

LEGISLATIVE ASSEMBLY OF ALBERTA

Tuesday Evening, April 10, 1973

[Mr. Speaker resumed the Chair at 8:00 o'clock.]

INTRODUCTION OF VISITORS (CONT.)

MR. HYNDMAN:

Mr. Speaker, I should like to ask leave of the House to revert for a moment to Introduction of Visitors.

HON. MEMBERS:

Agreed.

MR. HYNDMAN:

Mr. Speaker, to you and members of the House I am pleased to introduce tonight some 35 Boy Scouts in the members gallery from the 128 Troop of the Parkview area. They are accompanied by their leaders, Messrs. Fair, Merryweather, Jodoin, Van Vellan and Flint. I want to commend them on their interest in legislative matters and good citizenship and ask that they stand at this time and be recognized by the Legislative Assembly.

[Mr. Speaker left the Chair.]

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COMMITTEE OF SUPPLY

[Mr. Diachuk in the Chair]

MR. CHAIRMAN:

The Committee of Supply will now come to order. The Executive Council, Vote 14.

Executive Council

MR. HARLE:

Subcommittee C has had this matter under consideration and it was moved in the subcommittee that Vote 14, the Executive Council, be referred back to this Committee of Supply to be dealt with by the Committee of the Whole.

MR. CHAIRMAN:

Agreed?

HON. MEMBERS:

Agreed.

MR. CHAIRMAN:

Very well then.

Appropriation 1401 Premier's Office

MR. HENDERSON:

Mr. Chairman, I would just like to make a comment or two regarding the Premier's appropriation. I think, Mr. Chairman, we have to say that the record of the government in certain areas contrasts very sharply with its statements that have been made to the public of Alberta.

In particular we can look at the area of human rights, where the attitude of the government seems to be one of "do as I say" and not "do as I do." And since it's the public who are following the precedents that have been set by this government in the past few months in the area of human rights, the province would indeed be in a turmoil. I think the Premier really has to take a greater degree of responsibility in this matter than has been evidenced thus far.

In the matter of the RCMP investigating citizens in Slave Lake we find the Premier didn't say a word in the House about this matter until he was literally forced to. We more recently had the basic matter of the violation of freedom of speech and freedom of the press on the part of the Minister of Labour. We heard nothing whatsoever out of the Premier on that particular subject.

I think most serious of all is the matter of the Craig case. I suggest, Mr. Chairman, that it is simply not good enough to say the Attorney General has examined the matter and that there is no need for the Premier of the Province of Alberta to concern himself any further about the issues that were raised in the report into the case concerning Dr. David Craig. Truthfully there is a very basic and fundamental matter involved. We find the silence of the Premier in this particular regard very strange and we contrast it to his glowing words regarding the tremendous step forward that was represented by the introduction and passage of the Bill of Human Rights in this House last year.

Very clearly the question of the Craig case simply cannot be left to the judgment of the Attorney General. And basically he has been to some extent a party to some of the circumstances involving the prosecution of Dr. Craig. I think the discussions during the Attorney General's estimates raised some doubts as to how thoroughly the Attorney General himself had studied the report and the matters that were raised in the report concerning the administration of justice in the lower courts.

The fact that the Premier has not been prepared to indicate to the House whether he has even read the report, let alone seriously considered the implications of it, has left the people of the province of Alberta, I think, with the impression that this government is really taking a very superficial approach to the question of human rights. The Bill of Human Rights was a nice piece of political propaganda and one that may be binding on the citizens of the province, but somehow, in one way or another, the Executive Council of the Province of Alberta is exempt from it.

I think, Mr. Chairman, that it would be incumbent upon the Premier at this time to give us some indication of what his views are on the subject of the responsibility of the Executive Council of this government to adhere to the spirit and intent of the Bill of Human Rights, because unless there is a better demonstration of support for it than has been forthcoming in the past few months, the Bill of Human Rights in the Province of Alberta is really going to become nothing other than a big joke which could be a rather serious miscarriage of justice in the long run.

