

LEGISLATIVE ASSEMBLY OF ALBERTA

Wednesday, April 4, 1973

[The House met at 2:30 c'clock.]

PRAYERS

[Mr. Speaker in the Chair]

INTRODUCTION OF BILLS

Bill No. 212 An Act to amend the Ombudsman Act

MR. LUDWIG:

Mr. Speaker, I beg leave to introduce a bill being An Act to amend the Ombudsman Act. This Act extends the principle of ombudsman to deal with municipalities and school boards.

I would like to point out that the first speech on the issue of ombudsman was given in this House approximately ten years ago. It took four or five years to convince the previous government as to the merits of the provincial ombudsman.

I believe, Mr. Speaker, that if I were successful in convincing the previous government to bring in a bill on a very new concept, that now that this issue is well known and recognized throughout Alberta and Canada, perhaps I will be successful in convincing this House as to the merits of extending the services of an ombudsman to municipalities and school boards.

Mr. Speaker, I wish to introduce this bill.

MR. SPEAKER:

May I respectfully remind the House that on the introduction of bills only a brief summary of the content of the bill is permitted according to the rules.

[Leave being granted, Bill No. 212 was introduced and read a first time.]

Bill No. 213

An Act to amend the Credit and Loan Agreements Act

MR. NOTLEY:

Mr. Speaker, I beg leave to introduce Bill No. 213, being An Act to amend the Credit and Loan Agreement Act. Mr. Speaker, the Act deals with those companies engaged in collecting information about financial ratings of individual Albertans. It has four main features.

The first is that no collection of information can go ahead without written consent of the individuals being investigated.

Secondly, no release of the information can take place without written authorization of the persons involved.

Three, once a year a copy of all the information must be sent to the individual.

And finally, if the individuals request that the files be destroyed, they must be destroyed.

[Leave being granted, Bill No. 213 was introduced and read a first time.]

INTRODUCTION OF VISITORS

MR. ADAIR:

Mr. Speaker, it is my distinct pleasure to introduce to you and through you to the members of this Assembly, three distinguished guests in your gallery, the Speaker's Gallery. Miss Gabriella Guzman of Mexico City -- Miss Guzman is the daughter of the former Mexican ambassador to Venezuela and is currently chief of protocol for the National Museum of Anthropology in Mexico. Miss Guzman is in Alberta as a guest of the Metis Association of Alberta and is accompanied by the president of the Metis Association, Mr. Stan Daniels.

I am pleased to introduce to you Mr. Reg Worthy, also in the Speaker's Gallery, the director of Aboriginal Affairs for the State of Victoria in Australia. Mr. Worthy is in Alberta, Canada and the United States for some two to three months to look at our way of doing things. It's my pleasure to ask these people to stand and be recognized by the Assembly.

DR. BOUVIER:

Mr. Speaker, again this afternoon it is my pleasure to introduce 24 Grade 9 students from the Peter Pond School in Fort McMurray. They are on an educational tour in the capital. They are accompanied by their teachers, Mr. Bob Crow, Mr. Ken King and Mrs. Linda Brooks. They are seated in the public gallery and I would ask them to stand and be greeted by the House.

MR. YURKO:

Mr. Speaker, I have indeed a substantial pleasure in introducing to you today and to the House 103 Grade 9 students from the favourite school in the constituency of Edmonton Gold Bar, that is the St. Gabriel School. I must say that I have some degree of association with the school, having spoken there on several occasions. And sometimes I sense perhaps a slight, oblique relationship to the name of the school, the same as, perhaps, the Member for Calgary Mountain View.

But I want to indicate that with the 103 students from the school in the Assembly here today are their leaders and teachers, Mr. Paul Stuert, Mr. Tomko, Mr. Sherban and Mrs. Doucet. Seventy-five of these young citizens are in the members gallery, and twenty-eight are in the public gallery. I would ask that they stand and be recognized by the House.

MR. TAYLOR:

Mr. Speaker, I have great pleasure in introducing to you and through you to the hon. members of the Legislature a very distinguished lady from Standard, Alberta. I refer to Mrs. Elizabeth Pedersen, who is sitting in Mr. Speaker's Gallery.

Mrs. Pedersen has a distinguished career of public service. She is presently president of the Women of Uniform, a member of the Senate of the University of Calgary, a member of the Rural Extension Education Advisory Committee and a member of the REDA Educational Council. Mrs. Pedersen has played an active part in the development of our province, and has consistently gone the second and third mile in order to help to build Canada and Alberta on a solid foundation. Mrs. Pedersen has exceptional leadership ability which she uses in the interests of others.

A few years ago, Mrs. Pedersen, had it not been for illness, almost ran against me in the Drumheller constituency. Fortunately for me, she didn't because she would likely have been on the floor today and I up in the public gallery, and she would be introducing me. I would ask Mrs. Pedersen to stand and I am sure every member of the Legislature will give her a hearty welcome to this Assembly.

FILING RETURNS AND TABLING REPORTS

MR. YURKO:

Mr. Speaker, I wish to table Sessional Paper No. 202.

MR. LEITCH:

Mr. Speaker, it's my pleasure to table a report which I received yesterday from the Institute of Law Research and Reform dealing with expropriation.

MR. PEACOCK:

Mr. Speaker, I wish to table Sessional Paper No. 207.

MR. DICKIE:

Mr. Speaker, I would like to table a Return requested by the Assembly, being Return No. 200 on the motion by the hon. Leader of the Opposition.

DR. WARRACK:

Mr. Speaker, I would like to table the Returns for two motions, No. 208 dealing with correspondence relating to Lesser Slave Lake Provincial Park, and secondly, No. 217 that has regard to information and analysis of studies respecting the hen pheasants of Alberta.

ORAL QUESTION PERIOD

Conference Observers

MR. HENDERSON:

Mr. Speaker, I would like to address a question to the Premier. I wonder if the Premier could advise the House if he has had any indication as to whether the eastern provinces are going to have observers in attendance at the forthcoming Western Economic Opportunity Conference?

MR. LOUGHEED:

Mr. Speaker, at this stage we have no information as to what the ultimate decision will be regarding observers. I understand there has been some discussion raised with the possibility of the Government of Ontario expressing an interest in that regard, but in my brief meeting yesterday with Premier Davis that matter was not raised. I would think the point would be ultimately concluded as the working group of officials between the five governments works towards the meeting in Calgary in July. But with the exception of that one comment regarding the Province of Ontario we have no other information as to interests of other provinces, although I would anticipate that when we are in Ottawa in late May at the First Ministers' Meeting that if there is a general interest by the other regions of Canada, it would be expressed at that time.

MR. SPEAKER:

The hon. Member for Olds-Didsbury, followed by the hon. Member for Calgary Bow.

Bow Valley Pipe Line

MR. CLARK:

Mr. Speaker, I would like to direct a question to the Minister of Mines and Minerals and ask the minister if it is true that Bow Valley Pipe Line, which operates in the Duchess-Brooks area, has been acquired 100 per cent by Koch Oil of the United States.

MR. DICKIE:

Mr. Speaker, that hasn't come to my attention, but I will check it for the hon. member.

MR. CLARK:

A supplementary to the minister. Mr. Minister, are these matters brought to your attention when there is a sale such as this in the petroleum industry? And while you are checking, would you also see if Canadians or Albertans had an opportunity to acquire the controlling interest?

MR. DICKIE:

Yes, Mr. Speaker, we will pursue that.

MR. CLARK:

Another supplementary, Mr. Speaker. While the minister is checking, would you check and see if the firm which owned 50 per cent of Bow Valley Pipe Lines

-- Canadian Pacific Investments -- if the president of that firm is Duff Roblin and one of the board members is Ian Sinclair?

MR. DICKIE:

Mr. Speaker, certainly we will check to see what information is available and the information we have we will convey to the hon. member.

MR. SPEAKER:

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

Recycling Glass

MR. WILSON:

Mr. Speaker, I would like to direct a question to the hon. Minister of Industry and Commerce. Have you, or are you planning to meet with representatives of Canada Dry Ltd. to discuss the cancellation of their \$3.5 million Edmonton expansion program that would have created 60 new jobs?

MR. PEACOCK:

Mr. Speaker, I have no understanding at this time of meeting with them, however the Minister of the Environment might like to add something further.

MR. YURKO:

Mr. Speaker, the company hasn't approached me in any way, nor have they informed me of their plans in this regard. I might suggest that expansion in terms of using refillable, returnable bottles is certainly an area, a direction in which they should go. It is quite attractive from any company's point of view in expanding in that direction.

I would also like to say that I have been meeting on a number of occasions with the manufacturers, keeping them fully informed of the direction in which the government is going, indicating to them what has been going on, but the meetings haven't been reciprocated. In other words, the companies haven't been asking me to meet with them to tell me their problems. My next meeting with the companies is about the middle of the month to indicate to them some of their excellent efforts in regard to the Act, and to indicate to them some of the shortcomings of some of the companies who haven't been performing as well as others.

MR. WILSON:

Supplementary Mr. Speaker, to the hon. Minister of the Environment. Have you considered the imposition of a one cent tax on soft drinks to research better ways for handling the solid wastes?

MR. YURKO:

Well, Mr. Speaker, this government has turned this problem basically over to private enterprise to handle it. We didn't give any consideration to a tax of any kind to set up government machinery to handle the matter directly. It is our policy, as I have indicated so many times in this House, that we intend to allow the industry to handle their own costs of pollution control and let the industry or private enterprise handle it.

MR. WILSON:

Supplementary, Mr. Speaker, to the hon. Minister of the Environment. Why has the southeast bottle depot in Calgary stopped accepting liquor bottles and cans?

MR. YURKO:

Well, that is a fairly detailed question, Mr. Speaker. I will check into the matter and find out why. We have had several depots closing but we are having two of the new generation depots opening up in Calgary -- that is, two very large depots which will be offering the citizens of Calgary a much better service in the very near future.

MR. WILSON:

Supplementary --

MR. SPEAKER:

Might this be the last supplementary on this?

MR. WILSON:

A supplementary to the hon. Minister of Consumer Affairs. Has your department examined the impact on consumer costs resulting from the provincial bottle refund system?

MR. DOWLING:

Well, Mr. Speaker, I imagine that is one of the items the Consumer Affairs Branch has been looking at. They have done a considerable lot of work in every area involving consumer affairs. I personally haven't had an opportunity to look at it, but I will for the hon. member.

MR. YURKO:

Mr. Speaker, I might just indicate that what this legislation has done in terms of consumer affairs is to have pumped a substantial amount of money into an area of society which doesn't get very much money and which to a large degree is fed money through social allowances and so forth. And it has put an awful lot of people to work. So that money has been injected into an area into which it is pretty hard to inject money, and it has been injected in such a way that it has, in fact, created considerable employment.

MR. WILSON:

Supplementary, Mr. Speaker, to the hon. minister --

MR. SPEAKER:

Possibly we could revert to this topic later. We are really getting into the area of debate, with debating questions and debating answers which are argumentative in favour of government policy.

The hon. Member for Taber-Warner, followed by the hon. Member for Lac La Biche-McMurray.

Use of Alberta Products

MR. D. MILLER:

Thank you, Mr. Speaker. My question is to the hon. Minister of Agriculture. Is the minister aware that leading hotels in Edmonton and Calgary continue to distribute eastern Canadian cane sugar rather than Alberta sugar?

DR. HORNER:

I haven't been aware of it since the hon. member brought it up the last time, or any more aware of it. We are doing all we can to promote the use of Alberta products within Alberta, and particularly within the institutions operated by the government.

MR. D. MILLER:

Supplementary, Mr. Speaker. For the minister's information I got two new packages this morning from different hotels so I thought it was worthy of your consideration. Will the minister explain how and when he intends to overcome this embarrassment to Alberta production?

DR. HORNER:

Well, Mr. Speaker, perhaps I could just comment on the question of portion packaging which is the real problem as I see it, and that is the question of the economics of establishing a portion packaging plant in Alberta so that small servings of a variety of foodstuffs can, in fact, be made available to our various institutions.

We have some studies going on in the marketing division of the department in relation to this. At the moment we haven't got the answer to it but we

intend to pursue this because it isn't a question of not being able to produce, it is a question of packaging and distribution.

MR. SPEAKER:

The hon. Member for Lac La Biche-McMurray, followed by the hon. Member for Drumheller.

Syncrude Plant at Port McMurray

DR. BOUVIER:

Yes, Mr. Speaker. I would like to direct my question to the Minister of Mines and Minerals. Is the minister able to shed some light on the reasons for Syncrude's application to the Alberta Energy Resources Conservation Board for a one year deferment in the start up of production of its proposed plant at Port McMurray?

MR. DICKIE:

Mr. Speaker, I understand there is an application by Syncrude before the Energy Resources Conservation Board to extend the time to commence production from January 1, 1977 to January 1, 1978.

I haven't examined the application but it's my understanding that the application cites a possible delay as a result of two factors. One is the delivery of critical equipment, and second is the availability of construction labour.

DR. BOUVIER:

A supplementary to the Minister of Manpower and Labour. Does the minister share the view that there is a shortage of construction labour in Alberta?

MR. SPEAKER:

That is scarcely a question relating to government policy.

The hon. Member for Drumheller, followed by the hon. Member for Lacombe.

Mental Health Education

MR. TAYLOR:

Thank you, Mr. Speaker. I have a question for the hon. Minister of Health and Social Development. Arising out of the discussions this morning I am wondering if the government is giving any thought to transferring the guidance clinic to the Department of Education in order to deal with young people's problems?

MR. CRAWFORD:

No, Mr. Speaker. As did several other hon. members, I enjoyed the discussion and the presentations that took place at the breakfast this morning sponsored by the Canadian Mental Health Association. Certainly of the three presentations that were made there, all of the views that were expressed will be given full consideration.

I have even had the opportunity very briefly to mention some of the points of special concern in the area of education to my hon. colleague, Mr. Hyndman, since the meeting this morning. But we will be talking about it again and will give those areas much attention.

Alberta Treasury Bills

MR. COOKSON:

Mr. Speaker, I would like to ask a question of the Provincial Treasurer. I wonder if he could advise us of the reception so far of Alberta's first treasury bill which was announced in the 1973 budget?

