examples, should have an opportunity in a matter of this nature to present in a public forum and before a Standing Committee of the Legislature, their views expressing a broad representation across the province, on a provincial basis, the same as was done on The School Act a few years ago. That is certainly an effective move in terms of government trying to develop the opportunity to have these things publicly heard and discussed.

I tried to consider, Mr. Speaker, a precedent for this matter. In 1970 I looked to the reference that the members of the previous administration made regarding The School Act and the motion there was: "The hon. Mr. Clark then recommended that March 3rd and 4th, 1970, two specific days, be set aside in order that the Standing Committee on Public Affairs, Agriculture and Education, may receive representations from organizations regarding the provisions of the bill."

I think it is significant, Mr. Speaker, that that motion -- and it was a very useful two days, in my view -- in fact, frankly, I might confess that the thought of having this Standing Committee of the Legislature hear this matter, came about because I was impressed with the way in which that hearing was conducted for two days, the decorum in the House, the way in which the various points of view were brought out by the people who were involved. And that particular motion of reference was certainly one that, in drafting this motion before the House, I considered carefully. It did limit the representations from organizations, though obviously it was a brand new School Act. It was heralded with great trumpeting, I think it would be fair to say, by the former Minister of Education and it was a very important piece of legislation and, for that reason, we certainly fully supported the idea of having a public hearing on it. But in that case the government of the day saw fit to limit the representations to organizations in the motion.

I feel pretty strongly though that the basic principle of the parliamentary system is that these individual representations -- and I have to agree with the hon. Member for Cardston with the point that he makes, and it's very valid, but I think it can be brought out later in terms of the legislative sessions -- some of the ideas that members get from representations from individuals, sometimes they are excellent. And if the hon. member receives such a submission from one of his constituents and wants to table it then, certainly, I think that would be a very useful document to go into the record.

The next point, of course, is the matter of the timing in terms of the number of days that are set aside. I said earlier in this House that the government was only prepared to consider to let the public business of the House stand adjourned for a period of three to four days. I still hold very strongly to that point of view.

I would like to go back, because there seems to be a tendency, in my view, to try, when considering motions such as this ... I would like to go back to the question of schedule that we face here.

We have said in setting aside a public hearing that we have got to do it within the extent practical, and when this matter was first

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raised with me, Mr. Speaker, I believe it was raised in a news conference, if I am correct, in about the month of October -- it may have been late September -- I believe the leader of the Liberal Party raised it first in a news release and then I was asked about it, I said we would certainly consider a public hearing on the matter of the natural resource revenue; however, we would have to judge pretty carefully the nature and the terms of that public hearing, and we made the qualification at that time.

Mr. Speaker, we feel, and I think the hon. Member for Wetaskiwin-Leduc has mentioned this question of uncertainty that exists, that it's important to reach a decision and we're determined to reach a decision by way of a target date of on or about July 30th. We feel for that reason the government is going to have to have a reasonable opportunity to assess the various submissions and the views that are made by members. That means some time from the conclusion of the spring sitting of the legislature. And when we assess, important as it is, this question, when we assess the total legislative program we have in front of us, it is the view of the government that the maximum period of time that can be set aside is three to four days.

I would suggest, Mr. Speaker, that the committee can consider other alternatives. However, if after receiving notices of intention, there are a very large number, certainly they can consider weekends, or they can consider mornings, or they can consider other ways of doing it, breaking up into sub-committees. But as far as setting aside and adjourning the whole business of this House for more than three or four days, we're not prepared to do that. And I note, as I said, that this is the position that was taken in The School Act of having two particular days and I thought that was wise at that time.

Mr. Speaker, I have possibly some remarks to make on the basic motion in closing the debate, but my remarks have been restricted to the amendment and I hope I've expressed our feeling as to why we can't accept the amendment.

MR. R. SPEAKER:

Mr. Speaker, I'd like to make a comment or two with regard to the amendment, and speak in support of the amendment.

I think it's very necessary that individuals of this province be allowed to come in and have their say and present their viewpoint as they see fit. I was very disturbed just a few moments ago when the hon. Premier mentioned that individuals can make their representations through the MLA -- well that's very true, so they can, but the big question I ask, when he makes a statement such as that is; why can't groups? -- saying that we as legislators could make the decision, forget about having an open hearing, and drop the whole thing at this particular time.

The other thing that disturbs me very much is the Premier trying to justify why he is shutting individuals out of this Legislative Assembly. He uses the past performance of the Social Credit Government to whatever means that he sees fit. When it suits his case to knock us a little bit, then he does just that. For example, he talks about what happened in 1962. Well certainly conditions were a little different in 1962. In 1985 they are going to be a little different than they are today. So, Mr. Speaker, I'd like to say that the hon. Premier should assess the decision that he has ahead very carefully. The point is, Mr. Speaker, the situation wasn't to his liking and he saw that he could make political mileage on that statement.

But let's look at another selection. Here just a few moments ago he used the statement of my hon. colleague for Clds-Didsbury,

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saying back a year or two in a hearing on The Education Act, certain things happened that set a nice precedent. I take that as precedent to do this today. Well, Mr. Speaker, all that the Premier is doing and trying to do at this time is say, "this is good for me at this time, that was good for my purposes." But he really isn't doing what is supposed to be done now. Why can't he make the decision on how he wants to do something rather than trying to transfer the responsibility over to us. We did take the responsibility at one time, and certainly we know that there is precedent. But the Premier has to make decisions in his role at this point in time and be prepared to carry the responsibilities of those decisions. I think that that is a very significant point. This amendment does say, Mr. Speaker, that we are going to allow individuals to come into this Assembly and have their say about the matter that will be before us.

When a Premier states in his first Throne Speech, that he wants to hear, and I quote this, "the points of views of individuals", that is a commitment to the public of Alberta that is most significant. I think that here again is an example in his first year of administration, where he is backing out on one of the most basic type of commitments that a person can make in democracy. Anybody on that side of the House who refuses this particular amendment certainly doesn't represent a democratic type of MLA, but wants to have their say as they want it and use the people when they see fit.

MR. CLARK:

Mr. Speaker, now that the 'treasurer' is finished, Mr. R. Speaker, I, in taking part on the debate on this amendment, think in those oft times used words "I hadn't expected to take part in this debate, but --"

It was with mixed feelings that the hon. Premier used the example as far as The School Act was concerned, because he talked, Mr. Speaker, about the hearings that we held during The School Act a couple of years back in 1970. He talked about how the resolution was framed, and said that he rather liked the decorum in the House. But you know, Mr. Speaker, he stopped right there. The Premier didn't go on, Mr. Speaker, and tell you and the other members of this Assembly and the people across the province who will read Hansard, that when The School Act was considered at that time, Mr. Speaker, there had been three drafts of that School Act sent out to people all across the length and breadth of the province, that a committee was set up to rewrite The School Act with representatives of the Alberta School Trustees and the Alberta Teachers' Association in December of the year previous, so that committee had operated for about 14 or 15 months. He didn't tell you, Mr. Speaker, either that there was discussion with the various groups involved on many occasions, that the government took the initiative and held a conference, a two-day conference on education and spent a large portion of that two-day conference debating the School Act with trustees and representatives of the Chambers of Commerce and the Federation of Labour, and Home and School and other groups across the province.

I think, Mr. Speaker, if we are going to use The School Act hearings as an example, then we should rather look at the whole thing. As my hon. colleague from Little Bow says, one gets the feeling that the Premier picked one or two examples out of The School Act hearing and used them to his advantage, and then rather hoped that no one would get up and say anything about how the thing was really done.

Secondly, Mr. Speaker, the Premier talked about how individuals across the province could make representation through their individual MLA's. This is certainly right and proper. But Mr. Speaker, I don't think that very many members know that some of the members on this side of the House this afternoon, tried to get additional copies of the material from the Clerk's office, and it was

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implied to us that there weren't additional copies available. It is going to be a bit difficult for us to get these kind of things out to our constituents. If that is the approach we are going to use, I have people in my constituency who have asked about the possibilities of making presentation to the committee. So I would like 50 copies of the thing so I can make them available to a number of people in my constituency -- individuals.

SOME HON. MEMBERS:

Agreed.

MR. CLARK:

The third point, Mr. Speaker, that I would like to touch upon deals with this question of representatives or individuals making representation to the committee. If we go back to The School Act, for example, once again, and when the hon. Premier was speaking you will note, Mr. Speaker, that I went out of the House and talked with the Clerk -- we weren't able to go back and check the files of the 1970 hearings. But if my memory serves me correctly -- and I should say at this time if I am wrong I will get up and straighten the record tomorrow or the next day when we've had a chance to check -- but if my memory serves me correctly, during the hearing on The School Act, the last presentation was made by an individual Reverend Shepard by name. I think hon. members of the Assembly will hear that Reverend Shepard dealt with the Foundation Program and various portions of that. And that time, Mr. Speaker, I don't recall any individual member of the Assembly rising in his or her place and making any comment that we weren't living within the exact rules of the motion that established the committee. So, Mr. Speaker, in conclusion, let me say that to use the comparison between The School Act and the royalty hearings is a bit far fetched to say the least.

Secondly, on the matter of individuals making representation, if that is the route the government insists on going, individuals can't make representation, then pretty obviously, Mr. Speaker, the government is going to have to supply many, many additional copies.

Thirdly, Mr. Speaker, I think if members will go back and check that individuals have made representation to committees previously -- if hon. members want to go back to 1961, I think they will find out that during the debate at that time on the School Foundation Program, individual members made presentations at that particular time also -- individual citizens I should say -- to the members of the Legislature.

So, Mr. Speaker, despite the -- I think the hon. Premier used the term great trumpeting as far as The School Act was concerned -- despite the greater trumpeting on behalf of the government about open government and about the Speech from the Throne and so on, I really suggest that if those backbenchers are the kind of people we heard they were before August 30th, that they will stand up and be counted in support of individuals on this particular matter.

MR. LOUGHEED:

Mr. Speaker, I wonder if I could be permitted to make a point of clarification. I've already spoken to the amendment, but the hon. Member for Olds-Didstury has raised a point about copies, if that's acceptable.

I think the point is well-taken and I think arrangements should be made where members can obtain copies to the extent that they are required and I think it's a sort of public expense that we should accept. So I think we could take it as agreed that instructions will be issued tomorrow to assure that individual members can get copies of the document.

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MR. CLARK:

The only thing that would be better than that, Mr. Speaker, would be 'now'.

