

LEGISLATIVE ASSEMBLY OF ALBERTA

Thursday, May 4th, 1972

(The House met at 2:30 pm.)

PRAYERS

(Mr. Speaker in the Chair.)

INTRODUCTION OF VISITORS

MR. BATHUK:

Mr. Speaker, it gives me pleasure to introduce to you and through you 29 Grade IX students from Ryley School accompanied by their teacher Mr. Voegtlin and supervisor Mrs. Voegtlin. I would ask that the students, the teacher, and the supervisor rise that they may be recognized by this Assembly.

MR. MINIELY:

Mr. Speaker, it is my pleasure today to introduce through you to members of the Assembly, 120 students from McKay Avenue School in my constituency of Edmonton Centre. Mr. Speaker, McKay Avenue School is a very distinctive school having the distinction of being the oldest in the Edmonton Public School system, and is also on the site of the very first school ever built in the City of Edmonton. An additional historical note, Mr. Speaker, is that the first meeting of the Council of the Northwest Territories was held here. As well, prior to completion of our present beautiful Legislative Building, the first meetings of Alberta's Legislative Assembly were held at McKay Avenue School. The students are accompanied today, Mr. Speaker, by their principal Mr. Olsen and several staff members. They are seated in both the members' gallery and the public gallery and I would ask that they all now stand and be recognized by the Assembly.

ORAL QUESTION PERIOD

MR. SPEAKER:

The hon. Member for Spirit River-Fairview followed by the hon. Member for Hanna-Oyen.

Funds for Friendship Centres

MR. NOTLEY:

Mr. Speaker, I would like to direct this question to the hon. Minister of Health and Social Development. Is the hon. minister aware that the Lethbridge Friendship Centre has closed down and that the reason given is an alleged delay in receiving federal-provincial funds?

MR. CRAWFORD:

No, Mr. Speaker.

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MR. NOTLEY:

A supplementary question then. By way of explanation, it is my understanding that the federal government sent their share of the cost-shared program for friendship centres to the province on or about the 24th day of March. My question to you, in view of the fact the fiscal year for friendship centres starts on April 1st, can the minister advise the House why there was a delay in receiving this money?

MR. CRAWFORD:

No, Mr. Speaker, I cannot. But I don't mind looking into the question and ascertaining if there was any delay.

MR. NOTLEY:

One final supplementary question. Can the hon. minister advise the House whether the government will give any consideration to changing the policies in the future, so that provincial and federal funding will be announced well before the beginning of the fiscal year for friendship centres?

MR. CRAWFORD:

Mr. Speaker, the lead time that this government is trying to give in various programs that relate to municipalities or, in this case, a group operating in a particular municipality, has been to give as much notice as possible. I think the hon. member will know that there have been several matters brought before the House already including things like the municipal assistance grants and so on, where a great improvement had been effected in this area of timing for the benefit of, in that case, the municipalities all across the province. All I can say in respect to this particular matter is that I will assuredly look into it and see if there is some difficulty that has been caused that might have been averted.

MR. HO LEM:

Supplementary, Mr. Speaker. In view of the situation which has arisen, and it also affects Calgary, will the hon. minister give consideration to providing interim financing to keep these places going?

MR. CRAWFORD:

Mr. Speaker, I don't know the situation in Calgary to which the hon. member referred, but on the whole, the position that I'm taking with voluntary associations which have a background of dealings over the years with the provincial government -- in the sense that they receive grants from time to time, is that they should budget annually and adjust themselves to the government's budget year. I've been able to explain this to a large number of such associations on a person-to-person basis. Most of them seem to understand it fully and are willing -- well, indeed I would say, without exception, those that I have talked to are willing -- to submit their budgets by the fall of the year for the following fiscal year.

MR. NOTLEY:

One more supplementary question, Mr. Speaker, just for the sake of clarification, does the government intend to make grants available in conjunction with the federal government to friendship centres? It's not a question, I take it, of this money not being available. It's just a question of the time. Is that not a correct assessment of what you said?

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MR. CRAWFORD:

Mr. Speaker, the answer to the question from the hon. Member for Calgary McCall did not relate to the situation in Lethbridge. It was a statement generally as to my approach to associations that seek funding in some way. My answer in regard to the Lethbridge situation would have to stand on its own merits, as previously given to the hon. member.

MR. SPEAKER:

The hon. Member for Hanna-Oyen, followed by the hon. Member for Calgary Bow.

The Highway Traffic Act

MR. FRENCH:

Mr. Speaker, I'd like to direct a question to the Attorney General. Have you issued instructions to the police not to enforce the laws in existence in Alberta?

SOME HON. MEMBERS:

[Groan]

MR. SPEAKER:

The question is out of order in its present form.

MR. FRENCH:

A supplementary question, then. Is the Attorney General aware that the Calgary...

MR. FARRAN:

A point of order. If the question is out of order, how can you have a supplementary to it?

MR. SPEAKER:

I understand the hon. member....

MR. FRENCH:

Mr. Speaker, I'd like to...

HON. MEMBERS:

Sit down. Sit down. The Speaker is on his feet.

MR. SPEAKER:

As I understand it, the hon. member is rephrasing his question. He may have called it a supplementary, but I'm sure the contents will be the same.

MR. FRENCH:

Is the Attorney General aware that the Calgary City Police are not enforcing the statutory provisions of The Highway Traffic Act, as indicated in a press story appearing in the Calgary Herald, May 3rd, which states the city police say they aren't issuing summonses for inadequately insured vehicles, and won't until the current revision of the penalties under section 255 of The Highway Traffic Act is completed?

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MR. LEITCH:

Well, Mr. Speaker, there were no such instructions issued. I think there may be some confusion. What I've asked the Crown Prosecutors to do is to hold, for the time being, charges that have been laid, assuming the accused consents to it, until the Legislature deals with the bill which the hon. Minister of Highways has introduced. But at no time has there been, nor will there be, any instructions to anyone not to lay the charges. It's a question of whether they are proceeded with until that bill is dealt with. Of course they will be proceeded with should the accused wish them to go forward.

MR. FRENCH:

Supplementary question, Mr. Speaker. Does the Attorney General intend to proceed with this bill that's before the House as quickly as possible, and give it special consideration, and possibly third reading?

MR. LEITCH:

Well, it isn't my bill, Mr. Speaker. It's the hon. Minister of Highways', but I would see no reason why it shouldn't proceed as quickly as possible.

MR. FRENCH:

I have a supplementary question for the hon. Minister of Highways. Is it the intention of the hon. Minister of Highways to give this particular bill special attention, and proceed with it as quickly as possible?

MR. COPITHORNE:

Yes, Mr. Speaker. If the hon. member had been noticing we have hurried along with the bill from its introduction.

MR. SPEAKER:

The hon. Member for Calgary Bow, followed by the hon. Member for Drumheller.

English Employment Bureau Ads

MR. WILSON:

Mr. Speaker, I would like to direct a question to the hon. Minister of Labour. Would you please advise this Legislature what results you have had in your investigations of the exotic employment ads of the Senitol Bureau of Liverpool, England.

DR. HOHOL:

Mr. Speaker, one thing we found out in this investigation is, it is extremely difficult to investigate this kind of problem. You will recall, sir, that the hon. Member for Calgary Bow brought to the attention of the House advertising by a company called Senitol. This is what we found out. It is run by a couple from the United Kingdom; it sells clippings from U.S. newspapers, these are clippings which advertise jobs in the United States. We found that there is no conflict with the law in the United Kingdom, in the United States or in Canada. But we still question the ethics of this thing which appears to be lawful but unethical.

The service does not provide any visa information. A work permit is, of course, required for foreign students to work in the U.S.A., and this is very difficult to get. Because visas are

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difficult to get, not many Canadians are able to go to the United States for this exotic work. I think this is the only saving grace of this particular venture.

I would like to mention in closing that the newspapers, led by the Calgary Albertan, have voluntarily given up running this advertisement at some cost to themselves, but agreeing -- and voluntarily by the way -- that while lawful, it is not altogether ethical.

MR. SPEAKER:

The hon. Member for Drumheller, followed by the hon. Member for Medicine Hat-Redcliff.

New Driving Licenses

MR. TAYLOR:

Mr. Speaker, may I direct a question to the hon. Minister of Highways and Transportation? Now that the cost of the driver's licence has been doubled, is it the intention of the government to include a photograph of each driver on the next issue?

MR. COPITHORNE:

Mr. Speaker, I have made no such announcement.

MR. TAYLOR:

A supplementary. Is the government considering having photographs of drivers placed on the operators' licences? Secondly, in order to save standing up again, is the government considering the many submissions made on this particular subject?

MR. COPITHORNE:

Mr. Speaker, we get many submissions on many subjects, and we consider them all.

MR. TAYLOR:

Does the hon. minister ever answer a question?

Redcliff's 60th Anniversary

MR. WYSE:

Mr. Speaker, I would like to direct a question to the hon. Deputy Premier. Is he aware where these beautiful roses came from today?

DR. HORNER:

No, I am not, Mr. Speaker. But I must say they improve the smell and the appearance of the Legislature.

MR. WYSE:

A supplementary answer for the hon. Deputy Premier. These beautiful roses come to us from the town of Redcliff. Redcliff will be celebrating its 60th anniversary this year, and so they have sent us these roses to commemorate the wonderful occasion which they will be celebrating on August 5th, 6th and 7th. The town is known for its four 'R's -- bricks, bottles, bouquets and babies.

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MR. SPEAKER:

If he has recovered his composure -- the hon. Member for Calgary Mountain View, followed by the hon. Member for Olds-Didsbury.

STEP Program

MR. LUDWIG:

Mr. Speaker, I have a question for the hon. Minister of Public Works. Is the government going to follow the practice of the Social Credit government in providing summer employment for high school students?

DR. PACKUS:

Mr. Speaker, I would draw the hon. member's attention to the STEP program, but if he is referring specifically to the Department of Public Works, we are, of course, participating as fully as previously and more so with the STEP program in this respect.

MR. LUDWIG:

Mr. Speaker, in view of the answer -- he said more so -- could he tell us how many jobs are provided by the Department of Public Works last year and how many will be provided this year?

MR. SPEAKER:

That type of question perhaps should appear on the Order Paper.

MR. LUDWIG:

Mr. Speaker, may I ask a supplementary question?

SOME HON. MEMBERS:

Agreed.

MR. LUDWIG:

What procedure will be followed?

MR. GETTY:

A point of order, Mr. Speaker. If you have asked somebody to place a question on the Order Paper, surely then it follows a supplementary should also be placed on the Order Paper.

MR. SPEAKER:

There was a question and a supplementary, and the suggestion was that that a particular supplementary appear on the Order Paper, but perhaps this will be a supplementary that need not appear on the Order Paper.

MR. LUDWIG:

Mr. Speaker, could the minister explain what procedure is to be followed by high school students in applying for these jobs so that students would know how to get these jobs which are to be available, specifically with regard to the Department of Public Works' summer employment program?

DR. PACKUS:

Mr. Speaker, I think the usual practice is to apply through our personnel department, and if they make their application there, I

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believe if I am correct, in my recent checking which was about two days ago, nearly all the jobs had already been filled. They were certainly filling up very rapidly, and so I wouldn't hold out too much promise that there will be lots of openings available. But if they apply through the personnel department of the Department of Public Works, they will be able to be told what possibilities are available.

MR. LUDWIG:

Mr. Speaker, a further supplementary. Has the minister taken any steps to ensure that some of the jobs will be available for high school students rather than be taken up by university students whose term is completed much earlier than the high school students of June 30th?

DR. BACKUS:

I hadn't taken any specific steps. I will assure the member that I will look into it and see if this is possible. Although the university students do finish sooner, the high school students also have an opportunity of applying just as early as the university students have.

MR. LUDWIG:

Mr. Speaker, a last supplementary. Would the minister be kind enough to advise the House at an early date whether any jobs are, in fact, available so that high school students would not be waiting for these jobs but could look elsewhere if the jobs are not available?

SOME HON. MEMBERS:

Agreed.

MR. SPEAKER:

The hon. Member for Olds-Didsbury followed by the hon. Member for Calgary North Hill.

Dairy Sampling Program

MR. CLARK:

Mr. Speaker, in keeping with the rosy atmosphere of the Assembly this afternoon, I would like to ask a question of the hon. Minister of Agriculture. Yesterday the minister met with representatives of the dairy industry in the province regarding the possibility of a provincially supervised dairy sampling program. Is the minister in a position at this time to indicate to the Legislature if the government will be able to proceed in this direction in the very near future?

DR. HERNER:

Yes, Mr. Speaker, we met with the representatives of the dairy industry in regard to their improving the program for grading cattle, or cattle production, and we intend to take advantage of their submission, and to establish as soon as we possibly can, from a physical point of view, the necessary steps to make it a standardized program because it has some definite value in regard to, not only the kind of production we get, but the availability of grade cattle for export.

MR. SPEAKER:

The hon. Member for Calgary North Hill followed by the hon. Member for Calgary Millican.

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Calgary Convention Centre

MR. FARRAN:

Mr. Speaker, a question to the hon. Minister of Public Works. Sir, I understand that there has been some difficulty over the proposed new provincial Treasury Branch on Centre Street and 8th avenue in Calgary in relation to the Convention Centre site. Is there any outstanding difficulty now, in that regard, that might delay the building of this convention centre?

DP. BACKUS:

Mr. Speaker, that's a very good question because it has received a good deal of publicity in Calgary. At this stage I can assure the hon. member that as a result of making every effort to co-operate with the developers, and finally in view of a lack of agreement being reached, we had a meeting of all the top people in this regard and have now settled a manner in which the Convention Centre will not be delayed in any way by our proposals for the Treasury Branch. They are free to go ahead with their plans as of now.

MR. SPEAKER:

The hon. Member for Calgary Millican, followed by the hon. Member for Edmonton Norwood.

Foreign Investment Policy

MR. DIXON:

Mr. Speaker, I would like to direct a question to the hon. Minister of Federal and Intergovernmental Affairs. Federal legislation was recently proposed in the House regarding a statement of the foreign direct investment, and according to the federal legislation the final decision will be left to the federal cabinet. I wondered if it is his intention and that of his government to negotiate with Ottawa before any final decision is made between an Alberta company or a Canadian company with a branch operating in Alberta. Does he plan on approaching the federal government and asking them to consult with the Alberta Cabinet before the final decision is made?

MR. GETTY:

Mr. Speaker, if I understand the question, the hon. member is referring to the recent foreign investment policy statement that the hon. Herb Gray made in the House of Commons. It was referred to briefly by the hon. Premier yesterday on Orders of the Day just before we closed for the day. At that time he pointed out that Mr. Gray himself is coming with several officials to Alberta to request the feelings of the province and the government on the policy statement, and to explain how Mr. Gray and the Government of Canada sees that policy working. At that time the Government of Alberta will assuredly express its feelings regarding the policy, and the suggestion of the hon. member today is certainly one to be considered. Also the hon. Premier gave his assurance that the position taken by the Government of Alberta will be made public immediately to hon. members of the House. So I think that covers the situation as you asked it.

MR. SPEAKER:

The hon. Member for Edmonton Norwood, followed by the hon. Member for Calgary Bow.

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Workmen's Compensation Board

MRS. CHICHAK:

Mr. Speaker, my question is directed to the hon. Minister of Labour and it has to deal with the Workmen's Compensation Board accident claim appeal procedure. I wonder if the hon. minister could advise whether any province in Canada follows different appeal procedures to those in Alberta wherein a claimant must file his appeal to the same board that made the initial decision. How do other provinces handle this situation?

DR. HOHOL:

Mr. Speaker, it is notable that every workmen's compensation act across this nation has the same appeal board. There are cases for it and against it. There are many precedents in court, a notable one in the Supreme Court of Ontario which examined the practicality and the status of a built-in appeal procedure within our board that is not responsible to government. So all the workmen's compensation acts have one section such as ours, Section 28, which, when all other procedures within the board are exhausted, an injured person can then appeal to the board. And if I may, sir, I would like to just comment upon the procedure.

DR. HOHOL:

The board appoints a chairman and each of the parties to a hearing. For example, the worker and the company appoint the doctor. This is the procedure and an appeal is heard. Again, noteworthy information is that the injured person can't appear and, indeed, a notary or a solicitor cannot appeal for him except in unusual circumstances.

I say this, not to make any judgments but to give information to the House in view of the fact we will have a legislative committee examine the whole matter of The Compensation Act in Alberta this summer. Section 28, the appeal procedures, in my view, are one of the major examinations that will face this particular board, or this particular legislative committee.

MR. DIXON:

Supplementary question to the hon. minister, Mr. Speaker. The hon. Premier a few weeks ago announced that your government was considering raising -- let me go back -- in the Throne Speech the minimum pension was going to be raised from \$175 to \$225 and the hon. Premier announced that they were giving serious consideration to raising the minimum pension to over \$225, and I wonder if your government has made any decision on that as yet?

DR. HOHOL:

Mr. Speaker, we haven't on that particular subject. In the Throne Speech we mentioned the major changes we will make in The Workmen's Compensation Act, and that's in that particular benefit. However, in addition to that one there will be two or three other amendments to the act that the House will be asked to examine and debate and approve or not approve. And so in the light of other benefits which we intend to increase, it may be that that particular one will remain or it may be that it will be raised. I think the hon. Premier's intent was to invite both sides of the House, on an issue that is purely and clearly nonpolitical, but having to do with the humanitarian consideration. He gave you this information in advance, inviting you to think about it and, in the meantime if you wish, you can discuss it with me or with the Premier. Or certainly in clause-by-clause examination of the amendments to this particular act you will have an opportunity to debate.

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This can, of course, occur too on the second reading of The Workmen's Compensation Act. The first reading has yet to come to the House and I will try to bring that as soon as possible.

MR. DIXON:

Further supplementary, the hon. minister, I am sure when he leaves the House, will be asked by the press about the other two proposals and I was wondering if he was in a position to let the House know what the other two proposals are, in order that we can give it a better study than waiting for it to be announced later on. If he's in that position, if not, if it's in confidence well, of course, I will abide by that confidence.

DP. HOHCL:

Mr. Speaker, because of the nature of the amendments and the fact that they're at the printers now, and still open to examination and further change, I will make this commitment to you and the Assembly, sir, in saying to you that it's in the best interests of the House to read the amendments in total when the bill is printed. At the same time, I will not discuss any additional detail with the media, and I'm sure they will respect this position also.

MR. FAFFAN:

Supplementary, Mr. Speaker, to the hon. Minister of Labour on this same subject, workmen's compensation. Under the last increase which was allowed to the permanently disabled some time ago by the former government, those who had suffered under 15% disability -- permanent disability -- were not included, they didn't get an increase. Is the government considering the possibility of giving an increase to these people who are partially disabled, less than 15% disability at this time?

DR. HOHCL:

Mr. Speaker, I hope the hon. Member for Calgary North Hill will accept the explanation I gave to the hon. Member for Calgary Millican.

DR. HOHCL:

Certainly that particular area was considered, as was every aspect of the act. We moved on about four or five major amendments and these will come to you when the first reading of the bill is presented. This particular one, to which the hon. member refers, is extremely complex and many of the more complex sections were left to the consideration of the Legislative Committee which will be struck in a very short time and announced in this House.

MR. SPEAKER:

The hon. Member for Calgary Bow followed by the hon. Member for Toner-Warner.

Municipal Land Banks

MR. WILSON:

Mr. Speaker, I would like to address a question to the hon. Minister of Municipal Affairs. Does the provincial government have a policy on municipal land banks at this point in time?

MR. FUSSELL:

Well, I think there are two programs which the hon. member is probably referring to. One is the loans which are available under

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the land bank program for major arterial expressway composition. And the other is the land assembly program for residential purposes such as the Mill Woods sub-division in Edmonton.

MR. WILSON:

Supplementary, Mr. Speaker. Is the government in favour of, or opposed to financially assisting municipal government's acquisition of tracts of raw land for residential development?

MR. FUSSELL:

I can only say this, Mr. Speaker, that that is an item that is undergoing review at the moment, not only by this government but by the federal government.

MR. WILSON:

Supplementary, Mr. Speaker. Does that mean that the provincial government has not made up its mind in regard to the federal government supplying money for municipal land assembly under the existing National Housing Act which clause, I believe, expires this month?

MR. FUSSELL:

Well, Mr. Speaker, there were commitments made right up to the expiry date of last March 31st with various land assembly programs throughout the province. And to mention two, commitments were made for Fort McMurray and Claresholm. So, certainly this government supports the principle, but I did emphasize that this government and the federal government have that kind of legislation under current review.

MR. WILSON:

Supplementary, Mr. Speaker. Would that review include the situation of the federal government supplying money for municipal land assembly with debenture security rather than straight mortgages?

MR. FUSSELL:

Well, here we go fishing again, Mr. Speaker. I can only emphasize that there are discussions going on today in Edmonton with respect to that, and several other major points.

MR. WILSON:

Supplementary to the hon. Minister of Federal and Intergovernmental Affairs, Mr. Speaker. Who is representing the provincial government at those discussions today?

MR. FUSSELL:

Representing the provincial government are the Deputy Minister of Municipal Affairs, the Executive Director of the Alberta Housing Corporation, and the Assistant Director of the Alberta Housing Corporation. We have also invited to be present -- pardon me, there is one more -- there's the Director of the Department of Federal and Intergovernmental Affairs. We have also invited the Alberta Union of Municipalities to have one representative present as well as its rural counterpart. There are officials from CMHC and the Federal Ministry of Urban Affairs representing the federal side. And I should emphasize that at this first meeting that there are no elected people at the federal or provincial level participating.

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MP. SPEAKER:

The hon. Member for Taber-Warner followed by the hon. Member for Drumheller.

Sugar Consumption

MR. D. MILLER:

Mr. Speaker, I have a question for the hon. Minister of Agriculture. Is it a fact, Mr. Minister, that residents of Alberta use more than 100 pounds of sugar per person per year?

MP. HCFNEF:

Mr. Speaker, I believe that the figure is pretty accurate.

MR. D. MILLER:

A supplementary question, Mr. Speaker. If this is not entirely Alberta sugar will you ask promoters to cease bragging about it?

AN HON. MEMBER:

Agreed.

MP. SPEAKER:

The hon. Member for Drumheller followed by the hon. Member for Calgary Millican.

ID Cards

MR. TAYLOR:

May I direct a question to the hon. Attorney General. Is the Alberta Government Liquor Board still supplying ID cards, with the photographs of youths on them, free of charge to youths?

MR. LEITCH:

I believe so, Mr. Speaker, but I would have to check it to be sure.

MP. TAYLOR:

A supplementary. Would the hon. Attorney General know the approximate cost of the beautiful ID cards supplied to the MLA's that have a photograph on them, and which incidentally, I think, is a very excellent idea?

MR. LEITCH:

No, I don't, Mr. Speaker.

MR. TAYLOR:

One further supplementary. Would the hon. Attorney General agree that one ID card in the province with the photograph of the person on it would be very valuable for police enforcement instead of a multitude of ID cards that we have today?

MR. LEITCH:

Well, Mr. Speaker, I don't have much doubt but what a universal identification card would be of assistance in many areas. But if the hon. member is asking whether I support or promote that view, that is a somewhat different question, because I think there are a great many other considerations to take into account, apart from the convenience of policing, before one can reach a conclusion on that issue.

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MR. SPEAKER:

The hon. Member for Calgary Millican.

Expansion of Northern Boundaries

MR. DIXON:

Mr. Speaker, I would like to direct a question to the hon. the Premier. The Premier of British Columbia is making statements regarding extending their borders north, and I think the hon. minister, Mr. Russell, pointed out the other day expansion of our northern boundary as far as the Northwest Territories are concerned. I wonder if his government has been in negotiations or in preliminary negotiations, at least, to extend the Alberta boundary, because of all the major announcements that are being made now regarding the Northwest Territories, because of the fact that our economies and our industries are so closely related. I wondered if there had been any action at all on negotiating with the federal government?

MR. LOUGHEED:

Mr. Speaker, that is a very important subject and a very difficult one to respond to in the Question Period. I fully concur with the views expressed by the hon. Minister of Municipal Affairs and implied in the question by the hon. Member for Calgary Millican that there are certainly considerable advantages for Canada and for Alberta, and I believe, too, for those people in the north, to an assessment of the situation of an alteration of provincial borders. However, I feel personally quite definitely of the view that to a very large extent the initiative has to come from the people who are living in the Northwest Territories and the Yukon. I think that that initiative -- in other words, I don't think it is a matter of statements being made in provincial legislatures or negotiations with federal governments -- I think that in the longer term of the future of Alberta this should come about. I think it only is likely to come about if the initiative is taken from the people who are living there and who have made the pioneer effort and the sacrifice to move into the north and taken advantage of the opportunities. I don't think it should be something that should be imposed upon them without their initiating the action.

MR. DIXON:

A supplementary, Mr. Speaker, by way of a question. I was wondering more from the energy corridor, where Canada would then have an energy corridor in one province rather than dividing it into two provinces?

MR. LOUGHEED:

Mr. Speaker, as I said at the outset of the answer to the previous question, there are certainly some very significant advantages. That would be one, both to the people of Alberta, and I think from the standpoint of energy policy for Canada, if that should occur. We are talking about the rights of people who are now residing in the Northwest Territories and the Yukon, and that is what I referred to in the answer that I gave to the first question.

MR. SPEAKER:

The hon. Member for Vermilion-Viking.

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Canadian Employment Support Board

MR. COOPER:

My question is to the hon. Minister of Industry. Was it necessary for any Alberta manufacturing firm to obtain a grant from the Canadian Employment Support Board in Ottawa during the past three months?

MR. PEACOCK:

Mr. Speaker, I didn't quite understand that question. I wonder if he'd mind repeating it. Would you repeat the question, please?

MR. COOPER:

Was it necessary for any Alberta manufacturing firm to obtain a grant from the Canadian Employment Support Board in Ottawa, during the past three months?

MR. PEACOCK:

We have no notification of any Alberta manufacturers making application, Mr. Speaker.

MR. COOPER:

Supplementary, Mr. Speaker. Does this job support plan apply to Alberta?

MR. PEACOCK:

Yes, it does. It applies to Canada.

ORDERS OF THE DAY

MOTIONS FOR A RETURN

194. Mr. Trynchy proposed the following motion to the Assembly, seconded by Mr. J. Miller.

That an Order of the Assembly do issue for a Return showing:

The total amount of money paid to the members and staff of the Social Credit Board from January 1, 1942 to 1948.

MR. TRYNCHY:

The reason for this return, Mr. Speaker, was to give me the complete answer for Return No. 184, which was filed some time ago, and I'd like to read it to the House so they'll know what I'm talking about. The question was: "What is the total amount of money paid to each of the members of the Social Credit Board (Caucus Committee) during its year of existence?" That's the question, and I hope to have the answer. Contrary to what the hon. Member for Drumheller has quoted and said in the House, I'd like to also point out to the House that the Social Credit Board was appointed in 1937 by the Legislature, but the act was amended in 1940, and I'd like to quote No. 4:

"There is hereby constituted a board to be known as the 'Social Credit Board', which will consist of such number of members not exceeding five that the Lieutenant Governor in Council may, from time to time determine."

So, in essence, this board is a caucus committee.

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Mr. Speaker, to go further, the hon. Member for Drumheller said, and I read from Hansard, tape 35, "There is not another party in Canada that has had the gall and the audacity to do the type of things this government is doing, to pay their own caucus committees with public funds and not make the information available, but to pay their caucus committees with public money -- the grave misuse of public funds. That's what it is."

In view of the facts, Mr. Speaker, I request the hon. Member for Drumheller to withdraw his remarks.

MR. TAYLOR:

Mr. Speaker, what a hope! If I'd said something that was incorrect, I'd be very glad to withdraw my remarks, but what I said was completely correct, and completely right. I said that the Social Credit Board was set up by the Legislature, and under the authority of the Legislature, and it was. The hon. member quoted the section from the act himself. The Legislature gave its authority for the appointment of the Social Credit Board and that is completely correct. And that's the same situation as if we passed a resolution or passed a motion in this House for the Executive Council to set up a Royal Commission. That would be legislative authority and the Cabinet would be completely within its bounds to set up that Royal Commission. It would have the authority of the Legislature. But, Mr. Speaker, the caucus committee task forces that were set up by the Lieutenant Governor in Council did not have the authority of this Legislature -- in no way, shape or form.

SOME HON. MEMBERS:

[Grcan]

MR. TAYLOR:

And if the hon. members who are saying "Oh, take out the Votes and Proceedings and show me where it is, in case I missed something", it's quite possible I may have, but I'd like to see it in the Votes and Proceedings, and there's no such item. I have no objections to the order that the hon. member is presenting. This is public money and the people were told in that day how much it was costing. I suppose there is nothing wrong with telling them now how much it cost 30 years ago. I have no objection to this at all -- if the government wants to live in the past -- that is fine. We would much rather be looking into the present and the future, and where the present taxpayer is more concerned about what is happening to his dollar today than what happened to the dollars 30 or 35 years ago. If that was a bad expenditure, the people had the opportunity to correct it in those days. As a matter of fact, the people were not too happy with the Social Credit Board -- at first they were -- and that is why we did away with the Social Credit Board, and I was one who helped to do away with it, when we finally dissolved it.