MR. MINIELY:

Mr. Speaker, money saving days are happy days for provincial treasurers and for that reason today I am happy.

Regarding Alberta's first treasury bill issue, which I had announced in the budget on March 2, I am pleased to say today that our first issue was extremely successful.

We had an offering, Mr. Speaker, of \$6 million which was offered to financial institutions in Canada. The interesting parts of the issue, Mr. Speaker, were that the aggregate tenders totalled \$112 million which showed the extreme issue, or the exciting participation, that existed by the financial institutions in Canada.

Of those tenders accepted we were able to achieve an actual effective interest or yield rate of 5.02 per cent, which is very pleasing. It is interesting to note that this compares with the provinces of Ontario and Manitoba. In Saskatchewan 5.10 per cent, Manitoba 5.10 per cent and Ontario 5.17 per cent.

So I think it indicates, Mr. Speaker, that the financial community in Canada has confidence in Alberta which has resulted in this extremely successful first issue of our treasury bills.

MR. DRAIN:

A supplementary, Mr. Speaker, on this particular subject. What is the length of time involved -- 90 days, 120, 180, 210 or what?

MR. MINIELY:

Mr. Speaker, treasury bills are handled on a roll-over basis. Actually they can exist and carry on forever. Actually they are on a 31-day basis but you can redeem them in 31 days and then you reissue.

MR. TAYLOR:

A supplementary, Mr. Speaker. Would the hon. Provincial Treasurer be happier if we didn't have to go into debt?

MR. SPEAKER:

The hon. Member for Sedgewick Coronation, followed by the hon. Member for Cardston.

Cantex International

MR. SORENSON:

Mr. Speaker, I have a number of questions relating to companies which use questionable practices in obtaining and retaining clients, and I will direct my question to the Minister of Consumer Affairs.

MR. SPEAKER:

Possibly the hon. member could start with one topic and we could go to another topic later in the question period.

MR. SORENSON:

They are supplementary, Mr. Speaker. Mr. Minister, has your department received any complaints with regard to Cantex International which offers a new car to test drive for a year provided one sends them a \$22 registration fee? And are you investigating this practice?

MR. DOWLING:

Yes, Mr. Speaker, I am aware that this is going on. We haven't had an opportunity to investigate it fully. As you can well imagine, with the minimal staff we have at the moment, we are not able to cover all of these areas but in a short time I am sure we will be able to.

MR. SORENSON:

My second question: has your department received any complaints with regard to the Fiesta Dance Club, which a British Columbia Supreme Court judge described this club's pressure tactics to induce --

MR. SPEAKER:

Order please. The question is complete.

MR. DOWLING:

No, Mr. Speaker. If the hon. member would furnish me with the details of that question I would be pleased to furnish an answer.

Alberta Treasury Bills (Cont.)

MR. MINIELY:

Mr. Speaker, if I can answer the question of the hon. Member for Drumheller and say this, that any time this province can obtain money at 5 per cent to develop a potential in the province I think we are happy to do it.

MR. SPEAKER:

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

Uncensored Movies on TV

MR. HINMAN:

Thank you, Mr. Speaker. My question is to the Premier. Has the government made or does it intend to make any protest to the federal government or to CBC over the possibilities of uncensored movies being shown on TV across Canada?

MR. LOUGHEED:

Mr. Speaker, I will refer that question to the hon. Minister of Federal and Intergovernmental Affairs. Mr. Speaker, it is an obvious noticeable fact that I look to toss in the ball when I am not particularly sure about the background of that question, but perhaps the hon. member could repeat the question. I did miss the very first part of what he was saying.

MR. HINMAN:

My question, Mr. Speaker, was, has the government made or does it intend to make any protest to CBC or the federal government over the very strong possibility of uncensored movies being shown on TV across Canada?

MR. GETTY:

Mr. Speaker, as I hear the question it appears to me that it tends to be hypothetical regarding the strong possibility. Nevertheless, if there is a significant chance that something along those lines might be happening or going to happen in Alberta, we would be pleased to see whether there are sufficient grounds to approach the federal government to see if it can be changed to the benefit of all Albertans.

MR. SPEAKER:

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

Oil Policy

MR. NOTLEY:

Thank you, Mr. Speaker. I would like to direct this question to the Premier. Further to a question yesterday with respect to Mr. Darcy McKeough, can the Premier advise the House what the specific position is of the Government of Ontario with respect to Mr. McKeough's suggestion of a triple-price gas system?

MR. LOUGHEED:

Well Mr. Speaker, I believe I responded with regard to the so-called three-price gas system in this way previously in the House, and that was that it was not an option that we would reject in its entirety, although it was certainly not an approach to resolving this question that we would favour at this time. When we refer to a three-price system, of course, we have to consider that we are referring to a price for export of gas, a further price for domestic

Canadian consumption, and then a third price, so to speak, for the Province of Alberta which deals with our approach to having a rebate for our citizens.

One of the critical questions in such an approach would be an assurance that the upstream ownership lessor interest to the government of the Province of Alberta was significantly recognized in any distribution of the proceeds of the higher price arising out of export to the United States. If that factor were recognized we would consider it as a possible option or alternative. It is certainly not one we would rate very high in the scheme of things as they presently sell.

MR. NOTLEY:

A supplementary question for clarification. I think the hon Premier misunderstood the intent of my question. My question was, is this still the position of the Government of Ontario, that they favour a triple-price system for natural gas?

MR. LOUGHEED:

I'm sorry, Mr. Speaker. I didn't understand the import of that question then. I noted in reading through Premier Davis' address yesterday no specific reference that I can recall from memory, to that particular approach, although I would take it that it is still one item that Mr. McKeough, on behalf of the Ontario government, considers under active consideration for their administration. It did not rate in significant importance to Premier Davis for him to include it in his remarks in Calgary yesterday.

MR. NOTLEY:

Mr. Speaker, a further supplementary question. In view of the fact that the Government of Ontario still seems to have this matter of triple-price system under consideration and in view of the fact that your government has not ruled out the proposition entirely, do you not consider that in terms of this National Energy Conference it would be wise to expand the horizons to include transportation and tariffs? The reason I raise this question, Mr. Premier, is that if Alberta --

MR. SPEAKER:

Order please. The hon. member is putting forth a debating proposition which would be more appropriate if it were placed on the Order Paper in the form of a resolution.

MR. NOTLEY:

Mr. Speaker, can I phrase the question very directly then, and just ask the Premier whether or not his government has considered the advisability of expanding the scope of the proposed energy conference to include those areas of traditional grievance in the west such as freight rates and tariffs?

MR. LOUGHEED:

Mr. Speaker, no I would not. I've taken the view that the conference which has been proposed by the federal government on Western Economic Opportunities which is now scheduled for July 25 and 26 in Calgary, is the appropriate place to deal with the matter the hon. member raises.

In fact, since it is an unique and perhaps historic conference, I believe it provides a better form, a better opportunity for the west to attempt to redress the long-standing grievances with regard particularly to transportation, which is one of the matters raised by the hon. member.

So our view is very definitely no. We think it would be in the best interests of the province of Alberta, and for Canada, for the transportation matter to be dealt with at the Western Economic Opportunities Conference in July in Calgary, and not as part of any possible, and as yet very indefinite meeting on national energy matters, scheduled for the fall and involving all 11 governments.

MR. NOTLEY:

One final supplementary question, Mr. Speaker, for clarification. Is the Premier then ruling out lower natural gas prices for Canada as a quid pro quo to obtain some redress to the historic grievances of western Canada?

MR. LOUGHEED:

Mr. Speaker, it would be too strong, I think, to use the phrase, 'ruling out', because that would imply that there is not a link between the two aspects of policy and there is.

Our two-price gas system is a system that relates to the question of industrial development in Alberta and in the West. And to make that work effectively it's essential that we do have some revisions in national transportation policy. So from that point of view the two come together. And that really is the position we take in the matter.

MR. SPEAKER:

The hon. Member for Macleod, followed by the hon. Member for Calgary Millican.

MR. DIXON:

A supplementary, Mr. Speaker.

MR. SPEAKER:

I wonder if we might revert to this topic if there is time left. We have a number of people who still want to ask questions.

The hon. Member for Macleod, followed by the hon. Member for Calgary Millican.

Fee for Proof of Death

MR. BUCKWELL:

Mr. Speaker, a question to the hon. Minister of Health and Social Development. Is it the policy of the government of Alberta to charge \$20 in order to provide proof that an individual has died, and the cause of death? I am referring specifically to the W. W. Cross Hospital in Edmonton.

MR. CRAWFORD:

Mr. Speaker, I suppose the question relates to the schedule of rates charged by the Bureau of Vital Statistics when issuing a death certificate. I don't know the schedule offhand, but I'd be glad to look into the hon. member's question.

MR. BUCKWELL:

Mr. Minister, a supplementary. This deals with the hospital itself sending a letter to a person that someone has died and the cause of death. Would you check into the \$20? It seems rather excessive.

MR. CRAWFORD:

Yes, Mr. Speaker, I will.

MR. SPEAKER:

The hon. Member for Calgary Millican, followed by the hon. Member for Calgary Mountain View.

Crude Oil Price Increase

MR. DIXON:

Mr. Speaker, I'd like to direct my question to the hon. the Premier. In view of the spreading increase in the United States and Eastern Canada of 25 cents a barrel for American crude and for OPEC crude, will your government support a program to have the increase of 25 cents a barrel also obtainable by Alberta producers and the people of Alberta who own these resources?

MR. LOUGHEED:

Mr. Speaker, there is absolutely no doubt in our mind, as a provincial government, being such a major owner and exporter of crude, that the benefits this province receives in an acceleration of crude prices compared to the additional cost to our consumer at the pump, are just -- well in the order of

five to one. And because of the nature of the vast amount that we export, having regard to both the royalty situation that we're in and the economic activity that the producing industry generates and multiplies within the province on a cost-benefit basis -- I think it's well in the order of five to one -- we are not going to be attempting to push in the essence of price increases for crude oil.

But we certainly would not in any way resist them and we would hope, very much hope, that the question of crude oil prices would continue to operate in terms of market pressures throughout the world and throughout North America.

MR. SPEAKER:

The hon. Member for Calgary Mountain View, followed by the hon. Member for Medicine Hat-Redcliff.

Calgary Law Faculty

MR. LUDWIG:

Mr. Speaker, my question is to the hon. Minister of Advanced Education. Does he agree with the virtual commitment made by the Universities Commission today in Public Accounts --

MR. SPEAKER:

Order please. This question was not in proper form. Does the hon. member wish to rephrase it?

MR. LUDWIG:

Mr. Speaker, is it true that the Universities Commission has now committed the government to the establishment of a law faculty in Calgary?

MR. FOSTER:

Mr. Speaker, here we go again.

DR. BUCK:

At the insistence of this side of the House.

MR. FOSTER:

The answer is, I think, contained in the resolution passed by the Universities Commission last fall to which I have referred earlier in discussions in this House.

But while I am on my feet, Mr. Speaker, since the question is germane to an item that appeared in The Calgary Albertan concerning a law school for Calgary I respect the --

MR. SPEAKER:

Order please. It is out of order for an hon. member to ask a minister to comment on a news report. And so the converse of that proposition would be that the hon. minister should not be commenting on the news report voluntarily.

The hon. Member for --

[Interjections]

MR. WILSON:

A supplementary --

MR. LUDWIG:

I have a supplementary. Yes, Mr. Speaker, to the Minister of Advanced Education. In view of the virtual assurance of a law faculty in Calgary, is there any discussion with the University of Calgary for the establishment of any other faculties in Calgary?

MR. FOSTER:

Well, Mr. Speaker, I don't accept the premise upon which that question was framed. I'll be happy to discuss with the University of Calgary or any other university or college the question of new faculties in the future.

MR. LUDWIG:

One further supplementary to the hon. minister. Is he prepared to take a stand on whether we are going to have a law faculty in Calgary or not? I mean he is beating around the bush and I am rather --

MR. SPEAKER:

Order please. The hon. member -- the reason the question is out of order is that it has been in substance asked and answered several times.

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

Decentralization of Government Offices

MR. WYSE:

Yes, Mr. Speaker, I would like to direct a question to the hon. the Premier. And I don't recall this being raised previously. Did the provincial government appoint a special committee to study and make recommendations directly to the cabinet on decentralization? I am thinking specifically of decentralization of government offices and priorities of the towns.

MR. LOUGHEED:

Mr. Speaker, yes, the government has a government task force under the chairmanship of the Member for St. Paul that has been working now over a period of a year and a half, very effectively I might add, on this particular matter.

DR. BUCK:

That's debatable.

MR. LOUGHEED:

Well, it isn't debatable with the people of Alberta as we will see at the appropriate time. And during the course of my remarks in the Budget Address I do want to deal at more length with the question of decentralization.

MR. WYSE:

One supplementary question. Will these recommendations from the committee be made public?

MR. LOUGHEED:

Mr. Speaker, I think the general context of the report is something that's a report to the Executive Council. But the actions we will take and our assessment of the progress are certainly something that will be made public, as I say, during the course of my remarks on government actions. But we welcome the views of any member on either side of the Legislature if they have any specific ideas of effective decentralization, either in terms of government operations or in terms of their new private sector operations.

MR. SPEAKER:

The hon. Member for Olds-Didsbury, followed by the hon. Member for Pincher Creek-Crowsnest.

Apprenticeship Training Program

MR. CLARK:

Mr. Speaker, my question is to the Minister of Manpower and Labour. Is the apprenticeship training program in the Department of Manpower and Labour to be transferred to the Department of Advanced Education?

DR. HOHOL:

There's no judgment, Mr. Speaker, made on that matter. So that, in fact, the apprenticeship board is under the Department of Manpower and Labour.

MR. CLARK:

A supplementary. Is the government giving consideration to that move?

DR. HOHOL:

The government will consider any recommendation. And, in fact, one of the recommendations contained in the report of the task force on manpower training and retraining, as I heard the hon. Member for Calgary McKnight yesterday, would at least indicate that that might be a recommendation.

MR. CLARK:

I make that a recommendation.