MR. WILSON:

Mr. Speaker, on that same point of information that the hon. Premier was talking about - would he include copies of The Mineral Taxation Act, because there's considerable reference to that in your paper, and it seems to me that you need one with the other.

MR. LOUGHEED:

Mr. Speaker, I think that is something that we'd have to take under advisement. It's a different sort of a document, but it may be appropriate to do that because of the need to tie together The Mineral Taxation Act, after it's introduced, and the document. But there could be a time factor involved here. The other side of that, of course, is that it is a public document, and I believe, in a way, is available through the normal sources of the Clerk's office after it's been introduced. But it's certainly a point that we'll check into.

MR. TAYLOR:

Mr. Speaker, there are just one or two points I'd like to make. I was rather amazed to hear the hon. Premier reject particularly the first part of the amendment, in connection with individuals. I, frankly, find it difficult to understand how the government can do that, in the light of what the government itself said in the Speech from the Throne, as pointed out by two of the hon. members, already. Surely, the Speech from the Throne is the statement of policy of the government, and in the Speech from the Throne under Natural Resources, I believe it's essential that we refresh the memories of the hon. Premier and the cabinet and the government members as to the commitment which it made to the people of Alberta when the Speech from the Throne was read by His Honour, the hon. Lieutenant Governor, under Natural Resources, and I read:

"The question of the amount and the method of calculation of natural resource revenue accruing to the people of Alberta, through their government, is of major importance to Albertans in the years ahead. During the Session, to ensure that citizens and Members of the Assembly are given an opportunity to assess the strengths and weaknesses of arguments advanced, this subject will be referred to the Standing Committee on Public Affairs. To the extent that the business of the House permits, the points of view of individuals and organized groups will be presented publicly and considered -- before this critical decision is made."

And I re-read the last sentence,

"To the extent that the business of the House permits, the points of view of individuals and organized groups will be presented publicly and considered -- before this critical decision is made."

I would urge the government to reconsider that because if we take the words of the hon. Premier, that the government and the backbenchers are going to oppose, particularly the first part of this amendment, it will be a denial of their own Speech from the Throne. This will simply tell the people of Alberta that they just can't believe what it says in the Speech from the Throne. I don't think any government wants to be in that position. I just don't think such is right. When you read from the document, the Speech from the Throne, that's a positive statement by the government, a considered

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statement by the government, and for the government itself to now vote against the very thing it was espousing, will be a catastrophe for any government to do. I would again urge the hon. Premier to reconsider, because otherwise the Speech from the Throne will mean nothing to the people of Alberta if this type of thing is done even once, let alone continually.

The other point I would like to mention is the value of the individual. I don't know how the resolutions have read throughout the years, but I do know that in my term of office in the Legislature, which goes back to 1940, there has never been an individual refused the opportunity to make representation to what we used to call 'the agricultural committee' which we now call 'the public affairs committee', The Standing Committee on Public Affairs. I remember during the last legislature that we heard individuals on the Big Horn Dam, individuals speaking for themselves. And they had something to add.

When the hon. Premier suggests that the MLA can represent the individuals, I would say that this is really impossible. I can't represent the thinking of every individual in my constituency, neither can he, and neither can any hon. member of this Legislature, because there may be ten or 15 very divergent points of view. The best a member can do is to find out to the best of his ability what the majority thinks and then represent that majority thinking in this Legislature.

But to say we represent the individual, every minority view, would not be right. Who is to say an individual may not have some very worthwhile information to bring to the attention of the Committee on Public Affairs? So I think the statement in the Speech from the Throne was absolutely right, I support it. And I think the amendment by our leader on this side is in accord with the declared policy of the government in the Speech from the Throne.

I would urge the government again to reconsider and support the amendment because it is giving credence to the value of the individual who may have a little different point of view from all others.

There is one other point that worries me a little. It appears from some suggestions that there would be no cross-examination. Surely that is going to be considered by the committee, because to have no cross-examination, I think, would be a very, very bad error, because it is only through cross-examination that you are able to get out the fine points of the meaning of most submissions, whether they be oral or whether they be written.

I would urge the hon. Members of the Legislature to support the amendment.

MR. WILSON:

Mr. Speaker, I don't know how hon. members of the government will be able to face their constituents in clear conscience if they vote down this amendment. In the Throne Speech the first item of priority was protection of human rights. It goes on to say,

"My government has as its primary concern, the protection of individual human rights; both the rights of individuals in relation to the power of the state, and the rights of individuals as between themselves."

I think this amendment makes sure that the power of the state does not over-rule individuals. Individuals are what we are concerned about. This statement that I read from the Throne Speech refers further on to the Bill of Rights, the number one bill that was

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introduced by the hon. Premier in this Legislature. The very first paragraph in that bill says,

"Whereas the free and democratic society existing in Alberta is founded upon principles fostered by tradition that honour and respect human rights and fundamental freedoms in the dignity and worth of the human person."

It doesn't say 'organizations and groups' first, Mr. Speaker.

Mr. Speaker, under Item 1 of that same bill it says,

"It is hereby recognized and declared that in Alberta there exists without discrimination by reason of race, national origin, colour, religion or sex the following human rights and fundamental freedoms, namely. . ."

Then Item (b) under that says, "The right of the individual to equality before the law and protection of the law"; in (d) it says, "freedom of speech".

In all cases we are talking about the individual, Mr. Speaker, and it seems to me that we should pass Bill No. 1 before the public hearing, so that the individuals have an opportunity to be heard.

MR. RUSTE:

Mr. Speaker, I hadn't really intended to get into this discussion, but when the hon. Premier mentioned lack of credibility shortly after he rose, I was rather interested in looking back at the document that was tabled today, and in comparing the statement that he had made in Appendix C, which is included, and I won't read it in its entirety, and then to come to the part that was referred to earlier this evening, in which it points out that that the lease contains a specific provision contemplating either new or increased taxes subsequent to the date of the execution of the lease. I submit, Mr. Speaker, that the hon. Premier was aware of that at the time he made the floor show, or the grandstand show in the introduction of the statement earlier at this session.

I submit, Mr. Speaker, that in the matter of written submissions, that even the Ombudsman does take oral submissions from people who are not able to make a written submission, and I submit that if the right of the individual is to be honored at all, that this should be considered.

And certainly the matter of the date, or the length of hearing and the deadline the government has set for July 30, this should have been considered by the "now" government at the time they established the date of the commencement of this session, and not at this time. So, Mr. Speaker, there have been many things that I could repeat, but certainly I think it's pretty important that the individual have the right to be heard. If he's not in the position to be able to write it out, certainly his oral submission should be heard.

And, also, the last one I want to now undertake at this time, is that when he compared The School Act and the information that was available to the citizens of Alberta, and today I asked for an extra copy of the submission, none was available. So I submit that this should be made available and distributed as widely as possible, along with the copy or office consolidation of The Taxation Act that is referred to, because many of the people haven't got sets of The Revised Statutes of Alberta, 1970, handy as we have as Legislators.

MR. DRAIN:

Mr. Speaker, probably in this particular session and sitting of the 17th Legislature there will not be presented for the



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consideration of the general public a more important position document than the one that I have here, Mr. Speaker, in my hand. This is something that does concern all people in the Province of Alberta and it behooves us therefore to proceed with the proper care and consideration that must be given to a document of this great importance.

Suddenly we find forced before us, a suggestion of indecent haste, that we must, with all expediency, disregard our responsibilities to the people of the Province of Alberta and go forth with only one thought in our mind, that is, our own personal concerns, and to go out and totally disregard the reasons that all of us are here today for -- probably if I looked at the clock I'd say this evening -- certainly there are many people that are going to be affected by the direction of the position we take on royalties coming out of this particular hearing. For this reason, it is my position, and I am confident that this is the position of all hon. Members, if they'll stop and think and not proceed lemming-like over the fjords and into the Norwegian sea to drown. I'm suggesting Mr. Speaker, that every hon. member, despite the fact that this is a government of 48 cabinet members, and each is part of the whole, that there is enough individual thinking, that there is enough spirit of justice and righteousness left amongst all you hon. Members that when this particular position and amendment is presented to you that we will find a great feeling of accord and the amendment will be properly passed.

MR. SPEAKER:

The amendment which is before the House, is as follows, moved by hon. Leader of the Opposition, seconded by the hon. Member for Cardston, that the first resolution of the motion be amended by adding the words "and individuals" immediately after the word, "groups". And the second part of the amendment is that the fourth resolution of the motion be amended by striking out the words "the Standing Committee shall report and recommend to the Assembly as to dates which should be set aside for the said public hearings and that . . ."

All those in favour of the amendment please say "aye."

All those opposed please say "no". The noes have it.

[Several members rose calling for a recorded vote. The House subsequently divided as follows:

For the amendment: Messrs.

Anderson	French	Ruste
Barton	Gruenwald	Sorenson
Benoit	Henderson	Speaker, R.
Buck	Hinman	Strom
Buckwell	Ludwig	Taylor
Clark	Mandville	Wilson
Cooper	Miller, D.	Wyse
Drain	Notley	

Against the amendment: Messrs.

Adair	Foster	Miniely
Backus	Getty	Moore
Batiuk	Hansen	Pafroski
Chambers	Harle	Peacock
Chichak, Mrs.	Horner	Purdy
Cookson	Hunley, Miss	Russell
Copithorne	Hyndman	Schmid
Crawford	Jamison	Stromberg
Dickie	King	Warrack

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Doan	Koziak	Werry
Dowling	Lee	Young
Farran	Lougheed	Yurko
Fluker	McCrimmon	Zander

Totals: Ayes - 23 Noes - 39]

[The amendment was defeated.]

MR. HENDERSON:

In speaking to the main motion, Mr. Speaker, I think it would be worthwhile to take a minute or two of the time of the hon. members of the Assembly and review this government's rather dismal performance in getting this matter before this Assembly. I recall within about 30 days of the election, reading in the press statements by the --

MR. SPEAKER:

My understanding of this motion is that it is a motion to refer a certain item to a committee, and as I understand it relevant debate on the motion must be addressed to the question as to whether or not the referral to the committee should be made, and perhaps whether the subject matter is suitable for referral to the committee.

MR. HENDERSON:

Mr. Speaker, may I say a word on your particular comments -- will it be taken as a ruling or not? I hope it won't without some opportunity to discuss it.

Mr. Speaker, it seems to me it's axiomatic when one mentions a particular report in a motion that the contents of the report become part of the motion -- I just can't follow that it can be otherwise. I suggest also, Mr. Speaker, that when the report contains political statements that are not in keeping with the facts, as they were stated in Appendix C, in a document such as this that is to be circulated throughout the length and breadth of this province, and we are denied the opportunity before this Assembly of straightening the record out -- that it is a very serious miscarriage of justice, very elementary, Mr. Speaker.