I have said before, perhaps we should have cancelled that section out of the act at that time. Now, it wasn't because there was anything wrong with the principles of Social Credit. The Social Credit Board turned out to be propagating Social Credit instead of economics, to some degree. This wasn't right -- exactly what the caucus committees are doing today. They were advising the Cabinet too, but they are doing it at public expense. Finally, the Social Credit members themselves decided, and the Legislature decided, to do away with the Social Credit Board.

I want, at the same time, to say that the Social Credit Board did a lot of good work, too. [Interjections] Certainly it did. You know, Mr. Speaker, some people think the only people who can do good are those people themselves. They can see no good in anybody else. I can see some things wrong with the Social Credit Board, but there

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were a lot of things right with it, too. I can see some things right about the caucus committees of the Conservative party, but I can see a lot of things wrong with it, too. One thing that is wrong is paying them out of public money, without legislative authority, -- without legislative authority.

Again, I want to elaborate on this point on the social credit principles. I said the other day that the Social Credit Board was primarily to advance economic principles, based on social credit philosophy, of course. They did do this, and as a result hundreds of people in the province got an understanding of the money system of this country that they otherwise would not have had. Mr. Speaker, today, if some of the hon. members on the other side of the House would get a little bit of social credit philosophy into their makeup, and if some of the Canadian government would learn a little bit about social credit, we wouldn't have to go on the open market for \$200 million at 8% and 9%. This money could be supplied by the Bank of Canada at cost.

Oh, sure, the orthodox financiers over there will laugh at that. I would like to have one good reason why the Bank of Canada shouldn't advance money to the people of Canada for such things as hospitals, schools, roads and bridges, that are not profit-producing. There is no reason why the Bank of Canada shouldn't do that for every province in Canada, at cost; at cost, and having regard to inflation and deflation, of course.

It always amazes me, Mr. Speaker, that those who are so stilled and steeped in orthodoxy, can't begin to see that we are paying the price; the people are paying the price. We are paying high interest rates. We shouldn't have to be borrowing money in this province or in any other province for schools at high interest rates. It should be advanced by the Bank of Canada at cost. It wouldn't be one bit more inflationary -- not one bit.

I suggest, Mr. Speaker, maybe the Social Credit Board should have stayed on. Maybe some of the hon. members would have been converted -- would get the light, because there is a lot of light to be shed in regard to monetary policies in this country. I have no objection to this particular return. But, let's not confuse the Social Credit Board that had legislative authority, with Conservative caucus committees that are set up by the Cabinet without legislative authority of this Legislature.

DR. HORNBER:

Mr. Speaker, I hadn't really intended to speak on this motion, but after the harangue by the hon. Member for Drumheller, I just can't sit down. He started talking first about how he didn't want to stay in the past and he was looking to the future. I suggest he convey that message to his friend from Calgary Mountain View and my friend from Wainwright because they continually refer to the past in trying to justify their existence as a government. Mind you, Mr. Speaker, by the time that the hon. Member from Drumheller got around to completing his address he was way back around, and maybe we should reinstitute the Social Credit Board.

He is quite right that there is some difference between that Social Credit Board and the task forces of this government. The Social Credit Board was nothing more than out and out blatant political propaganda with the taxpayers' money, and that is what the Social Credit Board was all about, and the task forces in fact, are using taxpayers' money to develop policy for all of the people of Alberta. So there is a pretty major difference allright, Mr. Speaker, and I think it should be pointed out.

Again, Mr. Speaker, and I don't really want to encourage a real debate on monetary policy, but we got that strange, same old refrain

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that started back in 1935 about schools and hospitals, as though these things were any different from food or clothing or shelter....

AN HON. MEMBER:

Were you here?

DR. HCFNER:

No, but I have read them, and the former Member for Lethbridge used to regale us with these things every couple of weeks in former Legislatures, Mr. Speaker, and it would appear that the only one left to give us the old story of Social Credit is the hon. Member for Drumheller. I am sure that we should see on the Order Paper some day soon, a resolution with regard to monetary policy, because I would really like to debate with him, the nonsensical proposition he put forward today in regard to schools and hospitals being any different from shelter or any other kind of necessity that a person requires.

And, of course, it comes back to a pretty basic premise, Mr. Speaker, that a country or a people have to produce the wealth themselves in actual production, and you can't take a pen and write it out, because when you start taking a pen and writing it out you have got runaway inflation and it completely wrecks your country. And strangely enough then, Mr. Speaker, the ordinary people and the poor people are the ones who really suffer. And this is really what was wrong with the Social Credit philosophy.

Of course, it brings me around to the final point, Mr. Speaker, that in fact, the Social Credit party is based on nothing, can go nowhere, so I suggest that it was a good idea to demolish the Board. But we should appreciate, and the people of Alberta should appreciate, that just in a very short period of time for this political propaganda on the previous motion by the hon. Member from Whitecourt, there was something like \$164,000 of the taxpayers' money used. And that, in today's equivalent, Mr. Speaker, would be somewhere in the neighbourhood of a half a million dollars, and I think that should be impressed on the hon. Member from Drumheller, because he apparently doesn't appreciate just how they squandered the people's money in those days.

MR. BENOIT:

Point of order.

MR. SPEAKER:

The hon. Member for Pincher Creek-Crowsnest I believe is next followed by the hon. member -- [interjections] The hon. Member for Highwood then, followed by the hon. Member for Edmonton Strathcona.

MR. BENOIT:

Mr. Speaker, I want a point of order, only I just wondered if the hon. Member for Whitecourt would reread that 1942 Legislative amendment, if he would please.

MR. TRYNCHY:

I would be glad to, Mr. Speaker.

MR. SPEAKER:

Is the hon. member closing the debate?

SOME HON. MEMBERS:

No.

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MR. BENDERSON:

He should reply on a point of information.

MR. TRYNCHY:

I can read it, Mr. Speaker.

MR. SPEAKER:

You could, if the House will agree that it will not be count as closing the debate if the hon. member reads it.

SOME HON. MEMBERS:

Agreed.

MR. TRYNCHY:

Thank you, Mr. Speaker.

"Assented to February 16th, 1940

4. (1) There is hereby constituted a board to be known as 'The Social Credit Board' which will consist of such number of members, not exceeding five, as the Lieutenant Governor in Council may from time to time determine.

(2) (I will go on further and finish this, if I may) The Lieutenant Governor in Council shall appoint the members of the Board and shall designate one of the members of the Board to be Chairman thereof.

(3) Any vacancy which occurs in the membership of the said Board shall be filled by the Lieutenant Governor in Council.

This act comes into force on February 16, 1940."

AN HON. MEMBER:

Shame.

MR. KOZIAR:

Mr. Speaker, I look at the roses in front of me and I think of my hon. friend's remarks and his unusual sense of humour. I feel that I 'rose to debate'. [delayed laughter] As I said it's an unusual sense of humour and I thought I would share it with the House.

I'm also amused, Mr. Speaker, by the rules of statutory interpretation that the hon. Member for Drumheller applies in this House. In the one case he relies on the fact that a board is constituted under Chapter 3 of The Statutes of Alberta, 1940, to support his particular case and to support his argument that the Social Credit Realization Board is something other than party propaganda.

In the other case he denies the interpretation of Section 14 of The Legislative Assembly Act which specifically provides for the appointment of members to committees by the Lieutenant Governor in Council.

To say the least, I am amused by the various rules of statutory interpretation applied by the hon. Member for Drumheller in his applications to the arguments which appear on this particular motion. I think, if we are going to use rules of statutory interpretation, they should apply equally in one case as in the other. For if the

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argument fails in the one act, it fails in the other. Thank you, Mr. Speaker.

MR. TAYLOR:

Mr. Speaker, may I ask the hon. member a question?

MR. KOZIAK:

Yes, the hon. Member for Drumheller may.

MR. TAYLOR:

Thank you, Mr. Speaker, and thank you hon. member. Did the Social Credit board not report back to the Legislature and does your caucus committee report back to the Legislature?

MR. KOZIAK:

Being one of the younger members of this Legislature I can't speak from knowledge on that point. Perhaps when the hon. Member for Whitecourt closes debate he can answer that question, but I can't speak positively on that point.

MR. FENDERSON:

Mr. Speaker, I would like to take about thirty seconds to contribute to this debate, just to find out a flaw in the logic --

MR. SPEAKER:

The hon. Member for Calgary Buffalo was wanting the floor a moment ago.

MR. GHITTER:

Mr. Speaker, I'm pleased to enter the debate from the point of view that the comments that were made by the hon. Member for Drumheller would do any member of the legal profession proud, from the point of view of the way he has jockeyed back and forth in legal semantics trying to distinguish the Social Credit board in any way from the caucus committees that we have established and our task forces really are, in fact. But I am amazed at the hon. Member for Drumheller that he can say, as quoted by the hon. Member for Whitecourt in Hansard, that there is not another party in Canada that has had the gall and audacity to do this type of thing, when his own party back in the early days was doing it, much to the chagrin, I'm sure, of the hon. Member for Drumheller this afternoon.

But in answer to the question that the hon. Member for Drumheller, Mr. Speaker, suggested to the hon. Member for Edmonton Strathcona as to whether or not there were reports to the Legislature. I am pleased to report that indeed there were. I'm referring to the annual report of the Social Credit Board for the year ending December 1947. It must be noted in these reports that I assume the value of these reports was dedicated to the future policy of the Social Credit government, so that they could indicate better policies for the leadership of the citizens of the Province of Alberta, Mr. Speaker.

I would like to read from some of the recommendations and the comments in 1947 of the Social Credit Board that was filed and left for the members of this Legislative Assembly. I quote from page 4 of that report:

"The stage is now set for a third world war --" [laughter] I think that is very important from a provincial legislature point of view in 1947. "In the face of this appalling threat to our

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very existence the only course of action that is likely to be effective is to expose the conspiracy and identify the conspirators, as well as fellow-travellers who wittingly or unwittingly, are aiding them. It is, therefore of paramount importance at this time that the following facts be brought to the attention of Canadians:

(a) That a Third World War is indicated in a matter of months unless timely and effective action is taken by the people who comprise the democratic nations.

(b) That the real issue in the world today is Christianity versus Marxist Materialism.

(c) That international finance, communism, socialism and political Zionism are all pursuing one policy and that policy is threatening whatever may be left of our civilization. As a result we are rapidly approaching a world slave state.

(d) That universal war, revolution, and economic chaos are being deliberately promoted by evil men, so that out of the results and confusion will emerge a tyranny of monopoly on a world scale modelled on the pattern of the USSR."

This is really unbelievable, it really is -- shall I go on?

SOME HON. MEMBERS:

Yes.

MR. CHIEF:

(e) That a critical state of our economy and that of the United States, combined with the existence of a powerful Communist-financed fifth column within our gates places us in a position of most deadly peril."

And it goes on, and then for a number of pages it talks about Alberta and the Social Credit movement. Then in conclusion, I found very interesting the one positive recommendation that was made by this valuable Social Credit Board -- paid for by the citizens of the Province of Alberta -- as we'll find out in this return as to just how much was really paid, and to whom. It says in conclusion, talking about the secret ballot, something we hold sacred in our society. It says:

"Though it is essential, especially under our existing social system that the secret ballot be retained when voting individuals into office, it should be abandoned as soon as possible as a means of imposing a policy on a governing body. It is well to remember that the secret ballot is in vogue in totalitarian countries and, therefore, cannot of itself be considered as proof of the existence of a true democracy."

Mr. Speaker, may I suggest that the expensive contributions of the Social Credit Board, if they had an influence upon the Social Credit policies, as indeed they must have judging from what the hon. Member for Drumheller has stated this afternoon, I think it is well that this Social Credit board is removed, and I will certainly undertake for all the members on our task forces that our contributions, when we make them to this Legislature, will indeed be much more serious and much more meaningful than this nonsense that I've read this afternoon.

SOME HON. MEMBERS:

Hear, Hear.

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MR. LUDWIG:

Mr. Speaker, just briefly, when I hear the hon. Premier No. 2 talk about economics and tell us that he is going to debate us further, I am quite convinced that he's told us everything he knew about economics in the five minutes that he spoke.

And when they talk about going into the past, there are times when you have to go to the past, and in the legal profession, as all lawyers know, you go back to previous decisions to see what was done right and what was done wrong -- and perhaps learn something from it, sometimes. That is precedent. But I'm amazed that they take such delight in proving to us that we did something wrong. It wasn't right.

Now they're going to tell us, because you did it wrong many years ago, we now have justification for doing it many times over. This kind of reasoning -- this is 1970, and I suppose --

SOME HON. MEMBERS:

It's 1972!

MR. LUDWIG:

Well, the '70's. When you talk about going into the past I hear the hon. Minister of Municipal Affairs -- somebody from the municipalities came and told him, "We want more money, you said you're going to give us more, so how about coming clean about the thing?" And he said, "Tighten your belts." You can go into the past for a precedent like that. I can remember a prominent Conservative Prime Minister told the west to 'tighten your belts' and I suppose if we showed them a scandal, or something, they'd quote the Brownlee and McMillan case, say, "Well it happened before so what can you do to us?" That's the kind of juvenile reasoning they use.

I'm not supporting the Social Credit Board at all.

SOME HON. MEMBERS:

Hooray!

MR. LUDWIG:

I would never support it, but how can they say, 'because you people did it and we're now in office, we're going to do it five times over.' Now this is common sense -- Conservative style.

MR. SPEAKER:

The hon. Member for Wetaskiwin-Leduc followed by the hon. Member for Edmonton-Norwood.

MR. HENDERSON:

Mr. Speaker, my comments will be very brief. I can only say after hearing the report just read to us by the hon. Member for Calgary-Buffalo, thank the government since 1948 that had the sense to disband that board. I quite frankly don't feel any more bound by the action of what that government did, or the government of Alberta did back in those years, than the present Conservative government does by what John A. MacDonald did when he accepted all the kickbacks from the companies that were trying to build the railways across Canada. That's about as much relevancy as the debate has.

To the hon. member, Mr. Koziak, I would just like to point out one slight flaw in his legal reasoning as to the pros and cons of the action of today versus that of 30 years ago. Of course, I think the

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'ncw' government, on the action they've taken, is in the interesting position that the Speaker of this House has ruled that the committees aren't Committee of Assembly, but nonetheless, the authority of the Legislative Assembly Act has been used to spend money on them. And I'd like to suggest that this is quite a significant factor which should be taken into account in any legal analysis of the problem.

MRS. CHICFAK:

Mr. Speaker, I would just like to make two brief comments. One is with respect to the hon. Member for Drumheller's comment that the report of this board was made to the Legislature and in fact, it is quite correct, it was made. But nowhere in that report, as I look through it, is there any iota of indication of what the expenditure of this board was, which I feel certainly is a matter to be considered.

Secondly, the fact that is brought out by the hon. Member for Wetaskiwin-Ieduc, that what happened 30 years back and what is happening now has no relation. I think in fact, there is relation with respect to the two, because of the comments that were made that no other government would have the audacity to take such steps, I think there is a point in principle here, and I think that certainly it has a great deal of relation, one as to the other.

AN HCN. MEMBER:

Good girl!

MR. MINIELY:

Mr. Speaker, I'm not as...

MR. SPEAKER:

To continue the debate, the hon. Member for Calgary Millican is next.

MR. DIXON:

Mr. Speaker, getting back to the motion 194, and asking for a return for the total amount of monies paid to members and full-time staff of the Social Credit Board of January 1st, 1942 to 1948.

I wondered why the hon. Member for Whitecourt had this on the Order Paper, but after I heard his plea the other day to the Attorney General about the fact that he couldn't cash a \$15 cheque without leaving his fingerprints, I thought maybe he would be the strongest advocate for Social Credit we had, and I think you would agree, when you can't cash a cheque for \$15 without leaving your fingerprints --

MR. TRYNCHY:

Mr. Speaker, point of order. I didn't say I couldn't cash a cheque because the cheque was cashed. I think the hon. member is wrong.

MR. DIXON:

Well apparently if I understood it right, Mr. Speaker, his complaint to the Attorney General was that he wanted the Attorney General to investigate why a person couldn't cash a cheque without leaving his fingerprints. Maybe I'm wrong -- but that's what I understood him to say.

Anyway, Mr. Speaker, there's been a lot of things said, but we all seem to miss the point of the whole argument, and as I've argued before in this House regarding the caucus committees. They weren't

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approved by this Legislature. Number one, this is the main argument, if the task forces had been brought before this Legislature as an announced program and the Legislature passed them -- good, bad, or indifferent -- I would have supported them.

Mr. Speaker, the hon. Member for Calgary Buffalo -- you know it's a wonderful thing when you have to stand up and be counted, or quote whatever you're responsible for, or make a report -- then you've got something to shoot at. But you can't shoot at these so-called task forces because we aren't going to get a report. It's a secret report. And so that's an altogether different thing. Now if they were brought before the Legislature, maybe we could quote some crazy ideas that maybe the hon. Member for Calgary North Hill had regarding municipal finance. It may have sounded just as stupid as the hon. Member for Calgary Buffalo tried to make out about the world-wide situation the Social Credit Board was taking. But until we see those reports, we're not in a position to judge them.

AN HON. MEMBER:

That's right.

MR. DIXON:

When the public is paying for these reports they should be made available to the Legislature, so I can see whether we got our money's worth or not. And so this is my complaint, Mr. Speaker. I believe the hon. member -- but I can see now, he wasn't interested in trying to reform the money system, he wanted to find out something different.

I was wondering, Mr. Speaker, while I'm on my feet, if the hon. member means full-time staff of the board, is this what he has in mind. Because in government there are all sorts of staff that may be working, incidental to the committee, and if we needed to look into all that, we'd have an awful time trying to find the information when it was thirty or forty years ago.

Anyway, Mr. Speaker, the idea of the task force to say that they are going to come in with Conservative policy, well I can't see too much difference than in the Social Credit Board bringing in a Social Credit policy. I don't see the difference -- and like I say -- the big advantage we had with the Social Credit Board, at least they reported back to the Legislature, and unfortunately the task forces apparently are not going to do this.

MR. MINIELY:

Mr. Speaker, I am not even going to debate this seriously. I am just going to say that the reason that I won't debate it seriously is because there is no comparison between the task forces which are being utilized to involve all government members in the formulation of government policy, and Social Credit Boards. First, there is clearly no comparison. We have had a little bit of fun. As a new member in the Legislature, we say that once in awhile you have to have a little bit of fun. I think we have had some fun and I think that what I would say to the opposition is that there is an old saying: you should never throw stones if you live in a glass house yourself.

I think we should get down to the business of the House.

SOME HON. MEMBERS:

Agreed.

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DR. PAEROSKI:

Mr. Speaker, I would like to make a few comments, if I may.

MR. SPEAKER:

The hon. Member for Olds-Didsbury is next, followed by the hon. Member for Drayton Valley.

MR. CLARK:

Mr. Speaker, might I just supplement the words of the hon. Provincial Treasurer. At some rather rapid calculation, I think this debate has cost us \$350 in the last half hour, as the cost of running the Assembly. That is just for the payment of the members, let alone the use of the facilities, and so on, and so forth. I suggest we get onto the next matter of business.

SOME HON. MEMBERS:

Hear, hear.

MR. ZANDER:

Mr. Speaker, I did not want to say anything at this time, but I do not agree with the hon. Member for Crumheller when he says that these different task forces are not constituted in the same manner as this board was.

May I only read the total, for your information hon. member -- I have read the total amount of the total work. I can't understand why it cost that much money, because it is certainly nothing but garbage. Let me read from page one, 1947 -- and what the hon. member read before is certainly included in the following year. So actually we did not receive new information, it was just things taken from the previous year and inserted into the following year. I will read on page one. It says:

"During the past year, your board has been comprised of four members, three of whom are engaged in the board activities on a full-time basis. One board member has taken part in the board work on part-time basis only, because of the pressures of other business."

Further on down: "The board has therefore found it necessary to maintain an adequate stock of books and pamphlets. Literature distributed by the board is usually sold at prices to recover . . ." and so on and so forth. "Books which are purchased by the board are for resale. Public meetings:", it says, "It has been a policy of the board to have its members address public meetings, or the membership of organizations that so requested it. The public demands for speakers are so heavy and so unusual during the earlier part of the year because of the interest taken in the public rapid succession of important world events."

Mr. Speaker, the thing that amazed me more than anything else was the board went back to 1902 -- and may I only read on page 12 -- what this has had to do with Social Credit policies I don't know, but in 1902, a Mr. M. Warburg of the powerful German banking house of M. Warburg and Company of Hamburg emigrated to the United States and became a partner in the firm of Kohn, Lathe and Company. Both he and Smith married daughters of Solomon Lathe, one of the founders -- and it goes on and so forth.

Then it goes down to 1904 and really there are no recommendations, none whatsoever. The total ends up and it says -- and if you don't believe me, Mr. Speaker, I would have you read the total end of it -- it ends up as "your board has, during the past years conscientiously used the facilities at its disposal and it disseminates accurate information to assist the people of Alberta in

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their struggle against the tyranny of international finance. The members of the Social Credit Board recommend the foregoing to the earliest consideration of members of the Legislative Assembly."

There is really nothing to recommend. The caucus committee that I am on, we made recommendations. They are implemented. So if there was anything in this report that was recommended in 1945, I can say, hon. members, that I never heard of it.

I agree with the hon. Member for Olds-Didsbury. I think that if this House sat and paid as much attention as we should, that this matter -- it is closed -- that if the hon. Member for Drumheller can say that this was not a caucus committee, then he should get legal advice.

MR. CLARK:

Mr. Speaker, could I ask the hon. member a question. Would the hon. member table the recommendations of the task force that he served on?

MR. ZANDER:

I think the Deputy Premier, if you will check, has said that when this has been taken to the Executive Council, it will be dealt with -- he said perhaps it will be.

MR. CLARK:

He said perhaps. Will you table it?

MR. ZANDER:

I have to abide by the decision of the Executive Council.

[Interjections]

DR. PAFROSKI:

Mr. Speaker, may I allow the past member to speak for a moment? He has a few words to say before me.

MR. APPLEBY:

Mr. Speaker, I just want to make one comment. I think that the debate actually has gone far enough this afternoon. Several members have quoted from the annual report in 1944 of the Social Credit Board, and I think that was significant in itself, but I think there was one line they left out which should have been quoted, and I'd just like to read that, and that's all I want to say. It said, "It can be readily understood in the light of the foregoing that Social Credit is not a political party."

DR. PAFROSKI:

Mr. Speaker, I'd like to make a few comments on this item. I think the people of Alberta are going to be laughing at this as, as time goes on they read in the Hansard what is happening in this Legislative Assembly when both of these -- the Social Credit Board and the task forces -- are legally constituted and we all know it, and yet we're wasting time, as the other hon. member has indicated, and that this is very costly.

MR. CLARK:

When they pay you, it costs much more.

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DR. FAERCSKI:

I'd like to make a few points here. The task forces on this side of the House are members of the government, elected by the people and we all know this very well. They are members on this side of the House that form the government in power, which is carrying out a day-to-day activity regarding policy and programs as the people have chosen. And we also know that. This side of the government, and I repeat, the majority and the Executive Council portion, have decided to select committees to form task forces to assist in the formulation of part of the policies for programs for this government for all people in the province, which is within their prerogative, as the people know across the province. Now after that, the policies are crystalized and they are brought to the Assembly for execution and for further action. And in this form, then, everybody has an opportunity for resolutions, motions, for bills -- and at this time all members have an opportunity to debate, amend, reject or accept, and so forth. Now we know that, too.

As a member and chairman of one of these task forces, I consider it an honour to be able to serve, firstly as an MLA here -- and I'm sure we all agree that we're honoured to serve as MLA's -- and specifically also, as the chairman and member of one of these task forces to assist in the formulation of policy in an intense and concentrated manner over and above what is called for by some MLA's.

Now, you can do this, too. Many of the members have brought in bills. Some of the bills are fair, some are good, some are awful. But that's beside the point. You are assisting, and one of the bills may get through.

Based on this fact, I am on this side of the government that forms the majority -- and I make no bones about that. You know that. In this House, this represents the majority of the people in the province, and as a result, the majority chooses direction.

Despite this fact, the task forces continue to hear and listen to others, and that includes the opposition, for further clarification and then, as necessary, pass this information for programs and direction to the Executive Council, which in turn will bring it here for your final approval. I repeat, I have taken this task with honour and will be judged by the people in the next election. Thank you.

MR. CLARK:

We'll see you there.

HON. MEMBERS:

Question.

MR. FAHRAN:

No question yet, let's just wait a minute.

Mr. Speaker, the opposition didn't make it clear that the only objection to the task forces was one on the principle that they were appointed by the Cabinet and not by the Legislature, and their concern over ultimate reports. They have chipped away in the cheapest manner possible since the opening of this Legislature. They've talked about people having their hands in the cookie jar. They've insinuated that money has been improperly spent. They've put two-bit little questions about how \$20 was spent for 10 people at the Chinese restaurant, day after day.

Now, this petty back-biting seems to me so wholly out of character with the hon. Leader of the Opposition, that I can only think lesser minds are prevailing in your caucus. To put it more bluntly, I am sick and tired of the constant chippy little narrow-

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minded attitude of the opposition, especially the hon. Member for Drumheller. I suppose it shows the breadth of mind over there.

MR. SPEAKER:

Order, please. The purpose of the Rules which are, you might say, a job description for the Speaker, are undoubtedly to ensure that ideas rather than reflections on personalities will contend in the House. Actually, references to paranoia and greenhorns and things of that kind are not relevant to the debate, and hence, out of order on several counts.

The regrettable thing is that this type of remark tends to escalate from one side of the House to the other, and the ultimate result is that the matter gets out of hand. I would suggest that hon. members would not wish to emulate some of the language which may have been used in one of the distinguished Assemblies to the east of us. I would, therefore, ask hon. members not to skirt closely to the limits of parliamentary language.

MR. FARRAN:

Mr. Speaker, I will do my best. In all fairness, you must allow me my 'day in court'. These fellows have been nit-picking at me for about three weeks. While the province of Alberta has huge problems -- a billion dollar budget, ballooning costs for health, education and welfare, municipalities struggling along under backbreaking financial burden, high unemployment among the young, drastic shifts in our economy -- this is all they have been able to talk about. It has been the main theme from the opposition since March 2nd.

Nit-picking into expense bills of less than two figures for a night's lodging and food -- this is the idea of the present attack of the loyal opposition. The great statesmen apparently think they should devote their time to a cheap chasing-after-pennies, while millions of dollars are being spent. It is no wonder, to my mind, that \$3 billion of oil money was frittered away in the years since 1947, because obviously the government of that day was not capable of thinking in greater terms than small change.

I am not being unparliamentary here -- I am being very honest, Mr. Speaker. Also, I would like to refer to hypocrisy and hypocrites. The inference has been there plainly enough in the reports from the Social Credit Board. The opposition thought nothing, when they were the government, of paying the party faithful who had been put out to grass, huge salaries like \$35,000 a year for a job that I am doing for nothing. They blatantly put party members on the payroll on such obviously partisan boards as the Social Credit Board. They had members who collected rents for buildings from the government, and became involved in companies involved in doing business with the government, who retired as millionaires, who started their political careers as poor boys and ended up rich. They were elected on hypocrisy and they have been practising it ever since.

They promised a basic dividend of \$25 to every Albertan; they promised to lend money without interest; they promised to limit prices and profits to what they called 'a just price' in the words of Mr. William Aberhart. They made no serious attempt to fulfill any of these wild promises, probably they never had any intention of doing so, Mr. Speaker.

What the highly-paid members of the Social Credit Board did, I don't know. They must have been really interesting debates -- and I wonder if they were open to the public. Did they ever make any real hard recommendations that were followed through by their own Cabinet? Were they published in any other form except on those mimeographed sheets? The public finally got the message of how phony the whole

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set-up was when the Prairie Bible Institute became a go-go girl joint, and the blue-eyed boy became a senator and a director of a bank. From office boy to tycoon, via Social Credit.

The whole game makes me wonder about the calibre of the people who have been governing us for 36 years. They pick away at \$600 worth of legitimate expenses that I have had for five to six months full-time work for the government. Then, in the same breath, members opposite say that I should hold hearings in every centre from Lesser Slave Lake down to Coutts. I wonder if they live in the real world.

I've come across in my life a few people, horrible little sneaky snappers, all dreaming that somebody else has got a nickel advantage over them. They spread rumours in small towns, whisper insinuations, they peek over everybody else's shoulders to see if they can find fault to report to the boss instead of getting on with their own job. But this is two-bit stuff, and I believe your two-bit attitude or the two-bit attitude of the opposition takes the prize. In the words of J.J. Zubich, you know the great admirer of your party's philosophy, a sacred Sacred oracle, you are as phony as a three dollar bill --

[Interjections]

MR. SPEAKER:

May the hon. member close the debate?

HON. MEMBERS:

Agreed.