MR. SPEAKER:

Order. The hon. Member for Pincher Creek-Crowsnest, followed by the hon. Member for Lethbridge West.

MR. DRAIN:

Mr. Speaker, my question is to the hon. Provincial Treasurer. I was wondering if he could assure the Legislature that in his roll-overs he does not pick the wrong bed partner and thereby arrive in trouble.

MR. SPEAKER:

The hon. Member for Lethbridge West, followed by the hon. Member for Calgary McCall.

Rabies Control

MR. GRUENWALD:

Thank you, Mr. Speaker. My question will be to the Minister of Agriculture. Mr. Minister, is there anywhere in your department a program that would give assistance or even encouragement to those people who want to give rabies shots to their domestic animals?

DR. HORNER:

Mr. Speaker, in regard to the question about rabies, we do have a very effective vector control program which in essence tries to identify the species found with rabies, and then in a surrounding area to remove that particular species to prevent the spread of the rabies disease.

I can appreciate the concern of the hon. member in regard to the rabid dog that was found positive in southern Alberta in the Grassy Lake area just recently. We've had three cases in southern Alberta over the past year in relation to rabies, one in skunks, one in a horse.

The advice of the veterinarians in the department is that it hasn't been found necessary in the past to vaccinate for rabies in farm animals, therefore the department has not been involved up to this time in relation to assistance in vaccination. With dogs, of course, it is just proper practice, I think, to have dogs generally vaccinated against rabies and this should be done as a routine matter.

We're keeping an eye on the situation in regard to the particular case I mentioned, and we also are having some assistance from the federal veterinarians in southern Alberta who will attempt to track down the origin of rabies in the dog that I mentioned. This may take a little time, but we hope it will be under control.

MR. SPEAKER:

The hon. Member for Calgary McCall, followed by the hon. Member for Edmonton Kingsway.

Implementation of Metric System

MR. HO LEM:

Mr. Speaker, I would like to direct a question to the Minister of Intergovernmental Affairs. What is the present state of the discussions between the provincial government and the National Metric Commission regarding implementation of such a system in Canada and Alberta?

MR. GETTY:

Mr. Speaker, the government is really only keeping a watchful eye on the potential conversion to the metric system in Canada. My colleague, the hon. Minister of Education, is also involved because of the needs for early education to the potentials of the metric system, and perhaps he might want to respond in addition to the question.

MR. HYNDMAN:

I think, Mr. Speaker, the Minister of Federal and Intergovernmental Affairs has covered the subject very adequately. But I would say that we have been working in the Department of Education simply setting forth the optional choices which might be available and which might be required in the provincial education system, depending on the time line which is decided upon between the United States, Canadian and Mexican governments with regard to the future implementation date in North America.

Certainly if and when such a decision is taken at the national and hemispheric levels, we will then have to consider, first at the elementary school level, having an introduction in greater depth than is now the case of the concepts of kilometers versus miles and litres versus pounds. But I can assure hon. members that they won't have to change their speedometers from miles to kilometers within the next week or two.

MR. PEACOCK:

Mr. Speaker, I might just add for the information of the House, that the Alberta Research Council also has a member on the national council of this metric conversion.

MR. HO LEM:

Supplementary to the Minister of Consumer Affairs. Do you favour the use of the metric measure on food packaging in Alberta?

MR. SPEAKER:

This is hardly a question of government policy, at least in the way it has been put.

MR. HO LEM:

Supplementary, Mr. Speaker. A question to the Minister of Education. In view of the recommendations put forth by the Canadian Federation of Teachers urging the implementation and adoption of the metric system in Canada, do you support this recommendation?

MR. HYNDMAN:

I think the representations by one group in society certainly have to be looked at, Mr. Speaker, but it must be remembered that the whole question of metric implementation is one which involves and will affect the life style of everyone in North America. Certainly it is not purely an educational matter, and as has been pointed out in the question period, on three fronts we are keeping in touch with the situation, but certainly not with a view to making any radical changes in the immediate future.

MR. SPEAKER:

The hon. Member for Edmonton Kingsway, followed by the hon. Member for Calgary Mountain View.

DREE

DR. PAPROSKI:

Yes, Mr. Speaker, to the Minister of Federal and Intergovernmental Affairs. The question is: was there any agreement among the western provinces regarding DREE and how it should operate in western Canada at the last meeting, last Friday in Winnipeg?

MR. GETTY:

Mr. Speaker, the hon. member is right in that DREE was a subject on the agenda among the four western premiers. I'm quite pleased to say that the Government of Alberta's position, which we have been advocating with the federal government for some time now, that the Department of Regional and Economic Expansion operates in Alberta without the use of artificial boundaries or special areas but rather on the basis of merit, was accepted by all the western provinces at that meeting. Therefore, Mr. Speaker, it appears that we will have considerable additional support in having the federal government alter their DREE programs to the same kind of style that the Government of Alberta has been advocating over the past few months.

Perhaps, Mr. Speaker, while I am on my feet it might be helpful to the House if I tabled the communiques which came from the meeting of the four western premiers as all members will be interested in the decisions reached at that meeting.

MR. SPEAKER:

The hon. Member for Calgary Mountain View, followed by the hon. Member for Calgary Millican.

Transmission of Speeches by Loudspeaker

MR. LUDWIG:

Mr. Speaker, I would like to ask the Premier whether there are any loudspeakers transmitting the speeches from this House other than in the Speaker's office outside of this Assembly.

MR. LOUGHEED:

Mr. Speaker, not of which I am aware.

MR. LUDWIG:

Perhaps the hon. Minister of Public Works would advise how many speakers transmitting the speeches from this House are outside of the Assembly.

DR. BACKUS:

To the best of my knowledge the only one is in the Speaker's suite.

MR. LUDWIG:

Would the hon. minister check, since he appeared uncertain as to how many there might be.

AN HON. MEMBER:

He already did.

MR. LUDWIG:

I can't get a straightforward answer.

MR. SPEAKER:

Possibly the Chair might supply the information to the hon. member in an informal manner.

The hon. Member for Calgary Millican.

Gas and Energy Policy

MR. DIXON:

Mr. Speaker, I would like to direct my question to the hon. Premier. In view of the visit of the hon. Premier of Ontario yesterday and your planned visit at a later date to Ontario, can it be assumed that the stage is being set for a compromise between what Alberta is demanding and Ontario hopes to achieve by way of a price issue as far as gas is concerned?

MR. LOUGHEED:

Mr. Speaker, I don't think that would be an appropriate way to describe the situation. We have said that we are prepared to listen to different views that might be expressed with regard to our natural gas policies. I made it abundantly clear today, in a public statement in response to the speech by Premier Davis, that we were resolved to press forward with our pressures to ensure that gas leaving this province was leaving the province at a wellhead price that was in relationship to commodity value. I think that is critical to the province of Alberta.

We recognize that move causes difficulties with other parts of Canada, but we are very determined, as we said yesterday and this morning and here again repeat, that this is a position of very great importance to the people of Alberta. I think we have the vast majority of Albertans behind us on this critical matter. My reason for making an address or a series of speaking engagements in other parts of Canada is to attempt to communicate that not only is this policy good for Alberta, but in our view it is also good for Canada and that is why we are going to make the address.

MR. DIXON:

That's very nice to hear, Mr. Premier. My further supplementary question is, how far advanced are the talks between the government, the suppliers and TransCanada Pipelines and the Government of Ontario regarding a new contract to be announced by TransCanada. At what stage are the talks?

MR. LOUGHEED:

Mr. Speaker, as we said in announcing our natural gas statement last November, we would hope that it would be possible for the industry in the private sector to work out an effective arrangement with regard to prices.

We established certain parameters that had to do with an increase of the range of 10 to 20 cents as an average, and in addition to that, renegotiation every two years.

We asked the Alberta Energy Resources Conservation Board to receive data by March 31 on a confidential basis from industry, which in this case would include the various pipeline companies and distributing operations and they would then provide us with a report. That report will be made public towards the latter part of the month of April and it would be at that time that both the government and the public would be aware of any progress that has occurred.

If progress is not sufficient, then of course we would continue to ask the Energy Board to give us interim reports, perhaps even as frequently as on a monthly basis to be acquainted with developments as they occur. It is not the intention of the Government of Alberta to get involved in price fixing but merely to establish broad parameters and guidelines and hope that the private sector can work it out to the benefit of our citizens.

MR. DIXON:

One final supplementary question to the Premier then. Would the government look favourably on an interim increase that maybe the government would not agree with as being the final increase, because the producers are anxious to take advantage of the increase as quickly as possible. It does take a long time sometimes for the National Energy Board to arrive at a decision and I wonder if you would urge the federal government that an interim increase be allowed in the intervening time?

MR. LOUGHEED:

Mr. Speaker, there are a number of strategic and other considerations involved in answering that question, and I think I would like to take it as

notice and refer to it during the course of debate rather than in the question period.

MR. HENDERSON:

Mr. Speaker, I wonder if the Premier could advise the House as to whether the government either directly or through one of its agencies is directly involved in the negotiations now going on relative to the gas sales contract, and related to that, advise the House as to whether the government is giving any consideration to taking its royalty in kind and going directly into the sales business instead of selling through the lessee?

MR. LOUGHEED:

Mr. Speaker, with regard to the first question, I am not prepared to give the House an answer because of the strategic and other factors that are involved.

With regard to the second question, that is the question of royalty in kind, it is a matter that is under consideration as one of a number of options that the government is considering relative to a revised royalty for natural gas.

MR. SPEAKER:

Unless there is a hon. minister who wishes to supplement a previous answer, this is the end of the question period.

Recycling Glass (Cont.)

MR. YURKO:

Yes, Mr. Speaker, I would like to supplement an answer to a question I was asked in regard to the bottle depot in Calgary. I indicated that I would look into this matter. I subsequently got the note from the hon. Member for Calgary Bow indicating the nature of the depot which said that it will not accept liquor bottles or cans. I subsequently sent a note to the hon. member indicating that there are two types of depots, a retailer's depot and a universal depot, and there was some chance that perhaps it might have shifted itself from a universal depot to a retailer's depot.

However, I have since received the correct answer and it is as follows: because they were never an approved universal depot, they had been operating under the impression that they were going to be approved. They are a small grocery store and do not have the facilities to be approved as a universal depot, so that they never had the approval to accept liquor bottles or cans. And in fact it is simply a retail 'A' type of depot accepting only returnable, refillable bottles.

STCF Organization Meeting

MR. LOUGHEED:

Mr. Speaker, I would just like to rise to answer a question I was asked by the Member for Calgary Bow some time ago as to whether or not I had received a request to attend a meeting with regard to the uses of asbestos by the STOP organization on Friday, April 6. I regret that I will be unable to be in attendance at the time to see their presentation.

Calgary Imperial Oil Refinery

MR. PEACOCK:

Mr. Speaker, I would like to reply to a question addressed to the hon. Premier yesterday, asked by the hon. Member for Calgary Mountain View regarding the future of the Imperial Oil refinery in Calgary and its staff.

I am sure the House is aware that the reason for the consideration of this announced closing of Imperial Oil's refinery in Calgary at the end of 1974 was brought about by the development of a refinery in Edmonton called Strathcona.

I think it is interesting for the House to know that we as a government and the previous government also had been very interested in seeing that more of our resources were processed in Alberta. The refinery in Strathcona does precisely that, it moves into a production of 140,000 barrels per day as vis a vis 20,000 barrels in Calgary and 50,000 barrels in the old refinery in Edmonton. And so

consequently, with the new emission standards required by the environment, et cetera, the movement on the new technology of our motor vehicle industry into non-leaded gas allows this new refinery to make commitments to meet these new requirements.

As a result, it was announced that the refinery in Calgary would be closed. The 150 refinery workers at that time, which has now subsequently been reduced to approximately 120 was discussed with your government some 18 months ago as to their future and some 30 of them will be included in the broadened redistribution process that will be made in regard to the development of the products from this refinery in Calgary. The rest of them, either through attrition of retirement or through replacement in other areas of the system of Imperial Oil will be taken care of, except those who were hired on a temporary basis.

So I think it is worthy of the House to note that Imperial Oil, in our opinion, has been a very good corporate citizen in this instance and has cooperated with the government in regard to the future of this refinery.

In closing I might say, Mr. Speaker, that the refinery itself in Calgary while it is antiquated by modern standards and has a capacity of 20,000 barrels, that because of the change in energy requirements and the shortage in North America at this time, there are ways being researched and studies being made where it can be utilized.

MR. LUDWIG:

A supplementary to the minister. Is the minister suggesting that we are hopeful that perhaps the refinery will continue in operation?

MR. PEACOCK:

Mr. Speaker, I wouldn't like to mislead the House that way, but I would say this: there are studies going on as to how the refinery might be maintained and kept open.

Transmission of Speeches by Loudspeaker (Cont.)

DR. BACKUS:

Mr. Speaker, in further answer to the question from the hon. Member for Calgary Mountain View. In addition to the speaker in the Speaker's robing room there is one speaker in the Hansard office, which is part of the Hansard operation, and apart from these two all the other loudspeakers are seated in the Legislature.

MR. LUDWIG:

. . . one in the press gallery.

ORDERS OF THE DAY

MINISTERIAL ANNOUNCEMENTS

MR. FOSTER:

Mr. Speaker, assuming passage of Bill 17, which is currently before the House, I would like to take this occasion to announce significant new financing for school boards offering non-credit evening courses.

These new regulations, Mr. Speaker, will assist school authorities and other community agencies in offering a wide variety of adult education activities in general interest subjects as well as community action and self-improvement programs. These incentives are aimed at all people involved in community development, not just school authorities. The thrust is toward cooperative programming and community service.

The boards, Mr. Speaker, will receive \$4 per instructional hour when offering courses of general interest, for example, 'The Citizen and The Law' or 'Automobile Maintenance'. Where self-improvement programs are offered such as English or French as a second working language, adult 'Basic Literature' and courses on significant community problems such as drug abuse, the grant will be \$8 per instructional hour. The old regulations provided maximum grants of \$4 per instructional hour and severely limited the types of courses which could qualify.

An additional sum of 15 per cent of total instructional grants will be paid to school jurisdictions to cover administrative, leadership and advertising costs. A further sum will be paid if school boards coordinate their non-credit program with those of other community agencies.