Quite frankly, Mr. Speaker, I find it completely unfathomable that we could have a motion that refers to a Position Paper on resource revenue plan and the contents should not be discussed before the House. I think the fundamental question as to whether the plans should be referred to the committee depends upon a practical interpretation and a logical examination of the content of the report. I don't see how one can judge, Mr. Speaker, as to whether it's desirable in a logical sense to refer the report to the committee for examination relative to procedures for public hearings without having the opportunity to discuss the merits of the report itself. I find it completely illogical -- I suggest, Mr. Speaker, if that's the case, we are witnessing nothing but a carefully stage-managed exercise in this government propaganda on open government, because we are to be denied as members of this Assembly from examining a report which is referred to in a resolution, and I don't know how we can decide logically whether it should go to committee or whether it shouldn't without examining the merits of the report.

There are one or two other points that I'd like to make very briefly, Mr. Speaker. I also suggest that it's entirely possible that the report is deficient in one or two items, and surely the members of this House should consider before they make decisions and refer it to committee, and in committee decide what the procedure should be. And so, very clearly, Mr. Speaker, I just find it incomprehensible that we can't deal with reports. Similarly, there may well be items in the report which under scrutiny don't follow

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logically through that the propositions are valid. My concern, Mr. Speaker, if we're to be denied the opportunity of examining the merits of the White Paper which is mentioned in the motion, then, Mr. Speaker, I think we are witnessing a mockery so far as the proposition of holding hearings are concerned, because the public aren't going to know what the hearings are about and what the pros and cons of the propositions are.

MR. SPEAKER:

The hon. member is perfectly right that the subject matter which is to be referred to the committee may be examined and debated as to whether it's suitable to be referred to the committee, and possibly I misunderstood the direction of the hon. member's debate.

SOME HON. MEMBERS:

Agreed.

MR. HENDERSON:

Thank you, Mr. Speaker. I was simply going to firstly say a word or two on the rather unsatisfactory performance of the government in getting the matter before the House.

Mr. Speaker, some of the things I want to say, there is reference to them in the report. Quite frankly, I can't follow where commenting on statements of the hon. Minister of Mines and Minerals outside this House, that relate to this issue, should be considered as outside the terms of reference for debate on the motion. I just can't follow. The people of the Province of Alberta are going to lose by the government's own estimates some \$50 to \$90 million in revenue this year, because of the manner in which the government has handled this report -- that's \$50 to \$90 million they wouldn't have to go out and borrow if the government had handled this question in a more expeditious manner.

So, Mr. Speaker, with that in mind, I want to refer very briefly, to some statements made by the hon. Minister of Mines and Minerals on this particular subject outside the House. Within a few days of coming into office, the hon. minister from Calgary Glenmore, the hon. Mr. Dickie, made statements that I read in the press and, subject to his correction -- I haven't got the press copies to table -- but it was something along the lines that they had some wonderful new ideas about incentives; they were looking to tying in secondary industrial development with some consideration on royalties to promote more intensive employment activities and so on, and that sounded tremendous. Then about a month later, we read another blurb in the newspaper from the hon. minister, that said, "well you know the problem is a little more complicated than we thought it was going to be, so we're going to have to study it a little more thoroughly." Then along came the Throne Speech and we read that we're to hold more hearings, and we find that the government has made the statement -- the Premier -- that we're going to hold public hearings, which has just about brought us to the point that we're at today. Except some weeks later after this House opened if my recollection of the facts is correct -- and if I'm wrong I would appreciate the record being straightened out, because I couldn't find the appropriate reference -- that shortly after we were into the session, we then learned there was to be a White Paper or a Policy Paper, and we had to await the tabling of that report in the House before we could get on with the hearings.

I suggest, Mr. Speaker, that the government has very clearly mismanaged this particular matter and I think it's probably incumbent upon the hon. Member for Calgary Glenmore to go back to selling automobiles because I think he is a failure as Minister of Mines and Minerals. I think he is going to have to answer very clearly, along

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with his leader, to the people of this province, why the people of this province are to be deprived of this revenue for this year, why they have to go out and borrow that much more money to make up for his and his leader's inept handling of this particular issue. I think this is very relevant to the motion that is before us.

And, Mr. Speaker, I think there are one or two other items in the report that bear scrutiny by the members as they examine this motion. As our leader said, it is based on the hypotheses that the market will bear an increase in the price of Alberta crude, and we certainly hope so, because if the market won't bear this, then the government's judgment doesn't prove too astute in its handling of the matter thus far -- doesn't leave me too much room for encouragement. We will witness one of these exercises in juggling of expenditures within the oil industry which is not going to benefit the people of this province one bit. If the market won't bear an increase in the price of crude, we are simply going to witness the industry reducing their bonus bids on lease sales, by a corresponding amount which would work out to what they would otherwise pay in the form of this mineral tax. I suggest, Mr. Speaker, if that happens, it will be a backward step so far as the people of Alberta are concerned. All we are going to be doing is deferring to an annual form of payment, revenues in the form of lease taxation which we would otherwise have acquired in cash bonuses.

If one examines what happened some time ago when the federal government refused to change its income tax policies on depletion allowance, we saw the affect of this in an opposite direction. The federal government refused to make consideration to bring the depletion allowance, within the industry, in line with the American policy. As a consequence, unless a company could prove that a majority of its revenue was derived -- an integrated company -- was derived from production, the depletion allowance qualification was not applicable.

So as a result, some companies went out and set up separate companies and separated within their corporate structure, separated their revenues from oil and gas production from their revenues from oil and gas marketing. As a result, the portion of the company that did receive the depletion allowance, found themselves in a more favourable tax position, and as I recall that particular year and thereafter, Alberta enjoyed a substantial upsurge in the amount of money that was forthcoming into the provincial treasury from cash bonuses on Crown lease sales.

So that particular exercise with the federal government worked to our advantage. But if the market will not bear the anticipated increase in the well-head price of Alberta crude, that this report envisions, I suggest to you that it could be indeed a backward step. This is not to say that I am necessarily of the view that the market will not bear some increase, but I do point it out to the hon. members that the whole philosophy of the report is based on the hypothesis of increase in the price of crude which is a matter of very critical judgment and which I know the government is going to examine very critically. Once again, I hope they are a little more astute -- I guess that might be the right word -- competent in the decision-making when they reach that stage than they were in their decision-making when they determined the procedure by which this matter would be brought before this Assembly, and resolved so far as the public is concerned.

There is also one other matter, Mr. Speaker, that concerns me a wee bit, about one or two of the propositions in the Paper which I haven't had an opportunity to examine thoroughly. I can't help but be a bit concerned about the possible implications within the industry towards the implementation of enhanced recovery schemes. Right now, the policy has been for many years within the government, one of encouraging industry through its MER and MER rules and

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regulations, to institute secondary recovery systems to improve the recovery of oil, enhance the recovery of oil from a given formation, thereby conserving these resources which belong to the people of this province. They were granted in return a somewhat higher share of the market place. It may well be that with the removal of pro-rationing from the market, sometime in '75 or '76 if the projections that are available now are valid, this will be a problem. If pro-rationing stays in effect longer than it is anticipated, I suggest, Mr. Speaker, that the mineral tax that is proposed could prove detrimental insofar as encouraging industry to institute enhanced recovery schemes, because in so doing I presume that the government's fair valuation that will be placed on the property is going to bear some relationship to the established proven reserves that are determined through the oil and gas conservation board. I don't think it can be separated from the Oil and Gas Conservation Board's or Energy Board's procedures and reserve figures.

Obviously if the industry, by procuring enhanced recovery and demonstrating they can recover more oil from the ground by implementing secondary recovery schemes, are simply going to leave themselves subject to increased taxation on oil, not when it is produced, but while it is still remaining in the ground. They are going to take a very serious look, I think, at the enthusiasm with which they approach secondary discovery schemes, at least in marginal cases. So, Mr. Speaker, I suggest that as we proceed with the debate on this motion, and as we proceed into committee, that notwithstanding the vote of the members seated opposite on the amendment, that they owe it to the people of this province to demonstrate a little more individuality when we get into the detailed examination of this legislation, than they did on the amendment which we proposed. Thank you.

MR. NOTLEY:

Mr. Speaker, on rising to make a few general observations on the resolution, I want to say first of all that I'm not happy with the general thrust of the Position Paper. Before I get into that, there is one question that is more directly related to a subject not specifically in the motion here, but certainly in the Position Paper, and that is the question of the natural gas, tarsands and coal reviews. I would hope that while the government isn't prepared to do anything about this at this session, that these matters, too, will be referred to a Standing Committee in the fall. Perhaps the hon. Premier can make some specific comment about that when he replies at the end of this debate, because I think it's quite important, Mr. Speaker, that we not only look at the review of the oil royalties, but that we recognize that the natural resource question must be examined in its fullest extent.

It's my submission, Mr. Speaker, that the increase suggested by the hon. Minister of Mines and Minerals today is totally inadequate and one which is not consistent with what the present market will bear. I don't intend to get into a long debate on that today, because when the estimates of this department are discussed, I intend to discuss in somewhat more detail the reasons why I submit that we can go substantially farther than the rather timid approach outlined in the Position Paper.

I understand from reading page 17 of the Position Paper, Mr. Speaker, that the Energy Resources Conservation Board foresees a production of oil next year, of some 470 million barrels. The reason I say this is that, doing a little bit of arithmetic, the \$50 to \$90 million figure should perhaps be a little more explicitly explained in the government's Position Paper, because as I understand it, with the increase that the Energy Resources Conservation Board foresees, the likely additional receipts collected by the Alberta government, even at existing rates, would be some \$25 million. So I think the people of Alberta are entitled to know whether or not this \$50 to \$90

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million is over and above the \$25 million in royalties we can expect anyway, or whether it is, in fact, additional revenue.