MR. TRYNCHY:

Thank you, Mr. Speaker. Being a mild and meek mannered man, I don't know why I would do such a thing as stir up a hornet's nest. I would like to close the debate briefly, but there are a few things I would like to mention before I do. Some of the remarks that hon. members from the other side are making in papers, and I wonder if they wouldn't be wise to do a little reading and maybe watch what they say, what they have edited, and maybe say the facts from now on and not be nit-picking as the hon. member from Calgary-North Hill has mentioned here.

It says here from ... and I read ... that the hon. member from Calgary Mountain View says that 'the backbenchers have been caught dipping their fingers in the cookie jar'.

Well, I would like to suggest, Mr. Speaker, that the Social Credit government with their Social Credit Board, the four members, in 1939 drawing \$54,000 expenses and subsistences, they had their arm in the pork barrel right up to the arm pit.

And then the other member talks about style. Well, I would like to tell you what it says here about style. "The Social Credit Board was paid \$8.00 per day and they were allowed expenses, transportation charges, including electric carfare". Now, we don't travel in that type of style right now, together with sleeping parlour and everything else, and 8¢ a mile for car expenses, so they did travel in style. So they talk about Cadillac Conservatives. I wonder what they called themselves then?

MR. TAYLOR:

They didn't have an airplane.

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MR. TRYNCHY:

And the hon. Member from Drumheller wants to know what the function of the board is. Well, I would like to read to you what the function of the board was, and this is from the 1939 Social Credit Board report: "They were to conduct meetings throughout the province, and a feature of these meetings was a series of lectures illustrated by lantern slides" -- well, I don't know what that is, I guess that would be before my time -- "to bring to people's attention the variety of Alberta's expanding industries and the importance of buying home products." They attended 542 meetings at various points, so I can see why they spent so much money. Also when it goes and you look at the expenditures for the members of the task force, I would just like to quote one. "When the salary of one member of the board was \$2,000 and his expenses for that year were \$3,039.57". I think they should look at that too.

The hon. Member from Hanna-Oyen, an article in his paper about the task forces -- I think you should read this over again and maybe put another article in suggesting that he was wrong in saying what he did.

There was only one member that agreed with me and that was the hon. Member from Cardston. He said "he couldn't use it either", so I agree with him.

In closing, Mr. Speaker, I would like to see us get on with the business, and I think this should settle the issue once and for all. Thank you.

[The motion was passed without dissent.]

MR. MINIELY:

Mr. Speaker, I would like to table Return No. 194.

NOTICES OTHER THAN GOVERNMENT MOTIONS

MR. GEUENWALD:

Mr. Speaker, after that last ordeal I would say that we are not getting as much opportunity for debate on this particular motion -- it's almost like a dog surrounded by four trees, it just doesn't have a leg to stand on.

Well, anyway, Mr. Speaker, the motion is moved by myself and seconded by Mr. Clark.

Be it resolved that the Alberta government set up a Legislative Committee to investigate the feasibility of a system of vouchers to students as a means of partial financing for their education, with a full report to be brought into the next session of this Legislature.

I should indicate, Mr. Speaker, before I embark on the arguments in favour of setting up this committee, that I wouldn't for one moment try to pretend that this was my original idea. In travelling across the country to school board meetings and conventions, this issue has been raised from time to time. The most enthusiastic advocate of the voucher system is a Dr. Milton Friedman who is in the Department of Economics at the University of Chicago. Those of you who may be on the mailing list of the Canadian education publication entitled "Education Canada", the March issue has a very good article on it, a very honest article that gives the pros and the cons of this particular thing. For those of you who are not familiar with it I would commend the article to you.

I would like to say also, Mr. Speaker, I feel that having travelled the breadth and the width of Canada and of the United

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States on school trustee work, and looking and observing, watching and listening to school board people and administrators, teachers, everyone in education exchange ideas, as I come back to Alberta I am thoroughly convinced that Alberta and Ontario -- I'll give Ontario close second -- probably have the two best educational systems in all of those areas. And I will put Alberta to the top.

Now I have no reason to believe that this is going to change under our present ministry or the present government and I certainly commit myself to making sure that this does happen.

Having said that, in spite of the fact that I believe that we have a lot of things going for us, nevertheless there are a lot of things that are not so good. There is tremendous dissatisfaction and disenchantment among the public, and more importantly among parents and students, with the educational systems in the Province of Alberta. Parents feel left out of the educational system. They feel that they are not wanted; they feel that they are ignored and they also feel inadequate.

Now the basis of the arguments that I will put forward are based on a premise, a premise that I think anyone would have a hard time to argue against. And that is this, Mr. Speaker, the parents have the prior right and the responsibility for the education of their children. I don't know how anyone could really argue with that as a launching pad. This just has to be important. I'm sure that the government feels that this is important. I know that the people on this side feel that it is important, so I'm going to assume that we accept, at least, that position.

Now what are some of the key problems in education that we would like to solve? First of all I think that we must give parents more control over their children's schooling. I submit that parents have less control over the educational system and over the school that their children attend today than they have ever had before. This is due primarily to the fact that we have bigger centralized units and it is becoming more impersonal all the time, and the parents have been almost completely left out of the picture. We must give parents a choice in the kind of a school and the type of an education that their children should receive. And I want to make it very clear when I will be referring frequently to parents, that it does not preclude the student. Naturally as we get into the higher grades of education the student choice is important too, so I wouldn't want to get bogged down in the semantics of whether it's a parent or whether it's the children. It depends on what the situation is so the parents and the children should have something to say.

We must improve the quality of education. I don't think anyone would argue that no matter how well off we are; how good a job we think we're doing, that we certainly always want to continue to improve.

We want to encourage parents to spend more of their own money on education. One would have thought that in an affluent society parents would have thought that maybe they should contribute to the education of their own children. But, of course, this just isn't happening. As the government puts more and more into education they take over more of the responsibility for it and the costs rise higher and higher and higher. I will elaborate on this business of parent input a little bit more later on.

So how can we give parents some control or some say and some choice over the school that their children attend? Well the government under this plan would collect the school taxes and then give parents a fixed amount, an annual amount, in the form of a voucher. Let's use a hypothetical figure of about \$800 because that's very close to what the per pupil cost on the operational basis is in the province of Alberta. That's excluding capital costs of

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course. The parent could then take that voucher, they could spend it for schooling only, and they must give it to a school that's an approved school. But they could not spend it on anything else.

In that regard I would refer to an article from the Toronto Globe and Mail by Richard J. Needham where he is trying to point out some of the terrible problems that the Province of Manitoba are having in their educational system. I'll just quote a couple of sentences here, Mr. Speaker. He talks about how Manitoba might solve at least part of their problems with this type of a situation.

"The government, "he says, "would collect the school taxes and then give parents a fixed annual amount for each child, probably in the form of a voucher or scrip, which could only be used for schooling purposes, the parents deciding which school the child would attend." Then he goes on to say, in a sort of a cynical way, "Such a system would be neat, it would be simple, and it would be fair, which is precisely why it will probably never be adopted."

Now, of course, this plan would enable parents themselves then to exert economic pressure on the individual school. Parents too, would be encouraged to add to the voucher with money of their own. Some proponents of the voucher system believe that the voucher -- let's use that hypothetical figure -- of about \$800 -- if this is the amount that the school would have to educate for. Well, I would submit that if a school were set up, a private school or something, and they wanted to offer an enriched program with a little bit lower pupil-teacher ratio, if they thought that they could add something that the parent and the student really wanted, then if they said: "well we need an extra \$100", I think the parents should be free to put that \$100 up to add to the voucher if they chose.

Public supported schools, as we know them, would have to meet this new competition by consistently improving the quality of education which, if they did, of course, they would keep their customers, they would keep their clientele. But if not, enrolments would gradually decrease and eventually they would lose financial support.

Such a plan, if introduced, would give emphasis to private schools many of which, I submit, Mr. Speaker, are doing a very commendable job in education with a very limited financial help from the government, \$150 per student, that's all, just a very minimal amount. Parents choosing these schools would no longer have to pay taxes to the public schools which they choose not to support or not to use, and at the same time finance their own school, or the school of their choice.

The plan would have the potential of a free market to improve education and to broaden the range of alternatives that would be open to our children. All would benefit by using this market, parents, students, taxpayers, and the teachers. Now there would be, quite naturally, be opposition to the plan, particularly from educational bureaucracies and from others. They would quite correctly see that this would be a threat to them. There's no question about it. But the real professionally-dedicated teachers would welcome the plan as they could quite easily command higher pay for more and better than average professional service.

I recognize that a plan such as this, if initiated, would necessitate possibly a great change, but it would be a gradual change. Significant change would occur only if and when new and better schools were ultimately developed. But really, are we afraid of change? I hope not. I'm sure the new government is not afraid of change. They have indicated this. Because after all we really live in a rapidly changing world. Change probably is about the only

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constant thing that we have in our lives. So in the face of change, we have to make some choices, either deliberately or by default.

Now, number one, what can we do?

We can drift along with the tide. We can make no more changes in our lives than are imposed on us -- and just sort of be carried along with the current -- or we can just fall behind by changing even more slowly than the changing world about us, and thus living more in yesterday's world than in the actual world of today. And I don't think we want to do that.

Or we can anticipate change. And this is what I think we must do. Or we can even create it -- also I think we must do that. And then we must try to shape our changing world to some very worthwhile ends. Someone must take the responsibility for trying to anticipate what should happen, and to bring about the desired goals.

That is what I am asking, Mr. Speaker, in this resolution. Let us do the study. Let's let the people at least have the opportunity to express their wishes and views on this very important matter. A small committee to do a feasibility study would not commit the government to the plan at all, it would not be expensive but it may just be very revealing. So I think we should give it a chance.

I would say, Mr. Speaker, in conclusion that I'm committing myself to working with the government or for any committee that would be set up to better the education system in the Province of Alberta, because we must realize that we are working with young people, very dynamic people, people who are looking for new ideas -- they are looking for some leadership. And I can tell you that they are interested in this type of a plan.

When I first spoke of this I was asked to go to the University of Lethbridge to speak to the fourth-year graduates of education students. I would say that about 50% of them pretty well committed themselves that they felt something like this just had to come about. About the other 50% were not sure, but they knew that things were not going as they should. Through their practice teaching they recognized that the parent has not been brought into the educational system, that he has been pushed out of it, and therefore they would suggest that some sort of a plan as this should be introduced.

So I would hope that we would give serious consideration to setting up a committee to do a feasibility study on this plan. Thank you, Mr. Speaker.

MR. CLARK:

Mr. Speaker, in rising to second the motion put forth by the hon. Member for Lethbridge West, let me commend him in the way that he has presented the idea, and let me say that it is rather obvious to the members why he was the President of the Alberta School Trustees for a period of two years.

On the matter of the voucher system, Mr. Speaker. I don't want to become involved in the philosophy of the voucher system because I think Mr. Gruenwald has covered that well. But I'd like to deal with some of the things that have happened in various places with regard to the voucher system, and then hopefully make some suggestions as to where we can go from here in the future.

At the outset, Mr. Speaker, let me say that there have been several studies done of this possibility by the U.S. Office of Economic Opportunity and that the matter has been given considerable consideration in a number of U.S. states.

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Also, Mr. Speaker, the federal government has looked at this very seriously within the last two years, when the federal government had been thinking of what alternatives they would look at in the field of The Fiscal Arrangements Act and the Post-Secondary Education Agreement. One of the three or four alternatives they looked at, at a thinkers' conference, was the possibility of lumping that money, which they now make available to the various provinces in the form of grants which are equal to about half the operating costs of universities and colleges, and Grade XII, plus all post-secondary education.

One of the possibilities the federal government considered seriously was the possibility of not sharing that money with the provinces, but in fact, making that money available in a lump sum to individual students, students who indicated they were prepared to go to post-secondary educational institutions across Canada. The student, in fact, would get this from the federal government and then be able to cash the voucher at an approved educational institution in Canada.

I am not suggesting at this time, Mr. Speaker, that I support the federal government doing that. I, in fact, find myself in a situation saying that I strongly support the individual provinces having complete autonomy in the field of education. But the reason I do cite this as an example of what the federal government were looking at, is to indicate that this isn't an idea that hasn't been given any serious study here in Canada. I do think, as has been indicated by the hon. Member for Lethbridge, that this idea of a voucher system has real potential in the Grade I to XII system.

From the studies that I have seen and the discussions that I have had with people in the Federal Secretary of State's office, certainly there are some possibilities in the field of post-secondary education. I would prefer that to be administered, frankly, by the province and certainly not by the federal government.

I would draw the attention of the members to an experiment which will be starting this September in the state of California, in San Jose in a place called Alum Rock. There is an elementary school in the state of California which is going on a voucher system experiment. The experiment will be funded primarily by the U.S. office of Economic Opportunity. The original plan was to give parents vouchers, and these vouchers could be used in the school of the parents' choice. The project in California, because of the legislation, Mr. Speaker, has had to be changed somewhat and will not allow private or parochial schools to be a part of this project in its initial year. However, there is some serious consideration being given in California to amending the legislation in California, so that in the second year of this experiment, and if other experiments go in California, that private schools, such as we know them here in Alberta, would be able to take advantage of this kind of a system. So, in fact, parents in that community, could select between the public school system as it is known in California, also the private school system and the parochial schools.

I should perhaps point out to the hon. members that the State of Connecticut is the first state that I am aware of anyway, that has passed legislation in their educational area now, so that a voucher system could, in fact, be operational.

I would seriously encourage the hon. members of the Assembly to seriously consider this as a possibility. I don't stand here and tell you that I think a voucher system will solve all the problems there are in education. But I do think that there are a number of things that a voucher system would do.

I think, Mr. Speaker, it is imperative, too, that we look to the future in the field of education. I think it is imperative, Mr.

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Speaker, that as members of the Legislature, we simply don't take the approach on this matter which has been raised by the hon. Member for Lethbridge, of saying 'well, we'll wait and see what happens in the Worth Commission Report because it is going to come in on the 15th of June'. If we leave too many things and use this approach too often, we are going to raise public expectation of the Worth Commission's Report, so that -- and I say this with great respect -- the Worth Commission's Report will almost become worthless, because people's expectations will be so high and there just won't be all the answers to all the educational problems in the Worth Commission Report.

Getting back to this example in California that I was talking about, there will be approximately 4,000 students who will be embarking on this program in September of this year. The students and their parents will have an opportunity to choose between six types of programs in the public school system in this particular area. The parents will receive a voucher of \$680, or the voucher will be equivalent to \$680 for elementary school students and \$970 for students in Grades VII and VIII. The funds that have been allocated to elementary and what we would refer to as junior high -- Grades VII and VIII -- are really made up of the state's contribution and local contribution to the per pupil expenditures in that particular area.

I perhaps should also point out that vouchers will also be used for students who are handicapped and the education voucher will be increased by one-third because of the need for special education opportunities for youngsters who are handicapped. It has been pointed out already that the parents themselves will not see this \$680 or the \$970. But, by enrolling their student in one of the six programs, they will give the voucher to the school and the school will then be able to cash the voucher and in this way get the state and local funds towards education. I should perhaps also add that the principals in the individual schools and the individual projects will assume a great deal more responsibility and certainly carry a much heavier load in this kind of a program and I certainly commend this.

I think for a moment or two, Mr. Speaker, we should look at some of the advantages of the program as it's been outlined by the hon. Member for Lethbridge. Certainly it provides an opportunity for individual difference. All members of the Assembly, whether you've been a school trustee or a teacher or if you have youngsters going to school from your family, are aware of the move in recent years towards the open area concept. I say, and I don't profess to be any kind of an expert at all, that for some youngsters the open area concept does a great deal for their educational opportunities. But for some youngsters the open area concept really discourages the student, and for some people to think that this open area idea is the answer to all the educational problems isn't right.

Frankly, this is one of the reasons why I became rather intrigued with the voucher idea, because we would hopefully have schools which wouldn't have to be everything to everyone, but which could do some specialization in various fields, which could become very capable in, shall we say, the use of open areas. And for those students who can make good progress in that area, that's to their advantage. On the other hand, there are some students who really need almost individual tutoring, or who certainly need a teacher, not standing over their shoulders, but in near proximity anyway, to get the very best out of the student. This certainly opens up the opportunities for far more development of the individuality of the particular student.

The Member for Lethbridge West touched upon what I think is the second major advantage, and that is more parental involvement.

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I'm sure most members are aware of a study done in the United States not long ago which indicated that the school system was responsible for something like 20% or 30% of those things that developed a person's outlook and attitude and point of view towards life, and that the family and the community and the peer group and such organizations one belongs to, and the church -- these kinds of things -- are responsible for determining a person's point of view in those areas other than where the educational system is involved.

The reason I mention that at this time, Mr. Speaker, is to point out that many people today are too willing to say to the educational system, 'it's your responsibility', and too many parents opt out.

It seems to me that this would provide more of an opportunity for parental involvement. Now I know some members will say: "some parents won't want to be that interested." Well then I say, if that's the case, certainly there must be some things that we can do to stimulate this kind of interest. Thirdly, I think the voucher system, Mr. Speaker, would be one more step in the direction of bringing more accountability into the educational system. This is certainly needed.

Concededly, Mr. Speaker, there certainly are some disadvantages to the voucher system. I suspect that hon. members will be saying, especially if they are rural members, really what choice will students have in Valleyview, for example, or perhaps Valleyview is not a very good example -- because there are two school systems there, but what types of choices would youngsters have in a community where there is only one school? This is one of the problems in the voucher system as it's now thought of, but I'm convinced that if there's a willing mind, these kinds of problems can really be worked around.

Some people say that boards will become too concerned about the profit involved as to how they can, shall I say, almost make money by getting the voucher and operating the system on that amount of money or less. If that happened, it would be quite a marked change to what we've seen in education to date, anyway. I don't think that that would happen, but certainly it's one of the things we'd have to look at seriously.

Other people have pointed out that there could be problems in the area of religion. Certainly this could be a possibility but once again I think it can be worked around. And then, of course, there are people who say, 'well you know, all parents can't make a wise decision as to which school their youngster should go to'. But the same parents today who pay education tax, are the same parents today who elect school trustees. It's the same parents today who elect members of the Legislature. So, likely, if they are competent in those areas, they will be able, hopefully, to live with the responsibility there.

In conclusion Mr. Speaker, let me say once again that I recognize the voucher system would not be the answer to all the problems of education. But, for goodness sakes, if we were to take the attitude of sitting back and not moving until something did come along that would solve all our problems, it seems to me that we would never move.

Very specifically, I think it would help with the problem of the private schools here in the province of Alberta. Private schools presently get \$150 per pupil, and certainly, it would open up a whole new range of opportunities so far as private schools are concerned.

The second problem that it would certainly help with, would be the problem of separate schools -- be they Protestant or Roman Catholic -- but separate schools in rural Alberta, where at this time they can't form into separate divisions. A voucher system would go

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some distance towards overcoming that problem. It is a problem, with the growth of the separate school system in the province in rural Alberta, which is going to become increasingly serious.

I would just say, Mr. Speaker, that I would hope the government would be agreeable to the establishment of the committee mentioned in the motion, that a study could be done of the voucher system itself. I think we could make use of the work which the federal government has done; the work which the U.S. government has done. Certainly, there has been work and serious consideration given to it at the University of Alberta.

I would earnestly ask the government please, not to take the approach and say, "Let's put this off and wait and see what the Worth Commission does." I think that would be grossly unfair to the Worth Commission. I wouldn't say I would plead with the government, but almost plead with the government, not to amend the motion and say, "Well, we will let the Department of Education look at it." Because, in fact, if we do that -- and with great respect to the Department of Education -- the preponderance of people in the Department of Education are educators, who are rather steeped in tradition of the educational systems we have today. I don't think, frankly, the voucher system would get the kind of viewing in the Department of Education that it would if there was a representative group of members of this Assembly, or some members of this Assembly and some people from the outside. I would support either approach.

As far as asking what the ATA thinks about it, I really think it is well recognized, Mr. Speaker, that in the United States where this has been modeled and tried to some extent, the teachers' federations have been less than enthusiastic about the voucher idea. I think it would be a mistake to ask the ATA and the ASTA to have a look at it. I don't know the attitude of the ASTA on it, but it would seem to me that if we try to sidetrack the idea just a bit, and have the Department of Education or the Alberta Teachers' Association or the Alberta School Trustees' Association look at it, that really, in fact, the voucher system in Alberta wouldn't have the kind of all-encompassing scrutiny that I think is needed.

So, Mr. Speaker, in concluding my comments on this matter, I would ask the government to very seriously consider going ahead with this idea. I think the hon. members of the government would be very pleasantly surprised at the amount of enthusiastic support they would find for this idea across the length and breadth of the province.

MR. FENOIT:

Mr. Speaker, may I adjourn the debate?

MR. SPEAKER:

May the hon. Member for Highwood adjourn the debate?

HON. MEMBERS:

Agreed.

PUBLIC BILLS AND CRIERS OTHER THAN GOVERNMENT ORDERS
[Second Reading]

Bill No. 201: An Act to Amend The Planning Act

MR. TAYLOR:

Mr. Speaker, I would like to move second reading of Bill No. 201. Before saying a few words, I would like to express my appreciation to the hon. Member for Medicine Hat and the town of Redcliff for the very beautiful flowers, and express the hope that

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1972 and onwards will be very rocky times for the splendid town of Redcliff.

Mr. Speaker, in dealing with this Act to Amend The Planning Act, I should point out, first of all, that this is only one very small section of The Planning Act. But I think it exemplifies the need for many changes in the Planning Act.

There are few boards or commissions whose work is more important than that of our planning commissions, and there are few boards or commissions that are so steeped in red tape and cumbersome regulations as are the planning commissions. I don't know whether this is necessary or whether this has grown up through tradition, but I know it creates a great number of frustrations on the part of our people. The commissions seem to give little thought or consideration to the need, the urgency of the need, or the convenience of the applicants. Everything must give way to the regulations and the red tape irrespective of the delay, of the expense, and sometimes of what appears to be ordinary good horse-sense. Consequently, frustration of the applicant, frustration of many lawyers, frustration of many surveyors, is probably the understatement of the year.

This bill will help to solve only one of these silly red tape regulations. I refer to the regulation that persists today that where an application is made for a sub-division of less than 20 acres adjacent to a main highway, the application must be made to a regional planning commission. I have discussed this matter with the Calgary Regional Planning Commission and the commission had no hesitation in saying that it had no authority to deal with such an application, and so the application, plus the \$10, etc., is simply rejected, and then the way is cleared for an appeal to be made to the Provincial Planning Commission.

This seems very hard for most people to understand. If the board has no authority with which to deal except to reject it, then why spend the \$10 and why go to the inconvenience of making the application to the Regional Planning Commission? All that this act is doing in cases like this, is to permit the application to be made directly to the Provincial Planning Board. It would save one middle-man, otherwise the planning regulations, etc., would apply. If there is something wrong with the curvature of the road that was adjacent and if it affected the subdivision, the Provincial Planning Board could deal with it. If the number of acres had to be more or less, then the Provincial Planning Board could deal with it too.

I might say one other thing. I present this bill because of two or three, particularly two, and possibly a third case in my own constituency where there has been great frustration on the part of the lawyers and the part of the applicants and the part of the surveyors on account of this particular section. I think if this section is corrected, then it will certainly at least do something towards making our Planning Act more effective and more acceptable to our people.

MR. DIXON:

Mr. Speaker, I wonder if I could just say a word or two and then maybe the hon. minister could answer my questions.

MR. DEPUTY SPEAKER:

Is that agreed?

MR. DIXON:

I was just wondering -- there seems to be a great confusion speaking to this bill, Mr. Speaker, in The Planning Act and in particular we have noticed a case in the High River area that has

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beer going on for years over the right-of-access to a gentleman's farm. It seems now -- it has been I think for 10 years, and every once in a while it is announced in the press that a settlement has been made -- the municipality is going to build a road or force the road through, I am just wondering, in a case like that, if there isn't something that can be spelled out, so there can be an appeal over and above the people that they have been appealing to, because apparently it's not getting anywhere. I noticed the other day where there was a march down there by some individuals trying to bring this to the attention of the authorities.

It seems ridiculous to me for this old couple to be locked in their quarter section a long way from access. Surely to goodness we can have our planning made so that where somebody buys a quarter section of land, in an area that has been settled for 50 or 60 years, there should be some way of getting access. If it cannot be settled at the local level I think there should be an appeal board that can override and make a decision so that these inequities, if there are inequities, can be settled, and I just thought I would bring this up while we are on this same subject.

MR. FUSSELL:

Mr. Speaker, I am familiar with the case that the hon. Member for Calgary Millican speaks of, but only to the extent of the newspaper accounts of it. I have had some background briefing on what seems to be the problem down there and I have talked it over with the hon. Minister of Highways who has a much greater understanding of the problem.

It appears there that a back part of that parcel was taken off many years ago before there was, in fact, a planning act or subdivision regulations as we know them today, but no access to that back parcel -- of course this kind of thing would never happen today. You are not allowed to subdivide and create a parcel whereby you are not providing access to it. But that did happen many years ago, so that access was allowed across the front portion of the property by some form of private agreement, and I don't know the details of that agreement.

Subsequently, because of the nuisance factor of traffic going in and out to the back parcel -- and it wasn't the residents that created the nuisance, it was people doing business with the residents -- that apparently annoyed the fellow in the front part who originally granted the easement. He finally put up the gate and tried to put a stop to it.

The local council got involved in trying to provide a road across the existing surveyed right-of-way for the road, but because of topographic features and the high expense involved, they are trying to now get the right-of-way across the fellow's property and off the regular road allowance. Apparently they have been unable to do this and they are unwilling to go to expropriation because of the principle involved and the expenses.

Perhaps the hon. Member for High River knows more of the details, but that is generally the background. I can only say that that situation with a contemporary planning act, and subdivision and transfer regulations, could not happen. But that is generally what is involved down there.

Getting to Bill 201, Mr. Speaker, I just want to make three brief comments. I think members should vote against the bill, for three reasons. The reasons are as follows:

In the first place, the explanatory note as written and the explanation given by the sponsor of the bill are not factually

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correct. They are wrong, and the process that has been described is not the way that he described it.

Number two, and I think this is a very important feature, if we did what the bill asks us to do, we would remove any right of appeal against a decision by the applicant. I think it is very important, whatever kind of legislation we do set up, especially in dealing with planning and subdivision matters, to always maintain an appeal route.

Number three, I have announced earlier that it is the intention of the government to bring in a completely new Planning Act in the spring session of 1973. To that extent, letters have already gone out to the users of the act, asking them for their ideas and for their input. I was interested in the remarks made by the hon. member that the Calgary Regional Planning Commission apparently finds this portion of the act unwieldy and awkward. So presumably we'll get that kind of discussion from them and hopefully some suggestion as to how it should be corrected. But I do want to emphasize that for this year, anyway, we propose to keep amendments to The Planning Act and we have a file of amendments that have been requested by a variety of sources. It is fairly lengthy but we propose to proceed with very few of them in light of the fact that we are bringing in a completely new planning act in 1973 and, hopefully, it will be written primarily by and for the users of the act.

I did want to elaborate for just a moment on the fact that the explanatory note in the act is not correct, Mr. Speaker. This is quite important because under The Planning Act in Section 14, the section that the hon. member wishes to amend, in Clause 2, the Regional Planning Commission is specifically charged with exercising such rights and powers and perform duties relating to the planning and control of development that are assigned to it by order of the board in connection with the administration of the subdivision and transfer regulations made under this act. And, of course, it's Section 59 of the subdivision and transfer regulations that has this 20 acre stipulation insofar as subdivision along a major highway is concerned.

But certainly the Regional Planning Commission does have the authority to deal with the matter. So that sentence in the explanatory note is not factually correct. If the Regional Planning Commission believes that the case has merit, is less than 20 acres, and there is some reason why it should be dealt with, they can very easily apply for a waiver of the regulation from the Provincial Planning Board and deal with it that way. Then the applicant still has the route open, if he's not satisfied with the decision that is handed down, of going to the Provincial Planning Board and appealing that decision, based on the waiver that was obtained by the commission. So they certainly do have full legislative authority to deal with the matter.

The other way in which it could be dealt with and this is the way the hon. member spoke, is they could automatically turn it down, which they're not required to do, but they could, and then the applicant could go forward with an appeal to the Provincial Planning Board. But if we went directly to the planning board for decision, as is suggested in the proposed amendment, it wipes out any route of appeal for the applicant and I don't really believe that that was the intention of the mover.

Then, my third point again, is that due to the fact that we will have a completely new planning act in 1973 I would hope that this and other matters could be dealt with by the Regional Planning Commissions who are using the legislation. So I believe those are three solid reasons why this bill should be defeated at this time.

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MP. DEPUTY SPEAKER:

Are you ready for the question? Does the hon. member wish to close the debate?

MR. TAYLOR:

Mr. Speaker, I would just like to make two or three comments. In the first place, in connection with the third reason given by the hon. minister, that a new act will come in in 1973, may I say that I'm very pleased to have this information. I hope the new act will do away with much of the red tape and frustration that is in the present act and that it will be putting the people ahead of the convenience of the planning boards and the planning commissions. But in spite of that I can't see any reason why we can't make corrections that will ease that frustration and provide some convenience for the next year. I don't know how many applications there are across the province involved, but there are, undoubtedly, quite a few. There are three right in my own constituency that I know about, and maybe a great many others that I don't know about.