Because of the problems of delivering educational services in the rural areas, Mr. Speaker, the Department of Advanced Education will also help bring in outside resource persons where no suitable local people are available. We are prepared to subsidize a school authority to the extent of \$400 for such travel expenses.

The aim of the new regulations, Mr. Speaker, is to ensure that tuition fees will be low enough to make it feasible for any interested person, regardless of economic means, to be involved in a course of study.

We will be following the effects of these regulations and new incentives very closely. We are especially interested, Mr. Speaker, in hearing from the public to see if these improvements are felt at the community and local level.

GOVERNMENT MOTIONS

1. Moved by Mr. Miniely, seconded by Mr. Dowling:

That this House approve in general the fiscal policies of the government.

[Adjourned debate: Mr. Ludwig]

MR. LUDWIG:

Mr. Speaker, as I was winding up my remarks last day I came in on the tail end of a powerful Conservative play in the House led by the hon. member, Mr. Batiuk, followed by the Minister of Advanced Education, and wound up by the hon. minister, Mr. Topolnisky. I think that in assessing that performance I would have to give number one to Mr. Batiuk.

When I finished my remarks I was commenting on the fact that there is a conflict developing in this province, the greatest one being that of the consumer and the prices he has to pay for food, shelter and clothing. I commented that this government has not given the slightest indication of any action, or any intended action, to be taken to try to allay the fears of the consumer that not only is he being very heavily taxed by inflation but that the worst is yet to come. Nothing at all is being advocated by the government except rather high spending.

When I talk about high spending by this government, I did a little bit of searching in the Department of Agriculture -- I see the hon. minister is not in his seat -- and find that the travelling expenses in that department are over \$1,500,000 -- in one department. That is an awful lot of travelling, and I suppose a lot of people will be taking rides up and down the province for \$1,500,000.

I would like to point out to the minister that it is a rather ruthless approach to his budgeting. It is over \$1,500,000. I think that whoever is going to get a ride at that expense, the taxpayer is going to feel it probably first, that he is getting a ride and he probably won't be escorted by anyone from the Department of Agriculture. He will merely pick up the bill. I don't think we can call that tight budgeting and I am not at all convinced that we need all that much travelling expense.

Another interesting item of expense that ought to be brought to the attention of the public -- I am sure the government news service and wire service would not print this kind of stuff because they are hard, cold and accurate facts. They are more interested in screening what goes out to the people so that the people get only what the government thinks is politically favourable.

I talk about publicity bureau spending. It is roughly \$1,086,000 of the advertising budget, but that is only a part of the advertising budget. There is roughly \$1 million in advertising hidden throughout all the other departments, Mr. Speaker. This is rather neat, if sophisticated budgeting and I believe the opposition must bring this to the attention of the people. Roughly \$2 million of advertising budgeting, but that is only part of the expense of publicity and advertising of this government. The support staff -- all other incidental and supporting services would make the \$2 million spending look rather small.

I believe this is a sad reflection on a government that talks about cutting the fat from the budget, watching spending. They are splurging rather recklessly on advertising. I notice they don't take these remarks seriously. They will smile. I understand the Minister of Manpower and Labour has a tremendous advertising budget in his department over and above what the publicity bureau will be spending.

So with the staff and the actual advertising budget, with the postage, with all the factors considered, I believe this government will do all right for itself. Perhaps they need to do this to tell the people what they are doing.

Unfortunately there is much of what they are doing, or ought to be doing, that they are not telling the people of this province. I don't think, after watching their performance in this House and watching what they wish to reveal and what they wish to conceal, that we can expect them to give us the whole truth and nothing but the truth in their news service. It is obvious what they don't want to talk about, it is pretty hard to pry the information loose from them.

Many things are being said in this House, Mr. Speaker, that are only partly true. It is often worse than saying something that is untrue entirely when you give them only part of the picture. The public may feel that all is well and everything that is said is good and perfect. But they are not giving us the whole picture.

I want to draw attention once more to the matter of telephones. If they are embarrassed outside of Edmonton to talk about it, I would like anyone on that side to stand up and show me, or give me copies of the releases they made to the public on this tremendous transaction the Premier promised the people of Edmonton, and then withheld information from the rest of the people, because every indication is that there is a bit of a swindle in the whole deal as far as the people of this province are concerned.

One more item that I'd like to comment on, before my time is up, is the matter of publicity in this Legislature. We have tremendous debates about the need of letting the public know what is happening in this Legislature, Mr. Speaker. I believe it was all for the good to bring in television cameras, but it isn't the play you play, it's the way you play it. And once more I must accuse the government of coming up very low in stature, very short, in my opinion, and perhaps in the opinion of many people in this province, as to the manner in which televising of debates in this House is conducted.

It doesn't take much integrity, much magnanimity on behalf of the Premier and his government to indicate that we can have television cameras stationed in only one part of this Legislature. If they can't do it honestly --

MR. HYNDMAN:

Mr. Speaker, point of order. I would just suggest, Mr. Speaker, that we should remember the rule of the Assembly regarding television, which simply provided that television could come into the Assembly, provided no public funds for it, and simply left it up to the private and public stations to decide when and where, and by what means they would come into the Assembly.

So the statement by the hon. gentleman that there has been any government direction as to the television situation is completely nonsensical.

MR. LUDWIG:

Mr. Speaker, I'm well aware of the fact that often government cameras are in here taking photographs, taking film, and I think maybe my statement was not entirely accurate. I'm suggesting that the hon. Minister of Education should have known that his was far from accurate.

The whole truth and nothing but the truth didn't come from the minister, but just part of the truth again --

MR. HYNDMAN:

Mr. Speaker, on a point of order. Mr. Speaker, I would be obliged if the hon. member would state precisely in what way my statements were inaccurate. I'd be glad to have them on the record.

MR. LUDWIG:

I will not do that any more than he did not state how my statements were inaccurate. I believe that the rules are the same for both sides of the House, but I can fill him in privately if he wishes to.

Is the minister denying that we often have cameras, government cameras, taking films in this House? I'm saying they do.

MR. SPEAKER:

Order please. May I respectfully remind the hon. member that the duty of regulating the use of TV and cameras in the House has been delegated to the Speaker by the rule to which the hon. member is referring.

If he would like to discuss the matter, the Chair would be glad to discuss it with him privately. If he would like any information concerning the matter the Chair would be glad to provide that as well.

MR. LUDWIG:

Mr. Speaker, with all due respect --

MR. YOUNG:

Mr. Speaker, on a point of order.

MR. LUDWIG:

I'm saying that the hon. minister --

MR. SPEAKER:

Would the hon. member resume his seat until the point of order is stated.

MR. YOUNG:

Mr. Speaker, it has been stated that the hon. minister made a statement which was not correct. I think it fair that the member be asked to state in what way the statement was incorrect.

MR. SPEAKER:

The hon. member has not really a genuine point of order. It is not unparliamentary to say that a statement is incorrect, or that it is wrong. It is only unparliamentary to say that it is knowingly or deliberately incorrect or wrong.

As far as a demand for particulars is concerned, this is not known to the procedure of this House.

MR. LUDWIG:

Mr. Speaker, with all due respect to the observation that the Speaker is responsible for the operation of TV cameras in this House, I'm suggesting that the government is remiss in not providing stations so that all parts of the House can have equal opportunity of coverage. That is a criticism levelled against the government for not providing in the budget for having TV cameras stationed elsewhere. No reflection on the hon. Speaker.

MR. SPEAKER:

I must, for the second time, draw to the hon. member's attention that such arrangements are under the jurisdiction of the Speaker and it is out of order for the hon. member to attribute that responsibility to the government.

MR. LUDWIG:

Mr. Speaker, I will then correct my statement and state that the provision of budget is the government's responsibility and I note there is no provision for budget or no concern about it in this regard.

MR. KING:

May I speak on a point of order, Mr. Speaker? I believe the hon. member's time for his contribution to this debate is concluded, as he had spoken for 33

minutes prior to adjournment and has spoken for more than 7 minutes this afternoon.

MR. SPEAKER:

The Chair regrets having not noticed the lapse of time. It is, in fact, correct that the hon. member exceeded his time.

MR. LUDWIG:

Mr. Speaker, I appreciate --

MR. SPEAKER:

Possibly --. Order please. Possibly the hon. member might be permitted, if the House gives unanimous leave, to conclude in a sentence or two.

SCME HON. MEMBERS:

Agreed.

SOME HON. MEMBERS:

No.

MR. LUDWIG:

Mr. Speaker, ...[Inaudible]... knows there is somebody not feeling --

MR. SPEAKER:

Order please. The hon. Member for Bonnyville.

MR. HANSEN:

Mr. Speaker, being the Member for the Bonnyville constituency, it gives me great pleasure to speak on the budget. I think it is a budget that all Albertans can be proud of and I would like to congratulate the Provincial Treasurer, Mr. Miniely, also the Premier and the cabinet for coming up with a budget of this sort. I think all Alberta will benefit by this budget.

I would also at this time like to congratulate Mr. Bob Dowling and Mr. Farran on their new appointments. I feel that they will do the utmost and the best job that anyone can do in these departments.

Last year I spoke on the budget. I took up most of my time speaking on farming and how the farmer wasn't getting a fair deal. Well, this year, when I stand in my place, I'm happy to say that the price of cattle, grain, and especially hogs, has made an awful rise in the last year and has come to a point where they are getting to where the cost of production is more in line.

One thing that helped my area is what has happened in the last year, the guaranteed loans for cattle. I think this has been one of the greatest things that has happened to the farmers and small ranchers in my area. Many of them took advantage of this when it was first available and it has already boosted their income to where they are much better off today.

The farm cost -- of production on the farm -- with the rising cost of machinery, has risen considerably over the last years. This is the only way, where the price of farm goods rising the way they have, that the farmers benefitted in the area.

I am quite surprised that the previous speaker across the way, being a businessman and a lawyer, cannot realize that the price of meat has to go up with the price of production and the price of wages.

Now, if a man feels that the price of meat and the produce from the farm is rising too rapidly, I would like him to look at the cost of production and the cost of wages and the cost of machinery. When he adds all these up, I can't see where he can stand and say that the price of the production of the farm is too high today. What comes off the farm is still not too high for what it costs the farmer to produce it.

I also think that the two-price gas system that was put into effect will help all of Alberta. I think the processing plants for Alberta produce is one of the greatest ideas instituted in Alberta. I would like to see all the

rapeseed, grain, and other things from our province processed in Alberta. This will cause a lot more jobs and a lot more profit to the people of Alberta. I think that the two-price gas system will bring industry to Alberta, that has been long awaiting some of these things.

Another thing I'd like to mention is crop insurance for the farmers. I was on that committee last summer and we travelled throughout Alberta. I worked with it before I was in this House and I would like to say to everyone that I think crop insurance is a great thing for the Alberta farmers and all the farmers in Canada.

But I would like to say one more thing, that I think farmers should not feel that it is a money-making project. Crop insurance is based to give the people who are farming something to fall back on in case a crop failure or drastic weather or something takes it away from them. If you go into any other insurance, whether it is your car insurance or your building insurance, you take it out yearly and you are happy if you don't use it. There are situations in some parts of the province where farmers feel that if they invest in farm crop insurance they should be making a profit from this. But I would like to tell them that this is to fall back on, to get their cost of production back so that they can carry on for another year.

I would like to say a few things about my constituency of Bonnyville. It is a farming area. We have for many years up in that area worked toward a community pasture or a range-land area to put cattle in. This year they are going to do a review of a certain area up in that country. I would ask the government not to carry on year after year as they have in the past but, now they have started to look into it, to give it their assistance and push this so that the people in that part of the country will have a community pasture or a range-land program.

Another thing I would like to mention here for that part of the constituency is an old folks' home for the town of Cold Lake, which has been asked for for many years. When I was elected to office everyone in that area told me that this old folks' home was going to be built. After looking into it when I came to Edmonton I found that this project had been shelved. It is out in the active file now, and I hope it won't be too long before it is a reality.

Another thing I would like to say at this time is that we need more roads and better roads. I would also say that I would like to have the Minister of Highways visit that part of the country this summer.

We have a great potential in my area, with lakes, for the tourist business, which I think is big business for that area. I hope we can promote it so it will not be a thing we are looking forward to, but a thing we will have that will be able to handle the people who come to our area in the summertime looking for the lakes, the fish and everything we have, if we have the facilities to take care of them.

I would like to invite some of the ministers to visit our area this summer. I would like especially to invite the Minister of Health and Welfare. I would also like specially to invite the Minister of Lands and Forests and the Minister of Tourism. I would be very happy for any of the ministers to visit this area and see first-hand what we could use and need there. Thank you very much.

MR. DOAN:

Mr. Speaker, I would first like to add my appreciation of your ability and fairness in conducting the business of this Assembly. Also my congratulations to the hon. Roy Farran and the hon. Robert Dowling on their appointments. Through the work of the task force on provincial-municipal finance, I have gained a much broader view of assessment and taxation through my association with Mr. Farran, and I wish them both every success.

Speaking to our second budget, labelled the 'confident budget' by our hon. Provincial Treasurer, Mr. Minielly himself reflects our Lougheed government's determination to broaden the province's economic base and to do so in a way that protects its natural resources and its people from the hazards of industrialization, urbanization or resource exploitation.

Mr. Speaker, certainly it reflects confidence in our government, in not only the ability of our human resources but also of our appreciation of our natural resources.

Mr. Speaker, as mentioned by our Provincial Treasurer, the major points of our budget are the continuing emphasis placed on agriculture, rural development, gas and oil production, marketing, and direct services to people.

As a direct relief to the taxpayers' pocketbooks, our tax reduction plan will be the first of any government to effectively lower property taxes. This gives a 14 per cent increase in services to municipalities in the form of greater social assistance and a complete takeover of all health care facilities. Also this assistance to all homeowners, including farmers and mobile homeowners, provides for a refund of up to \$216 of the education levy to each homeowner.

The budget also provides for assistance to renters with a rebate of up to \$100 through a credit in their 1973 income tax return, \$12 million having been set aside to cover this new recognition of renters and property taxes.