Another aspect, Mr. Speaker, of the paper, which I think must be examined in some detail, is this proposed mineral tax assessment. I think that I should say at this time that I'm somewhat disappointed that the government didn't specify exactly how the plan is going to work and on what basis it's going to be calculated, whether it's going to be on a sliding scale, whether it's going to be on an acreage basis, or what have you. I say this because if it's going to be on an acreage basis, we don't really stand to gain if the price of oil goes up, which is most probable, considering the energy crisis that, especially, the United States faces at this time. I have read over The Mineral Taxation Act, and I see that Schedule A here does recognize that fair actual value is based on the average field price during the first three months of the year. This gives me some hope, then, that this mineral taxation will be related to the price, so that if the price goes up, automatically our share of the take goes up. But I think I must remind the members of this Assembly that as far as natural gas and coal are concerned, there is no such sliding scale. Look at No. 2 and No. 3 of Schedule A under The Mineral Taxation Act. The method of determining the assessment is a standard procedure and one which is not related to the field prices or the prices of that particular commodity. So I think, Mr. Speaker, that I would anticipate that even if the government does go ahead with this particular proposal, that those two sections of the Act would be changed to permit our share to go up if prices improve.

It is my view that the five year royalty-free period, as an incentive to the industry, is the wrong way to attract this additional investment -- the wildcatting enterprises in Alberta. I know that the government talks about exploration wells, but they also point out, 'unspecified stepout wells'. Now, what can happen, Mr. Speaker, under this scheme, is that a very substantial amount of new reserves will be royalty free for a period of five years. Frankly, I don't think that is in the interests of the people of Alberta, even though all of us are concerned about increasing exploration, all of us are concerned about finding new fields, but I don't think that a five year royalty-free period on a substantial portion of those reserves is the answer.

Perhaps a better approach might be to eliminate the cash bidding system. The major problem faced by smaller wildcaters is assembling sufficient money to bid on leases in the first place. Long-term royalty payments are not nearly as serious a problem for them as the initial cash payment.

It is interesting as you look at the leases in the province, that a good portion of the wells drilled, as the report properly points out, are as a result of the operations of the smaller companies. But in the main they are working on the basis of what are called farm-out agreements, where they are taking up leases that are held by some of the larger companies, and in the process they not only pay the Crown royalty but frequently, Mr. Speaker, they pay a royalty equal to the Crown royalty to the leaseholder. Surrendering the Crown share of the royalty, is not really the proper way to tackle it. I think it is time we became much tougher. Some of these leaseholders have been sitting on their leases for far too long, and again I look at the proposals in the Position Paper; frankly, I think there are so many loopholes in them that I don't see the toughness necessary to get some of these larger operators moving on leases that they have sat on for far too long a time.

Finally, Mr. Speaker, I wasn't terribly happy with the comment in the report which suggested that we should make an agreement which would last for quite a period of time. No specific time was specified. I think that is unfortunate. But I would submit that because of the changing conditions, especially the growing energy

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crisis in the United States to the south, that it is not in our public interest in this province to get tied down to a long period of time -- perhaps ten years. I think that would be a mistake. In my view a period of five years should be a maximum, and at the end of five years we may very well find that it would be reasonable to review things again. I say that because the OPEC countries have shown quite clearly, Mr. Speaker, that they can change things very rapidly, and it is perhaps in large part a consequence of their action that we now find that we are in a seller's market. Therefore, I don't think it would be wise to get ourselves tied down to a long agreement.

The suggestion has been made that the oil industry must know where it stands. No one argues that there must be a certain level of stability, but at the same time I think we must also recognize that this is an industry that operates around the world. It operates in countries where there is a great deal less stability, a great deal less certainty than we can offer in Alberta. So therefore I think that perhaps we tend to exaggerate the importance of this stability. Obviously it is something we have to evaluate. We have to weigh the need for regular, meaningful renegotiations in light of market conditions, on one hand, against some reasonable amount of stability on the other. But I would think that we can do that within a five-year agreement and not get stuck with a ten-year agreement.

Just in general summary then, I don't really like the resolution as it's worded. I was very unhappy that the amendment was defeated, although I don't intend to discuss the amendment at this time, but I really believe that this is a decision which the legislature itself, rather than a cabinet, should be making. I don't think it would be out of place if we spent whatever time was necessary -- if that's three or four weeks, or six weeks, so be it. But I think, Mr. Speaker, it's important that on a decision of this gravity, that the elected representatives of all the people should, in fact, make the decision, and that it is incorrect to simply pass this over to the Executive Council.

I think it is abdicating our responsibilities as members of the Legislature, to do that. Therefore, Mr. Speaker because I believe so strongly that we are not at best -- the way the resolution is worded today -- going to have the kind of hearings which provide adequate time for full discussion, because we are not going to be guaranteed that the people who do make representation will be allowed oral presentation, and most important of all, because this is going to be made by the Cabinet, and not by the legislature, I most reluctantly have to advise the Assembly that I must oppose the resolution. As it stands, it's totally inconsistent with the whole concept of open government. I would hope, Mr. Speaker, in dealing with subjects of this importance in the future, that perhaps the rhetoric that we hear before the election might be at least maintained in the type of resolution submitted in this House.

I would hope the government will reconsider its position because this matter before us is probably the most important financial decision that this legislature will ever make. As a consequence, it's my view that we should take whatever time is necessary and do whatever work is necessary and put in whatever effort is necessary so that we can fulfil our collective responsibilities to the people who elected us.

MR. TAYLOR:

Mr. Speaker, I'd like to say just one or two words in connection with the motion. In the first place I think there should be some information given to us by the government in regard to the percentage of increase, or the amount of increase. We've already heard one hon. member say that it may be more than the market could bear, and he dealt with that. He wasn't advocating one or the other, but he

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pointed out what would happen if it was more than the market would bear. We've had another hon. member suggest that it isn't nearly enough, that the market can bear much more. I don't think this type of thing should be guessed at. There are ways and means of carrying out feasibility studies today that would give a pretty accurate estimate of what the market will properly bear, or in other words the amount of the increase we should secure for the people of Alberta without killing the goose that lays the golden egg.

Mr. Speaker, it's very unsatisfactory for the government simply to say we're going to take \$50 to \$90 million more or get \$50 to \$90 million more in revenue. But if that sum should properly be \$200 million or \$300 million more, then that isn't satisfactory at all. If it's going to kill the goose that lays the golden egg, then it's not satisfactory either.

So, I'm hoping this isn't being done by somebody's guesswork. There are proper, methodical scientists today who can conduct feasibility studies, and I would appreciate it if the government outlined how they arrived at this amount. Is it the amount the market can bear or is it not? Is it compromising with the amount somebody else is paying? Because if it is, it's compromising with money that should properly come to the people. I think the only logical and sensible way to deal with a matter like this is a feasibility study, a comprehensive study to indicate what is the maximum amount that the market will bear, and then of course make use of that insofar as the formulas are concerned.

Now we've heard also from the hon. Premier that July 30th is the last possible date when they should be able to have arrived at their final decision, and for that reason I believe he argued that we didn't want the hearings to be too long and we had to have them over a reasonable time before that, so the government would have time to consider all matters. Well I would like to remind the hon. Premier and the government that it was the government that set the date of the session. Hundreds of people across the province wondered why we waited until March 2nd to commence the session. We could have started on January 2nd or February 2nd and had an additional two months. Or we could even have had a fall session, as the Premier had promised during the election campaign. The Saskatchewan government called a fall session I think within days of the election because it had promised this and it held its session. Really I don't think the hon. Premier or the government can now point their finger at the opposition and say we're running out of time. This was the government's decision, not ours. I think they made an error in setting the date of the session so late when they had this important matter and other important matters with which to deal.

The other point that bothers me somewhat is the ungodly haste in which the Legislature is trying to get this Position Paper now before the committee. The government has had months to prepare it, and within hours after it is tabled in the Legislature we are supposed to have gone through it and refer it to a committee. Now I can't follow the argument that says we don't have to know what's in this booklet in order to refer it to a committee, but the very wording of the resolution indicates that we are referring this tentative "Natural Resource Revenue Plan" to the standing committee and it's not the government that's referring it, it's the legislature. We are referring it. Now surely we should have an opportunity to know what we're referring to the committee so we can then expect to know what the committee might be able to do with it. Not to know what's in this report and to refer it is irresponsible, because even though it's the same members in the committee. The time element should have been sufficient from the time the hon. Minister of Mines and Minerals presented this so-called position paper to this Legislature to give the members a reasonable time to study it before it was going to be referred to the committee. We should know what's in it, so we would know to what we're referring. I doubt very much if any one hon.



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member in the House did his duty this afternoon in the Legislature, if he was able to read all of this report between 5:30 and 8 o'clock tonight. Now what is the haste? What is the sudden haste that we have to get this before the committee before we know what's in it ourselves? I suggest, Mr. Speaker, that this is irresponsible on the part of the government. It's not fair to the hon. members and it's not fair to the public.

Another point about the reference is that they call it a position paper and then a tentative "Natural Resource Revenue Plan". Really it's anything but a position paper, Mr. Speaker. From what I've read the government doesn't take any position and on page 8 it says very definitely, as the hon. Minister of Mines and Minerals read to us this afternoon, that the government is not firmly committed to the tentative plan. So it's not a Position Paper. There's a lot of very excellent material, as much as I have been able to read. Some very good thinking has gone into it with the various alternative plans, and maybe they haven't got all possible alternatives, maybe there are other alternatives that should be added. Maybe some of these should be deleted. I'm not saying that it's not a valuable sheet, some valuable information, but certainly it shouldn't be called a position paper because the government does not take a position in it. All it says is that it may or may not be committed to this Tentative Plan. And so it is not a position paper at all. As a matter of fact, parts of it is a propaganda sheet and I am sorry to see that this is tied into a paper of this nature. Appendix C adds nothing to this discussion at all. These points were made by the hon. Premier the other day. He got the mileage, I suppose, that he hoped he would get out of it, or he didn't get the mileage he hoped. But it was his choice and he decided he would castigate the previous government for something that it did and, then, apparently he thought it was so good that he told the hon. Minister of Mines and Minerals to put it in this position paper. Is that part of their position? Well, again, it makes a farce of this position paper, Mr. Speaker, a very great farce indeed, and it shouldn't have been in here. It simply makes this into a propaganda sheet. Already an hon. member -- I think it was the hon. Member for Little Bow -- pointed out that we were castigated because what happened in 1948 and 1962.

But then the hon. minister uses sections in the act that gives him the basis upon which they are now basing their Tentative Plan. That was put in by the Social Credit government too. Why wasn't that mentioned, Mr. Premier; why wasn't that mentioned? That was something good the Social Crediters did but, oh, not a word about that -- not even a whisper -- but shout on the housetops that we made a mistake -- a so-called mistake -- I don't even agree that it was a mistake. And what's more, Mr. Speaker, neither did the Conservative members who sat in the House at that time; neither did they think it was a mistake; they urged it -- they urged it and properly so, because the millions of dollars that have accrued to the people, the thousands and millions of hours of jobs; the pay that has come in; the revenue that has built roads and schools and hospitals and public buildings would never have been realized if the decision wasn't made at that time because the money would not have been invested.