Because we're going to do some good in 1973, surely that shouldn't bar us from doing the same thing -- or something just as good -- right now, and give the people the benefit of that during the coming year.

So while I commend the government for bringing in a new planning act, and I know it will take some time to prepare, I really can't follow the argument why that should be reason to reject or vote against the present amendment.

The second point raised by the hon. minister is the matter of removing the right of appeal. And this is a valid point, this is what it does. I'm not sure that this is serious, because the Provincial Planning Board is the final appeal in any event. And if it used the same type of reasoning, the same type of sense that it generally uses in the first application, I think it would stand to reason that it would use the same type of reasoning and sense in the appeal. So I really can't see where an applicant is losing anything, particularly the way it is being handled presently by the Calgary Regional Planning Commission. Because they have to consider the whole thing the way these are presently being handled, and the appeal is the wrong word altogether, because it is really considering a new application simply because it has been rejected.

In connection with the first point, that an explanatory note is not factual, I wonder why the Legislative Counsel didn't find it non-factual. It was bound over by the Legislative Counsel of this Legislature, there was no word about it not being factual from him, and he is a qualified man in connection with legislation.

The other points that were raised signified it's not factual. I used the one section 14, where I thought this was the most applicable place to add this section. And you will notice the section says, 'notwithstanding any other provision of this act'. Consequently section 59 is another provision of that act. Regulations made under the present sections of the act would consequently be affected. The act comes before the regulations. The act takes precedence if there is difference between the act and the regulations. And so I can't follow the argument that, because every section to which this may have some reference, makes it not factual.

Now the hon. minister did say, and properly so, that there are two ways of dealing with this by the present planning boards. But both ways are dealt with. The first way is getting a waiver from the Provincial Planning Board, because under the act and regulations the Provincial Planning Board holds to itself the right to deal with subdivisions adjacent to a highway in less than 20 acres. All my bill is doing is saying that the waiver will become automatic. It's not changing anything, it's simply avoiding some more red tape and some

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more middlemen stuff that is really meaningless. The other part, of course, that the board can reject it, is the avenue being followed by the Calgary Regional Planning Commission. I've gone there personally on behalf of applicants, particularly when one lawyer became frustrated with the thing and asked me to do so. And I was simply told that they wished they could do something about it but they can't. It's just not within their jurisdiction.

So, Mr. Speaker, in summation, I think this principle is sound; that there are people today who want to have the sub-divisions, they are waiting to get them approved so that they can get title. The suggestion is not interfering with legislation; it's making it more workable, and I can see no reason at all to defeat the second reading of this bill.

The one point that I think is valid, that the person does lose his right of appeal is, of course, correct. But he is making application to the board -- that would be the appeal board. And I can't see anything wrong with this; it simply shortens the route, cuts down the cost, cuts down the legal fees, cuts down the frustrations and the inconvenience, and endeavours to serve the people better.

I would urge hon. members to support the second reading of Bill No. 201.

[The motion was defeated on a voice vote.]

Bill No. 206 -- An Act to Amend The Legislative Assembly Act (No. 2)

MR. FENDERSON:

Mr. Speaker, in addressing myself to the principle of this bill, it is my intention to be mercifully brief. I suggest that there are two questions involved in judging the merit of this particular amendment to The Legislative Assembly Act. The first question is whether a committee of members of this Assembly can, in an ethical sense, be considered to be a committee of this Assembly, unless it has been appointed by this Assembly. The second question is whether the Chairman of the Executive Council is the master of this Assembly or the servant of it.

I suggest the situation that exists now relative to the utilization of Section 14, subsection 2, clause A of The Legislative Assembly Act, utilization of that particular section of the act by the present administration in justifying the expenditure of public funds for payment of members of their caucus for work which the hon. Premier has presumably assigned to them. In principle I suggest it makes a mockery of this Legislature. We have the predicament we are in now as a result of a ruling from the Chair, which resulted from a motion on a question of privilege that was brought before this House, wherein it was suggested that the Chairman of the Executive Council had exceeded his authority in establishing one of the committees of the caucus of the Conservative Party. It was the ruling of the Chair that the committee in question was not a committee of this Assembly and consequently the question of privilege under The Legislative Assembly Act, the execution or the utilization of authorities by the Chairman of the Executive Council under The Legislative Assembly Act was not a matter of privilege.

Then, on the other hand, we have the reality that the Chairman of the Executive Council has nonetheless seen fit to use the authority of clause A, subsection one, section 14 of The Legislative Assembly Act to justify the use of public funds for committees appointed by the Chairman of the Council.

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I suggest, Mr. Speaker, that while the gentlemen seated opposite may argue from a point of law, that the utilization of the authorities of The Legislative Assembly Act by the Chairman of the Executive Council may be technically correct, I nonetheless suggest that there are a number of traditions in this House which relate to questions other than law. One of the traditions relates very specifically to the utilizations of section 14 in The Legislative Assembly Act. Before the members of the House dismiss this matter of tradition too casually, and revert to legalistic justifications for past actions, I suggest that the members look at the traditional manner in which resolutions are brought in for money bills, and other traditions which are followed on; for example, the budget debate, that we complete the budget debate before we go into estimates. None of these are written into the rules of this House, or, pardon me, I should say the one on the resolution on money bills, is a written procedure. It may seem to lack logic by present day methods but to this point in time we've retained it because it has been the tradition of dealing with money bills in this House.

So the question of tradition and past procedures and utilization of the authorities of The Legislative Assembly Act, I suggest cannot be lightly dismissed. In the past, in this Assembly, to the best of my knowledge, it has been the practice when a committee was to be appointed of this Assembly under the authorities of the act, wherein the members were not directly named in the resolution that was placed before the House authorizing establishment of the committee, that there was at least a general resolution authorizing the establishment of the committee, albeit members may not have always been named specifically in the resolution. This is particularly the case where there were individuals involved on the committees which were not members of the Assembly. On some occasions it wasn't possible to get the names of the individuals who were not members of the Assembly lined up before the resolution was debated, approved, and the House adjourned. And so the Legislature delegated the authority to the chairman of the Executive Council to proceed to name those individuals.

I say this is a proper use of the authority of The Legislative Assembly Act. There are also the other possibilities which relate to the previous use of the sections of the act that are in question, and that's where members of this Assembly have been appointed to committees by resolution and authorization of this House and one of the members died -- some such reason as this -- or was unable to fulfill his commitment to the Assembly. As a consequence, in the interest of continuing with the committee and with proper number of members on it, there was authority under The Legislative Assembly Act for the chairman of the Executive Council to replace that particular member.

I suggest, Mr. Speaker, that has been the traditional manner in which the authorities in question that this amendment relates to have been dealt with in the past. I suggest, Mr. Speaker, that when that procedure is basically ignored, and wherein a situation develops that we have now, where the Chair has ruled that the committees in question -- of the Conservative party -- that are receiving public funds, as not being committees of this Assembly and the authority of The Legislative Assembly Act is nonetheless used to justify the use of the public funds; I suggest, Mr. Speaker, that it not only makes a mockery of this Assembly, but in my own personal view, there's the question of contempt for this Assembly. The fundamental question I come back to, is the chairman of the Executive Council, the Premier of the province --

DR. HORNER:

Mr. Speaker, on a point of order.

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MR. DEPUTY SPEAKER:

What is the point of order?

DR. HOFNER:

I would like to place a point of order before you and before the House -- on two points. I want to suggest that the hon. Member for Wetaskiwin-Leduc in bringing this bill before the Legislature is, in fact, out of order. Firstly, on the account that this matter has been dealt with by this Legislature on previous occasions -- at least once and possibly more -- and therefore, according to Beauchesne this isn't a proper subject of continuing debate. Therefore the bill is, in fact, out of order at this time.

Secondly, Mr. Speaker, the hon. gentleman is now taking pretty serious objections to a ruling of the Speaker of this House and in the words that he's using is, in fact, reflecting upon the Chair. In my view, I think that serious consideration needs to be given to, one: of whether or not the bill, in fact, is in order, as it deals with a subject which has already been dealt with, and two, whether the hon. gentleman shouldn't have to withdraw his inference that in fact, the Chairman of this House made a mistake, so he now has to fix it up by bringing in this kind of legislation. I think there is an inference there, Mr. Speaker, that can't be allowed to go unchallenged.

MR. HENDERSON:

Mr. Speaker, in tune with the point of order -- and taking the last point first -- of course, the point of order is typical of the hon. Deputy Premier, who makes statements that are completely divorced from the facts in the matter. The question before the House is the proper use of The Legislative Assembly Act by the hon. Premier of the Province of Alberta. I accept, did accept, and still accept, without question, the ruling of the Chair. There is no question about the ruling of the Chair on the matter of whether the question of privilege, which was brought before the House in the proper manner as laid out in the Rules and Procedures of this Assembly. The Speaker ruled that it was not a question of privilege. One of his reasons was that the committee was not a committee of this House. I have simply restated the ruling of the Speaker, and have no quarrel with his ruling; I simply restate it and bring it to the attention of the hon. members of this House.

As usual, in that regard, the out-of-order points, raised by the hon. Deputy Premier, in his efforts to detract from the importance of this particular matter that is before us, is in keeping with his usual tactics.

Referring to the second point, that bridge was crossed some time ago in this particular House, about the acceptability of bringing this matter before the House again. We witnessed a debate earlier this afternoon in this House on a motion from the other side of the House, where the whole matter was once again brought out. I suggest, Mr. Speaker, that the hon. Deputy Premier, in bringing this contention forth -- it is, as I say, one of his usual entertaining exercises -- as far removed from the point of order as the man in the moon -- in fact, I think that is where the hon. Deputy Premier should be at times.

DR. HOFNER:

Mr. Speaker, on the point of order. My friend across the way -- seeing how the plant has been moved down -- is getting fairly cantankerous. I think we are going to have to have somebody move that plant back over here, because he was relatively quiet for a while, Mr. Speaker.

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MR. HENDERSON:

On the point of order, the hon. minister is the one who should be quiet.

MR. HCFNER:

I thought I had the floor and was presenting a debate.

MR. DEPUTY SPEAKER:

Hon. gentlemen, I would only observe that possibly the hon. Member for Wetaskiwin-Leduc, in so far as his presentation, did cover a rather large and wide scope, and I would urge that he continue with his presentation of the bill.

SOME HON. MEMBERS:

Agreed.

MR. HENDERSON:

Thank you, Mr. Speaker. The presentation of the bill, and the purpose of bringing it in, relates very directly to the factors which I have just outlined to the hon. members, albeit, much to the chagrin of the hon. Deputy Premier. There is still the fundamental question of whether the Chairman of the Executive Council should have the authority to exercise powers under The Legislative Assembly Act, the basic piece of legislation under which this House operates; whether he should have the authority to -- at his sole discretion, without any authorization from this Assembly, in his own wisdom or lack thereof -- come up with items known as Orders in Council, for which he has no authority.

I suggest, Mr. Speaker, that the present situation does make a complete mockery of this Assembly, because basically, what it implies is there is really no need to call the Legislature into session, other than under the requirement of The BNA Act, that the hon. Premier of the province can stretch the legal technicalities of the statute under which this Assembly operates, to do almost anything he wishes. I suggest, Mr. Speaker, that we have a very fundamental question relative to the preservation of our democratic freedoms, and the functioning of this Assembly, and as to whether the government of this province is accountable to the people of this province. Because if the government of this province is not responsible to this Legislative Assembly, including the Chairman of the Executive Council, clearly it follows that it must have no responsibilities to the people.

And of course, Mr. Speaker, I don't think any of the hon. members seated opposite, albeit they have wandered into this situation, where they have completely ignored the protocol and traditions and resorted to legalistic examination of the statute which is fundamental to the democratic process in this province, and in this Assembly, and resorted to ignoring it on the one hand, and abusing it on the other. And I suggest, Mr. Speaker, that in the interest of clarifying whether this government is so bold as to go on record at this point in time, that it is accountable to no one, and that the Chairman of the Executive Council is accountable to no one, that he alone will decide what the powers of the powers of this Assembly are, and what the authorities of the Legislative Assembly Act are, I suggest we might as well go home if that is the decision on the part of the hon. gentlemen seated opposite.

Because, very clearly we don't need this Assembly so far as the Premier of Alberta is concerned, because he considers he has all power invested in himself. That is exactly the conclusion -- and the only conclusion -- that anyone in this Assembly can arrive at if they vote against this amendment. Because very clearly, so far as the traditions and the beliefs of the people of this province, the

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Chairman of the Executive Council and every member of this Assembly, is responsible to this Assembly collectively. And no one should have the authority, or even assume that he has the authority, to abuse the statute under which this Assembly functions.

I repeat for the third time; that the only conclusion we arrive at, if this amendment is voted against, is that this Assembly does not have the power to govern itself, that only the Premier of the Province of Alberta has that power. I therefore suggest, Mr. Speaker, that in the interest of fully clarifying the situation, and getting it on record straight, once and for all, that the hon. members should seriously consider this bill. I suggest, Mr. Speaker, that had the existing party in power had the intestinal fortitude to bring a resolution before this Assembly, setting up the committees in question, and with their voting power, shoving it down our throats, there wouldn't be any question about the fact, that just like the Social Credit board, it would have been set up by the authority of this Assembly; but that is not what happened.

The chairman of the council, the Premier, decided that he doesn't have to worry about this Assembly, they are simply nothing but a rubber stamp to condone his decision, and of course, we are getting back to the old proposition that the end justifies the means. Certainly, Mr. Speaker, such an attitude has no place in a democratic institution such as this. And so, since this government has chosen to ignore the powers of the Act, to resort to a legalistic procedure, to thwart the traditions of this Assembly, and to use a back-door method to try to do something, that it didn't have the guts to do openly and directly, this is what has brought on this particular amendment. And the hon. members opposite may laugh, the flat-footed quarterback can laugh. but this isn't a football game, this is the affairs of the people of the province, this isn't another Conservative party poker-game that is going up in the backroom here someplace, this is a very serious fundamental matter.

MR. FAFFAN:

Would you permit a question?

MR. DEPUTY SPEAKER:

Would you accept a question?

MR. HENDERSON:

Oh, when I'm finished, Mr. Speaker.

MR. DEPUTY SPEAKER:

Thank you.

MR. HENDERSON:

I will later entertain a question from the hon. member. But, Mr. Speaker, I don't want to -- as I said I was going to be mercifully brief on this particular bill -- and quite frankly, that was my intention until the Deputy Premier stood up to demonstrate his brilliance to us on the use of the rule book. And, of course, it is that type of thinking and abuses of the traditions and rules of this Assembly that produced this predicament. And so, if I sound like a broken record, I can only say to the hon. member seated opposite, it is a self-inflicted situation which the chairman of the Executive Council has brought on, and now the Deputy Premier, with his brilliance, Mr. Humility himself, has promoted a continuation of my presentations.

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DR. HCFNER:

That's a big word for you.

MR. FENDERSON:

It is you know -- when I have to wrestle over these big words like parancia. I suspect that the problem on the other side isn't paranoia, it's megalomania, because very clearly that must be the analysis -- well the hon. Member for Calgary Buffalo must know this surely -- because when the chairman of the Executive Council decides that he is the one, without any recourse to this Assembly, to make the sole decision as to when he can utilize the powers of this particular statute -- and that he alone can make this decision -- he is the only one that has the wisdom. He must suffer from a touch of megalomania and with that I guess maybe I have a touch of the paranoia that the member was talking about. I do --

DR. HCFNER:

Just a touch?

MR. FENDERSON:

Because I do insofar as concerns the preservation of the supremacy of this Assembly. This is fundamental, and I think anybody seated opposite who likes to laugh it off is demonstrating nothing but contempt for the democratic process by which this province is governed. I therefore suggest again, Mr. Speaker, that anyone who votes against this bill is simply arguing that the chairman of the Executive Council is not responsible to this Assembly for the manner in which he uses the powers and authorities under which this Assembly is established and basically operates.

MR. FARRAN:

If I could put the question now. Is the hon. member talking about task forces?

MR. HENDERSON:

Mr. Speaker, --

MR. DEPUTY SPEAKER:

Are there any other questions? I would have to feel that the mover of the bill would then be closing debate, unless the Assembly agrees that the question is acceptable?

HON. MEMBERS:

Agreed.

MR. FENDERSON:

Mr. Speaker, in answer to the question of the hon. member, I would think that if he's listened this far and he hasn't figured out yet what it is we are talking about, that by all means he should go back to city council, because this is too big a league for him to be playing in.

MR. FARRAN:

Mr. Speaker, I think he's just evading the question -- it's very simple. Is he talking about task forces?

MR. LUDWIG:

Mr. Speaker, I just want to say a few words with regards to this motion --

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MR. HENDERSON:

Fifteen minutes worth.

MR. LUDWIG:

I'm amazed at the hon. members opposite -- they made a mistake and a lot of them know it. We're trying to save them from their own folly and they can't see that they have an cut here -- they have an out. I'm sure there was lots of disagreement among the members as to the wisdom of this decision and the strongest argument in favour of this bill was the one advanced by an earlier debate as to the fact that we made a mistake in the past; admitted. But the same reasoning applies. They are saying that if you made a mistake and got away with it, we are now going to make it five times more and justify it. As I have told them before, they can go all the way back to the Bennett buggy days to justify what they are going to do now, and then that's the way they are going to operate. Because somebody did something that wasn't right 25 years ago, then it's justification for them to do it now. I told them that if we showed them a scandal they would probably quote the Brownlee-McMillan case as justification, or say 'Musinger got away with it why can't we? sort of thing [interjections] Yes, you tell us. You have the right to speak, who gagged you? The hon. Premier isn't here to pull the ropes so you're quiet.

Mr. Speaker, when I hear interruptions from the hon. Premier No. 2 it should be brought to the attention of the House, that if he ever quotes a rule correctly we should break off for a --

MR. DEPUTY SPEAKER:

Would the hon. Member for Calgary Mountain View please speak on the bill instead of just encouraging static?

MR. LUDWIG:

Mr. Speaker, I appreciate your comments and I will continue --

MR. HCN. MEMBER:

You haven't started yet.

MR. LUDWIG:

Thanks for the observation. You have a few problems over on that side that I don't know how you're going to deal with, but I think it's your problem, and you should.

DR. HOFNER:

Order!

MR. LUDWIG:

The hon. minister is always out of order, but he screams "Order".

DR. HOFNER:

Mr. Speaker, I'm rising on a point of order and suggesting very sincerely, that the hon. member should show some respect for the Chair in this House. As a matter of fact, the kind of respect he's just shown doesn't really reflect upon his experience or his number of years in the Legislature, and I think he should consider his actions in that regard.

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MR. LUDWIG:

Mr. Speaker, with respect to the hon. minister, he's been in parliament a long time and all he's brought back with him from parliament is a lot of bad habits -- not much knowledge of the rules -- and he's trying to flaunt his years of service as authority and I don't see the relationship, not at least as he proposes it.

Mr. Speaker, I urge the hon. members to support this bill because there's no way the Conservatives can put the lid on this issue and keep it quiet. They've created it, they are embarrassed, and it will get worse instead of better. We're acting in the interests of the people of this province.

AN M.C.N. MEMBER:

In 1959?

MR. LUDWIG:

Yes, instead of getting -- you sound like the voice in the wilderness back there -- Mr. Speaker, you should tell him to keep quiet. He'll have his turn to speak -- if he has anything to say.

As I've stated, we're acting in the interests of the people because this is something that has never happened before in Canada. [interjections] Cite an example or two without twisting the laws.

DR. HCFNER:

The Social Credit Board of the Province of Alberta, Mr. Speaker.

MR. LUDWIG:

How on earth can we possibly convince a man who doesn't understand? We can give him argument, but we can't give him comprehension. His biggest problem is he doesn't understand.

DR. HCFNER:

Mr. Speaker, probably that's because it takes the same kind of comprehension to understand what the hon. gentleman is saying as it takes to understand the A plus B theorem. And I must admit, I never did understand that.

MR. LUDWIG:

And under what rule is he interrupting me, Mr. Speaker, except his own personal arrogance? He makes them up and then forgets them.

MR. DEPUTY SPEAKER:

I wonder if the hon. members of the Assembly would permit the hon. Member for Calgary Mountain View to finish his presentation so that we could continue, and would the hon. Member for Calgary Mountain View make his presentation -- instead of baiting the government side, please.

MR. LUDWIG:

They're not hard to bait, obviously Mr. Speaker.

Now, somebody wants to take us back to 1959. You could go back a lot further than that and find that, notwithstanding the jeering from the members opposite, that 'Ah ha, you did something many years ago, now it's our turn; we're going to do it to really show you how to do it; yes, we're really going to show you how to do it.' You can malign and ridicule Social Credit all you like, but we performed a service in the cause of humanity by keeping the members opposite out

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of office for at least 36 years. Who knows where this province would be today if you people were in office? You'd probably have 75 ministers and as you're used to suspending legislation you'd probably suspend The Election Act.

DR. HOFNER:

Point of order. Surely the hon. gentleman should start now to make some remarks having something to do with the bill, instead of wandering all over the place in a general debate -- as though he were on the Throne Speech, or the Budget debate in the House generally.

MR. DEPUTY SPEAKER:

Thank you, very much, and I hope that the hon. Member for Calgary Mountain View would please present his presentation with regard to the bill, so that we can complete this.

MR. LUDWIG:

Thank you for coming to my rescue from all the interruptions I've had from the hon. members opposite who can't listen -- they're only happy when they're talking.

I once again urge hon. members to support this bill. Give the hon. Premier the chance to get off the hook, he made a serious mistake, and he knows it. If he doesn't -- then Lord help this province. Give him a chance to save his face. Support this thing, because as I told you, they are implying towards patronage. The legislation shows it. This one; they made a mistake. Give them an out; support this bill. Thank you, Mr. Speaker.

MR. HENDERSON:

I must say, Mr. Speaker, that for the first time for the nine years that I've been in here, I'm almost speechless.

But I conclude the only people who are even more speechless than I am, are the 48 or 49 members seated opposite. They apparently condone the mockery that has been made of the authority under which this Assembly operates. They apparently conclude that the Chairman of the Executive Council is not responsible to this Assembly. That he's the master of it -- not the servant of it. I suggest, Mr. Speaker, this is a pretty black day in the annals of democracy in the Province of Alberta.

SOME HON. MEMBERS:

Hear! Hear!

MR. DEPUTY SPEAKER:

Those in favour of the motion that Bill No. 206 be read a second time please say 'aye'; those opposed say 'no'. I declare the motion defeated.

[Several members rose requesting a recorded vote. The Division Bell was therefore rung, and the House divided as follows:

For the motion - Messrs.

Anderson	French	Notley
Barton	Gruenwald	Sorenson
Benoit	Henderson	Speaker, R.
Eckwell	Hinman	Strom
Clark	Ludwig	Taylor
Cooper	Manderville	Wilson
Dixon	Miller, D.	Wyse
Train		

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Against the motion - Messrs.

Adair	Foster	Miller, J.
Appleby	Getty	Miniely
Ashton	Ghitter	Moore
Backus	Hansen	Paproski
Batiuk	Harle	Peacock
Chambers	Hohol	Purdy
Chichak, Mrs.	Hcrner	Russell
Cackson	Hunley, Miss	Schmid
Copithorne	Jamison	Sticmberg
Crawford	King	Topolnisky
Dcan	Koziak	Trynchy
Dcwlmg	Lee	Werry
Farran	Lougheed	Yurko
Fluker	McCrimmon	Zander

Totals: Ayes - 22

Noes - 42]

MR. DEPUTY SPEAKER:

The motion is defeated.

MR. HENDERSON:

Mr. Speaker, on a matter of privilege, it has been brought to my attention that I made a remark during the debate about one of the hon. members opposite that he says isn't quite true. I was referring to the hon. Minister of Federal and Intergovernmental Affairs. I referred to him as the flat-footed quarterback and he sent me a note saying he isn't flat-footed. We have agreed on this side that if he would display his feet afterwards for us, I will be quite prepared to withdraw it.

MR. GETTY:

Mr. Speaker, on the point. I think it should be made clear that I may have looked at times, flat-footed, but never really was.

MR. DEPUTY SPEAKER:

Thank you. I declare the Assembly adjourned until 8:00 tonight.

[Mr. Deputy Speaker left the Chair at 5:31 pm.]

* * * * *

[Mr. Deputy Speaker resumed the Chair at 8:00 pm.]

COMMITTEE OF SUPPLY

MR. HCRNER:

Mr. Speaker, I move that you now do leave the Chair so that the Assembly can go into Committee of Supply for study of the estimates.

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MR. DEPUTY SPEAKER:

It has been moved by the hon. minister that we move into Committee of Supply. Is it agreed?

HON. MEMBERS:

Agreed.

[Mr. Diachuk left the Chair.]

* * * * *

COMMITTEE OF SUPPLY

[Mr. McCrimmon in the Chair.]

Department of Mines and Minerals

MR. CHAIRMAN:

The Committee of Supply will now come to order. Page 52, Mines and Minerals.

Appropriation 2001 Minister's Office

MR. DICKIE:

Mr. Chairman, I might suggest to the hon. members tonight for their convenience that we did suggest that we discuss and welcome any comments or questions for clarification on our tentative Natural Resource Revenue Plan. Might I suggest to the hon. members that we could deal with that under Vote No. 2007. What I would further suggest to the hon. members is that I would like to, with their permission, make a few comments generally on the Department of Mines and Minerals under Vote No. 2002 and then hon. members, if they have any comments on other aspects of the Department of Mines and Minerals, other than the Natural Resource Revenue Plan, could make them under Vote No. 2002 and then reserve all their comments for the Natural Resources Revenue Plan under Vote No. 2007.

Appropriation 2001 total agreed to \$ 32,500

Appropriation 2002 General Administration

MR. DICKIE:

Mr. Chairman, in rising to speak under this vote, I think for the first time this year I witnessed perhaps a new procedure started by the hon. Deputy Premier, which was to comment briefly on his particular philosophy or the philosophy of his department. I was quite taken with that approach because I thought the ministers certainly are well known and I have been in the House long enough that all the hon. members are familiar with my background. But I thought I would like to take a few moments and highlight some of the occurrences and the background that I have, to give you some idea of perhaps my approach to government and some of the approaches that I try to make towards input and towards Cabinet.

I think I would start by saying that when I was working in the income tax I had the idea that I would like to really learn all there could be about the tools of the business world. I thought the best way to achieve that would be to take commerce and law and I did that. When I was finished those courses, of course, I was very pleased because I did think that it gave me a good background to the tools of the business world. When I finished law school I started to practice law in the City of Calgary. I was very fortunate there, I was able to start practising with a gentleman by the name of P.L. Sanford. He

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was a former law partner with R.B. Bennett. At that time he had the reputation of being one of the outstanding corporation lawyers in the City of Calgary, with considerable knowledge and background in oil and gas. I take pleasure in mentioning that tonight as perhaps a tribute to him, because that is the first time in this Legislature that I have done that. But I pay that tribute to the wealth of experience that he passed on to me. During that early practice -- I think I can say that our practice was very general -- and then we got in the swing of the oil and gas business and I am pleased to say that in working on various prospectuses for oil and gas companies I was able to work on a company that was listed on the American stock exchange, and we achieved the award that it was the first time a Canadian company had been listed on the American stock exchange without the assistance of legal counsel in New York. I think I can say to my colleagues in the legal profession, that's something like winning your first law suit in the Supreme Court of Canada. It was a great achievement, and the reason I mention that tonight is that that was perhaps my first experience dealing with engineers' reports and evaluation of oil and gas. At that time of course, in listing a prospectus, one of the qualifications was an engineering report and the Securities Exchange Commission of the United States looked upon these reports with great care and gave them careful consideration.

Subsequent to that, I did become involved considerably in a great deal of work on the American stock exchange and with the Securities Exchange Commission, and again this work did involve a lot concerning engineers' reports and evaluation of oil and gas. I think through those years that I was touring from New York, to Washington, to Oklahoma, to Dallas, I had the privilege of working with some of the top lawyers in Washington and New York, as well as Toronto, and also reviewing extensively some of the top engineering reports dealing with evaluations and estimates of reserves of oil and gas, and it's gratifying today to look back on some of those reports because one of the difficulties was, of course, to determine the accuracy of any reports supporting public issues.

As I look back today and check some of those figures and some of the questions that were raised at that time, I see in those evaluations -- certainly in the oil and gas reserves in Alberta -- it's very gratifying that many of the reports were very accurate, in support of some of the statements that were filed in the various prospectuses.

I think, following that, I found that I did become involved in politics. After I became involved in politics I found that to sustain yourself sufficiently you did have to become involved in business, and I did get involved in business rather actively. I think I can say that my experience there was just sitting down at the end of the month and looking at the financial statements, but during those experiences in business, I did, indeed, come in close contact with the success or failures around the profit centre concept.