Mr. Speaker, as a rural representative in our government, I am particularly pleased to see our budget continue to recognize agriculture as one of our main industries. In two years funds channeled into agriculture have increased by 88 per cent. The \$26 million provided to the Department of Agriculture this year will establish new credit policies, new federal-provincial agreements on rural development, small farm development, irrigation, redevelopment as well as milk and egg marketing agreements.

Mr. Speaker, our Minister of Agriculture, Dr. Hugh Horner, is determined to make Alberta a leader in agriculture. He continually emphasizes the importance of processing our own products right here at home, then shipping them out in a semi-converted form.

Our government also proposes to set up an Alberta agricultural Land Use Forum consisting of three members to study and report on land use and the spreading of large corporate farms and Hutterite colony extension.

Mr. Speaker, I also note our budget has consideration for labour problems. To assist the smooth economy, \$490,000 will go into the planning secretariat for Labour Minister Bert Hohol's department to improve the national statistics on jobs and job assistance where needed.

Mr. Speaker, it is the ordinary little guys who are simply trying to do their job and keep bread on the table or get a little ease in their retirement years, they are the ones who are hardest hit when things go wrong, like when the inflationary bubble finally breaks and depression shrivels the supply of jobs and robs men of their dignity to work.

Mr. Speaker, talking about strikes, tariffs and controls, where do our farmers come into this picture? Who, for example, decides what kind of products are to be produced for consumption? Why is there such disparity between our western society with its abundance of creative comforts and the bare subsistence level of teeming millions over the world? Why, despite our unparalleled ability to produce, are so many others bored, even hostile in attitude towards what ought to be a satisfying experience of daily work?

Mr. Speaker, we are told that the people of North America make up approximately 5 per cent of the world population yet consume nearly 50 per cent of the earth's unrenovable resources. Surely we can say that western man has succeeded in reaching his material goal.

Mr. Speaker, I would be remiss not to mention our Alberta Bill of Rights which came into force on January 1 of this year. It is a major milestone in our Alberta legislative process. The priority assigned to it by our Premier, Peter Lougheed, makes a great deal of sense in the emerging pattern of this legislative program.

Mr. Speaker, The Alberta Bill of Rights parallels The Canadian Bill of Rights. In effect it recognizes and declares these six basic human rights and fundamental freedoms without discrimination by reason of race, national origin, colour, religion, age or sex.

The Canadian Bill of Rights operates only within the fields of the federal parliament's constitutional authority, and The Alberta Bill of Rights provides these rights and freedoms protected in Alberta under a single legislative shield consisting of The Canadian Bill of Rights and The Alberta Bill of Rights.

Mr. Speaker, a companion Act to this, The Individual's Rights Protection Act, is one that does the housekeeping for the Bill of Rights. It outlines a

Human Rights Commission responsible to the Lieutenant Governor in Council for the administration of this Act.

Mr. Speaker, I would now like to deal with the budget as it might affect the people in my own constituency. I must first recognize that almost everyone will benefit from our tax reduction plan and renters allowance. As for our senior citizens, although we have one of the original homes in Innisfail accommodating 50 souls, it has become inadequate.

Mr. Speaker, my constituency, according to statistics, is the thickest populated of any rural area in Alberta, consisting of over 13,000 rural people without the population of six towns and villages. The waiting list to enter our Autumn Glen Lodge in Innisfail for senior citizens means a waiting period of one year at least. Many are already having to enter homes away from their friends and community. Many in our homes require nursing attention and have to be moved into our hospital.

Speaking of our hospital, Mr. Speaker, it also needs serious consideration. It was built in two parts. The newer wing, some 15 years old, is in fair shape and has some 35 beds with added service rooms such as laundry rooms and rooms for administration. However, the old wing is an antiquated structure 45 years old, built on a poor foundation causing uneven settling and fractures throughout the building. The wind and the weather blow through around the window frameworks. Water also leaks through much of the roof, and to sum it up, that part of the building has been condemned by the fire department.

Mr. Speaker, a new hospital wing of 45 beds leaving the better portion of the present building now having 35 beds for a nursing home would certainly be appreciated and fill two purposes of need.

Mr. Speaker, in my constituency our budget will assist the development and education of young people. In the providing of voluntary early childhood education, our children in my urban centres will benefit from this assistance, but kindergarten for rural kiddies still remains a problem because of busing.

The new education finance plan simplifies our grant system on a per pupil basis instead of a group or classroom basis. Twenty-six per cent increase in support of retarded children's classes and 50 per cent increase for opportunity classes over the last two years is a step in improving our problem children's education.

Mr. Speaker, our Department of Health and Social Development recognizes our responsibility for mentally and physically handicapped people. In budgeting over \$31 million for these two problems our government shows feeling for these young and old handicapped citizens alike.

Mr. Speaker, I am particularly pleased to see a new organization, the Alberta Future Farmers. This is a new encouragement of teenagers in both urban and rural areas who may be interested to learn by actual experience the value of planning, financial management, as well as production and marketing under the supervision of a project advisor. I understand that this may also be recognized and credits in their school work. I repeat, this is a wonderful encouragement to keep our sons and daughters at home on the farm today.

Mr. Speaker, I wonder if our budget recognizes the need in Innisfail for a public building. My constituency involves a highly productive farming area. We have no less than three recognized master farmers. We have many champion purebred stockmen, prize winning seed growers and a large dairy industry throughout the constituency. Surely with this extensive agricultural development we should qualify for a district agriculturalist in our town. Also, because of our population a health nurse should be located there with suitable accommodation for these government services.

We need a public building that would also have accommodation for the holding of police court hearings. At present this government is paying \$140 per week to hold police court in the local legion hall. An expenditure of over \$6,000 per year should be recognized as another need for a public building in Innisfail.

Mr. Speaker, I am pleased to note development by our Department of Highways under our secondary road program. In my constituency our town of Innisfail's main market road to the east is in a deplorable condition. This road is now on Mr. Copithorne's program for 1973, 1974 and 1975. I would also thank our Minister of Highways for a start on a new bridge west on 54 over the Red Deer River. Our old bridge is far too narrow and has been the cause of several bad

accidents. However, we are still in need of one or two traffic separations on Highway No. 2 in my constituency.

Mr. Speaker, I would like to say something about the position of free holders of mineral rights. In my constituency, in the Delburne area, a gas unit or gas field has been set up. This entails 50 or 60 sections of land. There are a few property owners in this area who own their own mineral rights and they are not satisfied with the percentage allowance of the total production they are allowed.

Why is it that the highest allowance on the total production divided out to the free holders is never greater than 12.5 per cent whereas the royalty to the government is 16.5 per cent? Why should the individual not get as much as the government for his percentage of the mineral rights?

Furthermore, in setting out the area for a gas unit at Delburne a boundary line was set up. There are a few of my constituents just outside the perimeter of this field, their property touching the unit boundary. They feel they have gas under their property because one of them was offered a \$1,600 cash bonus, plus a dollar per acre per year for the lease.

But these oil companies will pay nothing because these free holders are just outside the line, even though the oil companies draw the gas underground for up to one mile. In this way they could be stealing gas from under the adjoining property, called the law of capture. Also, because private individuals cannot afford to drill an oil well costing \$50,000 to \$60,000 we feel that the gas units or oil companies should pay them something in lieu of what they drain underground, or else drill a well on their property to prove either there is or there is not gas under their property.

Finally, Mr. Speaker, this is an impressive budget, the Lougheed Conservative brand on Alberta, turning the province in new directions. It's a budget that must be recognized for its particular effort to increase our natural resources revenue by higher royalties for the people of Alberta.

Accordingly, this budget also underlines the need for Alberta to diversify. Dr. Hugh Horner's determined drive to induce some of that diversification with a 26 per cent increase in our agricultural budget. Also, the hon. Fred Peacock's Industry and Commerce budget, up over 69 per cent, also indicates new emphasis.

Mr. Speaker, a landmark of our Lougheed administration's first term is our tax reduction plan, taking over 90 per cent of the school tax property as well as hospital and local health unit costs, and a 90 per cent share of social assistance; also provincial aid for urban transportation systems, urban parks, a more rational funding plan for higher education, a start on kindergarten programming, more aid in pollution control and water resource management.

It is a budget which expects a modest surplus of operating accounts of \$74 million. It shows capital spending separately with borrowing for capital works at \$138 million -- by no means unnerving in an overall budget of \$1.5 billion -- a confident coherent budget promising Albertans significant benefits and proclaiming that financially this is still the most fortunate province in Canada.

MR. DICKIE:

Mr. Speaker, I am pleased to rise to participate today in the debate on the budget. This will be the tenth budget I have considered on the floor of this Legislature.

My first remarks are to join with my colleagues in congratulating the hon. Provincial Treasurer for the presentation to all hon. members of another excellent budget. May I say to you today, Mr. Provincial Treasurer that this, your second budget, is like vintage wine. It is improving with age.

I would also like to join with those who have extended congratulations to the hon. Member for Edson on his increased responsibilities. Certainly in the market place the word 'consumerism' in the last few years has played a prominent part in merchandising and changes in public thinking.

I am also happy to extend congratulations to the hon. Member for Calgary North Hill on joining the Executive Council. I can't help but reflect back on the year I was a member of city council and the hon. member was first elected. At that time there were many challenging issues. I recall being chairman of the gas committee at that time and I never thought that this time would arise when I

would be working with him on one of the most challenging undertakings of his portfolio, a policy for rural gas.

Mr. Speaker, I would also be remiss if I did not extend my congratulations to the Leader of Her Majesty's Loyal Opposition. The reports were interesting on the campaign he conducted among his party members in the Legislature to be selected for his responsible position in the Legislature.

AN HON. MEMBER:

Careful now.

MR. DICKIE:

I might say the comments were very limited. I didn't know whether he had succeeded on the first try or whether it went to three ballots or how it actually occurred.

However after witnessing really, the campaign that was conducted for the leadership, and some of the tactics that were employed and the skills that were utilized, I couldn't help but think he might have utilized, perhaps in the third ballot, some spill-off from that great Canadian and Russian hockey series as we recall the immortal words of Foster Hewitt in the final seconds when he announced that Henderson "shot and scored".

[Laughter]

Might I also say, however, that he is doing a lot of stickhandling in the Legislature. He has perhaps made kind of a sloppy body check or two, but I say to all hon. members today that he is still waiting to score his first goal.

MR. HENDERSON:

Mr. Speaker, that is debatable.

[Laughter]

MR. DICKIE:

As a matter of fact, Mr. Speaker, when he started his remarks on that memorable Friday afternoon, I thought he first read from the wrong book of his responsibilities. I thought he was reading of the functions of a court jester in Her Majesty's Court, rather than the responsibilities of the Leader of Her Majesty's Loyal Opposition.

Anyone who could suggest to the people of Alberta and the members of this Legislature that our Minister of Agriculture is other than number one in Canada must surely be jesting.

I did observe, Mr. Speaker, his interest in agriculture and I couldn't help but reflect on some of the other comments that were made in the Legislature about the suggestion that there were members on this side who were being coat-tail riders on the Minister of Agriculture. And I can realize why that situation would develop because many who were sitting on that side, and many of them are not here now, were very sensitive and were expert coat-tail riders.

However, Mr. Speaker, as I listen to the hon. members present to the members of this Legislature the concerns of their ridings and as I listen to what they have done in their ridings, I have no hesitation that they all stand on their own. And I cite just the perfect example of the hon. Member for Innisfail who spoke just prior to me bringing to the attention of all hon. members the difficult question of the rights of freeholders and how they go about increasing their royalties or getting additional revenue. And I think this is the place where those concerns should be voiced, Mr. Speaker, and I think the hon. members from rural Alberta are certainly doing that in this Legislature.

Mr. Speaker, in speaking of coat-tail riders though, I would say that there are some coat-tail riders. Having sat through the Estimates in this House, I think there are two coat-tail riders on the other side of the Minister of Agriculture's coat-tails who are really enjoying the ride; they are the two former Ministers of Agriculture in this House.

And I can only say one other thing, Mr. Speaker, to the hon. Leader of the Opposition. There are no tails on his jacket.

MR. LUDWIG:

Question.

MR. DICKIE:

I think, Mr. Speaker, I'd like to entertain a few questions afterwards.

MR. LUDWIG:

OK, don't forget Bill.

MR. DICKIE:

Now, Mr. Speaker, I'd like to particularly deal with the budget and advise all hon. members what I particularly liked in this budget.

I refer to page 5 for the first comment. "In 1972 the Alberta economy recorded the strongest performance since 1969." Mr. Speaker, I couldn't help but reflect back on a comment that was made during the oil royalty hearings in which a statement was made that the oil policy may be a dry hole. I suggest to you that the budget certainly indicates some dry hole, and certainly no worries from the Province of Alberta's point of view.

I'd also like to refer to page 7, in which it again emphasizes a top priority of the government to realize a greater return to Albertans from the sale of our natural resources.

Then turning to page 16, Mr. Speaker, that the "overall ... revenues from petroleum and natural gas are projected to reach \$426 million in 1973-74, a ... substantial 33.5 per cent increase." A 33.5 per cent increase, Mr. Speaker, and certainly I think all members of the Legislature can be proud of that.

I happened to think of that and recall the words of the hon. Provincial Treasurer when he said that the budget was a confidence budget, and I can also recall some of the comments that were made by the opposition and the concerns expressed by some members of the petroleum industry about investor confidence. And I thought how aptly those words, "confidence budget", really expressed the position we are in today. I think when the hon. Provincial Treasurer was considering those words, he had to be considering some of the comments that were passed on last year during our natural gas royalty hearings.

Now, Mr. Speaker, I think the final comment I would like to make is in the conclusion, the highlights of the second budget on page 18, which sets out: "Substantial increased revenues to the province arising out of this government's new energy policies."

Now, Mr. Speaker, I was going to submit to all hon. members on the floor of the Legislature some graphs and maps. However, I thought that might present some problems to you, Mr. Speaker. And not having an opportunity for the leaders of the respective government and opposition parties to consider that, I have had prepared some maps and graphs and I would now ask if the pages could distribute one copy to each of the members.