But that isn't the point I am dealing with right now. I am dealing with the fact that this has no place in a position paper at all, it's not part of the position. And, again, this is not a position paper. But the part I object to is that it ties all the members of the Legislature into this little book. Well, I want it known far and wide that I'm not committed to everything -- or necessarily, anything -- in this book. I'm agreeable to the public hearings. I think the public hearings should have a chance to read this because now, according to this resolution, they're going to be confined to dealing with what's in this book. This isn't fair, Mr. Speaker, this isn't fair at all. What if they have some alternatives that are not contained within this book that are sound, that are good, that are in the interests of the people? Are we going to

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refuse to hear them? Well I'm not, as a member of the committee, I'll give you fair warning. A public hearing is a public hearing and I will be most disappointed and will argue as vehemently as I can if anybody stops anybody from trying to say what they want to say at that public hearing. They have a right to say what they want to say. And what's more, I am also taking it for granted that they're going to be able to lift their heads from their written submissions and say a word or two orally; and strictly speaking, they won't be permitted to with this resolution, but surely to goodness there is going to be some sense in this public hearing.

Now if this is going to be an exercise simply to make the people think that the Legislature is listening to the people and then we don't have any opportunity after that to have our say about it, again, it would certainly be an exercise in futility and would be farcical, as one of the hon. members has mentioned. But surely when the committee is reporting back every hon. member will be able to give his conclusions from that hearing. I think that information should be valuable to the government and to the hon. Premier.

Well, there was just one other thing I was very disappointed about tonight. The people of Alberta have been given the word that they can't believe what comes out in the Speech from the Throne. I never thought we'd live to see the day in this Legislature when the government would repudiate its own Speech from the Throne, and I say shame, shame and double shame, and triple shame -- [Laughter] -- they may laugh, but when somebody out in the sticks or somebody out on the street says, "You can't believe what government is saying any more," and they point to this, and then point to this government action tonight, it'll be authentic -- it'll be authentic and it's just too bad.

MR. DRAIN:

Well I've heard some great orators expounding on this particular subject and I was certainly entranced by their words.

There are certain features of this position paper which to me are too confining, and one is in relation to the fact that basically the inflation factor would not be taken into consideration. Additionally we have had crying in the wilderness about the fact that we have been in a 'locked-in' situation insofar as the 16 2/3 per cent royalties are concerned. So looking at that and looking into the future, we are now stepping out and walking the plank to arrive at the same particular position which is that we will have committed the people of Alberta to a specific tax which may or may not bear the proper relationship to the selling price of the product at the time.

Oil is a product, and I think this will hold good of any natural resource product that is very volatile in the world market, that can have many factors which will affect its selling or buying price. For instance, an unlimited field found in northern Canada and anywhere in the Northwest Territories, which is basically a sedimentary basin, could have a tremendous impact on the selling position of Alberta oil. We also have the possibility of west coast or east coast discoveries. There is the position of the oil shales in the United States that a way will be found, and an economical way will be found to develop these products. So what I am trying to say to the hon. members, is that there should be some options available in any particular position that is assumed in regards to any tax that is placed on the oil industry.

It also behooves the people or the representatives of the people of this province, in every manner possible, to get the best possible deal or selling price for the product that properly belongs to the people and which is a non-renewable resource.

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So having this in mind, I'm surprised that this Position Paper did not look more closely into the possibility of an assessment directly against the selling price. Also, it would appear to me that there should be options available in the manner which the application of this tax could be made. It cannot properly be said that we can save ourselves harmless from the impacts of the marketplace. There is no way that Alberta with the small amount of oil, and I refer now to barrel oil from underground, can be a significant factor in the world's oil market. So hence we are not, although we may think we are. We may be in a temporary selling position that is very good and it should then be possible for us to take advantage of this particular market. But to conclude that we are in a significant selling market would be a wrong position to assume.

I mentioned heretofore the various factors that could affect this. Relating the total production of the Province of Alberta and the total foreseeable production, it can be readily seen that it is going to take far more than the Alberta production to solve the North American energy crisis which is supposed to be one of the things that we are facing in the 1980's.

However, looking back in the history of the oil industry -- and I think this is one at least I have heard all my life -- that the energy crisis is just over the horizon. It seems that the horizon keeps disappearing like the rainbow, when you used to walk towards the rainbow. I remember doing that when I was a little boy and I found that it was pretty difficult to get to the end of that rainbow and dig up the pot of gold. I'm sure it would have been there if I had dug there. So having this in mind, I would think that the position paper should also spell out in some way the suggestion that this would be the initial step towards a greater possibility of equity involvements of the people of the Province of Alberta.

In conclusion, Mr. Speaker, I would say that this is not a position that can be explored lightly, the effects of which will be manifold and one that should be taken with great care and consideration. The hon. Member for Drumheller suggested and questioned how did we arrive at this particular position that where we have a ball park figure, this could result in 15 cents a barrel, or slightly more. We have no knowledge as to whether this is proper or right, so I urge great care and consideration in furthering the intention of this position paper.

MR. SPEAKER:

May the hon. Premier close the debate?

SOME HON. MEMBERS:

Agreed.

MR. LOUGHEED:

Thank you, Mr. Speaker. There are a number of observations that have been made by hon. members with regard to the debate on the motion tonight that we should have a response. My first order of business though, is that I simply can't resist, Mr. Speaker, the fact that the hon. Member for Drumheller very clearly put forth the position of shame -- I believe it was double shame and then it was triple shame -- with regard to statements that were made in a Speech from the Throne by a government, and then, Mr. Speaker, they had not been followed through with, and they had been quickly changed and that this was just something that he frankly -- if I recall his words -- just couldn't conceive of any government doing that.

Mr. Speaker, I would like to refer hon. members and particularly the hon. Member for Drumheller to the clear and concise statement of the Speech from the Throne in 1969 which states: "My government has

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decided not to enter the federal Medicare program in 1969 because --"  
[laughter and interjections]

ONE HON. MEMBER:

Triple shame.

MR. LOUGHEED:

Mr. Speaker, there were some observations made by the hon. Member for Wetaskiwin-Leduc that I believe did require a response regarding my observations on the motion here. One of the matters that the hon. member raised which I think is something that has been of concern to me, and I know to the government, is the question of the time element and of the phasing-in period. The position -- if I understand the hon. Member for Wetaskiwin-Leduc -- is that if the order of \$50 to \$90 million was able to be derived from the petroleum industry in 1973, then quite clearly if we had moved in a different time pattern it could have occurred earlier than that, during the period of the calendar year 1972, keeping in mind that the regulations regarding the royalty rates and hence I think, as implied and stated in the tentative plan as a review at a period on or about March 31, 1972, would have permitted the earlier recovery, or the earlier garnering of funds into the provincial treasury.

There are two items on that point, and I think they should be responded to. The first item is that there is some validity to that point, relative to a decision being made in July by the government, if the decision was made that it was applicable at the time the decision was made in July, or in short, for half of 1972. However, in looking into the history of this, my understanding is that the circumstances of 1962 were such that it took some months from the decision of March, to take effect in terms of the time of June. Also, I think it's clear from the Orders in Council that set up the regulations regarding the existing royalty rate, that they'd be for a period of ten years, or such a time as they were extended thereafter.

However, the second part of the point made by the hon. Member for Wetaskiwin-Leduc has some relevancy. We did consider a situation where a proposal we were making here -- and I'll deal in a few minutes more about the proposal -- could have been something that could come into effect as of August 1, 1972. We felt that because the proposal being presented is such that it requires a fairly different direction -- and has been the case in the past with the industry -- that it did require, in all fairness, a phasing-in period. That was the decision that was made in terms of this tentative Position Paper. But we're certainly open, as I'll mention further in my remarks, to different views on that point.

A second point was made by the hon. Member for Wetaskiwin-Leduc, and I hope we will hear more about it in the future. That is the concern with regard to a plan of this nature, relative to secondary recovery. I think there is some concern, certainly, that we're going to have to assess there.

Mr. Speaker, the hon. Member for Spirit River-Fairview made some remarks. I think it was obvious to all members in the House, as I'm sure it is to the public of Alberta, that his response to this position paper was completely predictable, that no matter what the range the government would have presented, his view would have been more, and certainly more. There's no doubt in my mind that the public generally are well aware of that.

I'd like to say, with regard to the question he raised, that there is not a commitment and that there will not be a commitment by the government with regard to a hearing in connection with the question of natural gas or the oil sands, or for that matter, with regard to the coal royalty, although I do believe that the coal

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royalty is within the statute, so quite clearly the question of any alteration in the coal royalty is going to be a matter that I'm sure will be debated before the House.

I would like to make it clear to the hon. Member for Spirit River-Fairview, and I believe this may have crept into the remarks of others, that the \$50 to \$90 million is over and above the increase in the production that is anticipated in the year of 1972-73 as set forth in the position paper.

Now the Member for Spirit River-Fairview also made the statement that he was going to vote against this particular motion. I would only like to ask him to give some consideration to rule 52-2 of the Assembly, which states as follows: "It shall always be understood that no member who declares or decides against the principle of a bill, resolution or matter to be committed can be nominated of such committee." I would think on that score that participation then is certainly something that the member is going to have to consider in terms of the future.

Now, Mr. Speaker, the hon. Member for Spirit River-Fairview also dealt pretty clearly with the question of the responsibility of the Legislative Assembly, and in terms of this issue and the responsibility of the Assembly, Mr. Speaker, I think it's equally clear that the government feels very strongly about its responsibilities in this matter, and it intends very clearly and very definitely to deal with them and to meet those responsibilities in accordance with our mandate.

I believe, if I understood the hon. Member for Pincher Creek correctly, he was concerned about - perhaps it was another member - the range that was involved here, the range in terms of the tentative proposal of 19 per cent to 23 per cent comparison in a royalty relative to the 15 per cent. I think that probably by way of a basic parameter of the proposal, that is the easiest way to make a general comparison. Or to put it another way, a tentative proposal establishes a proposed increase of between one-half and 50 per cent of the existing royalty rate, if you want to use a royalty equivalent factor here.