During those times, when you look at the success of business and see what is involved in watching expenses and so forth, when you do become involved in government, particularly from the opposition point of view, you become conscious of that.

When you move from opposition to government you become more concerned with it and you realize the differences between business and government.

But I think I would like to suggest that one of the things I've endeavoured to do is apply a lot of the sophisticated business practices that are developing in the business world today and try to develop them as they apply to business and to government. In that way I hope that we do effect and get a smooth sailing government that can cover all aspects of the business world today.

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I think in the initial start in the Department of Mines and Minerals, one of the first occasions that I had to get involved in some of this was to become involved in the sulphur problem, and that took me to Paris on an international basis, dealing with the question of our sulphur problem.

I will touch on that a little later tonight, but before doing that, I think, with just that preliminary background and some of the experiences I've had, I'd like to read a few of the remarks that our department has prepared in respect to its operation over the last year.

I'm pleased to say to all hon. members that the value of mineral production in Alberta in 1970 for the first time exceeded that of any other province. Ontario had previously been the leader, so Alberta in 1971 was the leader for the value of mineral production. Of the total Canadian value of \$5.9 billion, Alberta accounted for 28%, or \$1.6 billion.

I'd just like to highlight a few of the comments and figures in respect to the various minerals. In crude oil, we have 14,000 oil wells producing from 158 oilfields. Alberta's crude oil production in 1971 was 371 million barrels, averaging just over 1 million barrels a day. 55% of the production was exported to the United States, and the remainder was consumed in Canada.

Most of the natural gas produced in Alberta must be processed as the recovery of gas liquids and sulphur. 147 plants have been constructed throughout the province at a cost of some \$750 million.

Some 3,500 wells produce natural gas for market, and there are also 1,500 capped gas wells waiting for a market. Market in natural gas amounted to 1.64 trillion cubic feet, of which 45% was exported to the United States, and the remainder was consumed in Canada.

Under the heading, Pipelines, some 33,000 miles of pipelines have been constructed in Alberta for gathering and transporting oil and natural gas. The oil lines range in size from 24 inches, to gas lines up to 42 inches in diameter.

On the question of coal, there are five underground coal mines and 23 strip coal mines in Alberta. Coal production amounted to 8.9 million tons, of which some 4 million tons were consumed in the generation of electric power needs for the province. Some 3.3 million tons were exported to Japan, with the remainder of the coal produced being used in Canada.

Mr. Chairman, with those few preliminary remarks I welcome any questions or observations of any of the hon. members in respect to the Department of Mines and Minerals.

MR. DRAIN:

One subject that I would like to deal with specifically in relation to the Department of Mines and Minerals, has to do with coal. I am wondering if this would be the appropriate time to talk about it, or would it be some other time?

MR. DICKIE:

Yes, Mr. Chairman, we would welcome the observations of the hon. member on this vote.

MR. DRAIN:

Thank you, hon. minister. This day started out in a rather glowing manner. We were showered with roses and the sweet smell of roses pervaded the atmosphere of the Alberta Legislature. I thought,

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hopefully, today is a day when we now sit in peace and calm and make wise and great decisions for the people of Alberta. But somewhere along the line, something happened.

I tacked a rose to my microphone, and all I now have left are the leaves. Next time I will take proper care of the rose I receive. I want to thank the hon. representative of bottles, bricks, and babies, for presenting the hon. members of the Legislature with this very pleasant present, although it did not achieve the results I hoped it would.

I would like to talk to the hon. members of the Legislature about coal mining. The reason why I do this is that this is a matter of major concern to myself, the hon. Member for Banff-Cochrane, and the hon. Member for Jasper-Edson. We are very close to the coal business and for this reason, we have, probably, a fairly large background on the ramifications and the position the coal industry finds itself in at this particular time.

Basically, in Alberta we do not have what is classed in the mining business as any 'glory holes'. If anyone has worked in a mine, he knows what a 'glory hole' is. There were coal mines that had those. Those were the old days when the miners were on contract, and they would set up the first set and the coal would run by gravity right through to the surface, and they could sit outside in the wash house and make a couple hundred bucks a day. So this is what 'glory holes' are.

In Alberta we have several problems. One, a geological problem -- and now I am referring to coking coal, which specifically concerns me, and the hon. members to whom I heretofore alluded.

DR. BUCK:

Speak up, hon. friend.

MR. DRAIN:

Thank you very much. As a result of the geological faults and the upthrust we have from the west, our coal is on an incline position, and subject to many variations in fault. It is not of a type that readily lends itself to a highly mechanized and sophisticated method of mining. This does not hold good in the Virginia coal mines where you have a unique situation, where you have flat seams, solid hanging walls and solid foot walls, a very deep thickness of coal, gravity haulage to the ports, and a situation where the average miner can produce up to 60 or 70 tons of coal per day per man. Unfortunately, this does not exist in this particular area. Also, we are faced with a variation in grades of coal, which are unpredictable, resulting in no uniformity being feasible in the grades that you can project for production.

Another factor that the coal industry is faced with, is developing a sophisticated type of people that are presently required in the coal-mining business. Seemingly, coal-mining is a hereditary disease that people inherit, and they sort of accept, and of course with the demise of the coal industry in the 50's, when the number of miners employed in my constituency went down from 3,300 to 350 the coal industry, in effect, was practically obliterated, and the particular area that I represent at this time was wiped out and written off by the government in power at that particular time. Certainly this was the writing on the wall, because we were selling our product to the railroad industry and this market then ceased to exist.

So this had a very adverse effect on the economy of the Crownest Pass and many hundreds of people moved out and on to different areas. In order to maintain the nucleus of a coal

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industry, the Government of Canada found it necessary to subsidize to a great degree the production of coal. This was in excess, I believe, of \$2 per ton at one particular time.

So with this, and a lot of willpower which was shown by the remaining coal company in the Crowsnest Pass, the operation survived as that basis. This company, of course, pioneered and initiated the market to Japan, which had up to this time been a fairly optimistic sort of market.

However, several factors happened, and the reason why the Japanese, in my opinion, welcomed us with such open arms in relation to the coal industry and the development of the coal industry in Western Canada was basically the situation that faced the American mines at that particular time. New rules had been enforced, new safety rules and regulations, and this was properly so, but it resulted in many marginal producers being put out of business and also increased the cost to those who remained. The result therefrom was that the price of coal went up to what I assume the Japanese would regard as rather an alarming degree. In order to hedge their bets they pursued the idea of buying coal in Western Canada. So we then developed the Japanese market.

However, to date, we have not solved the production problem. Certainly this particular coal mining venture that we have is one of the strongest blocks under the economy of our area. This is an area that has suffered many hardships in the past. It has seen good times, but more bad times than good times.

And finally, because of the development of the Japanese market, many people can now see daylight again. The towns are growing in this particular area. However, up to this point in time, and even referring back to what could be probably classed as the 'golden age of coal' -- and now I refer to the war years when the coal industry had the highest priority in Canada -- the net profit from the operation is relatively small. The average over five years for the biggest coal producer in the Crowsnest Pass was in the neighbourhood of 32 cents per ton. So it can readily be seen that a royalty payment of 10 cents per ton represented a significant amount on the net profit of the particular operation.

Which brings us to this particular point where the problems of production have not been solved. The costs have not been contained; the market for coal has softened up. The consequences thereof are. I suggest this with all sincerity -- I realize very much the position of the hon. Minister of Mines and Minerals, which is that it is his duty by all means possible to maximize the revenue that can accrue from the natural resources for the people of the Province of Alberta. I realize very much that this is a trust that the hon. minister must always keep in the forefront.

My considered opinion is that the money is not there at this particular time to look towards any increase in royalty. By this I am not suggesting that the day may not well be, sometime in the future, when this situation can change. Certainly it would then be the proper responsibility of this Legislature to ensure that the proper increments in royalty should be paid.

We are aware that production problems were encountered in the Great Canadian Oil Sands, and the Province of Alberta did make a concession in relation to the amount of royalties that were presently being collected. We can then look to the day when their production is solved and it then becomes feasible to collect more royalties.

I suggest to the hon. minister -- or rather, I should say -- request -- that he take under consideration the points that I have made, Mr. Chairman, and that the proposition that royalties for coal not be raised at this time be carefully considered.

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MR. PINMAN:

Mr. Chairman, my sophistication in the oil industry is rather limited. When I was a boy I filled gallon cans from 45-gallon barrels; it was called coal oil and went into lanterns. I think the only real significant thing I discovered was that if you bought it in Canadian barrels and sold it in American cans you could get 56 gallons out of a 45-gallon drum. I think that's important for the hon. minister to know, because we expect him to get all the revenue he can.

Mr. Chairman, this is a pretty important department -- in the book it's only two pages -- and I don't think we are going to argue a great deal about the expenditures. But it gives us an opportunity to review a few things. I think we have come to the time when the government in power has to consider a little more deeply than the government that is now out of power had to do at first, when we look at the revenues from the oil and gas industry and from minerals generally. My hon. colleague has said we want to get every dollar we can, but getting these primary dollars is only part of the great problem of oil and gas particularly. What I mean by that is what we get in royalties, and even what we can get by mineral taxation, has to be balanced a little bit against the secondary benefits. The minister told us we had 33,000 miles of pipeline, and I just point out that the coming of a pipe and tube company to Alberta is a source of secondary industry. There are many secondary industries which have developed out of the oil and gas and mineral aspects of this department, which are important. There are also the tertiary industries.

In spite of the fact that we are anxious to develop secondary industry I think we must not forget that in the years to come the tertiary industries may be the more important of all these things. In a time of more money, and particularly more leisure, there will be more and more people serving hot dogs and wiping windshields and doing all the things which we have grown to call tertiary industries, so we have to keep this in mind.

Besides the revenue side of this particular department there is the conservation side, and that has two aspects. One is to prevent wasteful practices, and by that I mean abandoning wells which still have some production left, as well as seeing that they don't spread it in the rivers and cause a lot of harm.

In relation to the new policy on revenues from gas and oil, this is going to become very, very important and a thing which the hon. minister is going to have to watch; that every time we put a little more burden on the oil and gas industry, either by way of royalty or by way of taxation, we're going to encourage them to abandon, as quickly as possible, any marginal production. At the same time we have our own departments in which there is a grant in this particular estimate, showing the studies that are made on methods of getting all that you can get, all the recoverables. And this becomes a delicate thing. But largely the minister needs to be armed all the time with the very latest information.

The conservation board, I think, has served an excellent purpose and I think we have contributed to the world a great deal through keeping of cores, by keeping of logs, through keeping of records, that have been useful all over the world and I'm glad we've been able to do it.

In the field of conservation, one of the factors that we may easily overlook is that of inflation. How do we know when is the right time to sell more oil; when's the right time to encourage more development? If we can get \$1 today is it going to be worth \$2 in the future? Will the prices which we hope to get for these

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productions in the future be higher in relation to the buying power of the dollar?

I suggest that the hon. minister has one of the most delicate jobs in government because these are things upon which he has to develop a very fine-edged judgment. The other thing is that he is dealing with some of the most sophisticated people in the world, business-wise, and we mustn't forget that the object of the oil companies and the developing companies, and even the pipeline companies, is to make money to pay dividends to stockholders. To do it they will employ the very best technicians and the very best legal ability, and will attempt to overpower us, whenever they can, with the arguments in favour of their particular industry.

But at the same time, we must not overlook the presentations they make. What we must learn to do is to evaluate them. And I suggest that maybe the hon. minister by next year is going to have some items in his budget which will be paid to experts to provide us with more information than we have, to provide us with analyses of the presentations which are made by these companies to enable the minister and his department, and the government, to make these pretty delicate decisions. How far can we go with mineral tax? What will be the result of each little thing we do? Are the arguments of the industry always correct?

To go a little bit further than that, I want to point out the hon. minister has a pretty delicate job, too, in deciding how fast do we really want the minerals of Alberta developed? I'm not just talking about oil and gas, although largely those are the things here. We have already talked in the House about the problem of new markets. How fast do we want to sell these resources? When will we have sold enough? He has to consider such things as; how rapidly are we going to develop such things as solar batteries; how rapidly will we be lacking to atomic power?

I can remember reading a prediction ten years ago that in the lifetime of most of us we would see automobiles and railroad engines powered for the life of the automobile with atomic devices -- you would never stop for fuel.

If these things happen, the minister and his department have to watch closely and decide how fast ought we to be exploiting our resources just to be sure that the time doesn't come when maybe they aren't going to have very much value.

To go a little bit further I think we can probably do a little bit more in exploring for other minerals. I think the logs of the oil industry, carefully analyzed, will show that we do have deep deposits of other minerals, both the metals and the non-metals. And we ought to be consolidating that information. If it's possible some time to drive shafts down to some of these deep levels where mineral showings are high, it may be a way of getting something.

In the iron industry we do have deposits of iron we know about. They're not very high percentage but we have to expect the hon. minister to keep in mind how good are the deposits that are being developed in other areas, and whenever we are led to believe that our deposits are economically developable, then we have to do whatever is necessary to get this development going. This is one of the secondary things. We're very fortunate to have the very best of coking coal, and not very far from the very best of iron ore deposits.

I'm pleased that this is the minister because I know something of his background in business and his training. And I also have considerable confidence in his determination to do the best he can for us. If at times I appear critical, I hope he'll understand I'm just trying to keep him on his toes -- and take it in that vein.

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I think also, for whatever degree I'm able to speak for our party, our objectives are the same as those of the government. We want to get all the revenue we can get, we want to be sure we have studied very carefully, that we're not going to start operations on the goose to get the egg she is going to lay tomorrow. At the same time we need to encourage the development of the primary industry with our eyes on the secondary and tertiary industries which can be developed.

I've often thought that somewhere along our border we ought to have some models -- some cut-down models showing an oil drilling rig. It might only be 30 feet high, but it could show the zones. Wherever I've seen things like that, I've always found they were fascinating. I remember at Butte they had a model of the mine that people could see all lighted up, and you could push buttons; and you could see what they called the widow-makers. I did have some experience in mining -- a widow-maker, for you younger people, was the old kind of hydraulic drill. You didn't have any water to keep the dust down, so eventually you either died with silicosis, or the darn thing broke off and knocked you down, which happened frequently.

But what I'm saying is if there is any way to explicit our industry, to attract attention by such things as that, perhaps the ministers of two departments can get together. I'm sure we are going to support the government in trying to determine from the hearings what is best for Alberta -- and as I say, if we're critical, it's only with the idea of getting the best for Alberta.

MR. NCTLEY:

Mr. Chairman, I'll save my general comments for Appropriation No. 2007, but following several of the points raised by the hon. Member for Cardston. He raised the question of long-term planning. I think this is something which concerns us all. I'd like to perhaps pose a question to the hon. minister. To what extent do we have in the department, people who are given the responsibility of long-term planning, how many would there be? I assume they would come under this appropriation, and I note one other thing, Mr. Minister, that there is a decrease here in the department -- 38 1/2 employees under this appropriation last year, and it's down to 37 this year. I'd be interested in finding who we're replacing, and what the reason is.

MR. PICKIE:

Yes, Mr. Chairman, I'm pleased to answer that. First, in respect to long-term planning, I'm pleased to say that initially when we did take office we had been using outside consultants for this. In our initial discussions concerning this we did receive the report from the United States dealing with their energy picture which they have reviewed from 1972 to 1985. We took that report with the reports that we had, and brought those up to date so that we would have a comparable picture. We had a meeting of Cabinet and a Cabinet Committee meeting dealing with just this aspect. That is, we took the report, we had our advisors bring that up to date -- the ones the government had at that time, from 1972 to 1985, and made the comparisons in oil and gas so that we did have a good comparison for some long-term planning.

In addition to that, of course, we are working with the Energy Resources Conservation Board and we do receive advice and direction from them in respect to various aspects of energy. I mentioned that we dealt primarily with oil and gas in the initial stages, but also I think we have to look at the long-term planning in addition to oil and gas, in the whole energy field. And we've done that particularly with the Energy Resources Conservation Board.

In respect to the comments about the changes in staff. I think there has been considerable reorganization, as the hon. member would

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observe, in respect to the pipeline division going to the Energy Resources Conservation Board, The Right of Entry Arbitration Act going to the Agricultural Department. I think it's just going through the stage of reorganization that would account for the decrease in the number of employees.

MR. NOTLEY:

Supplementary on that. Do I take it that your views, as far as the planning role, is as much as possible to employ private consultants, rather than to single out people in the department who would be entrusted with that responsibility on a long-term basis? I'm thinking here, for example, of the move the Manitoba government has made with respect to employing Mr. Eric Kierans as the advisor on natural resource development. Is the government giving any thought to that sort of proposal, having a person, or persons employed by the government with this in mind?

MR. DICKIE:

Mr. Chairman, I would say, at the present time, our thinking is to retain outside consultants, and I think that they would be on the basis of what you might consider a long-term employment, not just for one report but for a period of a month or two and then a different firm for another six months. So the firm we will be retaining will be able to give us this long-term planning, I would say similar to what the hon. member suggested in Manitoba, but perhaps not the same type of individual.

MR. DIXON:

Mr. Chairman, to the hon. minister. There are a couple of points that I would like to bring up, and I know the hon. minister was in agreement with what I am going to suggest to him tonight, being from the City of Calgary. We have been most anxious for the provincial government -- and I had been working on this prior to the Conservative government going into office -- to have the Mines and Minerals Department moved to the City of Calgary. I notice that you are adding quite a few things to the Energy Board and so therefore, I feel that my case is that much stronger, that you should give consideration to moving your department to the City of Calgary.

What I would like to speak on, Mr. Chairman, is the long-range export of Alberta gas. I am wondering what your department and the government in general is doing to create a greater competition in the export of gas out of our province? Because when the last permit was turned down by the National Energy Board, there was some spokesman for the industry saying that a monopoly was developing with Trans-Canada Pipe Lines as far as the delivery of gas to eastern Canada, and in particular, the federal government insisting that eastern Canada's interests be locked after first. Of course, I know the hon. minister is aware of the amount of money that Consolidated Gas has put in long-range investments in the hope that someday they will be allowed to have a line and export the gas.

I was wondering what work the government had done towards discouraging bulk users of Alberta gas in the other provinces? I'm thinking now of generating hydro with our gas, where I think a bulk-user like that in Ontario or anywhere else could use some of our coal and probably in an economic way because of the large demands for coal. I wondered if any research has been done along that line. I was going to speak on sulphur, Mr. Minister, but you mentioned the fact that you would be talking on the sulphur issue a little later on.

So those are the things I had in mind, basically your forecast for the large volume export of gas from our province whenever that is allowed.

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MR. FENCEFSON:

Mr. Chairman, before the hon. minister comments, I would just like to bring to the attention of the members of the House one or two points about the question of exporting oil and gas and coal out of the Province of Alberta. It has been of concern to me in the last year or two in particular, to hear a lot of -- I think -- highly emotional statements about the idea that we should hold on to all these resources, we shouldn't develop them. I even hear people suggest that there is something morally wrong about even exporting them. Usually the argument boils down to the fact there is something wrong with exporting them to the United States, or exporting them to Japan. We heard a lot about this on the coal business. We still hear statements, "Ah, let's shut down Grande Cache and the Crownsnest and these other places because it is going to Japan." This coal should be kept, I presume, for Albertans.

So far as the Province of Alberta is concerned, once these products leave the Province of Alberta, I don't think it basically matters very much whether the coal is going to Ontario or whether it is going to the Far East, so far as it benefits the people of the Province of Alberta. A lot of this is tied in with these arguments of economic nationalism. We hear a lot of statements being made, I think particularly by the NDP, to the effect that we are giving these resources away, and so on.

I had the opportunity of coming in one evening -- it was a very interesting evening -- at Victoria Composite High School and representing my party at a forum sponsored by the Woodsworth-Irving Fellowship, which I am sure the hon. Member for Spirit River-Fairview is eminently acquainted with.

The reason I went that particular night was because the new government was noticeable by its absence, and I felt that somebody should be there to state a few facts. A gentleman from the NDP party, Professor Watkins or somebody, from Toronto was their representative to the meeting. We got into a big debate about a national energy policy that we should hang on to all these energy resources, keep them in Canada, and keep them at home and not let them go.

The thing that bothered me basically was a propaganda exercise. It was completely unrelated to the facts of the matter. Because, when we look at the question of oil, for example, we hear a lot about oil being exported out of Alberta and going into the Central U.S., to the Chicago market and the west coast and so on. But what few people seem to realize is that in 1970, the last year which I could find statistics for it showed Canada as being just on balance. We were neither net importers or net exporters of coal, as far as Canada as a nation was concerned. In actual fact Canada, in the year 1970, as a nation, imported on balance about 30,000 barrels of oil a day.

So the arguments are propagated that Alberta is squandering these reserves or resources and shipping them into the export market. Basically it just doesn't hold water, because while we are shipping a lot of Alberta oil into the central part of the US, eastern Canada is importing a lot of oil from South America and the Middle East, which more than offsets exports of Alberta oil. So on balance Canada as a nation was in 1970, as a matter of fact, a slight importer of oil. I can't see that it matters particularly. It seems to me the way the system works is in the best interests of everyone concerned because the consumers of Alberta oil benefit by the market advantages, and similarly the people of eastern Canada benefit by the fact that the South American crude comes into eastern Canada at rates at least comparable or slightly cheaper than western crude. The main point I want to make in that regard is Canada, on balance, was in 1970, a slight importer of crude oil. I would expect for 1971 -- and particularly 1972 -- the situation will change.

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Look at the question of coal, because again, we hear of a lot of irresponsible, emotional statements about the export of coal. While I certainly subscribe to the view that it's incumbent upon the members of this Legislature to get the best return we can from these resources, there's one big difference between coal, as far as revenue is concerned, to the taxpayer and to the provincial treasury, and oil, because coal at least for underground operations, is a labour intensive business. About 50% of the value of production in 1969 or 1970 in Alberta went directly into the pockets of the work force in the province for materials and purchases and so on. The oil industry doesn't happen to be the same way. It doesn't have the same labour intensity. More of the money goes directly into the provincial treasury and goes out that way, and less of it is paid out by the industry for materials and labour, on a percentage basis. So the 10 cents a ton figure is simply not a true measure of the contribution that the industry makes to the economy of the province.

I think if the minister would check it out, he'd also find that when one takes into account rentals and so forth from coal, that the figure is about triple or more as far as the return in so many cents per ton that the people of Alberta do get into the treasury. But once again, the bulk of the input that the industry makes into the economy is basically in the form of labour and material purchase and so on.

On the question of coal and the question of whether Alberta should export its coal, or to what other parts of the world it should export it, it's interesting to note that, for the year 1970, while we exported 9 million tons of Alberta coal to Japan, eastern Canada imported 19 million tons of coal primarily into the Ontario market for thermal power generation, making Canada in that year a net importer of coal. So once again, the arguments that are promoted about us giving these resources away to other parts of the world -- and in fact, it's fine from a Canadian viewpoint -- are simply fallacious. It is not a fact. Canada in 1970 was a net importer of coal. To my knowledge it certainly was in 1971, and the way the Japanese market is turned down for the export of Alberta coal, it will probably remain that way, but once again the management of these resources has not been carried out irresponsibly in the past, nor do I expect it to be in the future. It is simply a lot of emotional nonsense unrelated to the facts of the matter to state otherwise.

There is one area of concern when one looks at the energy picture, that is in the realm of natural gas that Canada, primarily attributable to the province of Alberta, is a heavy exporter of energy. The thing to be concerned about when we look at the accepted figures for reserves of oil for example, including the tar sands at the current rates of production and including only the 40% of the tar sands that is considered to be mineable by present techniques with any hope of being economical, is that we have a 590 year supply of oil in Alberta at the present rate of Alberta production. It gets a little difficult -- I for one, don't accept the fact that I am immortal -- and I can't really think I am being irresponsible so far as my children, grandchildren and their children are concerned, when we talk about continuing to develop and utilize these resources.

Then one looks at the question of coal and the coal reserves Alberta has -- these are Alberta figures, yes -- we have in Alberta, at the present rate of production, something like 2,600 years of coal. This is coal that is considered to be proven and semi-proven reserves. So once again it becomes extremely difficult to get concerned and excited about the arguments that say, "we are only getting 10 cents a ton for this coal," but completely neglect the other contribution the industry makes to the province of Alberta, and to the people employed in it. To use the argument that we are wasting the stuff; we are going to run out of it next year, and we shouldn't develop it because of that, with the reserve figures that we have, the argument simply doesn't hold water.

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I think the area that the government and the Legislature are going to have to become increasingly concerned about is in the area of natural gas. The export figures, and the market figures, and the reserve figures contrast very dramatically with the figures I quoted for oil and for coal. At the National Energy Board figures, we have a 22 year reserve at the present rate of production. While I very sincerely say that most of the arguments about exporting energy out of Alberta into other parts of the country, or the continent, or overseas, are really not backed up by facts, it does happen to be the one area in which the biggest demand is for natural gas. It is one area the new minister, I am sure, is going to be watching very closely.

In closing, I would like to point out a few other elementary figures to illustrate the significance of this business to the people of Alberta and to Canada. In Alberta in the field of oil production, 75% of Canadian oil production in 1970 came out of Alberta and 90% of the conventional oil reserves in Canada to this point -- exclusive of the Arctic, which is still an unknown factor -- are in Alberta. When we include the tar sands -- and once again, include the proven portion of the tar sands and exclude the Arctic from the discussion -- 99.5% of Canada's proven reserves of oil, including the tar sands, are in the province of Alberta.

In the question of gas in 1970, 82% of the production of natural gas in Canada came out of Alberta, and 78% of the Canadian reserves of gas, exclusive of the Arctic development, are in Alberta. In the question of coal 42% of the Canadian production of coal in 1970 came from Alberta, and 47% of the Canadian reserves of coal lie within the province of Alberta. So, very obviously, development of these resources has been, and will continue to be for generations to come, a very significant factor in the Alberta economy.

I didn't want to let the appropriation go by without bringing to the attention of the hon. members some of these facts which, to me at least, illustrate that many of the arguments that have been presented under the guise of economic nationalism, when one analyzes the problem, simply don't hold water. The arguments I heard promoted were, that we should save these reserves and develop them in Canada, use them in Canada, because they were supposed to create more employment. I suggest, Mr. Chairman, it wouldn't create one more job for one more Canadian, if the crude oil from Alberta that goes into the U.S. instead were all routed into eastern Canada. It wouldn't create one more single job. It isn't going to create any more employment in Canada, as far as I can figure out, if Alberta coal, instead of being shipped east, and American coal going into Ontario, if

Alberta coal at 9 million tons went to Ontario. I don't think it would create -- I may be exaggerating a little, but it would certainly have a very minimal effect on the labour situation so far as Canadians are concerned. So I think an 'Alberta First' policy -- in view of these figures -- I agree with Alberta First. But if Alberta's an exclusion of everything else, it is absolute hogwash. And when one even looks at it on a national basis I think one has to say even on a national basis, Canada First while I agree with it -- also must be placed in its proper perspective.

MR. FARRAN:

Mr. Chairman, just a few remarks on the general philosophy and I'd like to speak about some of the suggestions offered by the hon. Member for Wetaskiwin-Leduc. Nowadays, we hear in Canada many criticisms of foreign investment, and we hear many rather jealous words directed at the companies that are engaged in the extractive industries, extracting our natural resources. The philosophy that I have toward these people is that they're good citizens -- if they reinvest some of their profit dollars in the province from which they

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drew them. And this should be the main under-riding thought toward foreign countries; that they are good for Canada if they don't take all their profit dollars home, if they reinvest them in some other sort of enterprise which will provide jobs for Albertans -- not necessarily in those extractive industries which are not labour-intensive. And this is the reason why I applaud, when, successful or not, companies like Imperial Oil announce plans for investing in the tourist industry, for instance, or when we hear that certain oil companies have plans for investment in the petro-chemical industry in Alberta as opposed to the petro-chemical industry in Sarnia, Ontario.

I believe the message we should reiterate over and over again to these large corporations engaged in the natural resource industries is 'You have a huge investment here, you have a huge vested interest in your stake in Alberta, it is to your interest to have a politically stable Alberta for many years to come; therefore, we have a mutual concern for seeing that our people are profitably employed in the long term.' If we can get that message through to the boards of the large corporations, I think we've done the biggest part of our job.

MR. ZANDER:

Mr. Chairman, may I just say a few words, and a few questions that I wish to ask later. The thought of the most of the people is that when they see an oil derrick, or when they see a pumpjack pumping oil out in the field, they immediately think that the oil company is getting rich, and it's something like plums growing on a tree, all you merely have to do is pluck them off, you don't have to do anything else, and they always refer to the Middle East, of course, that we're not getting enough out of the oil. I can assure you that, living in an oil area, this doesn't happen to be the case. When we see the difficulties that the people in the oil trade have, especially in the wintertime, with the water injections into the formation, we find that the temperature we live in is not the same temperature as in the Middle East. And, it's not grapes that are coming out of the bottom there that you can simply cash in at the bank. Sometimes I feel sorry for the people that are engaged in the industry.