Mr. Speaker, while they are in the process of distributing them, I would like to advise all hon. members that I am pleased to report for the second year in succession that Alberta led all provinces in Canada with mineral production valued at \$1.9 billion or 30.2 per cent of Canada's 1970 total.

Although we don't have the exact figures, I would like to bring to your attention some of the figures that, I think, are of significance when you're realizing and talking about Alberta being the energy province of Canada. And I give you these figures and ask you to compare the part Alberta plays in the mineral industry in Canada. Alberta produced 78.2 per cent of crude oil, 100 per cent of the synthetic crude oil, 97.1 per cent of natural gas liquids, 82.5 per cent of the natural gas, and 43.5 per cent of the coal.

Now, Mr. Speaker, the maps having been distributed, I'd first like to draw to your attention the first map which is a map of Alberta. And on it are the stars indicating the 296 incentive wild cat wells certified between August 1, 1972 and February 28, 1973. I might ask the hon. members to consider the pattern, which I think is important, because one of the difficulties we had in working out a formula for tax credits, royalty credits, was to make sure that there would be an equal distribution throughout the province and all parts of Alberta would gain the benefits of incentive wild-cat wells. And I think this

map indicates, very graphically, just exactly what did happen in Alberta during that period of time -- one we can all be very pleased with.

Next I have a series of graphs showing rig activity in Alberta in 1972. And I think it's an interesting comparison, Mr. Speaker, if the hon. members would lay these on their desks, starting with the province of Alberta, then beside that map put the Province of Saskatchewan, the Province of Manitoba. And look at the difference in graphs which, I think, clearly indicate without doubt the success of our drilling incentive program.

You will recall that it was during April and May that the members of this Legislature were considering our Natural Resources Revenue Plan as it related to crude oil. You recall some of the comments that were made at that time and seeing the effect on the drilling activity and comparing certainly Alberta, Saskatchewan and Manitoba. And then we have also supplied [a map of] British Columbia and then, showing the last graph, which does indicate the field wildcat wells licensed in 1972 and 1971.

Mr. Speaker, I wanted to make one or two further observations on the graphs as you consider them. I think if you recall some of the comments that were made during the public hearings and by the press, I can recall one by the hon. Leader of the Opposition -- he was concerned about removing the ceiling on our royalty and the effect that would have on The Mines and Minerals Act as well as the whole economy and taking of leases.

I think at one time he did express the concern that that would be reflected in bids. And Mr. Speaker, for the interest of the hon. Leader of the Opposition, I would like to bring to his attention today that in 1972, 9.3 million acres were acquired as permits, leases and reservations at an average price per leasehold acre, of \$4.50, in comparison with 11 million acres in 1971 at an average price of \$3.12. The price, Mr. Speaker, in 1971, \$3.12; in 1972, \$4.50.

Also looking at Crown reserves, covering petroleum and natural gas leases, drilling reservations, natural gas licences, and exploratory reservations, in 1972 offers of \$25 million were accepted which averaged \$35.16 per leasehold acre, while in 1971, \$23 million were accepted, which averaged \$29.32 per leaseable acre. The increase was just under \$6.

Mr. Speaker, reflect back on the comments of the hon. Leader of the Opposition and consider those concerns he expressed at that time. I think they were without foundation.

I would also like to pass on one other aspect. I think some concern was expressed about jobs and job opportunity, and probably rightly so. There was one newspaper headline that stated, "Substantial Unemployment, 210,000 Jobs at Stake." I can recall the hon. Member for Olds-Didsbury raising this particular point and expressing concern.

I would like to comment briefly on that and give you a few of the figures we received from the Canadian Association of Oilwell Drilling Contractors. Their figures showed that rig operating days from August 1, 1971 to January 31, 1972 were 14,394, and from August 1, 1972 to January 31, 1973, 19,067 -- an increase just under 5,000, or a percentage increase of 32 per cent. The number of wells drilled in the same period of 1971, 1,041; the same period in 1972, 13,059 -- an increase of 30 per cent. Incentive wildcat licenced, 238, or 100 per cent increase. The rigs in operation during that period of time increased some 33 per cent.

You will also recall that some of the concerns expressed about the Natural Resource Revenue Plan relating to crude oil, might cause some people to consider drilling in the Arctic and the Northwest Territories. It's interesting to look at those figures for 1971 and 1972, because there was an actual decrease of some 8 to 10 per cent in the wells in that area.

Now, dealing with the question of jobs and job opportunities and what that means to the people of Alberta. The increase in drilling-operating days, and using a daily payroll for direct and indirect jobs, rated equal the sum of \$20.5 million of payroll generated in the province in the six-month period ending January 31, 1973, as compared with the same six-month period the previous year. Again, Mr. Speaker, I think those figures certainly substantiate the drilling incentive program that was instituted by this government.

Now, Mr. Speaker, I did give the hon. members one other chart I thought they might find of interest, and that was a comparison of royalty between Alberta, British Columbia and Saskatchewan.

You will observe the recent change by the British Columbia government. Now in the change they made -- there was some talk whether they had, actually, a guarantee of having royalty remain the same. I think that may be a little strong, but I would like to draw to the hon. members' attention that under the former legislation, royalty was paid in such amount, and was payable in such manner as may from time to time be described by the Lieutenant Governor in Council, "But the amount thereof shall not be less than is payable immediately before coming in force of this Act." The original legislation reserved the royalty not exceeding one-sixth of the gross production from the lease in its initial term.

Section 5 of the royalty regulations being Order-in-Council 1267/65 stated that the royalty schedule came in force on May 1, 1965 and would continue in force until January 1, 1975. British Columbia proposed to amend both the royalty provisions of the Act and its royalty regulations.

Mr. Speaker, I think it is significant there to consider that really what happened is, by Order-in-Council they decided that royalty regulations to remain in force in effect until 1975; they then changed that for this year and the year 1973. And certainly, Mr. Speaker, perhaps that can't be a guarantee, but I think those members who have been on the Executive Council and the members today would certainly consider when that regulation is passed for a period of five years, that the government, irrespective of which government is in power, would stand behind that Order-in-Council.

Now, Mr. Speaker, dealing with just a few thoughts on oil and gas, I would like to first deal with one question that has been of considerable interest and that is the question of the life index. I would like to give the hon. members some additional information than appeared in the Energy Resources Conservation Board 1972 report, for I think hon. members will have read that and have some questions about the life indexes that appear in the report.

First, I would like to refer to oil and refer to four different situations: the conventional crude oil life index; the conventional crude oil life index as it applies taking into consideration GCOS; the conventional crude oil taking into consideration GCOS and Syncrude; and then the fourth one, the conventional crude oil life index considering the proven oil sands reserves. And under each of these four categories I would like to ask you to consider first, the normal life index which is a reserve production life index, and then the Alberta requirements life index. This is the Alberta requirements life index that doesn't appear in the report, but I think hon. members will find it of interest.

So for the first situation dealing strictly with conventional oil, the Alberta requirements life index indicates 155.68 years. The normal or reserve production life index is 16.73. I think it is commonly stated now that at the end of 1973 it is 17 years.

Taking a look at the second situation, the crude oil plus the GCOS situation, the Alberta life index is 161.55 years and the normal reserve production life index is 17.11 years.

The third one is the conventional crude oil plus GCOS and Syncrude. The Alberta requirement life index is 195.36 years as compared with the normal production reserve life index of 20.69 years.

And the last one is considering the conventional crude and the proven oil sands reserves. The Alberta requirement life index in that case is 649.96 years and the normal reserve production life index is 68.84 years.

In turning to gas, Mr. Speaker, the situation is a little different and has to be looked at a little differently. I would like first to refer to the life index itself. The normal life index is 24.2 years at December 31, 1972 and in looking at that, the next item that I would ask you to consider is the Alberta requirements life index, the same as we did for oil, and that is 161 years. We accepted those figures by considering the marketable gas reserves at December 31, adding the production for 1972, and taking those factors into consideration arrived at the two indexes.

Then there was another figure I would like to invite you to consider and that is the 1972 life index in relation to the Energy Resources Conservation Board's gas surplus determination and for that we have to look at the marketable gas reserves of December 31, 1972 at 47.48 trillion cubic feet less the reserves currently beyond economic reach and the reserves deferred for conservation reasons, being a total of 4.16 trillion cubic feet leaving the reserves available for Alberta and permit commitments of 43.32 trillion cubic feet.

Against that we have to deduct a permit commitment as of December 31, 1972 and a permit related to Alberta requirements making a total further deduction of 31.53 trillion cubic feet leaving the reserves available for Alberta requirements of 11.79 and the 1972 Alberta requirements, .28 trillion cubic feet, giving the figure of the 1972 surplus life index for natural gas of 42 years.

Now, Mr. Speaker, I would specifically like to turn to and focus some attention on crude oil in Alberta, possible future markets. Two areas that I would like you to consider and to comment on at the present time concern the demand for petroleum products in the United States and the price aspect as it relates to the OPEC countries.

And the first significant factor that I think one must consider is the United States demand. And in examining a number of projections I think the key thing to look at is the future United States net import requirements. It is noted that in 1972 the total United States oil imports including both crude oil and daily petroleum products came to some 4.7 million barrels daily. The projected volumes of net imports range from, in 1980, 7 1/2 to 13 million barrels per day, and in 1985, 8.7 to 19 million barrels per day.

Now, Mr. Speaker, I think when you consider those and consider the question of the energy crunch, the energy crisis, we must look at what the United States is doing. Perhaps you can just round those figures off and keep in the back of your mind that in 1972 the United States imported some 5 million barrels daily and that those projections are to go anywhere from 8 million to 13 million in 1980, and 9 to 19 million barrels in 1985.

This poses serious questions in the international oil market. Where is the United States to get those requirements to satisfy the needs in the United States? And I think that when you consider those facts alone, you have to realize the importance of the forthcoming statement by President Nixon on energy matters.

I think some of the areas that have been explored and some of the items that will be considered, that we will watch with interest, would certainly be: (1) the question of the wellhead price of natural gas, whether those wellhead prices are lifted, (2) whether steps will be taken to curtail use in the United States, (3) if there are steps taken to encourage, by way of incentives, further drilling in the United States, and (4) an important factor involving Canada, the conversion of coal to synthetic fuels. At the present time there is some \$60 million allocated to research in that area with a view that perhaps steps can be taken in the forthcoming years to satisfy the great needs that the United States has.

Mr. Speaker, all of those areas and concerns that President Nixon perhaps will be dealing with will have ramifications for the Province of Alberta and we will continue to watch those with interest.

I might add there is one other interesting aspect that might perhaps be considered by President Nixon and this was reported in December in the Toronto Globe and Mail, that President Nixon's forthcoming energy message may propose measures to pass steep price increases on natural gas along to large industrial users. Kenneth Lay, executive director of the Ontario Department of Energy said:

The general approach centres in gas price increases, coupled with economic leverage to nudge some large users in other fuels while protecting homeowners against the stiffest increases.

Mr. Speaker, in considering, of course, the United States' position and the energy demands of the United States and particularly crude oil, I think the figures indicate that the average crude oil consumption is increasing yearly at the rate of approximately 8 per cent. In the United States it's increasing about 8.7 per cent. I noticed with interest that in the Advisory Committee on Energy their report to the Ontario government dealt with this aspect and they described it very vividly on page 15. It stated that:

One of the most crucial aspects of the United States energy outlook is a rapidly escalating dependence upon imports of crude oil. It is projected that by 1980 the United States will be importing about 50 per cent of its crude oil supply. The great majority of these imports will originate in the Middle East and the political and strategic implications of this dependence are of great concern.

And certainly, Mr. Speaker, when you consider the escalations, the projections of their consumption and the reliance they have on crude oil supplies of approximately 50 per cent, those are factors that will have a considerable bearing in the areas that Alberta must consider in its crude oil policies.

That really takes me, Mr. Speaker, to the international oil market and I would like to pass on one or two observations in that regard. Certainly in the last three years, Mr. Speaker, in the international oil market we have witnessed a radical transformation in the relationship between exporting and importing countries and companies in the international oil market. If you go back, Mr. Speaker, and read the McKenzie Report and some of the statements made in that report about cartels and international cartels and some of the problems, I would like to suggest that when you do consider the picture in the international oil market it has changed considerably.

It has changed, Mr. Speaker, as a result of an organization that all members I think are familiar with, OPEC. It represents 11 governments and they are the main exporting countries of oil. The letters stand for the Organization of Petroleum Exporting Countries. It includes the producing countries of the Persian Gulf, as well as Libya, Nigeria, Indonesia, Algeria and Venezuela.

Mr. Speaker, OPEC and the actions it has taken since 1960 has had three significant effects, (1) they have increased their oil revenues, (2) they have forced the price of oil up, and (3) they have gained control over the supply situation.

Mr. Speaker, it is interesting to note what has really happened as a result of the actions of the OPEC countries. It did develop that the host countries in the OPEC countries were dealing with the importing companies, that is the international oil companies. Now there has been a suggestion and recent criticism perhaps that the governments of those international companies and also the countries that are involved in importing crude, have not become involved. There does appear to be a suggestion now that this change will shift. That is, the OPEC countries now should be dealing with the countries which are actually involved rather than the international oil companies that have a substantial interest in those countries.

I think it is significant here that when they are considering this they are looking at the countries in the Western Hemisphere and include Japan. And certainly in our Alberta economic mission to Japan we had the privilege over there to review with the Japanese their white paper on energy. I recall some of the figures they had and their reliance on the Middle East countries for some 85 per cent of crude oil.

I think when you look at those figures and the reliance they have, with the shortage that will exist in the United States, again there is a need, and you can feel a movement towards the countries starting to negotiate with the OPEC countries on a country-to-country basis, whereas in the previous situation it was the international oil companies that were dealing with the host countries.

Mr. Speaker, I think it is interesting to note, and I think all hon. members will be interested to consider, that when we did mention the question of a three-year period there were some really significant agreements. When you read about the OPEC countries you will read about the agreements that were executed which had an effect on the oil industry and certainly the price of oil.