Mr. Speaker, in concluding my remarks on the motion with regard to reference of this matter to the standing committee, I believe the standing committee can, through the written submissions from organizations and groups in the province, and from the petroleum industry, play a very important role in terms of giving an opportunity to have these groups and organizations and the petroleum industry make written submissions, as far as we are concerned. For some strange reason I believe that some hon. members opposite completely misunderstood what is intended in terms of this proposal. It is quite clear on page 41 -- and perhaps this gets to the point the hon. Member for Drumheller was concerned about -- that the government is prepared to consider, not just responses to the proposal that is presented, and not just responses to the alternatives which were suggested, but completely other alternatives. Certainly, I think that is in keeping with the general framework of the reference.

I would like to say, Mr. Speaker, that in evaluating the hearing, it is certainly in our view what we will be evaluating in terms of the groups and organizations as to their broad representation throughout the province. We also, Mr. Speaker, will be evaluating, of course, the logic and depth of thought that has been presented in terms of our views relative to this document, and their views on natural resource revenue.

In conclusion, Mr. Speaker, I would like to reiterate some of the remarks that were made in the presentation by the hon. minister. It has to do with the fact that this is a tentative plan. We feel

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very strongly that it is important as a focal point to have such a Position Paper, around which submissions may be made by the petroleum industry, industry affected and by groups and organizations in the province. We are not going to, despite any effort that may be made, be driven into a defensive position relative to this document, because we are prepared to present it before the public of Alberta in this Legislature, as just simply a tentative plan. We are prepared to keep an open mind, to listen to the submissions that are presented, and after we have had an opportunity to assess them, to make a decision. We will -- and I would have to make one qualification on that -- be hard pressed to adjust from the objectives and criteria that are established within Section 7. However, the emphasis given to the various objectives, the various criteria, is, of course, something I think is very properly a matter for consideration by all the hon. members. In the submissions it will be received by the standing committee.

We will be interested, as matters develop through the debate on The Mineral Taxation Act, to hear the hon. members' views. Mr. Speaker, in moving this motion I feel it is and does provide for the first time in terms of natural resource revenue an opportunity for public organizations and groups to present in writing carefully considered views.

I would like to conclude by saying that whatever the circumstances are in which the standing committee finds itself with regard to the magnitude of the briefs that are presented, it will be the intention of the government to consider every single written submission that is made, and the view of all hon. members of both sides of the House before we make a decision.

MR. HENDERSON:

On a point of order, Mr. Speaker, I would appreciate your ruling on the proposition put forward by the hon. Premier, that because of Rule No. 52-2, an individual who votes against this particular resolution is not allowed to serve on the committee. I suggest, Mr. Speaker, that Section No. 52 deals with special committees. We are referring this to a standing committee of this House which is already appointed. I therefore suggest that the contention by the hon. Premier is not correct, and voting against this resolution does not disqualify a member from participating in the standing committee of this House.

I think it is sufficiently important, Mr. Speaker, that we would appreciate your ruling on the matter or the vote.

MR. SPEAKER:

With respect, it would perhaps not be in order for the Chair to make a ruling on the point until it arises, and --

MR. HENDERSON:

On a point of order, Mr. Speaker, I would point out that the committee in question has already been appointed by resolution of this legislature. I would suggest that the committee does not have the power to deal with the question at hand that deals with the interpretation of the rules of the House and a resolution which has been presented and approved by this House, appointing every member of this House to this committee. So I ask your reconsideration, Mr. Speaker.

MR. TAYLOR:

One or two points. If the contention of the hon. Premier is correct, any Hon. Member who votes against this resolution would be precluded from sitting on the Committee, which would be ridiculous.

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Secondly, the hon. Premier questioned whether the hon. Member for Spirit River, be sitting on this committee. This is a standing Committee under the rules of the House, it is not a special committee -- 52(2) has no bearing -- and I suggest it would be preposterous, absolutely preposterous, to suggest that anybody who votes against this resolution can't sit on this committee.

MR. LOUGHEED:

Mr. Speaker, just so the hon. members opposite are not, to use the hon. Member for Wetaskiwin-Leduc's favorite word, 'overly-exercised' -- I feel that it is clear on our part, that we would raise no objection. The point that I was making is that there's an implication with regard to that rule. I think it's also clear that the question of participation at that time is what should be looked at. But, we're quite prepared, we're not going to make an issue of it.

MR. HENDERSON:

A point of order, Mr. Speaker, I think this is of sufficient importance that we either have it understood that the hon. Premier is withdrawing his suggestion and that the resolution stands, that it has been approved by this House rather than leaving it so vague that they may not make an issue out of it this time and they'll wait and cross the bridge in dealing with the committee. It has to be decided now.

MR. HYNDMAN:

May I submit that the hon. Premier did not raise a specific point of order, and therefore it's not in order for the Assembly to ask you for hypothetical opinions.

MR. LUDWIG:

Although the hon. Premier did not raise a point of order, he raised an intimidation that if we vote against the principle of this motion, we're all disqualified. I think the hon. Premier should be magnanimous enough to admit that he made a very foolish choice of decision on a rule that is irrelevant and that he would drop it. He says they would not raise it. I'm saying that he not only would not, but he could not, and he ought to stand up and say, "Well, I made a foolish statement, I'll withdraw it and settle it."

MR. NOTLEY:

Mr. Speaker, speaking to the 'almost' point of order, I really think that the Assembly should have a ruling on this matter, Sir, because as the hon. Member for Calgary Mountain View has pointed out, it certainly would not be in the interests of the legislature to leave the thing hanging. I appreciate the fact the hon. Premier just said the members opposite would not have any objection to me being on this standing committee even should I vote against this resolution. But I think that the important point, Mr. Speaker, is the very real issue of whether or not a member of this Assembly can vote against a matter in principle and still sit on a standing committee. And just reading 52(2) it seems to me with all due respect to the observation raised by the hon. Premier, that this is referring to special committees, not standing committees, and as the hon. Member for Wetaskiwin has already pointed out, since I've already been a part of the standing committee in question, what would be required would be a resolution to remove me from such a committee. Now, I don't mind a little bit of martyrdom in this whole royalties question. With all due respect I think that the more important issue is that we have a ruling which clearly enunciates what the rights of the hon. members are in this case.

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MR. SPEAKER:

The hon. Member for Spirit River-Fairview might welcome the touch of martyrdom. I regret that -- with respect, and without wishing to enter into the debate -- I do not think it proper for the Chair to make any ruling. I have no authority to make rules with regard to procedures and committees. If the point arises in the committee, if the hon. member's right to sit in the committee or to participate in its proceedings is challenged, the chairman of the committee will have to make a ruling, and if there is then an appeal, as there may be, from that ruling only then will I have any right at all to deal with the matter.

MR. TAYLOR:

Mr. Speaker, could I deal with one other point under this point of order? Section 52 (2) reads; "It shall always be understood that no member who declares or decides against the principle of a bill, resolution or matter to be committed can be nominated of such Committee." It's referring to special committees under Section 52 - Special Committees. The heading of chapter 8 is: "Select, Standing and Special Committees." This matter is being referred to a select standing committee, not a special committee and consequently when the hon. Premier raises the question and suggests that hon. members may not legally be permitted to sit on this committee, it is not right, it is an error. It's this House that's acting now, not the committee. I suggest that according to the rules themselves the hon. Premier is in error.

MR. FARRAN:

Mr. Speaker, maybe I can elaborate a little bit from Beauchesne. We fall back on this and here's a way out. Beauchesne says, and it refers to standing committees and select committees, 292, paragraph 4 on page 239 of Beauchesne says; "A member must be totally opposed and not simply take exception to certain particulars of a bill or a motion, in order to be excluded from a committee. A member who opposes merely the appointment of a committee cannot be considered as coming within the meaning of the rule." There's got to be absolute, total opposition before you can be excluded.

MR. BENOIT:

Mr. Speaker, if I may, I don't know how one can possibly be totally opposed to this tentative plan because it says that the government is not firmly committed to this tentative plan and they are prepared to make adjustments or even accept a completely different alternative. So how could he be opposed to it?

MR. SPEAKER:

Just dealing briefly with the additional point of order brought up by the hon. Member for Drumheller, referring to one of the rules relating to nominations to a committee, since there is no matter of nomination before the House I must revert to the previous position that at the moment it would be improper for me to deal with this point in any way.

[The motion was carried on a voice vote.]

GOVERNMENT BILLS AND ORDERS  
(Second Reading)

Bill No.39  
The Municipalities Assistance Amendment Act, 1972



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MR. RUSSELL:

Mr. Speaker, I move second reading of Bill No. 39 of The Municipalities Assistance Amendment Act, 1972 and that motion is seconded by the hon. Dr. Backus.

This is a very simple bill, Mr. Speaker, in that it deals with only one principle and that is how much money the provincial government is going to make available to the cities and towns and municipalities of Alberta this year through the effects of The Municipalities Assistance Act.

Mr. Speaker, I'm happy to say that the amount stated in the bill - \$42 million - has been arrived at through very open and frank discussion with the municipalities and the municipal levels of government concerned. And the government's proposed amount to be approved by this Legislature was made known to them in the latter part of the month of January, well before, I think, the majority of them had got too far with their own respective budgets.

I must say, Mr. Speaker, I was rather surprised and interested to hear the impassioned pleas we heard earlier tonight with respect to the matter of public hearings, the rights of the individual, and full knowledge and the rights of people and citizens to appear before this Legislature, because I recall so very clearly the manner in which this bill was last amended approximately one year ago, and the frantic efforts of the government of that time to prevent the cities from making any representation whatsoever with respect to this bill.

I recall how the Three Musketeers were sent over to the Chateau Lacombe in an effort to stave off any representatives from municipal levels of government appearing before this Legislature, despite the fact that a request to do so had been submitted several weeks in advance of the date they requested to appear.

AN HON. MEMBER:

I thought you were going to change.

MR. RUSSELL:

Yes we are, and we are in the process of doing that now. The position we took last year, Mr. Speaker, and the position we are taking this year is that it is extremely important to get the maximum amount of dollars that you can into this fund -- that you do this with the knowledge of the municipal levels of government.

I appreciate the fact that, up until two years ago, this fund was built in pretty strongly to the overall provincial budget and that it was built in pretty strongly to municipal levels of government.

It was changed very dramatically last year and it won't be unchanged in one fell swoop. But if the hon. members will pay attention to the bill they will notice that the fund is the highest it has ever been and that it is very clearly stipulated -- not like the amendment last year which was a permanent amendment -- this is clearly a temporary amendment and is for the fiscal year that we're now in.

The amount has been approved in the estimates of the Department of Municipal Affairs and the bill has been given first reading, therefore Mr. Speaker, I think it's important to proceed with the bill through second reading through committee and through Royal assent. Let's get the cheques written and let's get them out to our municipalities.