There's one thought, though, that runs through my mind that perhaps should have been used in the past, and that is when government offers a reservation, a new drilling reservation, why did we not require some of these wells to be drilled into the lower formations to evaluate the field in which we were drilling? This possibly could have given the people of Alberta -- at least the Department of Mines and Minerals -- a chance to evaluate the lower pay zones in the same reservation. They could have, by such an incentive, given the companies the right to either produce from the lower zone, if it was more profitable to them, rather than from the zone that they bought the reservation for. Now, I know that perhaps in a reservation of 16,000 acres perhaps maybe six or eight wells in that reservation should have been drilled in the lower areas to give an evaluation to the people of Alberta so we'd know actually what we have.

In the area that I come from most of the wells are producing out of the Cardium Sands, some out of the Mississippian, some out of the Belly River and some out of other reservoirs. But surely when the reservation of this nature is given to a company, then at least we could have had some evaluation, if some of the eight or ten wells could have been drilled into the lower pay zone areas. If we look on the map in the Pembina field we find that it is almost totally, for township after township, wells that have been drilled in that area. I just wonder how many of those have been drilled into the lowest producing zones so that we could have had an evaluation of this field to begin with.

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Now I know that there are many capped gas wells also in my area and I was just wondering -- I didn't catch the figures from the hon. minister -- but I know that there are wells that are capable of producing from 20 to 30 million cubic feet per day, which are capped waiting perhaps for their lines to bring them to the plants. I think there are something like 13 or 14 gas plants in there and I was just wondering when these wells were going to be tapped or put on production.

Now the hon. Member for Pincher Creek-Crowsnest mentioned the coal reserves, and of course I'm particularly interested in that also because a large portion of the coal reserves south of Lake Wabamun lie within my constituency. I wonder how many thousands of acres have been tied up on long leases. Have they been tied up in a like manner as our gas and oil leases? Are they for 21 years, or 50 years, or are they for less, and are they tied to the same agreement of 10 cents a ton? Are these agreements open for negotiations later on?

I don't know exactly what the area is that Calgary Power holds the leases on in that area, but I can almost say that I'm sure that they have bought out almost a total of a township of farmers in there, and the land is now rented back to the farmers. I was wondering also whether these same coal leases within the same area are tied together with the Genesee coal reserves that the City of Edmonton had when they contemplated their power station at one time on the North Saskatchewan River?

These are some of the questions that I would like the hon. minister to answer. Are they completely tied up, or how much of this is still open for negotiations? Are they tied to the 10 cents a ton royalty, say for 30, or 40, or 50 years? This is the thing that I would like to know because it certainly takes in quite a considerable area in my constituency. I would like those questions answered.

MR. DICKIE:

Mr. Chairman, I wonder if I might make a few observations at this point. I'm getting too many members ahead.

First I welcome the dissertation by the hon. Member for Pincher Creek-Crowsnest and his experience in coal mining and talking about some of the problems the coal miners have faced. I took it that his plea was to leave the royalty at 10 cents a ton and this was echoed again by the hon. Member for Wetaskiwin-Leduc. Certainly the provision is in the act now at the present time for 10 cents a ton and hon. members will recall in our natural resource revenue plan provides that coal is excluded. From the public hearing, from our discussion at this stage, it would require an amendment by the Legislature and I think if we are looking at that it certainly wouldn't come at this session of the Legislature, but would be in the fall. In the meantime we will be looking at the question of the royalty on coal and will consider the remarks of the hon. members at that time.

In respect to the comments by the hon. Member for Cardston, I think they paralleled many of the remarks of the hon. Member for Calgary North Hill. The interesting remarks there concerned the question of secondary industry and development, as well as job opportunities.

As I see the picture at the present time, one of the real challenges facing this government, of course, is job opportunities over the next four, five, or six years. This, of course, ties in with the development of the North, with the by-products that we have from our natural resources, and how we develop them. I have no hesitation in saying that I know the hon. Minister of Industry and Commerce has been working at great length on this to develop

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industry. To look at all the by-products from our tar sands, from our natural gas, and to see about establishing job opportunities in Alberta.

Certainly when we look and talk about the whole question of pipelines in the North, and some of the figures that are projected of job opportunities there, this has to be one of the exciting areas. Some of the figures that they have been talking about is the creation of 5,000 jobs with the pipelines to the North. And I think in that respect that these are the projects that certainly our department and the Department of Industry and Commerce are continually looking at because, one of the real challenges the government is facing now in the 70's is the question of the jobs and job opportunities we are going to present. Of course we have to tie that in with our educational development to make sure that the people are trained for the jobs that do become available.

In respect to the hon. Member for Cardston's comments on marginal production and inflation, and the whole question of our reserves, I think I can answer him this way and say that we take them into consideration.

On the question of gas, and that was raised by the hon. Member for Calgary Millican -- this has been one of our paramount considerations. Of course, when I spoke on the budget I went at great length and talked about the National Energy Board's decision in November, the great effect it did have on the province of Alberta; the effect in Alberta having to take 8.8 trillion cubic feet of gas and hold it pending the decisions by the National Energy Board on the question of export. Holding gas pending export is tied in with price and the key question is really price. And, again, I think in the budget speech we emphasized the steps that we have taken -- the first in Canada -- of having in this field price-sharing, which has temporarily adjourned. It will start again on June 13th. After that time we will have an opportunity to review the submissions and make some definite decisions as a result of the information coming from that.

But everywhere we turn on gas and oil, the question is price. We always have to be continually looking at that question of price and it's different in oil compared with gas and, certainly, in the question of gas it has been brought more to the forefront in the last six months. In every area that I've examined in detail over the past six months has been the important question of price. The people we talked to in the industry, everybody has said our gas is priced too low, 'bargain basement prices', and so forth. You ask them how these things change -- how do you change the price of oil; how do you change the price of gas? These are the areas we're trying to explore to see what we, as a government, can do to make sure that we're getting the right price.

Certainly, the hon. Member for Calgary Millican mentioned the use of, say, natural gas with Ontario Hydro. The chairman of Ontario Hydro was in Edmonton, we went with him out to Lake Wabamun and looked at the coal plant with the hon. Member for Stony Plain. We had some discussions with him on the use of coal in Ontario. Again we encouraged him to use Alberta coal instead of Alberta gas in that area. The same answer comes back, it's always a question of price. If the price is right they'll buy; we say if the price is right we'll sell; and this is the area we're trying to work on now to make sure we do have a market in Ontario for our coal. I think the figures quoted by the hon. Member for Wetaskiwin-Leduc certainly indicate that we not only have to look at the market in Japan but we also have to look at the markets, in Canada, like Ontario, which can use our coal. Then steps should be taken to make sure that our coal is used at the right price.

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I was also interested in one other remark by the hon. Member for Cardston when he talked about killing the goose that laid the golden egg. And, Mr. Premier, as I recall that is right out of our platform on the last election and it's very gratifying to see the hon. member in the opposition gutting the platform back to us now. I took it that he accepted that concept.

MR. HINMAN:

May I make a correction? I said don't operate on the goose to get the egg it's going to lay tomorrow.

MR. DICKIE:

I can twist that around and use it the same way if the hon. member would permit.

Another interesting topic that the hon. Member for Cardston did raise was the iron deposits we have here and, certainly, I know the hon. Minister of the Environment has discussed this at length. We are, of course, trying to see now if they're utilizing gas in areas to develop the iron at considerably less expense. It seems to us that Alberta is in an ideal spot if we can have a gas field discovered close to our iron deposits. This might encourage more exploration in the development of our iron deposits in the province of Alberta.

The hon. Member for Wetaskiwin-Leduc did discuss the question of export of oil and gas and coal and I think each of those items has to be considered differently. Certainly in the question of oil, which deals with free access to the United States markets and here again the hon. Minister of Federal and Intergovernmental Affairs and myself have been working towards determining an energy policy in co-operation with the federal government to deal with the United States. We hope that we can get this functioning very shortly, that is at the administrative level first, between officials at federal and provincial governments, and then at the ministers level, so that we do have proper consultation with Ottawa on the energy talks with the United States. And, of course, that really involves the whole question of the North American energy policy and I think we'd certainly like to, in our consultations with the federal government, work toward developing a North American energy policy so that the area of Alberta and its resources are properly developed, and properly exported, at the right price.

The hon. Member for Crayton Valley brought up a number of interesting questions. I think they are rather detailed, certainly involving coal, and the number of wells capped, and I can review briefly the figure I presented to him about the gas wells that are capped. I quoted the number of 1,500. In addition to those other questions that he has raised, I'd be glad to meet with the hon. member and get him the additional information he requires on those.

With those few remarks, Mr. Chairman, I'll conclude.

DR. ECUVIER:

Mr. Chairman, I could make a long dissertation on the tar sands and of the importance they have for my area, but I'll keep my remarks down to actually asking a few questions, and get the comments of the hon. minister.

First of all, in the tar sands, I can remember a few years ago, and especially when GCOS was trying to get a better deal on royalties, that one of their main complaints was the fact that the crude from the tar sands is superior to conventional crude, that it is a partially refined product, and I don't quite remember now whether they said they weren't getting a better price, or the price

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wasn't as good as it should be, but if I remember rightly, I think it was the fact that they weren't getting the price in relation to what their crude was worth. This was one of their complaints and I was wondering if the department is doing anything toward trying to obtain a better price for the crude that is obtained from the tar sands?

And secondly, I noticed an article in the Edmonton Journal today -- I don't know if the hon. minister noticed it -- stating that with the increased price in eastern oils that the tar sands would be more competitive, and this would probably stimulate more development of the tar sands. I'd like to know the feelings of the hon. minister on this, if he feels this is correct? Possibly a third point he might comment on is, with the increase in eastern oils, does he feel that Alberta oil may now move east of the Ottawa valley?

MR. DICKIE:

Mr. Chairman, first I'd like to mention that I did observe the comments in today's Journal about the price of oil going up because of the OPEC situation, and we've certainly watched the CPEC situation very closely. We've received all the comments on their price, the negotiations, and so forth. That, of course, deals with the question of the international price of oil, and I think the hon. members will recall in our report the encouragement we have about the price of oil going up. And certainly in our talks with Great Canadian Oil Sands and their representatives, as well as the parent company, Sun Oil, I think one of the real hopes they have of reducing the deficit they have at the present time is an increased price in oil, and that'll make a considerable difference to the tar sands development.

As far as the government's influence on the price of oil, that's another difficult problem. I think that by watching and observing, if we can use any influence and bring any influence to bear, we'd certainly do that. We'd like to see the development of the tar sands because of the request that we have from Great Canadian Oil Sands for the remission of royalties.

MR. NCTLEY:

Mr. Chairman, on the question of the request for a remission of royalties, I know this was raised in the question period a few weeks ago, and the hon. minister's answer at that time, if I recollect, was that it is under study. I'm wondering if he is in a position to advise us whether the Cabinet has made any decision as yet with respect to that particular request. If not, when does he anticipate that a decision will be made? And then, perhaps flowing from that, because royalties from the tar sands are not dealt with in the tentative Position Paper, when would he anticipate an announcement would be made on future long-term royalties with respect to the tar sands development?

MR. DICKIE:

Yes, first, Mr. Chairman, I might say that the members of the Cabinet are still considering the request by GCCS for the remission of royalty. I can't anticipate when that decision will be made. I find myself like some of my colleagues; every time we start setting a target date, some other item of paramount importance comes forth and you can't always meet that target date. So rather than make such a representation in the Legislature, I would refrain from doing that other than to say that certainly during the next two or three months we will be dealing in length with the remission of royalty question. At the same time we will have to deal with the question of the royalty on the Syncrude application. We anticipate the discussions on that will start sometime during the month of June.

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MR. DRAIN:

It was mentioned that the tar sands oil was a semi-refined product and I notice the CNR is now planning to use this directly in their diesel locomotives. Therefore, if it would work in one type of diesel, it should work in all diesels. This could possibly represent a market here in Alberta which would be an economical market insofar as the farmers are concerned, because most of them now have diesel tractors, and insofar as the industrial users of diesel fuel are concerned. If it works in a Jimmy diesel, it certainly should work in the others.

MR. DICKIE:

Of course, that is one of the technical problems that I wouldn't attempt to answer. But I will say this, that I did have an interesting discussion some two weeks ago with a representative of the railway company and they did discuss this question of using the tar sand oil with beneficial results. We didn't get into the question at that time as to what further development they might make use of but certainly one of the areas we are looking at in the Research Council is the whole question of the utilization and more uses of oil from the tar sands.

MR. FARRAN:

Mr. Chairman, I would just like to make one very short observation here. I think we should note at this time, when we are talking about the tar sands that this period in our history when anti-American phobia is so common, that the Great Canadian Oil Sands project passed through many hands before Mr. Pew of Sun Oil was brave enough to risk his entire company on the project. It was handled by Rio Tinto, a British company, Shell, a Dutch-British company, CPR, a Canadian company, and finally Sun Oil risked more than \$300 million in a highly speculative gamble. One day we should build a statue to Mr. Pew at Fort McMurray for the courage he showed and the benefits he brought to Alberta, at an advanced age of around 70 years.

MR. NOTLEY:

I wanted to ask a supplementary question with respect to the tar sands royalty. I took it, from your answer, Mr. Minister, that because you are now reviewing the request for a further remission from GCOS and because you consider that you will be making a decision in June on the Syncrude application, would it be a fair assessment to say that the government will be looking at the royalty basis in the tar sands on a year-to-year basis, or do you intend a policy which will tie us down for a period of five years or ten years, or is it going to be a year-to-year proposition?

MR. DICKIE:

Mr. Chairman, in answer to that, I think those are the questions which will be considered by the Cabinet in making their decisions. I wouldn't want to conjecture as to what might be the results on that. I think I can also add, however, that we are cognizant of the problems that do develop if you try to tie yourself down into too long a term -- and I refer to the ten-year leases and the 21-year leases.

MR. STROM:

Mr. Chairman, does the hon. minister feel that the Syncrude people would be ready to go ahead with a plant at the tar sands if they were dealing on a year-to-year basis?

MR. DICKIE:

I think, Mr. Chairman, that in our talks with the representative of Syncrude that everything seems to be 'gc' all the way. We haven't

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got into detailed discussions with them on the royalty yet so I can't venture an opinion as to what their reaction might be until we do get into the whole area of royalty with them.

MR. TAYLOR:

Mr. Chairman, I just want to make two or three very brief remarks in connection with coal. For many years Alberta coal tried to get into the market in Ontario when coal was of higher importance than it is today. The primary reason why we couldn't compete with American coal in Ontario was due, largely, to the freight rates. The freight rate structure hasn't changed as yet, and unless there is some change in that freight rate structure, it's still going to be very difficult to compete with American coal in Ontario. We have the same difficulty as do the Maritimes where there are also large deposits of coal.

For some years, there was some possibility of getting our coal, particularly our domestic coal, into the American markets, moving south rather than east. I think this is still a possibility. There is considerable domestic coal used in Montana and the Dakotas, and the available supply of domestic coal in Alberta is very great. The hon. Member for Pincher Creek-Crowsnest spoke very ably on bituminous coal or steam coal. The type of coal in the Drumheller valley is an entirely different type of coal. It's a domestic coal, but it's still a valuable asset.

We have now reached the place where there are few men left who are skilled in coal mining. Because of the switch from coal to other fuels, the younger people did not go into the coal mining industry. And as I predicted several years ago when this thing was happening, unless we did something to keep some know-how in mining coal that we would someday regret it very much. This happened, because as the hon. minister said the other day, we had to bring in competent labour from other countries in order to meet the requirements of the coal mining industry. There are still quite a few men who are well versed in the mining of domestic coal, and there is a difference in these various types of mining.

I would like to see a real thrust and a real effort made to get our domestic coal into the American markets. I'd like to see it into Ontario, too, but from the experience of many years I haven't too much hope that, unless something can be done with the freight rates, we will be very successful in competing with American coal in Ontario. But we can compete if we can get the coal going south. We have our minerals now going east and west and I think it would be an excellent thing, particularly for the domestic coalfields and for the province, if we could get into the American market. I think there is some hope that this can be done.

The other point I'd like to mention is that there are more benefits to a province from the coal mining industry than simply that which is derived from the royalty. Ten cents a ton doesn't sound very much. But I remember when the coal crisis came that I was asked to go down to the Crowsnest Pass and to the other coal mining areas to try to work out a rehabilitation program for the miners who were suddenly left high and dry with their homes and no work. The mines had simply folded up. The difficulties that were experienced then by those people indicated the tremendous benefits that had been derived in the province through employment. Some 2,500 miners with their families had been kept in a reasonably buoyant condition in the domestic fields, and probably 3,000 or 4,000 in Crowsnest Pass alone -- probably 5,000 or 6,000 in the province with their families. We can't forget this benefit. This is a real benefit. These people get wages, they keep our towns and so on, so the only benefit doesn't derive from the coal royalty.

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I personally think it would be a grave error to raise the coal royalty at this time. I would personally like to see the coal royalty put on some type of flexible basis, where it can be moved up and down in accordance with the market, in order to make sure we keep the industry going, rather than putting it too high or too low -- to put it such a form that the hon. minister or the Executive Council could move whenever conditions warranted, so that we wouldn't lose an industry. Because many times we lose an industry, and we not only lose the 10 cents per ton, but we lose all the benefits that go with that industry, too.

MR. DICKIE:

I certainly welcome the thoughts in respect to how we may work that royalty if it is changed. We will take those into consideration.

As to the other point about the coal going south, that observation hasn't been passed on. At the next meeting we have with the coal representatives we will certainly raise it and see if we can't get a report on the possible market in the south and what the potential is there. Certainly, if a government can do anything to influence that we will be glad to discuss it further with the hon. Member for Drumheller.

MR. FARFAN:

Mr. Chairman, just reverting for a second to the Great Canadian Oil Sands project. Could the hon. minister tell us what the running loss of that company is at the moment?

MR. DICKIE:

Yes, Mr. Chairman. I think in the submission to us, dated February 1972, they quoted their loss at \$87 million.

MR. BOUVIER:

Reverting back to the tar sands again, the hon. minister didn't comment on whether he felt there would be some stimulation of development, so to be more specific maybe I could ask him, are there any applications under consideration at this time from companies other than Syncrude, without naming any company?

MR. DICKIE:

Mr. Chairman, I would have to say no to that. I say that with this thought, too, that after anyone has approached us on it -- and particularly, the Japanese -- we have taken the position that what we would like to do first would be to dispose of the Syncrude application. From my point of view, we now have disposed of the Syncrude application. I was a little disturbed some time ago when I used the word 'disposed' of the application in the House, because someone took it from that that I meant the actual construction of the Syncrude plant. I didn't mean that; I meant the disposition by the Cabinet, of the Syncrude application, which has been done. Following that, our thinking was initially, and still is, that we will then commence a study of the tar sand development to review the development policy.

The hon. members will recall that this policy was first started in 1962 and reviewed in 1968. We again thought that having disposed now of the Syncrude application it was time we reviewed the development policy. In reviewing the development policy of the tar sands development, we are considering that with my hon. colleagues, the hon. Minister of Municipal Affairs, the hon. Minister of the Environment, and the hon. Minister of Industry and Commerce. With that group we will be coming down with a new development policy. We

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haven't set a target date but I think I can advise the hon. members that we will be working at that during the summer, and we hope to have something definite in the fall for the development.

In the meantime we have suggested to the companies that are involved -- because they are trading leases up there -- that if they wish to submit an application of any nature, we would certainly consider it. But we wouldn't like to be in a position to have to make a decision until we have come up with our firm development policy.

MR. DIXON:

Mr. Chairman, a couple of question to the hon. minister. Is there any activity now in the Inter-City Power Development that was talked about in Ardley, in the Red Deer area? Is there any activity there as far as building a large power project?

The other question, while I am on my feet is, in this research policy we are talking about regarding the tar sands, are you going to invite Atlantic Richfield, who at one time talked about an atomic blast within the tar sands? I asked that question the other day but it was during question period, and I thought you might be able to enlarge a little more on that if you had anything on it.

MR. DICKIE:

First, in respect to the coal fields at Ardley, I would say to the hon. members there was an exciting development about three months ago. That was in the negotiation stage, but the negotiations fell through, and since that time we haven't heard of any more new developments in that area.

In respect to the tar sands, and what I would refer to as the in situ process, because this is what we are looking at in the future, as to how we might loosen that oil sand below the ground, we have followed with interest the considerable developments in the United States on some of those recent experiments down there with TNT, and observed the results.

I haven't heard of any further representation to make use of the atomic bomb, or anything like that, to further develop that proposal. As far as I know it hasn't been re-activated. It was considered at one time but there haven't been any further representations made in that respect.

MR. DIXON:

One final supplemental. I was wondering, on the Cold Lake tar sands development, the oil there is apparently a little closer to the ground, not the overburden, and I was wondering if there was any activity there. We're always talking about the Athabasca tar sands and I was wondering about the Cold Lake area?

MR. DICKIE:

No, I don't think that I can recall any that have come to my attention in the department on that.

MR. EATON:

Following the Cold Lake development, is there any further development on the Peace River one where I think Shell Oil had a little experimental plant, and the Wabasca one which is a separate deposit around eight to twelve hundred feet down, where Texaco was doing some exploration. The third one, I don't know if it comes under your department, is the dam that is proposed on the Athabasca River down-river from Smith.

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MR. DICKIE:

I regret that I can't answer any of those questions, but I will make a note of them so that the answers are supplied to you.

MR. NOTLEY:

A point on the tar sands in response to the hon. Member for Calgary North Hill, who suggested that we should build a statue for Mr. Pew in McMurray. At the risk of being labelled as xenophobic Canadian nationalist, I'd like to suggest that perhaps we might consider the man who really made the whole thing possible. I'm talking about Mr. E. A. Fitzsimmons, who passed away last November. Mr. Fitzsimmons was the man who discovered the original process. He went up to McMurray, into the tar sands, in the late 20's, managed to rustle together enough money to set up a small plant which was able to produce several hundred barrels of bitumen in the late 30's. Unfortunately, financial difficulties forced him out of business and the Alberta Research Council picked up where Mr. Fitzsimmons had started, perfected the process and I think really, looking back on his work, while he was perhaps not a business success, he was one of those giants in the development of Alberta. I think this Legislature should pay some small recognition to him.

AN HON. MEMBER:

Hear Hear.

MR. CHAIRMAN:

Final score, Rangers 5; Bruins 2.

MR. CHAMBERS:

This microphone isn't on. I wonder if I might just make one bright comment -- I wanted to disagree with the hon. Member for Drumheller on the potential of coal sales to Ontario. I think that this is an area that I would like to suggest the hon. minister keep an open mind on, because certainly the problems with nuclear plants are a long way from being solved -- not only technical problems but also environmental -- and solids pipelines in the future could be the answer to the transportation problem that the hon. member raised.

Appropriation 2002, agreed to

\$ 314,320

Appropriation 2003 Petroleum Recovery Research

MR. HENDERSON:

Mr. Chairman, could I just ask the Minister, does the department get reports on what these grants are used for? What value comes out of them?

MR. DICKIE:

Mr. Chairman, I've read reports, I've been invited to meetings, I've been down at the University and gone through the operation down there, saw the experiments they're conducting on the use of sulphur and sulphur blocks. I think this ties in a lot with what we've been talking about such as the possibility of a sulphur highway and the research carried on there, so we do keep abreast of it and watch with interest their developments.

MR. RAFTON:

. . . directly to the University or is it spread around?

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MR. DICKIE:

This is to the Institute, but they work out of the University in Calgary.

Appropriation 2003 agreed to \$ 100,000

Agreed to without debate:

Appropriation 2005 Geological Division \$ 8,300

Appropriation No. 2007 Minerals Division

MR. WILSON:

Mr. Chairman, I believe this is the vote that the hon. minister said he would like to discuss the natural resources revenue plan on. I would like to lead off by asking him several questions and make a few statements. Perhaps it won't be convenient for the hon. minister to answer all the questions spontaneously, and I would be satisfied in a day or two -- or three or four -- if that would be suitable to him.

First of all, regarding the estimated administration costs of the tentative natural resource revenue plan, there seems to be considerable concern and question as to what it will actually cost. I'm sure that you do have such information and I think that it would really make a considerable contribution to the hearings if you made public -- by way of tabling in this Legislature -- a statement of the estimated administration costs. This then would allow those interested in making submissions to deal with fact rather than fantasy in that regard, because there are some wide and wild rumours as to what the administration costs are going to be, and I think that it would be of considerable benefit to have that information well in advance of the hearings.

Regarding the costs of the hearings, I see you have some hearing costs in vote 2020. Does that apply to these hearings, or are these hearings on May 23 something different?

Also there is considerable interest in how you propose to make the tax workable. How will the administration of it actually work? How will the taxable reserves be established by the Mines and Minerals Department assessors, or will you take the Energy Resources Conservation Board figures? What consideration has been given to the question of secondary and tertiary recovery, or marginal fields and wells, where the new tax might very well economically force abandonment of the project? If this happened it would certainly be a waste of the resource.

Under exploration incentives you mentioned exemption of step-out wells, but you do not say how many, or how you will determine how many. This is certainly a big question mark in the minds of the industry. If the new tax is going to be similar to municipal property taxes, does that mean that it would probably go up annually, as do municipal property taxes on a long haul?

Is it your policy to recover the same amount of money annually even if the reserves decline? The oil industry appears to be highly suspicious that your policy is really to force the industry to ask you to reopen the royalty contracts and take off the 16 2/3% limit. Now, a firm statement from the government in this regard is needed now to assure industry that you are bargaining in good faith, and I think that this would also be of considerable benefit if you did make a firm statement regarding the submissions that will be made to the hearing.

Some industry spokesman claims this new tax will drive 20% of the seismic and drilling activity out of the province. I realize that you don't think that that is going to happen, but if it does

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happen, what is your alternate plan? I think that that's a reasonable thing to ask, and I'm sure you do have an alternate plan.

SOME HON. MEMBER:

Welfare.

MR. WILSON:

Presumably the good prospects will be drilled anyway, but how will this plan encourage drilling of marginal prospects? This point does not seem to be clear in the minds of the industry and several of us. What percentage of drilling prospects in Alberta are now classified as marginal?

In setting up this plan, how do you feel it rates against the cost of doing business in Saskatchewan, British Columbia, or other frontier areas? Some industry spokesmen claim that the majors will be moving out because of the economics. It seems to me we need to know more about your intentions on taxes from the natural gas reserves and the tar sands. This has been discussed earlier this evening, but I think a firm statement of intention along those lines would facilitate a better hearing on May 23.

The annual levy on the same barrel of oil, as long as it is in the ground, is of real concern to the industry and they feel this will be a negative contributing factor and that the tax should be based on production. Now, is this one of the areas where you are willing to modify the plan to accommodate the industry if they present arguments that seem constructive in that area?

What studies have you done to determine the effect of this plan on the cost of a gallon of gasoline in Alberta, five and ten years down the road, and what estimate did you come up with?

MR. FARFAN:

Mr. Chairman, before the hon. minister answers, could I just put a question here?

You mentioned, through the Chair, "industry spokesman." Are you referring to the spokesman who was quoted in the newspaper a couple of days ago as representing the Social Credit view on this bill proposition?

MR. WILSON:

Mr. Chairman, I would like to respond to the question from the hon. Member for Calgary North Hill and say that I have gleaned the questions and the concerns from many sources but not, primarily, from the press release put out by Mr. Bill Downton, the president of the Calgary Area Council Social Credit Association.

MR. CHAIRMAN:

Mr. Minister.

MR. DICKIE:

Mr. Chairman, first might I say let's not lose sight of the purpose when we call this a Tentative Natural Resource Revenue Plan. We are having a public hearing on that and some of the questions you have brought forth we anticipate the companies will bring forth and make their submissions to the Legislature. It will be after the time that we hear their briefs that we will be able to give consideration to some of the points that you have raised.

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I think, Mr. Chairman, when I first met with the press right after we presented the Tentative Position Paper, both here in Edmonton and in Calgary, we expressed to them that we wanted to meet with them to clarify any items that do appear in the Position Paper. And this is what I am endeavouring to do tonight. Some of those questions go beyond that and I think perhaps those will be answered better at the hearing.

One question the hon. member did raise dealt with the question of fair actual value. How is that going to be determined and what process is going to be followed? I think we can answer that because the Tentative Position Paper does say that we're going to assess on fair actual value. 'Fair actual value' has received many judicial interpretations in the courts. That will be set out in the act and the reserves will be assessed by an assessor.

As to the question the hon. member raises about the Energy Resources Conservation Board of the Department of Mines and Minerals. This will be dealt with in the proposed amendments to The Minerals Taxation Act, and I think it's fair to say, at the present time, that we propose to have them dealt with by the Department of Mines and Minerals. There might be some working relationship with the Energy Resources Conservation Board because they do follow, roughly, that type of assessment at the present time.