The first one I would like draw to your attention to is the agreement of Tripoli in 1970. That was an action as a result of Libya. Libya had certain problems with respect to its oil imports; and in the Gulf Coast the tapline which dealt with the supply was cut off. And then Libya forced the restrictions in crude oil in the hope to get higher prices and they were successful. As a result of that it was followed by an agreement in 1970 also with Teheran. That involved the other Middle East countries. So with the Teheran and Tripoli agreements there were substantial increases in the price of oil as a result of those agreements.

The next significant agreement was the Geneva settlement in January 1972 which dealt with the devaluation of currency. Mr. Speaker, we are going through that situation right now with the devaluation of currency and the effect on price. It is going to have a material effect on price in the United States and that will have a material effect in Canada.

It is also interesting to watch the results of that devaluation and the effect of crude oil into Canada, because of course that will have an effect on the price of our natural gas going into the Ontario markets. The price of oil

increasing into Canada will have an effect in the Ontario markets by virtue of the fact that the competing fuel in the Ontario markets is a No. 6 grade of oil and that will increase the differential between the competing oil and natural gas in the Province of Ontario.

There is one further aspect I would like to mention which I think is a significant agreement. That was the general agreement on participation. When they talk about this question of participation of the OPEC countries with the international oil companies, they are talking about a phased participation. But they really describe it, I think even the OPEC countries describe it that way, as a phased nationalism. Certainly they are going through that situation now where -- and particularly we might take Saudi Arabia -- by 1982 they will have 51 per cent of the companies involved that are dealing in that country.

When you look at the OPEC countries I think a number of them are of extreme interest, both from a political point of view and to see the various political problems they are faced with and some of the actions they may take. I was particularly interested in Saudi Arabia myself, and I might mention a few of the figures that have been brought to my attention as a result of looking at that situation.

It is a nation of 67 million people and will rank as one of the world's richest little countries. Its annual revenues are estimated to be about \$8 billion by 1975 and nearly \$20 billion by 1980. In addition, it has the highest proven reserves of 138 billion barrels, and in 1972 its estimated production was 5.7 million barrels which compares to Canada of 1.1 million barrels. It is estimated that in 1980 it will produce over 20 million barrels a day.

Again, Mr. Speaker, I mention those figures because you have to relate them back to the situation in the United States and their demands for crude oil. Approximately 50 per cent of their demands will be filled from those areas.

It is also interesting to note that the British Petroleum Press Services, one of the most respected publications in the field, points out that the combined revenues of OPEC climbed from \$4.5 billion in 1966 to almost \$12 billion in 1971. It probably exceeded \$15 billion in 1972 and a conservative estimate could reach \$56 billion by 1980. And, Mr. Speaker, here again when you see the revenues that are going to the OPEC countries, you realize the significance of the revenues and what they are going to do with those dollars, and how that is going to effect not only the international market in oil, but the international money market.

And those of you who are followers of Time magazine will recall reading an interesting article last week in Time, not only talking about the political significance of that, but also they did make what I thought was an apt comparison, when they talked about Fortune's 500 largest corporations and their earnings and that doesn't exceed what the OPEC countries are getting by way of additional revenue from their own oil.

So, Mr. Speaker, I think it is a significant factor, from not only their future dealings, but also the money that they will have available and how that money is going to affect the international world trade.

Now, Mr. Speaker, having commented on the question of production, and the demands in the United States, having taken a brief look at the international oil market, I'd now like to turn briefly to Canada and have a comment or two on Canada.

As I have been mentioning the situation in Canada to hon. members, I would like to comment briefly on how much Canada does import by way of foreign crude. And I have these figures and I think hon. members will find them of interest.

The imports of foreign oil and net products into Canada, as a percentage of the total crude oil and products received by Canadian refineries are as follows: In 1968, 51 per cent; 1969, 52 per cent; 1970, 51 per cent; 1971, 52 per cent; 1972, 53 per cent; and 1973, 54 per cent. Both 1972 and 1973 figures are estimated. But again, I think the important point to consider here is that Canada is importing 53 to 54 per cent of its crude oil.

It is also interesting to look at the areas from which it is receiving the imported oil. It is certainly not my intention today to go into all of them but I think I'd like to give hon. members some idea of the countries we are looking to in the importation of our crude oil.

In 1972 Venezuela ranked number one, it was 390,000 barrels; the next was Iran and Iraq at 117,000, and next Saudi Arabia at 75,000. And we have those

figures and they are changing, but those are the three main countries. You can see where Canada is importing its crude from.

Now when you consider that Canada is importing approximately 54 per cent of its crude, then you have to consider some of the problems we are facing in the question of oil in Canada. And I think it would be well at this time, Mr. Speaker, if I did refer briefly to what is commented on as being the national oil policy. I know hon. members are going to hear that phrase more and more as time progresses, the national oil policy. Just what is the national oil policy?

I'd like to read briefly a statement that was made in the House of Commons on February 1, 1961. It's a statement on the national oil policy by the Minister of Trade and Commerce. And I read this, Mr. Speaker, because I think when the hon. members do get into the questions of discussion on the national oil policy, they will perhaps want to refer to it, the exact wording of it, certain aspects of it, and I'd just like to read -- I won't read all of the statement, but some of the main parts so that it is clear as to just what actually happened and what is described as a national oil policy.

As the House is aware the government has been giving active consideration to the situation of the oil industry in Canada for some time. It has had the benefit of a constructive report from the Royal Commission on Energy, and the National Energy Board has studied intensively the changing conditions which have characterized the period since the commission reported.

I wish to inform the House that the government has decided upon a national oil policy which is, briefly, to achieve targets, levels of production of oil including natural gas liquids, which will be set from time to time and which will be designated to reach approximately 800,000 barrels a day in 1963. This objective for 1963 can be achieved by the industry on an economical, sound basis and will be approximately as high as the figure which would be achieved if the Montreal pipeline were to be constructed.

Then there is a section going on with the production targets and then, the next section:

These targets are to be reached by increased use of Canadian oil in domestic markets west of the Ottawa Valley and by some expansion of the export sales largely in existing markets which can be reached through established pipelines. The growth in domestic use is predicated in particular on substituting in Ontario markets west of the Ottawa Valley products refined from Canadian crude for those now supplied from foreign crude. This will require, in Ontario, the displacement of the present small imports of crude and a progressive reduction in imports of foreign products and transfers of products refined from foreign crudes in Montreal.

Refining capacity in Ontario will have to be increased over the periods by 1963 capacity sufficient to enable the Ontario market, west of the Ottawa Valley, to be supplied substantially from Canadian crude.

Mr. Speaker, in effect the national oil policy reserves Ontario for western crude. And I mention that today because I think when we talked about the situation in Canada in respect to life indexes, in respect to reserves, in respect to controls, I think many times the significance of the national oil policy, the amount of oil we are importing as a nation in Canada, is completely lost sight of.

Mr. Speaker, I think hon. members will recall that in January the hon. Minister of Federal and Intergovernmental Affairs and myself met with the hon. Minister of Energy for the federal government as well as representatives of the National Energy Board when they presented to us the National Energy Report, dated December, 1972, which was tabled in this Legislature.

It is not my intention today, Mr. Speaker, to comment on this report. I can, however, advise hon. members that the report is presently being assessed by our Energy Resources Conservation Board to have their views on it and we will then be in a position to deal with the report more fully at that time. However, I wouldn't want to let the occasion go by without one or two observations, Mr. Speaker.

First, the concern that I have had with the report is the lack of appreciation of our oil sands. And I refer to page five in the report where it states: "The conventional reserve of western provinces is the only presently assured source of supply of crude." Mr. Speaker, the words that really troubled

me were "the assured source of supply of crude." Assured source -- they did not take into consideration our oil sands or what GCOS is presently producing. And I would like all hon. members, when they are looking at that report, to certainly consider the synthetic crude oil that is now coming from GCOS which is some 60,000 barrels a day. Can anyone read a report like this and say that that's not an assured source of supply of crude?

Mr. Speaker, the other observation I would like to make is that it appears that this report will be used as a basis for the controls and was used as a basis for instituting controls by the federal government -- is the question how the controls are going to be implemented. And one of the serious aspects from Alberta's point of view, at the present time is, that although we're the leading province, there are other provinces that are producing oil. But if there is any restriction on oil, and it's going to be decreased in some way for export purposes, then Alberta will bear the full load of that decrease. And I think, Mr. Speaker, that is one of the key questions that we'll have to watch and deal with with the federal government to make sure that if there are decreases, that there's no question that they are made fairly and equitably with the other provinces in western Canada.

Mr. Speaker, also I think on that question of controls -- There was one further observation I was going to make, but I'll have to refer to that a little later, Mr. Speaker.

I did, however, want to pass on one further comment on the report of the National Energy Board. I think that report shows, although it wasn't one of the conclusions, that Canadian oil productive capacity will continue to be substantially in excess of Canadian requirements throughout the full forecast period. No matter how you look at the report, I think if you come back to that conclusion, I think that is a conclusion we could well voice from the position and the point of view of Alberta.

Mr. Speaker, dealing with those questions of oil, I'd now like to turn to the question of natural gas. On the question of natural gas I would like to really review and highlight the significant events that have taken place since we have taken office.

One of the first and paramount concerns when the government took office in 1971 was the price of natural gas leaving the province. The initial assessment established was that natural gas was under-priced. In our view the unwanted orphan had now become a premium fuel.

We then started to see what steps could be taken to obtain a higher price for natural gas leaving the province. The hon. Premier, as well as other members in the cabinet, spoke on various occasions, expressing their concerns about the price of natural gas. The question is very complex. It involves other governments. It involves regulatory bodies, it also involves industry.

The major step that was taken was for the cabinet to approve the request of the Energy Resources Conservation Board in January, 1973, to conduct a field price study of natural gas. To our knowledge, it was the first time in Canada that such a step had been taken. It was a new direction for the Energy Resources Conservation Board. Evidence would indicate that the previous administration had not been concerned with the question of price. There was a vacuum in the area of legislation. The decision to become involved in the question of price of natural gas was a major decision.

Mr. Speaker, I think when I look at that decision, and the idea stemmed from the hon. Premier, when we are looking back and people ask us, what has this government done, I think that decision to have the Energy Resources Conservation Board will be one of the major decisions we can stand in this House and be extremely proud of. I think, certainly, the credit for that goes to the hon. Premier, and I think, Mr. Premier, I can say to you today that this will reveal your genius and future thinking in taking that step. It was certainly a truly significant move and will continue to be one as we reflect back.

We did look back and consider when the board started to conduct its study. There was, I would say, a general mixed reaction. There were those who questioned what benefits would be derived from such a hearing. There were those who questioned if our natural gas was under priced, and there were those who suggested that the market price would rectify itself in time.

As the hearing progressed and the day-to-day press stories of evidence presented to the Energy Resources Conservation Board were communicated to the people of Alberta and throughout Canada, it became obvious each passing day that

Alberta natural gas was under-priced and the initial assessment of the government was confirmed.

After the hearing of the Energy Resources Conservation Board, it commenced work on its report. Hon. members will recall that in August, 1972, that report was presented to the government and the government immediately made it public. The report highlighted that one, the current field price was not in the public interest of Alberta. It concluded that the Alberta natural gas was under priced by 10 to 20 cents, and that 84 per cent of Alberta gas marketed in 1971 was removed from the province and 56 per cent of that was removed to the United States.

One other conclusion, Mr. Speaker, while reading the report -- it's interesting to note today that under cross-examination TransCanada stated that in the Ontario market the price of gas could be increased by 10 to 14 cents per mcf without significantly affecting sales or growth.

I mention that, Mr. Speaker, because I think it is interesting to consider the present discussions going on. After receipt of the report, your government proceeded to prepare its response in the fall sitting of the Alberta Legislature. You will recall the hon. Premier presenting to the Alberta Legislature the government policy statement regarding natural gas. The basic effect of that statement was to carry out the philosophy of the present administration to operate in a free enterprise system, to give the buyers and sellers an opportunity to react to the report before further government action.

The statement concluded that the price of natural gas was under-priced by 10 to 20 cents and recommended that the price redetermination should be every two years. It set April as the deadline for contracts to be filed with the Energy Resources Conservation Board and established a two-price system designed to shelter residential, commercial and selected industries in the province.

Following that is a brief summary of the events that have occurred since the issuance of that statement: (1) Pan Alberta Gas Ltd. has made offers of five year contracts at 38 cents per mcf starting in 1974. (2) the government received information that certain of the purchasers had made offers to producers of 26 cents per mcf. The government also received information that would indicate that these offers were withdrawn after strong reaction was indicated from distributing companies in eastern Canada. (3) that there was a price redetermination in British Columbia. The majority award was for 3 cents per mcf in increase and a minority opinion recommended a minimum increase should be 8 cents per mcf and that it would not be unfair to make an award approaching 16.5 cents per mcf.

After that, Mr. Speaker, the purchasers then made two moves. They took steps to engage, and we had information that would indicate that, one of the persons who was on the arbitration that had granted the 3 cents in Alberta -- and they gave notice of intention to proceed with arbitration.

Then, Mr. Speaker, in February there was a second arbitration in British Columbia in which an 8 cent award was made. Following that decision the west coast apparently offered the 8 cent increase on all Fort St. John volumes including those volumes produced by the gas producers involved in the first arbitration resulting in the 3 cent award.

Mr. Speaker, I have also passed on some comments in a speech in Calgary dealing with amendments to the Arbitration Act whereby guidelines would be established for guidance and direction of arbitrators on the question of price redetermination. Events are occurring today. It is not my intention to further comment on those, but I did want to give that background to the hon. members so they were acquainted with what is happening in the question of the price of natural gas so as they watch the events that occur from day to day they will have that background information.

There was one other piece of information that I thought hon. members might find of interest and that dealt with the question of comparing gas prices. We did some initial work on that, Mr. Speaker, in endeavoring to determine how the 16 cents would compare with gas from the MacKenzie Delta, gas from the Atlantic off-shore, gas by Pan Alberta, gas from Russia and gas from Algeria. In certain cases, having to try to get those prices down to compare with the 16.5 cents that is in Alberta, we had to make certain assumptions and certain discount figures and take into consideration also transportation. But I would just like to highlight what those figures look like in comparison, keeping in mind that you have to qualify them in a number of ways when you are looking at them.