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MR. HENDERSON:

Mr. Speaker, I would just like to comment very briefly at this time on second reading of the bill. I think in light of this government's policy or attitude financially, the philosophy that we can borrow our way into prosperity, I see no reason why we shouldn't support the bill. But I can only come back once again, in view of this government's policy on borrowing -- I see no reason why the government can't honour the commitment it made to the people of this province during the election campaign, or act consistently with its stand in this Assembly last year when this bill was debated, and go back to the one-third royalty. If the government is prepared to do that I think it might have something to crow about. But this is actually backing away from the basic policy position it took in this Assembly a year ago and its own election platform.

I think it is also a matter of record, Mr. Speaker, as to the reasoning for changing the legislation last year. We would state quite clearly, we obviously have a difference in approach to financial philosophy as to trying to borrow our way into prosperity. The ceiling went in last year by virtue of the fact that the formula was tied to royalty sharing and it stands as a matter of record that while royalties were going up the money available from cash bonuses was going down, and the total revenue available to the province in total from this source was not increasing. And yet we were continually handing out more money to the municipality under the agreement as it stood at that time. There was just as much logic in the action taken in putting a ceiling on the bill a year ago as there is in re-examining the question of royalties on oil this year.

I suggest, Mr. Speaker, that in view of this government's stated financial philosophy that one can borrow his way into prosperity and also in light of the fact that this government -- we just finished a debate on a motion to refer a policy paper to committee that is going to increase the government's revenues from oil and gas royalties by virtue of the taxation that will be levied on mineral leases and oil in place -- there is all the more reason why this government should honour the commitment that it made to the people of this province a year ago.

The only thing I would suggest, if they are going to do it, is to stand up and be the men they claim they are. I would suggest that if they're going to go back to the one-third, like they should, in keeping with their own policies and their own statements and their own words, that they should look at making it not just one-third of oil royalties but they should relate it to the total revenue from oil resources, so they won't find themselves in the same pitfall as we found ourselves in last year so far as stable revenues and an increasing proportion of the revenues that were forthcoming going to the municipalities. Had there been a continuation in the climb of total revenues we would have very clearly continued with the policy in the past. So while we certainly intend to support the bill I think this is another demonstration of the lip service that the 'now' government pays to the people of this province when it appears that it is in the best interests of the 'now' party but soon repudiates it when it comes to doing something about it. They have the opportunity to live up to their commitments to the people of this province.

MR. FARRAN:

Mr. Speaker, in rebuttal of the figures given by the hon. Member for Wetaskiwin-Leduc, the previous system was one-third of the oil royalties as an unconditional grant to the municipalities. In view of drastic decline in the revenues from the sale of oil leases, the previous government arbitrarily set the figure at \$38 million for last year. Despite this, of course, it did have some increase over and above what was anticipated in the receipt of oil royalties of some \$23 million. A very similar situation prevailed again this year. There was again a drastic decline in the money from the sale of oil leases. There was a slight increase -- an unanticipated

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increase -- in the revenue from oil royalties. So what this government has done, in exactly the same economic situation that prevailed under the previous government, is that it has set a compromise position between the one-third and the frozen \$38 million to give a figure of \$42 million. One-third under the old formula of two years ago would have been \$47 million -- one-third of \$143 million.

Now the situation has not really changed so far as the economy of the province is concerned this year as opposed to last year. It will change when the oil royalties have been adjusted through the imposition of the proposed mineral tax or some other way which arises out of the public hearing. But at the moment the situation is very similar to the one that prevailed when you set, or the previous government set arbitrarily without consultation or hearing with the local government, the level of \$38 million.

MR. BENOIT:

Mr. Speaker, sometimes I suppose I should restrain myself more than I do, but tonight I don't feel like doing it. There is a comment that the hon. minister has made several times with regard to the \$48 million being the highest it's ever been. And I just wanted to --

DR. BUCK:

Forty-two million.

MR. BENOIT:

Forty-two million I mean, and is the highest it has ever been. I just wanted to mention the fact that the \$38 million last year was the highest it had ever been at that time; and the \$37 million the previous year was the highest it had ever been up to that time, so there is nothing new in this respect with regard to the \$42 million.

MR. CLARK:

Mr. Chairman, I would appreciate making just a few comments following the hon. minister's comments and then my good friend, the hon. Member for Calgary North Hill to attempt to straighten things out.

First of all, let me recall to the members that some months ago the government made a statement that it was going to leave the oil royalties at precisely where it was last year. Then some of the municipal leaders across the province made a number of statements -- the grant I'm sorry, the grant. They were going to leave the grants at what they were last year, then a number of the municipal leaders across the province raised a number of comments in varying degrees. The government then went back and raised it from \$38 million to the amount that is now proposed. And I think, Mr. Speaker, this is another indication of the government taking the position of saying, "no, we're not going to do this", and getting municipal leaders and other people across the province conditioned to a situation where, "my gosh, things are going to be in the very worst circumstances possible," and then moving a little bit from there. However the government wants to play the game or play politics, the fact remains, that initially the government announced there was going to be no increase in the grants this year -- then the government backed up and has increased the grants to what they are now.

The hon. minister is right in saying they are higher than they were last year, obviously. And I would remind, though, the hon. Member for Calgary North Hill and the hon. Minister of Municipal Affairs, who used to be the municipal affairs critic, that last year when the municipalities came to Edmonton and then -- to use his terms

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-- the Three Musketeers were sent over to the Chateau Lacombe, and being the only remaining member of the Three Musketeers, in addition to the members at that meeting -- knowing that the Conservative Party supported a public hearing on the matter of oil royalties, I doubt whether there was anyone in that hall who hadn't been told by such great Conservatives as John Kushner and others who were there that the Conservative Party of that day supported the one-third oil royalty -- and don't let anybody cloud the issue. There was a pretty definite feeling there and there was a definite feeling in the House that the members of, the Conservative opposition at that time supported the one-third oil royalty --

SOME HON. MEMBERS:

Agreed.

MR. CLARK:

. . . the 'now' hon. minister -- and then I'm reminded of the statement by the hon. Minister of Agriculture who last year said that rural Alberta couldn't stand the 'catastrophe', I believe he used the word, of what would happen as a result of the municipalities in rural Alberta not getting one-third of the oil royalties. Well, if it was a catastrophe last year, what is it this year?

[Interjection.]

No, the problems are complicated now my friend. They are much worse.

DR. HORNER:

You can say that!

MR. CLARK:

Perhaps the last comment that I would make, Mr. Chairman -- the 'now' Premier in his comments on the bill last year in the House, citing from, I think the term is, one of the Conservative guideposts, said that a very basic part of the Conservative platform in this province was that a municipality should be given the financial resources to meet its needs. And certainly at that time -- [Applause] -- you're a little more independent now than you were a few minutes ago when we were voting about whether individuals were going to be here or not -- [Laughter] -- To get back to the matter at hand, the Premier, the 'now' Premier, when he was making these comments in the House last year, certainly left the impression in the House and outside the House that if he was the Premier of this province at some time, he would reinstate the one-third oil royalties.

[The motion was carried, and Bill No. 39 was read a second time.]

Bill No. 5  
The Motor Vehicle Accident Claims Amendment Act, 1972  
(Adjourned debate)

MR. HYNDMAN:

On a point of order, Mr. Speaker, I believe it was Mr. Dixon that adjourned the debate on this. That hon. member spoke to me on Friday and said that he didn't have any serious objection to going ahead with this on Monday night -- tonight -- even though he had adjourned the debate. In that regard, I would suggest that we would be quite prepared to interpret rather liberally any wide-ranging debate he would wish to carry on in committee on this bill so that he could continue his remarks. He did indicate to me, though, that he

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had no serious objection to it being proceeded with even though he adjourned debate. If the opposition members feel strongly about it we will be prepared to hold it.

MR. TAYLOR:

Mr. Speaker, on the point of order. The hon. member did say, as pointed out by the hon. House Leader, that he also indicated that he would like to speak on the bill if the hon. members would hold it. I would like to see it held.

SOME HON. MEMBERS:

Hold, hold.

CLERK:

Bill No. 5 is held.

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Bill No. 8  
The Wildlife Amendment Act, 1972

MR. COOKSON:

Mr. Speaker, I beg leave to move, seconded by the hon. Member for Smoky River, the second reading of Bill No. 8, The Wildlife Amendment Act.

The original Wildlife Act came into being in 1970 and there have been minor changes since then. I was interested in exploring this department as to the number of people involved in regulations within the Act. There are some 55 wildlife officers, plus RCMP and park officers who are responsible for enforcing the regulations. In 1970-1971 there were about 1,600 charges laid because of varying circumstances, and a number of those were not carried through with. It is interesting to note that these people have a very difficult job to enforce The Wildlife Act, and that often they have difficulty in carrying their charges through the courts. So the intent really of the amendment is to increase the fines under The Wildlife Act, as is explained and to make people more responsible with regard to protecting wildlife.

MR. TAYLOR:

Mr. Speaker, I would like to say a word or two in connection with the bill, because I can't see how the bill is going to accomplish very much. It is raising the maximums in each case, and leaving the minimums where they were. The record, as I understand it, is that the courts are not even using the present maximum, let alone making them higher. What then will be accomplished by raising the maximums? For instance, in section 115A which refers to big game, it is raising the maximum from \$300 to \$1,000 but it is still leaving the minimum at not less than \$50. So if we really wanted to get higher fines, it would be necessary to raise the minimum. What it is doing otherwise, is simply giving the court more latitude than it has today. If it is not using the present latitude, what would make us think it would be apt to use the new latitude?

In connection with question B, we are raising the maximum of \$300 to \$500 in connection with game birds, but we are leaving the minimum not less than \$25, so again, the same argument holds. In connection with C, again the maximum is being raised from \$500 to \$1500, but the minimum of \$100 is left in the act. In section No. 3, even the maximum general penalty, while it's being raised from \$300 to \$1,000, the minimum of \$10 is still left in. I would strongly urge the --

DR. HORNER:

On a point of order, Mr. Speaker. I respectfully suggest that the hon. member is out of order discussing detail of the bill on second reading, and should confine his remarks to the principles of the bill. What he's said right now should be his remarks in relation to the discussion in committee stage.

MR. TAYLOR:

Mr. Chairman, on the principle of the bill, the principle is what I'm getting at, and before you can get to that, you have to deal with the only subject matter of the bill, which is raising these fines. The principle is, we're raising the maximums, but we're leaving the minimums where they are. This principle is unsound, and I suggest it is not going to accomplish the things that were mentioned by the hon. mover of the bill.