I think another question that the hon. member raised, which is a good one and should be answered, is the question about production. One of the real difficulties we had in considering this whole question has been the legality -- and I think if the hon. member will turn to page 33, it deals with the BNA Act and the question of what is a direct tax and what is an indirect tax. In the Position Paper on page 33, the hon. member will observe that it is quite clear that a direct tax is within the jurisdiction of the Province of Alberta; an indirect tax is beyond the jurisdiction of the Province of Alberta. There's no question that anything relating to specific production is an indirect tax and will be held illegal and, for that purpose, any type of proposed method of taxation, based on production, could be questioned in the courts.

The hon. member will recall that in the Position Paper the plan that we are proposing, and one of the criteria set, is that it be within the jurisdiction of the Province of Alberta. So again, having considered the legal points, one of the red flags -- one of the cautions that we've had to watch -- is basing it on production.

So in answering the hon. member I would again like to reiterate that the difficulty of basing anything on production puts it in the area where it could be questioned and challenged in the courts.

MR. WILSON:

Mr. Chairman, I take it then that the hon. minister does not choose to answer the rest of the questions now and he will supply the answers later, or does he want me to refresh his memory on some of the questions?

MR. DICKIE:

Well, Mr. Chairman, as I've tried to suggest to the hon. member, I think we should at this time, try to clarify any of the questions that relate to the statements made in the Position Paper.

In addition to that if there is any information that the Department of Mines and Minerals can give to assist the hon. members, we'd be pleased to do that. I think regarding some of the questions the hon. member has raised, I would suggest that he is endeavouring at this stage to engage in a debate or try to foresee some of the questions and the representations that will be made at the public

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hearing. I think that after the public hearing would be the time to entertain some of those arguments that will be debatable.

MR. WILSON:

Mr. Chairman, just to proceed one step further...

MR. CHAIRMAN:

Mr. Notley. He has the first supplementary.

MR. NOTLEY:

I think we can appreciate that the hon. minister had quite a barrage of questions there and I saw him writing very rapidly, but it would have been difficult to get them all.

There are, however, several things that were said in the Position Paper, that I'm sure he'd be in a position to answer. We had a figure of \$50 million to \$90 million quoted. Now obviously the minister has some yardstick by which that figure is arrived at, and we are told that the fair value of the reserves is going to be computed.

My first question is, just how is this levy going to operate? Is it going to be a percentage levy -- and what percentage levy would it be? I'm sure the minister would have that information.

Secondly, the question that the hon. Member for Calgary Bow raised about the number of step-out wells is, I think, a pretty relevant question, Mr. Minister, because if there is a large number of step-out wells, this means that a good portion of these new reserves will be royalty free and also free of the mineral tax assessment. And it then means that the money we collect will be somewhat less each year as our reserves go down. So I think that the number of step-out wells is, in fact, a legitimate question that we should have some answer to if at all possible, at least in the next several days.

MR. PICKIE:

Well, Mr. Chairman, I'm a little at a loss to know where to start answering some of the questions. Perhaps we could start with the last one first, dealing with the number of step out wells, and we didn't spell it out in the Position Paper. Again, this is something that will be dealt with at the hearing -- we'd like to welcome the representations made at the hearing as to what that should be, or the number, and I think after we have the hearing we'll be in a position to make a decision on that question.

MR. HENDERSON:

Mr. Chairman, at the outset of the hon. minister's remarks, he went to some length to give us a dissertation on his background and why he felt this qualified him and stood him in good stead to be Minister of Mines and Minerals.

MR. PICKIE:

A point of order. I didn't say this qualified me, and I want to be clear on that. I just gave the background as some experience in that area.

MR. HENDERSON:

I'm certainly pleased to hear the hon. minister say that because he's just taken the words out of my mouth.

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Following his remarks nonetheless, my colleague the hon. Member for Cardston got up and expressed great confidence in view of the hon. Minister's dissertations about his background and was sure of what a tremendous job he'd do as minister. And I wish I could say I shared the convictions of my colleague from Cardston. Because one or two of the statements that are in the Policy Paper, on which I don't expect any answers at this time from the minister, but the comments he's made here under questioning this evening have completely shattered any confidence I might have had in the member as the hon. Minister of Mines and Minerals. I can only wonder what school of economics he went to. And I "File Higher and Deeper," because he obviously didn't learn much about economics.

AN HON. MEMBER:

How great I am!

MR. HENDERSON:

And I refer to the matter of the government stating in their Policy Paper, if the hon. Premier would just listen and -- [interjections] -- he has the chance to talk -- somebody interrupts him, he gets mad and leaves. Now I'd like to say what I'd like to say and then he can have his turn.

AN HON. MEMBER:

What's a PhD?

MR. HENDERSON:

The question that the minister has made comments on and one of the policy matters in the paper which, as I say, completely shatters any confidence I have in the manner in which this government is going to realistically tackle the question of this mineral tax or oil royalties is the statement that they seriously, obviously, believe that they can get away without making a commitment regarding some sort of a ceiling for a period of time on royalties.

How on earth does the government, from the Premier on down, think that anybody is going to go in and spend \$200 -- \$300 million developing something like the tar sands plant for example, where it's going to take them two or three decades to get their money back out of their investment, and make that type of investment with such a long period of return without some sort of long-term understanding as to royalty structure? And the ceiling that's on it -- there has to be a ceiling on it. Certainly when it comes to even conventional oilwell production, to leave the implication at this point in time within the industry that this government once they get the ceiling off royalties -- no matter how they do it, whether it takes time to do it, I would suggest they don't plan on more than four years -- once they get the ceiling off the royalties, that they are going to leave it off. The question is going to be examined and played by ear on a year-to-year basis. Who on earth, in his right mind, is going to go out and spend the money that is required for exploration, and then develop to find something, and then development without some sort of commitment regarding ceiling?

I'm not suggesting at this point in time what the ceiling should be or what the time factor should be, but very clearly, Mr. Chairman, anybody who has any elementary knowledge of investment economics, and I know some of the gentlemen opposite presumably do, has to realize that nobody is going to put up the risk money that is involved, either in the conventional industry, or something like the Syncrude exercise -- and it is still risk money at Syncrude -- without some sort of a clear definition of policy and something that is framed in a legal contract, either by way of the Legislature or in legislation, or in the lease contracts themselves relative to a ceiling for a

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fixed period of time. That is absolutely essential. I think I can understand the rest of the proposition that the government has made in the policy paper and the approach they are taking on it. But I am certainly amazed at the statement that is in the paper about taking the ceiling off the royalty leases as they come along, and the fact that they are not prepared to talk ceiling in future, and not prepared to talk it for a fixed period of time.

If I have interpreted the statements and evasive answers that the hon. minister gave on the earlier questions in here this evening about the Syncrude exercise, or the statement that is in the White Paper, I think it should be cleared up because it is extremely important. Not only is the question of uncertainty in the short-term a serious consequence to the people of the Province of Alberta, but in the absence of some clear definitive policy that has some time factor attached to it that goes beyond a year, or two, or three, or four, it just doesn't make sense that anybody is going to invest the type of money that the oil industry needs to develop the oil and gas resources in the Province of Alberta.

MR. DICKIE:

Well, Mr. Chairman, I think the hon. member makes a good point. Certainly at the hearings I anticipate that representations will be made along that line. I hope there are suggestions setting the time or suggesting how long that time will be. When the government comes along to consider the proposals and review the results of the hearing, then we will make the decision at that time.

MR. HENDERSON:

One question, Mr. Chairman. Do I conclude quite seriously, then, that the statements the hon. minister has made in this particular matter and the statement that is in the paper, because the statement that is in the policy paper is pretty explicit -- is not to be considered as a matter of policy on this matter at this point in time? I want to be very clear about it.

MR. DICKIE:

Mr. Chairman, I don't know how we could be more clear than to say it is a position paper, a Tentative Natural Resource Revenue Plan and we are welcoming submissions by public organizations and groups to get their comments on that. Certainly that might be one of them.

MR. HENDERSON:

Mr. Chairman, the question then of Syncrude. How long is this game of hide and seek going to go on in the question of settling the royalty business on Syncrude? There isn't going to be any investment made in the Syncrude operation until this thing is settled.

MR. DICKIE:

Mr. Chairman, I think I tried to be clear before that we will meet with them in June to sit down and discuss this question of royalty. I am not going to stand up here tonight and try to say that we are going to do that in a week or two weeks, but I am certainly cognizant of the fact that we have got the August 31st target a year hence, and that decision will have to be made. We will certainly sit down and talk to them about it. I see nothing wrong with that.

MR. HENDERSON:

So in that regard, it will be August 1st, 1973 before this government will be making its position known on the royalty structure on the tar sands? Is this what I interpret the hon. minister as saying?

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MR. DICKIE:

No, Mr. Chairman, I am afraid that he is just trying to get that twisted around. I must say too, that I thought the hon. member would have read the conditions that we attached to the Syncrude application, and the conditions were clear and explicit there, that they would advise the government by August 31st of next year if they are going to proceed and have the contract, if they had to take that much time to decide. This is what they are doing now, with their managing contractor, is getting the information that they need to adequately assess before they make the final commitment to proceed. One of the conditions that they must discuss and decide with the government is this question of royalties. In 1947 Ieduc was discovered. The geological formation of that area indicated there would be other fields found in other areas of the province. Of course, the oil industry would require large sums of money in order to get the capital that was needed to provide for the exploration. In order to get that, it was important to the industry that they would have some indication from the government as to what they would be expecting from the industry.

It was for that reason that it was placed in there. Really, what we appear to be saying now to the industry is there is no longer any need for that protection. If they really don't mean that, and they were trying to tell the industry -- we simply want you to come in and make your presentation to us, make it as clearly as you can -- then I suggest that the hon. Premier should not have gone through the exercise of April 17th. It was merely an attempt by him to cover up for something he has to do now, and lay the blame on somebody else.

MR. GETTY:

Mr. Chairman, I am not quite sure whether the hon. Leader of the Opposition or his colleague are really thinking clearly to the questions and answers they have had in the House tonight. First of all I do not accept -- and I don't think any members of the House accept -- that the reason the statement was made on April 17th, was in any way to lay blame on the previous administration. It clearly pointed out the situation and the facts as this government inherited them. That was necessary because there was a great deal of confusion in existence -- and it became apparent from various people who were talking to the government -- as to whether or not there was, in fact, any problem about raising royalties. A lot of people were not aware of the statutory limit. Nevertheless, the hon. minister has said, and the hon. Premier has stated, that there will not be a statutory limit.

Your argument can be made as to the number of years that existing royalties will be in existence, and a commitment can surely be given to the industry that a certain level of royalty will be in existence for a certain number of years. That is what they need. It has nothing to do with the limit -- if you set the limit at 75%, they are not going to feel any better than to have none at all. But if it is in existence that, for instance, 16-2/3 per cent -- and you tell them that it will be that for ten, or five, or 20 years -- that is what they need to know.

You are arguing two different things. I think, Mr. Chairman, that is the point the hon. minister is making -- he certainly doesn't need any help -- he is doing a great job, but it seemed that there was confusion between the two of them.

MR. STROM:

Mr. Chairman, I accept the explanation that the hon. Minister of Federal and Intergovernmental Affairs has just given, because what he, in fact, is saying is that it doesn't matter where you set the statutory limit, providing there is a clear understanding that a

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reasonable length of term will be provided for a set rate. Certainly, I can accept that. I would also agree that it may have changed. But what disturbs me a little bit tonight, and what brought me to my feet to ask a question in regard to Syncrude was that the hon. minister suggested the Cabinet were really not sure whether they would be looking at a one-year agreement or a longer agreement.

Now, if I am placing the wrong interpretation on it I hope the hon. minister will correct me. I listened very carefully when he replied to the hon. Member for Spirit River-Fairview, and he really mentioned that 'one year or ten years' -- he didn't know what it would be. I say at this point in time, let's not kid ourselves. There is no way we can be looking at a one-year agreement when we are thinking about the kinds of investment that will be made by the large plants that have to go into the tar sands.

I would be very happy to go back and look at it in the Hansard report that we will be getting, because in there you did not make it clear that you would not certainly be expected to look at a one-year agreement.

MR. DICKIE:

Mr. Chairman, I am certainly pleased to clarify it if there is any misunderstanding on that. When the hon. member raised the question I think he referred to one or five years. I think my answer and intention is certainly to say this, that we haven't even discussed the question of royalty with them as to the term, and so forth, but these are the areas that we will be discussing. They might say two, three, four, five, six, seven, eight, nine, ten, but I wasn't going to give a commitment at this time, and I certainly didn't give any indication that we are discussing one year, five years, or ten years; I wouldn't want to be in a position to say that we as a government are committed at this stage. What I was trying to convey was, they may come back with something like that, and that'll be the subject of discussion.

MR. HENDERSON:

Mr. Chairman, I'd like to finish this point before we leave it, because I think it's extremely important. The statement made by the hon. Minister of Intergovernmental Affairs sounds pretty nice and pat, but the question I'm trying to get at is there has to be some sort of a guarantee. Now to stand up and say the government's going to do it, I just don't think is good enough. It said in here they aren't going to do it in the leases, are they going to leave it in the statutes, is that what they're proposing to do, leave the ceiling in the statute? Because the impression that I have gained from the comments of the hon. minister -- the statements in the press -- the statement of the hon. premier -- I couldn't care less about defending what the previous government did under the circumstances that existed twenty-five years ago. It's not particularly relevant to the question I'm talking about, of the absolute essential aspects of having some clear legally-established ceiling that the industry knows that the royalty rates will be on for a certain period of time. Now, it's not going to be in the lease. Do I gather it's strictly the statutory figure in there, and that would be the sum total of the guarantee that's going to exist? Because that's the only other thing I see.

I'd like to point out to the hon. members they're fully aware -- at least I'm sure the hon. minister is, of what existed in Saskatchewan. That government went in unilaterally and through the record of the Legislature, abrogated that contractual commitment that was in the leases and simply rescinded it. Now, how on earth did the hon. minister, or the hon. premier, or any of his colleagues, think that simply putting a statutory limitation in here is really going to mean anything? And I don't even have the understanding yet that

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there's going to be a statutory limitation. And that's the point I'd like clarified, is how are they going to make this commitment? I haven't got it straight in my mind yet that they're going to make a long-term one, the hon. Minister of Intergovernmental Affairs has indicated they're thinking about it, but it has to be made, and in what form are they going to make it because it's extremely important to confidence with the people who are investing their capital in the province. And all the doubletalk that this government has put into this subject has created an awful lot of concern in the decision, and I would say that the only comment I've heard out of industry circles on the proposition that was contained in the White Paper is this basic question. That's the only comment I've heard thus far.

Mainly the concern on this one is about the absolute fundamental nature of this type of a commitment if they expect to retain any confidence in the people who are investing the money in the province.

MR. LOUGHEED:

I'd like to see if there's a possibility that the concern that the -- and perhaps if I can respond this way -- the confusion by the hon. Member for Wetaskiwin might be clarified. If I follow his original comment, in looking at the position paper and referring to pages 32 and 33, I would just like to read it to see if we are talking about it.

We headed it up, Specific Criteria Established for Screening Possible Alternative Revenue Plans, and we then talked about a number of possibilities of extending the length of, and at the top of that page 32 under item 4, Basic Objectives, we say,

"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."

I presume from the earlier remarks made by the hon. member -- which I believe the hon. minister was responding to -- so that what he was arguing is 'that that's not good enough'. What should be said is that some period of years should be stated, be it five, or be it ten, or be it some period in the middle, and that he was arguing, if I understood him correctly -- and I'd appreciate his response to it because it's an important point -- he was arguing that it is desirable for a government to be specific, and more specific than is contained in paragraph 4. I have understood the hon. minister to respond and say that is one of the purposes of the hearing, and we're looking forward to hearing representations on that. There's a number of representations can be made that in a seller's market, it's not necessary to do that; in a seller's market all you need to say is what's stated here, because there are going to be some very major changes in circumstances, including, for example, the degree of development and production that comes out of the Arctic and the Northwest Territories in Canada, and the whole question of offshore exploratory success off Nova Scotia and because of the very major things that are in the wind in a seller's market, it is not in the public interest to be definitive about it.

But to be fair, there's a clear other side of that argument, and the other side of that argument as I understand it -- and as I've heard -- is that we should be definitive as a government -- whether it be five years, ten years or some other period. Now the previous government -- and I fail to understand why we seem to be having difficulty on the point other than the fact that there is initiative -- as I understood it took the position that these matters would be established for a ten-year period and that was the position that they

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took in 1962 and I think that was well understood by the industry. What they took to be the position, and what the public took to be the position was that in 1962 when they established that the rates between 8% and 16 2/3% that the industry could rely on that being the rates for that period of 10 years. That I could understand. But then the hon. Leader of the Opposition and the hon. Member for Wetaskiwin-Leduc get into the question of maximum stipulated rates as a ceiling, that was the second aspect that the former government put on. We argued that it wasn't necessary to do it, they argued that it was. But what we are saying -- perhaps this is where there may be some misunderstanding -- is that regardless of whether we decide to stay with the position of being specific -- in relationship to the wording of paragraph 4 on page 32 -- or whether we decide after we have heard the representatives to be definitive about a period of years -- and I think it's fair to say that we are talking in a range of five to 10 -- that's one thing. But what we are not going to do, and we are in fact going to propose, is an amendment to The Mines and Minerals Act, and this is what was contained in the statement of April 17th and it has always been our intention that when a government -- and let's assume that we took the 10 year period -- when a government 10 years from now, whether it is ours or any other government, comes to a decision that that 10 year period is expired they are not limited by any statutory limitations.

Now it can be well argued, that it is necessary to have both. That you need both the statutory limitations and the lease statutory maximum, and the commitment or undertaking of the government to stay for a 10-year period. We have said that we don't think it's necessary to do that in terms of having any sort of a boxing-in situation of a seller's market from now on with any lease terms. We are clear about that. As far as whether or not we are prepared to stay with the position which is stated there on page 32, or be specific about some period of years between 5 and 10, that's one of the purposes of the hearing. We welcome the views of the people who are coming, we welcome, of course, the views of the hon. Member for Wetaskiwin-Leduc. Is he suggesting -- this is what I was trying to ask him to talk about -- that it should be a specific number of years? I'm interested in his observation. Maybe he doesn't want to comment now, maybe he would prefer to wait until after the hearing, but I would like to hear if he thinks it should be 10, 5 or stated on a basis for an indefinite period, but with the undertaking that it not be altered unless major circumstances occur.

So I hope that there isn't any further confusion. We are talking about two different matters. We're talking about the matter of whether or not we should stipulate a period of years as a government undertaking, that the regulations won't change. The second part -- and the part we are not prepared to accept -- is that there is any need in the future for statutory maximum royalty rate.

MR. BENDERSON:

Mr. Chairman, I would like to respond to that very briefly by saying that I can accept the hon. Premier's hypotheses and analysis of the situation only by arriving at the conclusion that the government is basically writing off the prospect of any further significant investment in the industry. That argument will hold water and it's fine as long as we are talking about the existing industry that stands today, and gain the maximum return from that investment. These industries are on the hook on it. Their only objective can be to try to make the best of a bad situation. Well I have to suggest that the hon. Premier is extremely naive if he thinks that anybody is going to continue to invest hundreds of millions of dollars in the risk industry that this business is in the Province of Alberta, in the future, without some type of commitment as to return. It doesn't have anything to do with the seller's market. It primarily has to do with the other places in Canada and around the world that there's an opportunity to invest money under better terms

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and conditions -- seller's market be damned -- it has nothing fundamentally to do with that question.

I can only conclude from what the hon. Premier said that essentially this government has arrived at the conclusion that the Province of Alberta is no longer particularly attractive from the standpoint of investment of risk capital into trying to find in the first place, then develop, oil and gas reserves and then market them. As a consequence we don't need these particular positions. And he then adds in this other argument that it's because it's a seller's market. And that argument is fine for the present situation, development has taken place and production exists today. But for the future I suggest that the Premier of Alberta has got an awful lot to learn if he really believes that there is not some sort of a guarantee for a reasonable period of time required. I would go on record at this point in time that I think it is, and I think if the hon. Premier maintains this position they'll find out that they're going to have to quit worrying about secondary industry because they're going to have a big job trying to develop primary industry.

AN HON. MEMBER:

Mr. Chairman, a --

MR. CHAIRMAN:

Just a moment, Mr. Wilson has been waiting and after that, Mr. Koziak.

MR. WILSON:

Mr. Chairman, to the hon. minister. Are you prepared to table a detailed statement of the estimated administration costs of the Natural Resource Revenue Plan to facilitate accuracy at the hearings and to prevent extraneous arguments on this point?

MR. DICKIE:

Mr. Chairman, I think I can answer that this way. We have done some preliminary studies on the actual estimates of cost. I would certainly like to say in the next day or two we will look at this question of administrative costs to see if we can't do some further work on it, and advise him accordingly.

MR. WILSON:

Thank you, Mr. Minister. Further, do you not feel there would be some advantage to make a firm statement to the public to the effect you have no intention of reverting back to lifting the ceiling on oil royalties instead of this tentative plan, or amendments thereto?

MR. DICKIE:

Mr. Chairman, I don't know how we can be more clear that this position paper sets out our position. We are inviting representations on that. Now, if industry wants to come back with some representations at the public hearing I think we will entertain them.

MR. WILSON:

So then there is no clear statement that you have no intention of lifting the royalties that are under contract if that is indicated desirable by the industry?

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MR. DICKIE:

Well, Mr. Chairman, I would like to be clear again that we've presented a tentative position paper. We want to have a hearing and hear representations and then we'll make our decision after that time. If you're asking for commitments on any point of the plan at this time I'd say that defeats the whole purpose of the Tentative Natural Resources Revenue Plan.

MR. WILSON:

Finally then, Mr. Chairman, is the hon. minister going to answer some of the other questions that I raised at a later time, or have I had it?

MR. DICKIE:

Mr. Chairman, I would like go back again and we'd like to accommodate the hon. member. What we're trying to accommodate him on is to make sure that if there are questions in the position paper that need clarification, such as the one that the hon. Member for Wetaskiwin-Leduc was misreading, then we will clarify those. If there is information that the Department of Mines and Minerals should provide that the members want at the hearing we should do that. I'm a little disturbed tonight if we start debating the merits of the various points in the plan because it seems to me that this is the purpose of the hearing. We've presented our position paper, it's clear, explicit, and sets out our views and we're welcoming comment on that.

Now, I go back again to the questions the hon. member raises. He raised one on administrative costs. We can entertain that. We've done some preliminary work on it and I think that's a good question and we can deal with it. If there are other questions of that nature that are troubling him, certainly, put them forth. But some of the ones he did raise, and I can't remember them all -- I think he will appreciate that -- entailed debate and that isn't the position we take tonight on it.

We want to clarify for all the hon. members any statements in this position paper.

MR. CHAIRMAN:

Mr. Kozlak is next; Mr. Batiuk and then Mr. Strom.

MR. KOZLAK:

Thank you, Mr. Chairman. Mr. Minister, getting back to the exploratory drilling incentive system that is found in the position paper, the hon. Member for Calgary Bow proposed a question in this regard and looking at this system, if it were adopted, would you feel that it would be fair to say that the results of this policy would be to drive the oil industry underground?

MR. DICKIE:

Mr. Chairman, again if you read the position paper, we would like to suggest, certainly, this is an incentive. If the industry doesn't feel that it is an incentive I am sure they're going to make representations to this effect. We have set forth in our position paper that this is an exploratory drilling incentive system. If the hon. member or any other groups or organizations don't feel it's that way, certainly, we will welcome their submissions.

MR. BATIUK:

Mr. Chairman, I sort of regret that the hon. Member for Wetaskiwin-Leduc has just left but when he had mentioned that the hon. Premier has a lot to learn, it's at least a good thing that the

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Premier indicated that he is willing to learn, and that is why there is going to be a hearing. And I regret that the hon. Member for Wetaskiwin-Ieduc refuses to learn. But if you would look on page 41, however, it should be repeated as stated in section 4 of this petition that; "the government is not firmly committed to this tentative plan and is prepared to make adjustments or even accept a completely different alternative after considering submissions, if it appears in the public interest to do so."

MR. STROM:

I appreciate having that one read because I think it leads up nicely to the question that I would like to ask the hon. Premier. I'll go back to page 39, where I read: "It is therefore suggested that to realize new provincial government revenues in the order of \$50 million to \$90 million in '73, amendments will be introduced to The Mineral Taxation Act with to assess and tax the right to crude oil in the land both under Crown and Freehold interest. The tax would first be imposed for the calendar year '73. The assessment would be based on its fair actual value."

After hearing some of the answers that have been given to questions raised tonight, I get the distinct impression that the position paper really is not saying to the industry that they must accept any of these proposals -- and I'll accept that. But I look at these figures of \$50 million to \$90 million, and I ask the hon. Premier then, does it have any relevance to the proposals that might be made. Is there a feeling on the part of government that they should at least have from \$50 million to \$90 million extra from the industry? Because I think too, it has a very important bearing on what we're looking at.

MR. LUGHEED:

Well, Mr. Chairman, the answer to the question is yes.

MR. STROM:

Well, Mr. Chairman, if the answer is yes, then I'm pleased to hear it as directly as that. Then I can only assume the pressure is on for \$50 to \$90 million, and it's up to the industry to determine how they can best provide it to the government.

MR. LUGHEED:

Mr. Chairman, the hon. Leader of the Opposition can take it any way he wants. The point is that we're pretty clear about it. We've had some criticism that the range is too broad frankly -- that we've set a range of \$50 million to \$90 million which has a breadth of some \$40 million to it and that we should have narrowed it down. But we wanted to show that it was a tentative plan as the hon. minister explained, I think, pretty clearly, and the hon. Member for Vegreville has described in his latter remarks that there was a considerable amount of flexibility. We felt that that wide range in that flexibility would give the industry a considerable scope and the public too, to come in with alternate plans, maybe ones that we hadn't considered at all. Certainly we would hope that they would be plans that would come within the constitutional legal jurisdiction of the province. So that was the reason we established the broad range.

It also, I think, gives an opportunity for the industry to come in with some new approaches, perhaps ones that we haven't even thought of in terms of exploratory growing incentives, and gives us an opportunity to consider whether or not they would fit within that scope. So that is the reason for the range. And it's our best judgment as to the parameters. Again if there were some very, very compelling arguments made on either side during the course of the public hearing and submissions we receive, that our judgment even on

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that score was faulty, we haven't got a closed mind about it. But we did want to answer affirmatively 'yes' to the hon. Leader of the Opposition's question that that's the parameter that we are looking at.

MR. STROM:

Mr. Chairman, inasmuch as the hon. Premier has suggested that the variation is too wide -- is he suggesting it should be closer to the \$90 million? ... Shall it be closer to the \$50 million? I know the hon. Premier said I could draw my own conclusions but really, Mr. Chairman, this is a matter that we are pursuing because I think it is very important to the government, it's very important to every member in this House because it deals with the matter of return on the industry. And I have no objection if the hon. Premier is making this a clear statement at this point in time. Then I really think we could have just as well saved a lot of paper, said to the industry, "We need from \$50 million to \$90 million -- tell us how we can get it." That's really what we are simply saying this evening.

MR. NOTLEY:

I'm wondering if I could pose a supplementary question to perhaps either the hon. Premier or the hon. minister. And this follows something that I raised before and it deals specifically with the \$50 million to \$90 million the hon. Leader of the Opposition is talking about. If I understand the hon. Premier's answer correctly to the hon. Leader of the Opposition's question, which was, "is this going to be left up to the industry?" And your answer, if I recollect was, "essentially no", that you in fact have some yardstick to measure this \$50 million to \$90 million. My question to either one of you is just what is that yardstick? There must be some levy rate that you have worked out in your mind or that the department has worked out. I think it would be informative to all of us in the Assembly if we knew what that was -- a 1% figure, or half of 1%, or what in fact the rate is and how you plan to apply it.

MR. DICKIE:

Mr. Chairman, that is a good question. We can certainly answer that because I think the hon. members should be enlightened on it. I would preface my remarks with the difficulty we have had, in that if we are talking from a legal standpoint and are concerned about the actual attacks on production, we have to avoid any, I would say, reference to try and work out the formula that we have relating to production. So I suggest to the hon. member for comparison purposes, what we were looking at was a royalty, say between 19% and 24%. The figures -- I'm sorry that was 23% I should say -- the figures that we have in that shows that if for the year 1973, our current average where a rate of crude oil royalty of 15% were increased (a) to 19%, the increase would be \$46.4 million; (b) to 23%, the revenue increase would be \$92.8 million.

MR. NOTLEY:

I understand that point, Mr. Minister, but the supplementary question again I would pose to you is, that's fine, we understand the yardstick as it applies to royalties. But of course, your proposal doesn't relate to royalties. It is a mineral assessment tax on the reserves. My question to you is how do you relate the figures you have given to us to the mineral reserve tax? Is it going to be a 1% tax on recoverable reserves or just what is the mechanism? This is my point?

MR. DICKIE:

Mr. Chairman, in answer to that I think we would like to explain that we visualize an assessment of the reserves. That will be a tax

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roll -- a mill rate is struck on that after the amount is established.

MR. NOTLEY:

Are you in a position to advise us as yet as to what that tentative mill rate will be? Have you done enough research? We know approximately what the reserves are from the Energy Resources Conservation Board, so do you have a ballpark mill rate figure that you can throw out for discussion?