In gas from the MacKenzie Delta which is contemplated could be 1977-78 or 1980-81 now and we had to take the transportation charge off that and discounted it 8 per cent, that comes back to a price in Alberta today of 55 cents. Gas from Atlantic off-shore, 26 cents, gas by Pan-Alberta, 32 cents, gas from Russia, 49 cents, and gas from Algeria, 25 cents. So those give you some general figures of a price that might be considered, Mr. Speaker.

Now, Mr. Speaker, I have dealt briefly with some comments on oil, some comments on gas, in the Canadian picture, I would like to now comment briefly on the question of controls and how they would be effected. And I think there when you have to consider what has happened in respect to natural gas and the restrictions that have been placed upon Alberta exporting gas, I would like to briefly highlight for the members what steps do take place in determining the restrictions that are placed on natural gas for export.

An application is first made to the Energy Resources Conservation Board. After that application is made and there is a public hearing, the recommendation then goes to the cabinet and the cabinet makes its recommendation. Following that the company will then apply to the National Energy Board for approval to export and it depends on that situation, whether that recommendation goes to the federal cabinet. You will recall that in the November 19, 1971 decision where they refused export of natural gas, that decision did not go to the federal cabinet. Only approvals go the federal cabinet.

Now I mentioned this as the procedure that is being followed in respect to natural gas because as we see what could be transpiring on the question of crude oil, and looking at the reports that have been filed by the National Energy Board, it would appear that they are going to follow relatively the same kind of procedure and perhaps the same type of reserve picture with respect to crude oil.

And this presents a problem, Mr. Speaker. I think when we do consider the question of refusal to export and we do consider keeping the reserves for the rest of Canada, I think we have to consider what is being asked here. I think what is being asked here is -- Alberta does have, through its oil and gas, I would like to say money in the bank that is not being paid interest if that is being reserved for the rest of Canada; certainly if that is the case then there should be some fiscal equivalent to take that factor into consideration.

The CPA have calculated briefly what might be the effect of keeping reserves in the ground. They have concluded that dollar value on that, I would say keeping one trillion cubic feet of gas in the ground for one year is approximately \$3.3 million. So if we are looking anywhere for the Canadian, the national interest, we are asked to keep our oil or gas in the ground for that purpose. Then I think, Mr. Speaker, we have to look at and should give consideration to a fiscal equivalent.

Now, Mr. Speaker, that leads me to I think really the main comments that I would like to make today, and that deals with the question of the National Energy Board, the question of system or the procedure that is followed for the export and price of natural gas and, now, oil.

And I think when dealing with that, Mr. Speaker, the first question that I asked is, do we have a proper and effective and a fair system to deal with the complex and difficult problems confronting a province like Alberta as well as other provinces, as well as Canada, on the questions of energy?

I would like to suggest today that now is the time to give consideration to restructuring the National Energy Board. I am pleased to say that the thought was also expressed by the Science Council of Canada in its Report No. 19, it would be in January, 1973. On page 71 it said this:

The National Energy Board, in its attempt to consider not just Alberta and Albertans, but also all of Canada, and all Canadians, has placed restrictions on the export of natural gas from Canada. But in not providing Alberta with an alternative to the export market, and in failing to convince Albertans that the federal government is wisest, the Energy Board's restrictions have allowed a serious federal-provincial conflict to develop. Clearly, some neutral form where such conflicts can be resolved is desperately required.

Mr. Speaker, I would suggest today, as a solution, a means of achieving that neutral form. Before inviting you to consider that neutral form I would like you to consider additional reasons why a new approach and a new restructuring of the National Energy Board is considered.

In reviewing the ramifications of the problem I would like to comment on four areas, the question of a conflict of interest, The National Energy Board Act and Regulations, Canadian Oil and Gas Land Regulations, and Panarctic Oils Ltd.

And certainly when one seriously examines our energy questions that we must solve today, the first question is: does the federal government have a conflict of interest? In dealing generally with the philosophy of a conflict of interest, the general philosophy of a conflict of interest stems from the well known Biblical statement that a man cannot serve two masters.

A preliminary review of legal jurisprudence did not disclose any precedent statement that governments are immune or absolved from conflicts of interest. The general statements would indicate that a government such as the federal government could be in a position of having a serious conflict of interest problem.

The usual judicial decisions deal with the judiciary relationships between an individual and a company. Although their application is not suggested in this case, I submit they are worthy of comment and consideration by hon. members.

I would like to quote two statements:

"The ground on which the disability or disqualification rests is no other than the principle which dictates a person cannot be both judge and party." Second: "The rule is based on a rule of human nature that no person having a duty to perform shall be allowed to place himself in a situation in which his interest and duty may conflict."

Now, Mr. Speaker, I would like to consider the National Energy Board Act. The Act came in force by proclamation on November 2, 1959. The first important point to note is that under Part 1 it provides for the establishment of a National Energy Board. Section 3(1) provides that there shall be seven members and they shall be appointed by the cabinet or the federal government. In other words, it is clear that it is a federally appointed and controlled board.

Part 2 of the Act, by subsection 22, obligates the board to make continuing studies and report on energy matters and questions to the federal Minister of Energy Mines and Resources.

The section also provides that, at the request of the minister, the board shall prepare studies and reports on matters relating to energy or sources of energy. It is also interesting to note that Section 23 provides that studies and reports of boards may be made public only with the approval of the minister.

The key section of the Act, however, is Section 83 and in view of its importance I would like to quote it:

Upon the application for a licence the board shall have regard to all considerations that appear to be relevant. And without limiting the generality of the foregoing the board shall satisfy itself, (a) that the quantity of gas or power to be exported does not exceed the surplus remaining after due allowance has been made for reasonably foreseeable requirements for use in Canada, having regard in case of an application to export gas, to the trends and discovery of gas in Canada. (b) The price to be charged by an application for gas or power exported by him is just and reasonable in relationship to the public interest.

Mr. Speaker, there are two points there. One is "the surplus remaining after due allowance has been for a reasonable foreseeable requirements" of the future, and that "the price to be charged...is just and reasonable and in...the public interest."

Mr. Speaker, in considering that section and considering that Act too we have to ask ourselves a number of questions. Why were gas and electricity brought into consideration? Well, at the time, as of March 1, 1959, Second, should mineral extraction of oil and gas be included? Or should it be limited to gas as nickel, lead, zinc, copper, potash. If we are talking about a Canadian resource and Canadian concerns, perhaps these should also be included.

Mr. Speaker, we have an ideal example today. A mineral that is used to generate power in the United States, and the United States has none, but there are some in Burney Lake, Manitoba, and the question of whether that mineral should be included or not is a key point to consider, Mr. Speaker.

Now the third aspect I would like to consider is the Canadian oil and gas land regulations. It is interesting to note the interests of the federal government in oil and gas. The Canadian oil and gas land regulations were passed in 1961 and subsequently amended to empower two federal departments to administer the disposition of oil and gas belonging to the federal government on all lands forming part of Canada, but not within any province.

The Minister of Indian Affairs and Northern Development and his department administers the lands located in the Yukon, the Northwest Territories including the Arctic, which is some 1.5 million square miles, and the adjacent continental shelf offshore .5 million square miles, making a total land and offshore area of 2 million square miles.

The Minister of Energy, Mines and Resources and his department administers the regulations in the Hudson Bay and the continental shelf offshore from Quebec and the Maritime provinces and in the continental shelf offshore from British Columbia. The Hudson Bay area comprises some 100,000 square miles, the eastern offshore some 250,000 square miles and the western offshore 50,000 square miles, making a total area of the Department of Energy, Mines and Resources of 650,000 square miles.

To appreciate the magnitude of the oil and gas lands administered by the two federal departments of 2.6 million square miles, the area of the ten provinces in total is less than 2.3 million square miles. Alberta and Saskatchewan together comprise only some 507,000 square miles.

The next is to consider the situation with respect to PanArctic. This company was formed in 1967 and currently has exploration permits and holdings on the Arctic lands extending to 100,000 acres. Since its inception 55 per cent of the share capital has been held by companies and individuals. The remaining 45 per cent is held by the federal government and is a large enough block of stock to effectively guide the company's operations. There are four directors representing the federal government, two from the Department of Energy, Mines and Resources and two from the Department of Indian Affairs and Northern Development.

Now, Mr. Speaker, having considered those aspects, what is the solution that I would like the hon. members to consider today of the restructuring of the National Energy Board? I have listed it in eight points and I would like to deal with those eight points, Mr. Speaker.

One, the appointment of a new major independent board or tribunal. The board could be named 'The Energy Export Board' or something similar.

Two, the board would be given power to deal with energy questions pursuant to an energy agreement signed by the federal government as well as those provinces that have an interest or desire to sign.

Three, the energy agreement would be a new direction in federal-provincial relations and a new approach in the spirit of cooperation. We foresee problems but none that are insurmountable. The constitutional problem of delegation of power would require further consideration. One could foresee the energy agreement as a blueprint for a section of a new Canadian constitution.

Four, the appointment to the board would be made jointly by the signing federal government and the signing provincial governments, and the board would be accountable to the federal and signing provinces.

Five, under the energy export board would be a division specifically dealing with oil and gas. The division dealing with oil and gas would consist of three members, one appointed by the Province of Alberta, one appointed by the federal government, and one representing the remaining provinces. There would be other divisions to cover electricity and other minerals. The energy agreement would provide that the particular province involved would have the prerogative of making appointments to the division of the board dealing with electricity or other minerals. In other words, the appointment of members would be the same, one for the federal government, one for the province particularly involved and one representing the remaining provinces.

Six, the energy export board and the divisions thereof would deal with the technical and administrative problems of energy and make recommendations to the federal and provincial governments. The federal government and the provincial governments would then decide jointly after government-to-government discussions the acceptance or rejection of those

recommendations. The result would be that the policy would be made by elected and provincial representatives and the technical aspects by the respective appointments.

Seven, a company applying for export of energy would only have to make one application before the Energy Export Board or the division thereof and would only look to the joint decision by the federal government and the provinces involved.

Eight, the rules and regulations governing the energy export board and the divisions thereof could be clearly spelled out and the past experience of both the Energy Resources Conservation Board and the National Energy Board would be of great assistance.

For example the pricing provisions of The National Energy Board Act and the regulations leave much to be desired. Section 11 (a) is highly questionable. A U.S. border price increase such as Alberta and the southern situation is not clear with the possible advent of lifting controls on the wellhead price of gas in the United States. A three-price system could arise. We suggest that the present legislative mechanism cannot resolve the problems whereas the proposal would.

Another example from the point of view of the gas producers that would be serious is that at the present time when an application is refused they are not sure where they stand on future applications and what priority they will be given.

Mr. Speaker, that's the solution I'd like hon. members to consider. I will be looking at it further, modifying it, making suggestions to other provinces in Canada to ask them to give consideration to that as well as the federal government.

Mr. Speaker, in considering the National Energy Board at this time, I would also like to pass on one or two other observations and that deal with the question of the confidence in the National Energy Board. I don't make these suggestions as a minister, but I think they have been brought to my attention and I should bring them to the hon. members' attention.

They arise in really four areas: one is the gas metropolitan story; two is the violations of the Ottawa Valley Line; three is delays in decision; four is the November, 1971 NEB export refusal, and not for the basic reasons, but for other reasons in the report; five is their lack of surveillance which our Energy Resources Conservation Board in its field price hearing brought to their attention to make sure they do that in the United States prices. I think those who have read comments before the federal committee would realize that this hasn't been effectively carried out.

I'd like to just comment on what is referred to as the Gas Metropolitan story. It has been suggested by industry sources that a company called Gas Metropolitan operating out of Montreal is bootlegging natural gas coming from Alberta to the United States at a profit estimated at some \$1.36 per mcf, whereas that gas on the average is being sold to TransCanada at 16.2 cents with a cost of transportation from Alberta to Montreal of about 32 cents per mcf. This is the same gas that the Energy Resources Conservation Board report is saying is under-priced by 10 to 20 cents.

Mr. Speaker, the word bootlegging may be a rather strong word. There are orders by the National Energy Board authorizing the export of liquified natural gas by Gas Metropolitan to a low gas company. Our information, however, indicates that the board acted outside its jurisdiction in granting the orders. Our information would also indicate that the point of law involved is not a highly technical one and would not seriously challenge the skills of a first year law student.

On the question of violations of the Ottawa Valley line, I might just read those, Mr. Speaker. In 1968 for refined products there were 31,000 barrels a day; 1969, 28,000 barrels a day; in 1970, 28,000 barrels a day --

MR. SPEAKER:

Order please. Would the House give the hon. minister leave to conclude as he apparently is about to do?

HON. MEMBERS:

Agreed.

MR. DICKIE:

Thank you, Mr. Speaker. I would just conclude by mentioning 1971, 18,000 barrels, 1972, 23,000 barrels.

Mr. Speaker, I had additional comments on the Ontario situation, but I'll save those. I think there will be ample opportunity to comment on those at a future date. So with that, I'll conclude my remarks.

MR. HENDERSON:

I wonder if the hon. minister would permit a question, Mr. Speaker? A very brief one.

MR. DICKIE:

In view of the time and the --

[Interjections]

MR. HENDERSON:

Mr. Speaker, I think we agreed to let him continue his remarks, and surely the minister would entertain a question.

MR. DICKIE:

Because of persuasive manner in which the hon. Leader of the Opposition puts that, I'll have to consider it.

MR. HENDERSON:

Mr. Speaker, I am wondering if the minister has in his information that he has with him, some idea of what the differential is that Alberta crude represents in the Ontario market as opposed to offshore imported crude. Because of the national energy policy, Alberta crude really has a higher price tag attached to it in the Ontario market than what corresponding crude from offshore would cost.

And related to that, how much of the Alberta crude goes into the Ontario market?

MR. DICKIE:

Mr. Speaker, I will be able to provide the hon. Leader of the Opposition with certain figures -- I don't think I can provide them dealing with the question of price, but I think I can of the amount that goes into the Ontario market.

MR. RUSTE:

Mr. Speaker, I beg leave to adjourn the debate.

MR. SPEAKER:

May the hon. Member for Wainwright have leave to adjourn the debate?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

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

[The House rose at 5:33 o'clock.]