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DR. BUCK:

I would like to say a word or two in speaking on the principle of this, and that is that I think we're trying to attack the problem from the wrong end. I think that possibly the hon. Minister of Lands and Forests is the man that should really take the initiative in trying to solve the problem that we've got before us in this bill, and this is trying to make people hunt in a sane and rational way, and not abuse the wildlife that we have in the province. I would say to the hon. minister that we could solve a lot of this problem and we might not even need a bill such as this if went ahead with a hunter training program, and possibly even came to the stage where it was mandatory that people who have firearms must take a hunter training program. I think this would probably solve the problem. It's unfortunate really, that it happened to be American fellows that got caught with the game up in the north. I know from my own experience with people in my area where I was raised, that many of these people could make the Americans look like they didn't know anything about poaching, because I know of instances where fellows have gone and they sell game. They would shoot 15 or 20 deer a year and --

DR. HORNER:

Good shots!

DR. BUCK:

-- so it's a matter, I think, of hunter training, and I think it's education back at the school level. Because if we're really going to make our hunters in this province game conservation conscious, there must be educational programs. So I would like to say, hon. minister, for what it's worth, I think you're the man who can solve the problem, not by raising the fines.

MR. RUSTE:

Mr. Speaker, just a few words on this as a result of the publicity that was given to a certain case last fall of the American hunters and some of the moose that they were caught with and the charges laid against them. My understanding was that at that time they were only fined half the amount of the maximum fine. I submit that if that is the case -- and I'd like to hear that from the minister -- perhaps raising this isn't going to have any effect on what they are fined. I suppose you could raise this up to hanging for this type of an offence and if they don't hang them, what's the good? This is stretching it a long way, but I'd certainly like to hear from the minister if this is just a matter of some window dressing on raising this part of it, when the case in hand that there was so much publicity paid to last fall, where they were only, I understand, fined half of the maximum amount. I'd like to hear also from the minister what his thoughts were on appealing that case in the light of the case that was before the court.

MR. SORENSON:

Mr. Speaker, I want to make a few comments on The Wildlife Amendment Act. I think the amendment attempts to put some teeth into the act, and for that reason I'll support it. Checking with gun clubs and Fish and Game Associations in Edmonton and in my constituency, they are unanimous in their support of the amendment which calls for increased fines. I suppose the shocking slaughter of a dozen or more moose in the Valleyview area last fall was the climax in bringing this legislation in. It is true that United States residents were the violators, but I have a heart for the U.S., and I would say that they are responsible for, perhaps, less than 10 per cent of violations. That means that Canadians are responsible for the other 90 per cent, so there is very little comfort in that.

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A very similar incident occurred in my constituency a few years back. A hunter stood in one spot and shot six deer all in the space of about three minutes. But he was a modern-day Robin Hood, he gave the meat to the poor people in the district; I guess he gave the skins to the native people. But to accomplish all this he had to clean out two little families of deer. He was never brought to court. The main culprits are seldom apprehended.

I sometimes wonder about the person who fails to snuff out his campfire or throws a burning rag away and starts a major forest fire causing major loss of wildlife. They usually go scot free. I hope this amendment is not meant to take the place of an increased wildlife officer force. The cutting of the Lands and Forests budget will be a bitter bill for me if it means curtailment in this area. I think that is something that can be discussed when we get to the Lands and Forests department.

A week ago on Saturday I was driving across some of my land which is some distance from the roadway. I came over a hill rather fast and there on the other side was a group of cars and a police car. It struck me that there must be something wrong. The cattle were there, and so on. I didn't feel like stopping. I didn't feel like getting into any sort of argument. It was Saturday and I had been exposed to enough that week, so I thought perhaps they were stealing calves or stopping to have a drink or something. So I went on.

That evening in town a young man approached me and said, "We are planning on starting a gun club. We have been looking over land, and we were on your land today." He wanted my opinion of a gun club. I said, "You certainly have my blessing. If you want land, you go can have land and start your gun club." I think this is a good idea. If we would just try and fix the fence before the lambs get through, I think we would accomplish a great deal. Thank you, Mr. Speaker.

MR. DRAIN:

Just one question to the mover of this amendment. I notice that the penalties have been raised to \$1,000 up to \$1,500 and in the act it says "up to six months in jail". Now, I can visualize the situation where someone could get into trouble and I was wondering if the intent of this legislation was to compound this felony and put the man in jail and throw the key away sort of deal. Or is six months the maximum as set out in the act? In other words you're going to hurt him with money.

MR. COOKSON:

In answer to the hon. member, I don't think there is any intent in the changes to change the jail sentence but certainly the amount of the fine.

[The motion was carried, and Bill No. 8 was read for a second time.]



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Bill No. 13  
The Alberta Environmental Research Trust Amendment Act, 1972

MR. STROMBERG:

I move, recorded by the hon. member Mr. Zander, second reading of Bill No. 13, being The Alberta Environmental Research Trust Amendment Act, 1972.

In speaking to this bill I wish to make a few pertinent remarks which I consider important. Every day, Mr. Speaker, gaps in knowledge are brought to our attention, in reports dealing with the environment. But we read or hear in the news media about which include the need for better methods of garbage disposal, noise control, reclamation of our strip mines, large oil spill control techniques, rehabilitation of our lakes, solutions to the problems of disposal of animal wastes from stockyards, feedlots and packing plants, disposal of toxic chemicals, better biological tests for air and water pollutants, and so on and so on.

Mr. Speaker, Alberta research scientists in industries and at universities can help if given financial assistance. This is the purpose of the Alberta Environment Research Trust. It is to be a funding mechanism in aid of such research. In addition to a government expenditure as listed in the budget, it is the intention that the extra funds will be solicited from industry, banks, utility companies, public-spirited citizens, municipal governments, etc. If this outside response is as good as that enjoyed by the Alberta Agricultural Research Trust Fund, we will have a considerable amount of money to help solve the problems that I have listed.

I am sure that you will all share my firm conviction that Alberta will become a leader in environment research, the same position it held by having the first Department of the Environment in Canada, even in the short span of one year. It has shown that it is a department of action, especially in the last few months.

Now referring, Mr. Speaker, specifically to Bill No. 13, may I briefly explain the proposed amendments by giving a comparison. In the Agricultural Research Trust, most of the research was financed through the Trust from monies donated by industries such as the Alberta Cattle Commission, or the Alberta Hog Board, or fertilizer companies, and a government expenditure on a 50-50 basis. However, Mr. Speaker, there was also research done by university scientists which was not married to an industrial grant. To maintain this sector of work in Alberta, practical problems are very important.

Mr. Speaker, the amendments you have before you in Bill No. 13 are in effect:

1. To insure that approximately 50 per cent of the environment research is being done by researchers in institutions supported by public funds such as universities; and 50 per cent by scientists in private industries;
2. We deem it wise for a person to be on the Board of Trustees for not more than three years, so the Trust can have the benefit of persons from several key areas of society. The trustees will hold their first meeting on May 5th of this year.

Mr. Speaker, Alberta will only continue to progress at a fair percentage if a fair percentage of the research done here in the Province of Alberta is done by Albertans. This new knowledge for environment improvement can be put to use here, as our investment in our future.

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DR. PAPROSKI:

Mr. Speaker, I'd like to raise a few points on this particular bill, in support of it, of course. The number of points that I'd like to make are as follows. It encourages research by other than government researchers, and this is not to criticize governmental researchers, because by and large, I think they're doing a very good job. However, research conducted by the community in contrast with government, has a number of advantages that I think the Assembly should consider. I think it provides a balance between the government and the community, and provides for and allows more objective evaluation. We know the government people, the civil servants by the virtue of their position, are actually in a comfortable pew, and they are more resistant to change than the community at large. It tends to be more pragmatic, and problem-orientated, because it is in tune with the community activities that are going on in the community. I think that the cost in some cases, certainly can be fixed on a contract basis if the community researchers are involved.

The other major point on limiting the period of holding office of the trustee, that I feel is a wise and a good idea, is that it will not allow members to stay for too long, and therefore you get a new and fresh approach. Trustees will get members moving on a task and complete the task before their term of office is concluded. In other words, what I'm saying to the members of the Assembly, is that I ask you to support this on these three major points. I urge support because this is a positive approach in research for the environment which is so important in our community. Thank you.

[The motion was carried, and Bill No. 13 was read for a second time.]

Bill No. 16

The Teaching Profession Amendment Act, 1972

MR. LEE:

I move, seconded by the hon. Mr. King, second reading of Bill No. 16, The Teaching Profession Amendment Act, 1972.

The amendments in this bill are basically related to the internal administration of the Alberta Teachers' Association in regard to three principles. The first principle involved in the amendment is that a professional association will have the right to grant membership other than that which is of an active nature, in this case associate, life, honorary, and student memberships.

The second principle is that the professional association is granted the right to distinguish between the voting and the office holding rights of the active and associate members within their association.

The third principle provides for notice to the association of an appeal by a member to the Department of Education from a decision made by the associations Disciplinary Committee.

I might point out that in this particular Teaching Profession Act there are now two studies which will be undertaken on the sections of the act. First of all we have the Commission on Educational Planning which will be bringing its report in June and we will probably have some recommendations regarding this specific act and the teaching profession. In addition the special committee on Professions and Occupations will in all probability also study the provisions of this particular act.

These amendments then provide for those rights which are provided for most professional associations in Alberta, that is, the right to determine and administer the internal government of their

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association, and as such, I ask the support of the Assembly for the amendments in this bill and to accept second reading of the bill.

[The motion was carried, and Bill No. 16 was read for a second time.]

MR. HYNDMAN:

Mr. Speaker, before moving adjournment I have a note from the chairman for the Standing Committee on Public Affairs, the hon. Member for Ponoka, Dr. McCrimmon, that tomorrow he will be circulating formal notices of the first meeting of that committee to deal with the motion passed tonight regarding the tentative plan. The first organizational meeting of that committee will be this Wednesday at 9:00 a.m. in the Legislative Chamber, and tomorrow formal notice will be available to all members.

I move, Mr. Speaker, that the House do now adjourn until tomorrow afternoon at 2:30 o'clock.

MR. SPEAKER:

It has been moved by the hon. Government House Leader that the House adjourn until tomorrow afternoon at 2:30 o'clock. Do you all agree?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

The House stands adjourned until tomorrow afternoon at 2:30 o'clock.

[The House rose at 10:57 pm.]