MR. DICKIE:

No, we don't have a ballpark mill rate figure. That will depend on the figure between the \$50 million and \$90 million that we settle on.

MR. MOORE:

Mr. Speaker, I don't have any specific questions to the hon. minister, but representing a constituency that does, in fact, have a large degree of interest in the oil industry, and in view of the fact that some major oilfields in the Province of Alberta lie within that constituency, I would like to make some observations to the hon. minister with regard to the Tentative Natural Resource Revenue Plan.

I have, in recent days, received a number of submissions and observations from individuals that I represent, giving views from both the idea that we should collect as much as we possibly can from this kind of industry, and also the view that the jobs that are provided, particularly in rural Alberta, in relation to seismic activity and oil drilling and pumping and all those things, has to be maintained, and if possible, stepped up.

I think I have a very balanced concern from many of the people I represent that we should, in fact, look at this situation as being one that is balanced between having industry in Alberta looking for new discoveries and putting the economic return into the province in terms of jobs and expenditures, and on the other hand, securing that possibly \$50 million to \$90 million that we might use in the field of either education or health, or more particularly in developing secondary industry in the Province of Alberta in relation to the hon. Minister of Industry and Commerce's plan of industrial strategy.

Some of the comments that have been made tonight, Mr. Chairman, frankly made me wonder whether, in fact, the hon. members had studied the position paper and had really looked at it in relation to what it is -- a Tentative Natural Resource Revenue Plan. The hon. Member for Calgary Bow is concerned about statements attributed to certain newspapers that 20% of the drilling activity would be gone. I want to say that the part of the tentative position paper that outlines an incentive program for new discoveries is certainly one that has been welcomed by all of the people that I have talked to as a tentative position of this government.

I think, Mr. Speaker, the comments that that document of so many pages -- which is probably a waste of paper -- are a little radical when you realize that not more than four weeks ago the people of Alberta had no idea that the ceiling on oil royalties were locked in for as far ahead as 1984 in some cases at a level of 16 2/3%. Certainly you can't have a meaningful type of hearing or a meaningful type of input from either the general public or the industry in an open discussion unless the government fulfils their responsibility of bringing down a tentative Position Paper, which, in my view, is a basis for some genuine concerned discussion, out of which should evolve a policy that would, make the general public of Alberta and the industry as well happy to continue not only living, but investing, in this province.

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MR. DICKIE:

Mr. Speaker, I certainly welcome the serious and well-expressed thoughts of the hon. member, and certainly he brought to our attention some of the concerns of his constituency. The word that he used that stuck with me was the word balance, and this is what we have to do is to keep the proper balance. I think the Position Paper sets it out clearly and explicitly that what we're looking for is a fair and reasonable return. What is that fair and reasonable return? To all hon. members, I suggest that that's a judgment decision. That judgment decision will be made after the public hearings. The hon. members here tonight might express an opinion on what their views would be on that. We've set the parameters from \$50 million to \$90 million and the decision will have to be made after that time.

MR. FOSTER:

Mr. Chairman, referring to page 38 of the submission that we have been discussing this evening, on the bottom of the page it refers to the fact that the government noted two important facts. One is, "All existing petroleum and natural gas leases, including those with maximum royalty limitations contain the following significant provisos." And then it goes on to two and so on. My question to the minister is, when did the minister first become aware of this provision in all existing petroleum and natural gas leases containing this?

MR. DICKIE:

Mr. Chairman, I can't specifically tell you when I first became aware of that provision. I've been looking at leases for a number of years. I was probably aware of it the first time I read the leases, which as I say, goes back many, many years. I think the point that we're trying to stress here is to bring it to the attention of all the people that have leases and to all the members of the public that this lease provides for a tax at a later date. And that's expressed some of the concerns of the industry, that they wouldn't be taxed at a later date, and we're suggesting to them by this clause that specifically when they took the lease out, irrespective of what date they took it out, they realized that there could be taxes after that time.

MR. FOSTER:

A follow-up question then. Did you have any input into the preparation of the Premier's statement on April 17th?

MR. DICKIE:

Yes, Mr. Chairman, I can say I did. I worked with him on the Position Paper as well as the statements relating to the Position Paper.

MR. FOSTER:

Well then, a final question. Why was not this section mentioned in the statement made on April 17th?

MR. DICKIE:

I think you can ask why some of the other statements -- we felt that the statements were very clear and explicit. I think the Position Paper is clear and explicit. I don't know how else you answer a question of the nature of the one you asked.

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MR. RUSTE:

The only reason I raised it, Mr. Chairman, is that in the Premier's statement on April 17th, he referred to a locked-in position, but conveniently or otherwise, he didn't mention this factor where there was an increased availability.

MR. DIXON:

One or two questions, Mr. Chairman, to the hon. minister. It's been established tonight by the hon. the Premier that really what we're looking for is about \$50 million to \$90 million of extra revenue from the oil industry. Now, if we face facts at all in Alberta, and that's what we're here for, there's the fact that we're dealing with five of the major companies, whether the land is freehold or whether it is government. They're the ones that are doing the greatest business as far as the oil industry is concerned and they're the ones that will be paying the greatest amount of any royalty increase, or any assessment problems.

So my question to the hon. minister is, have any of the major companies, or the major five companies operating in Alberta, made any overtures to you, Mr. Minister, or to your government, that they would prefer that the government stick with the royalty issue rather than assessment of oil in the ground? This is my first question.

The other one has to do with assessment. Maybe you are not in a position at the present time to answer this, but maybe you could take into consideration, as to what the government's plan would be. I am sure if they do start assessing oil in the ground, the argument is going to be that where the well spacing is greater than 40 acres those people, before they will accept assessment, will probably want to ask the government to reduce the higher space allowable to a lower spacing, in order that they can get a more accurate assessment of their field. I was wondering if the government would look favourably upon allowing them to do this, to bring the spacing back down to where they would have a more accurate idea of the oil in the ground before assessment is placed against them.

MR. DICKIE:

Mr. Chairman, I would say first, in respect to the first part of the question, where he talks about five oil companies, I think in our Position Paper we have analysed 30 of the companies, and show that they are contributing 95% of the oil revenue to the province at that time. So we are talking about 30 companies.

In respect to the consultation we have had, the companies are represented by CPA and IPAC I have had, of course, various meetings with them from time to time, dealing with various aspects of the petroleum industry. We didn't discuss with them the Position Paper before it was introduced to the members of the Legislature, either with IPAC or CPA.

MR. DIXON:

Mr. Chairman, you haven't had any informal discussions with them since this report was brought to the Legislature?

MR. DICKIE:

Following the report that we tabled in the Legislature, we have had discussions with them. I would say, in essence, the discussions concerned the procedure that was followed since that time. I met with them last Monday and advised them of the decision of the committee of the Legislature with respect to the public hearing, when it might take place, and the various aspects of the hearing.

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MR. DIXON:

Getting down to the original question I asked you then, they gave you no inference as to whether they favoured royalty over assessment at that time?

MR. DICKIE:

Mr. Chairman, I can say this, that there has certainly been no representation by the two official bodies, IPAC or CPA, as to their preference. I think we are looking forward to this being made in their submissions to the hearing.

MR. TAYLOR:

Mr. Chairman, I want to make one or two comments. We hear a lot of comment from the government side of the House about the terms that are in the leases. I think the government members and the government have to ask themselves, have we been happy with the amount of capital that has gone into exploration and into the industry? The jobs it has created, etc., over the past several years? Because if we are, then I think we have to say that that was done because the industry was given that promise of stability in their lease. Without that, the money would not have been invested. Consequently, I think the hon. members have to ask themselves whether or not the terms of the lease have brought buoyancy to the economy of the province, as against having none of that money invested in the province at all.

If the government members feel as strongly as they appear to think about these leases, they have the manpower, they have the legislative authority to change this by legislation, if they wish to do it. So, I am getting just a little tired of hearing the complaints about it. If they are serious about it; if they want to put their legislation where their mouth is, well that's fine. But, let us not keep complaining about it and then refuse to take the action that is available to them. I am not suggesting this action -- I agreed with the setting of this maximum in 1962. And so did the Conservative member of the House agree to that, too, and the hon. members are a little shy about admitting that over the years. The members who were in this house were urging us to do this type of thing -- not crying because it was done. And, the hon. members now are trying to cast blame on something that has brought millions of dollars into this province, and created thousands of jobs -- manhour jobs -- over the past few years.

The next point I'd like to mention is that, earlier tonight I did suggest a flexible royalty on coal, and I was thinking about industries that are already established here, it's not the case of bringing them in. They're here, their investments are made, and I can't see anything wrong with a flexible royalty on coal under those circumstances. The investment is made as long as that flexibility is fair, and is for a reasonable length of time, so there is some stability. I think this is a good feature. But, it's hardly applicable to the petroleum industry, where we want people to come in and invest their money to explore for more petroleum. I think that's an entirely different situation in connection with this. Now, I think the government has to ask itself if the \$50 million is the minimum amount it's going to accept. I shouldn't say "ask itself", it has apparently thought this out and has said we want at least \$50 million, or, if possible, \$90 million, but we want at least \$50 million. If that is the case, where they could change the royalty basis, they would change it to 19%; if they wanted the \$90 million they would change it to 22% or 23%. Is this just talk or would the government be prepared to do that? Is the government prepared to do that? I think this is what the industry has to know, and what the people of the province have to know. Failing the government taking the action that is available to it -- to bring in legislation making it necessary to renegotiate all of these leases -- failing that the \$50 million or the \$90 million -- must be secured under the new tax,

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under the acreage tax, and the assessment of the present wells is pretty well known.

The hon. minister stated that the mill rate would be struck, and so in effect, the government is saying we are going to establish a maximum rate -- whatever that mill rate happens to be -- to produce \$50 million, \$75 million or \$90 million, whichever figure they finally arrive at, but at least \$50 millions of dollars. And so that becomes a maximum. Now, there is a provision made for people who come in or people who invest their money in exploring to have a five-year exemption from this assessment. I think that is something we should take a very careful look at. Enticing people to come in under different conditions from those that are already in. I don't think this is right at all. This exploration cost is a deductible feature, whether it's an American or a Canadian company, it can get the deduction from the taxes it pays in this province as a cost of production; and, if we simply say to them, we won't charge you anything for five years, all it really means is that we're saying to the senior government, whether it's American or Canadian, you can have this amount of money -- we don't need it in the province of Alberta.

Why shouldn't we levy the regular assessment on exploration? Because really, that isn't what's going to entice them to risk large sums of capital. What's going to entice them to risk large sums of capital in exploration is some stable long-term policy in which they can hope to get back all of their capital plus a reasonable return. And that's free enterprise. And if we don't provide that in our terms of lease, and in our legislation -- and certainly if I was investing the money, I'd want it in my lease -- an agreement with ... and if the government is not going to do that, then I think you can, as the hon. Member for Wetaskiwin-Leduc said, say goodbye to the millions of dollars that could come into this province through explorations. Because people who are going to invest large sums of money are going to have pretty good assurance that they are going to get that capital back over a reasonable length of time, plus a reasonable profit. If that reasonable profit isn't there they will invest in something else and not take the risk at all. We have to realize that this is risk capital. To say to them, "we'll give you five years tax free" I think is a very bad policy. Let them pay the costs of running this country the same as anybody else. Let them put it down as a charge of the operation. Why should the Alberta government not get that revenue? Let the enticement be terms and conditions that will insure that they will get their capital back, plus a reasonable amount of interest over a reasonable period of time. If that is done, and that is not put in the lease then I think we are going to find that we are not going to get very much risk capital for exploration, the money will go elsewhere. If I had a million dollars and was going to invest, if I would certainly want to be reasonably sure that either I or heirs would get that million dollars back plus a reasonable return. I think that this is what anybody who has large sums of money, who is investing it, will ask. I think our people will accept that type of an arrangement. I think we have to be very careful in this. I don't think our talks should be too loose on it because we may well be driving capital out of this province and driving it elsewhere. If that happens I think the government will have to take the responsibility.

MR. DRAIN:

I just wanted to mention --

MR. CHAIRMAN:

I believe Mr. Notley was next, he had his name on the list.

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MR. NCTLEY:

If the hon. member wants to ask a question I defer to him to ask a question.

MP. DRAIN:

This is very, very brief, Mr. Chairman. I'm wondering in view of the long discourses that we are having on this particular appropriation that it might not be necessary to think in terms of an extra mill in relation to the oil revenue. Having regard for the fact that this operation costs -- as near as I can calculate roughly and conservatively, -- \$97 a minute. So I say let's get the production line rolling.

MR. NCTLEY:

Mr. Chairman, I would like to make a few observations on the tentative position paper. I'm sorry that the hon. minister wasn't able to answer all the questions. I know that he had quite a number thrown his way. But there are several that I am going to pose during my comments and I would appreciate it if perhaps he would answer them afterwards.

I view the tentative position paper from a somewhat different vantage point than the other hon. members. But I think it's important that those of us who do have strong views on this matter, Mr. Chairman, make our views known and of course now is the time to do it because during the hearings it's important that we give as much time as possible to the people who actually want to make submissions. Because I don't intend to debate the issue during the submissions I feel that I should make some observations on this matter tonight.

As I have already indicated, I believe that the industry can pay considerably more than the amount reckoned by the tentative position paper. It should be noted first of all, Mr. Chairman, that the cost of production of oil in Alberta, according to the oil industry itself, is considerably lower in Alberta than in the United States. I use the comparison of the United States because we do, as the hon. Member for Wetaskiwin-Ieduc pointed out, have a considerable export market in the United States. I think that the comparisons with the Middle East or Venezuela may be inaccurate. But certainly the comparison with the United States is indeed a reasonable comparison. Oil Week points out in the February issue of 1972 that the costs of production in the United States average at \$2.04 a barrel compared to \$1.01 a barrel in the Province of Alberta. So we do have a competitive advantage. As a consequence of this competitive advantage, Mr. Chairman, the net income of the oil companies is rising very sharply.

In 1970 the difference between their gross revenue and their expenditures in this province, again from figures cited in Oil Week, was \$281 million. That rose to \$389 million in 1971 and Oil Week estimates for 1972 suggest that this gap will reach some \$653 million. That's a very considerable change in the net income position and perhaps it's borne out by the fact that we are now in a seller's market.

Consequently we are in a position to drive a somewhat different bargain than was the case in 1962. Frankly, I think there's little to be gained, Mr. Chairman, from arguing over what was done in 1962. The whole set of conditions were completely different. We had a buyer's market in 1962; we have a seller's market today. What was reasonable in 1962 may not necessarily be reasonable today and I think we have to recognize the change that has taken place in the last decade.

It's also important to point out that most of the drilling that is done in this province is not done by the large oil companies as I believe the position paper admits. Most of the drilling is done by

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the small wildcatters and, in large measure, these people are not developing new leases but are working on farm-out agreements where they take over leases that are actually held by somebody else. And the normal farm-out agreement is that the smaller company not only pays the Crown royalty but usually pay a royalty equal to the Crown royalty to whoever the leaseholder may be. And in some cases, Mr. Chairman, in addition to that, there is a 50% conversion figure that if the wildcatter hits a good area and a major strike then the major leaseholder can convert his share into 50% of the profits. So that most of the drilling today is done by smaller concerns that are already paying substantially larger royalties than those presently collected by the Crown. But the point is, instead of the Crown collecting this double royalty, half the royalty goes to the major leaseholder.

Also since 1962, Mr. Chairman, it must be remembered that there have been two major price increases, 13 cents a barrel and 25 cents a barrel. Price increases that represent a total of 38 cents a barrel in the last decade.

Now, you may say the costs have gone up. Unfortunately that is not the case. Production costs have gone down. In one year, between 1972 and 1971, again using Oil Week statistics and I think they're fairly accurate, they represent at least the industry's point of view, the average production costs in this province have dropped by 16 cents a barrel.

So in many ways a rather substantial increase in royalties, substantially larger than the amount suggested in the tentative position paper, would just bring us back to where we were in 1962, and bring us back to what our present seller's market position offers us, an opportunity to achieve.

Now that's the first proposition that I make, that the industry can pay considerably more. I personally feel that an increase of 50 cents a barrel would yield a great deal to the province and is certainly within the ballpark of what the industry can absorb, considering their net income; considering the price increases; considering the competitive advantage that we presently enjoy over American oil companies; and considering the increase in the world market, occasioned by the negotiations of the OPEC countries.

Now the second criticism I would make about the tentative plan is that there isn't any indication about how we plan to protect the consumer. I suggest that this is unfortunate because we do have an excellent report which was tabled in this Legislature three years ago. It's the McKenzie Report on Gasoline Marketing.

The McKenzie report on page 624 outlines a number of points which I think are worth noting. It suggests that it's time we had a Canadian controlled integrated oil company, either owned by the government or in co-operation with Canadian entrepreneurial interests which could compete with the major oil companies and, as a consequence, inject some genuine price competition into the marketing of gasoline products in our province. I suggest that that is one route we should examine -- page 624 of the McKenzie Report on Gasoline Marketing.

Still another route is the suggestion which was made to me by the Uniform district manager in my own constituency. In checking out other provinces I find that a somewhat similar situation exists in Nova Scotia where oil and gasoline prices come under the public utilities board so that before any price increases are allowed these price increases must be justified. In other words the state steps in and regulates in the same way that we now regulate power rates or utility rates generally. This to me, Mr. Chairman, is one of the areas we should examine because there is a great deal of concern in this province that even with the \$50 million to \$90 million rate that

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the government is talking about, that this will simply be passed on to the consumer, and that the consuming public of Alberta will be paying more. Now I realize and most of the hon. members here realize that the bulk of our oil production is not consumed in this province and that we would gain far more as taxpayers than we would lose as consumers, even if there weren't any protection. But this doesn't constitute in my judgment, Mr. Chairman, an adequate argument as to why there should be no steps spelled out as to what we can do to protect the consumer.

The third point that concerns me about the mineral assessment tax is that it seems to me that unless we know the number of step-out wells, that in actual fact, we're going to be taxing on a declining basis, because the mineral assessment tax is based on the reserves. The reserves are dropping. Last year for example, according to the Energy Resources Conservation report, we had 356 million barrels of production, but our new finds constituted only 52 million barrels. A net loss in our reserves of one year, of some 300 million barrels. Now if you add to this, a very generous step-out allowance, it seems to me, Mr. Chairman, that that assessment base is going to decline over the next five years. Now my question, and this is a specific question that I would like to pose to the minister, is that if this \$50 million to \$90 million figure is to be sustained over the next five years, they are going to have to look at a flexible mill rate. Because if the reserves do drop and the step out wells are such that the new reserves found are going to be largely royalty free and free of this mineral tax assessment, then we've got to be able to adjust our mill rate upwards, or in actual fact, the total revenue collected, which I think is the thing that interests most people in Alberta, will decline. I would ask the hon. minister whether or not the government is in fact considering a flexible mill rate and whether this will be part of their final decision.

Still another area that in my view needs to be examined again is something that the hon. Member for Drumheller raised. He talked about the incentives to stimulate new production. I agree that the royalty free period and the mineral tax assessment period of five years is an unwise move.

Also, Mr. Chairman, as I pointed out, the farm-out agreements already mean that the big companies are collecting a double royalty. By us surrendering our Crown royalties, are we really providing that much incentive, or perhaps are we giving the little companies just a bit of an added boost to get on and do the dirty work for some of the larger lease holders who have been sitting on their leases for far too long a time?

I really feel that we have to take a second look at this whole question of the royalty and mineral tax-free period of five years.

A further concern of mine, Mr. Chairman, is that we are not going to be dealing at the hearing with the whole area of natural gas. To me this is fundamental. If the legislature is to make a meaningful decision on this matter at all, we've got to examine natural gas. If we don't, then it seems to me the hearings will be an exercise in futility, because natural gas is going to be, in my judgment, one of the major issues that will dominate the economic decision making process of this province in the next decade. It's my submission that as a legislature, we should be examining the natural gas question as well. I'll make an additional comment on that as well in a moment.

But there is one point that I'd like to make in relation to the natural gas question. We heard a lot about the need for natural gas export. I have stated my opinion on this issue during the Budget Debate, so I don't intend to prolong the discussion tonight, except to say that a few weeks ago there was an article in the Edmonton Journal which told the rather sad story about the state of Louisiana,

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where the Governor of that state was bemoaning the fact that easy export decisions that had brought in a good deal of revenue in the short run for Louisiana, had in fact, left that state in a very precarious position, and that now they were actually running short of natural gas.

I would hate to see that sort of situation happen in Alberta because there is considerable evidence today that our long-term natural gas reserves are not nearly as adequate as we might like to think. A number of very reputable petroleum engineers at the University of Alberta have made, what seems to me, a pretty strong case that we have to take a close look at this whole question of natural gas export. Even our own Energy Resources Conservation Board Report which shows that in 1968 we had 44 years supply, in 1972 that had dwindled to 28 years supply, surely must confirm the need for a second look at the whole export of natural gas picture.

Finally, Mr. Chairman, we hear a lot about developing secondary industry. There is really no doubt that we must make a major leap forward in the next decade. If I agree with the hon. Premier on anything, it is that I think his observations about this next decade are, in fact, correct, that unless we move from what is essentially an economy based on primary industry, to the secondary industrial stage in this decade, we are probably not going to do it. That is why I believe that we have to examine our resources, not one by one, but in total, because surely one of the most important aspects of developing an industrial strategy for the next decade in this province, is the use of our energy resources. These are our trump cards. These are our trump cards in the whole game of industrialization. So therefore, Mr. Chairman, I must come to this conclusion -- and I say this quite sincerely -- I believe that the decision the government makes this year will be a watershed decision. When we had the debate on the resolution, as most of the hon. members recall, I voted against the question of having a public hearing for a number of reasons that I won't go into tonight. But, now that those public hearings have been set, we are, I think, in a rather difficult position because I personally feel that they should be longer. I feel that they should be as long as is necessary to really adequately look at this question. But may I make one suggestion at this time? My suggestion is this -- and I ask the hon. members across to consider it -- that we defer the royalty hearings until the fall, until we have the report of the Energy Resources Conservation Board Hearings on the whole question of pricing of natural gas, so that we can look at the total picture. I am not especially concerned about coal, I think this is something which is separate. But I certainly believe that natural gas is fundamental to any real assessment of our energy resources and along with that, Mr. Chairman, I would suggest government should extend for one year the present royalty arrangements, without any questions. arrangements. Then when we get the report from the Energy Resources Conservation Board Hearings in the fall, we can take whatever time is required -- a week, two weeks, three weeks, a month, whatever the case may be -- to have an adequate discussion. . .

MR. FAPRAN:

May I ask a question --

MR. NCTLEY:

When I finish --

MR. FAPRAN:

I'm not asking when I can go to bed, but did I hear you right in saying that you wanted to postpone the oil hearing? Didn't you vote for them the other day?

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MR. CHAIRMAN:

Mr. Notley has the floor. Please make it short in continuing.

MR. NOTLEY:

The hon. member can ask the question when I complete my remarks. I would love to answer his question; as a matter of fact, as long as he likes to ask questions, I would be just as happy to answer them.

In any event the submission that I make, Mr. Chairman, is that we take whatever time is necessary in the fall when we have the report of the Energy Resources Conservation Board hearings, so that as a Legislature we can look at this matter, not piecemeal, but in total. I know that there are going to be a number of arguments advanced, as to why this can't be done. It will be said that many of the groups will be inconvenienced. Well that may be true, but I am sure that these groups would be the first to say that they would rather be inconvenienced so that we can make a decision on this in total, rather than us making a decision on only part of it when we really should be looking at the whole picture.

Secondly, the argument will be advanced that the industry needs to know where it stands. This is one of the reasons why I should advocate the extension of the present agreement for another year. But I think we have to recognize, Mr. Chairman, that while there is an argument for stability, and no one says there isn't, the oil industry operates around the world, and it operates under conditions which are far less stable than we have in Alberta. They make a great deal of money in these other areas. We're not dealing with pansies, Mr. Chairman, we're dealing with hard-nosed businessmen. We're dealing with businessmen whose competence I respect, and I frankly suggest that we're not really going to scare them away by delaying this question so that we can have 'meaningful discussions' looking at the 'total picture of energy resources'. I say that without any sense of apology, Mr. Chairman, because what is at stake here, in many ways, is the future of this province. The decision we make is so vital, especially when you consider the need to relate our energy resources to the total question of industrial development.

MR. BAFTON:

May I ask a question to the hon. minister as to whether the information on experimental projects on Coal Lake and Wabasca tar sands is confidential, supplied by the government, or can they be released to individual members of the Legislature?

MR. DICKIE:

Mr. Chairman, I'm going to get that information for the hon. member and I'll be able to relate it to him. I can't say at this time, not having the answers to those questions.

MR. STROM:

Bill No. 54, I notice, is now on for leave to introduce. Will this bill be introduced within the next day or two? The reason I am asking, I take it that if it were introduced the industry would be able to look at the bill. This is the Mines and Minerals Amendment Act.

MR. DICKIE:

Mr. Chairman, we are considering that. We haven't set the exact date, so we'll take it into consideration at the hon. member's request.

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MR. STFCM:

That's good, but you're not sure whether it will be in the next day or two, or early next week?

MR. DICKIE:

I would just not want to be specific tonight as to what day. I will check with the Government House Leader on it and find out the position we will follow.

MR. STFCM:

Mr. Chairman, another question that I'm a little bit concerned about is this matter of assessment. The minister has outlined the procedures that will be used, but do you not anticipate a great deal of difficulty in the matter of assessment for taxation purposes on oil that is under the ground?

MR. DICKIE:

Mr. Chairman, I think that's a good question, and certainly in my discussions with the Minister of Municipal Affairs and my experience as an alderman, it would indicate that all assessments at any level are difficult. I can, however, say in respect to the Energy Resources Conservation Board that they have followed roughly the same type of procedure to realize the revenue that they require. In my discussions with them, they haven't experienced that much difficulty. So we do suggest that the experience that they have had would indicate that the assessment is workable, that there could be objections taken as to what is fair actual value, and we appreciate that. But it's done in the municipal area today, it's done by the Energy Resources Conservation Board, and it's a type of procedure that is acceptable. I had one other point that I was going to add on that, but it slipped my mind right now.

MR. STFCM:

A last question on that. Has the industry expressed any concern about the matter of trying to assess oil under ground?

MR. DICKIE:

Mr. Chairman, I think I'd have to answer that and say different individuals have expressed some concern about how they were going to assess it, but I think the answer to that is industry itself buys and sells reserves every day, and they have to determine some figure for those reserves that they buy and sell, and it certainly goes back to the fair actual value -- what a willing seller would be willing to sell, not being obligated; and a willing purchaser, not being obligated, won't pay.

MR. TAYLOR:

Mr. Chairman, would the assessment be made on the amount of oil in each particular reserve at a certain time each year?

MR. DICKIE:

Mr. Chairman, that is a question we have discussed, and I think it is a good question. We anticipate that we will follow the practices followed by the Energy Resources Conservation Board as to a particular day those reserves will be assessed.

MR. TAYLOR:

Would there also be a tendency, when the oil companies were before the Conservation Board to place the lowest possible figure? It is like when the assessor comes to your house -- if you know he is the assessor, you run down your house, you don't tell him all the

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good things about it. You get the lowest possible assessment. If somebuddy comes to buy it, it is a different thing entirely, everything turns wonderful. Would you not have the danger of that same thing existing?

MR. DICKIE:

I think that is a question dealing with the assessment and an administration problem. Certainly the assessors will have to face that kind of a situation if it did arise.

Appropriation 2007 agreed to \$ 592,800

<u>Appropriation 2008</u>	Mineral Tax Division	\$ 155,980
<u>Appropriation 2010</u>	Technical Division	473,530
<u>Appropriation 2011</u>	Abandonment of Mining Properties	30,000
<u>Appropriation 2012</u>	Redemption of Mineral Titles	42,000
<u>Appropriation 2013</u>	Clay and Marl Crown Lease Act	5,500
<u>Appropriation 2015</u>	Supervisory and Safety Training Programs	3,600
<u>Appropriation 2020</u>	Oil and Gas Studies	100,000

MR. TAYLOR:

Mr. Chairman, I wonder if we could have the usual question answered. Is there any money in here for task forces?

MR. DICKIE:

I'd be glad to answer that, Mr. Chairman. No.

Total Income Account \$1,858,530

MR. HYNDMAN:

Mr. Chairman, I move the committee rise, report progress and beg leave to sit again.

HON. MEMBERS:

Agreed.

* * * * *

[Mr. Deputy Speaker in the Chair.]

DP. MCCRIMMON:

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

MR. DEPUTY SPEAKER:

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

HON. MEMBERS:

Agreed.

MR. ICUGHFEED:

Mr. Speaker, I move the House do stand adjourned until tomorrow afternoon at 2:30 o'clock. Agreed?

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HON. MEMBERS:

Agreed.

MR. DEPUTY SPEAKER:

The House stands adjourned now until 2:30 tomorrow afternoon.

[The House rose at 11:20 pm.]