But I do think, Mr. Chairman, it is incumbent upon the Premier to inform the House exactly why, at this time, they have decided that there was no point in pursuing the matter of the administration of justice in the lower courts of Alberta in light of the matters that have been raised by the Craig case. Because the failure to do so only leaves me convinced that the Premier has not read the report and is not particularly aware or concerned about the serious implications in that report. And I'd like to hear the Premier's view on the subject at this point, Mr. Chairman.

MR. LOUGHEED:

Mr. Chairman, the only comment I would make at this time is that we've heard a repetition again from the hon. Leader of the Opposition, very comparable to his remarks made in the Budget Debate, to which we listened carefully. We simply don't agree with him. The member of the Executive Council who is charged with the responsibilities of the administration of justice is the Attorney General of this province and we have the fullest confidence in the Attorney General.

MR. HENDERSON:

Mr. Chairman, may I ask the Premier, was the decision regarding the Craig case made by the Attorney General? Was not the Premier in any way, shape or form concerned or involved in that decision? Because thus far, the impression that is being left is that the sole responsibility in this matter should fall on the shoulders of the Attorney General. The question of the Premier's confidence in him in this particular matter, I suggest, really doesn't adequately deal with the government's performance in this matter.

I would like to ask, at this point in time, again, whether the Premier has seen fit to take time to read the Craig report himself? I understand why he wants to stand up and express confidence in his Attorney General. But what we are concerned about are the problems that have been raised in the Craig report, in the absence of government action in this matter. The implications are too serious to simply dismiss it by the Premier's saying, we have confidence in the Attorney General of Alberta.

We'd like to know whether the Premier has read the report and is really aware of the implications contained therein. Because to this point in time, he has not left the impression with the public and the members of this House that he seen fit to attach sufficient importance to it even to acquaint himself with the facts contained in the report.

MR. LOUGHEED:

Just one final comment, without repeating myself, Mr. Chairman. I think we've made ourselves abundantly clear: the decision that was made was a decision of the Executive Council. After consultation with all members of the Executive Council, including myself, we fully concur with the views expressed by the Attorney General with regard to the matter.

Insofar as the report is concerned, it's a matter that I have read. I've read the report, and I'm prepared, upon reading the report, to see that it concurs quite adequately with the remarks that have been made in this House, and that were made prior to them being made in this House by the Attorney General.

MR. HENDERSON:

Well, Mr. Chairman, I must say once again that it would appear that the only time this government is concerned about setting up some sort of an inquiry to look into some suggestion of injustice in the province is when it appears in its own partisan political interest to do so.

I think the action in the Davy case contrasts very dramatically, where they made it plain they were rushing into this inquiry because they considered themselves guiltless in the matter. But, I'm at a loss to understand the decision of the government to make the matters concerning the Craig case a partisan political affair, because some of the circumstances related to the case started before the election. We're at a complete loss to understand why the government has seen fit to treat it as a partisan political issue and that all's well. The Premier has spoken. He has confidence in the Attorney General. I even wonder how many members of the Executive Council have read the report that may have expressed the opinion in arriving at a decision on it.

The action of the government in this whole area of human rights I say again, Mr. Chairman, contrasts very sharply with its statements, and it seems to be a case of not "do as I do" but "do as I say". And unless the Premier is going to give some assurance that the ministers of the Crown and the government itself is going to adhere to the spirit and intent of the Bill of Human Rights, it really isn't worth this piece of paper. There is no question about it.

The Premier's words thus far in this exchange indicate to me that the Bill of Human Rights is something in the past. It really isn't relevant right now or any longer, or at this point in time.

MR. NOTLEY:

Mr. Chairman, I would like to make several comments with respect to this appropriation. First of all, I concur that on the question of civil liberties in the province today there is a good deal of justifiable reason for concern. I think in the final analysis, the responsibility for the government's position on civil liberties rests with the hon. Premier. It is a matter that he raised in the introduction last year -- with the introduction of the Bill of Rights -- a Bill of Rights, Mr. Chairman, that received the support from all sides of the House.

But the issues that have arisen in the last three or four months give considerable reason, as I mentioned before, for concern that the government is not really practising what it is preaching about civil liberties.

Without going into the details of those cases, Mr. Chairman, it seems to me that when we examine the Craig case and one reads the report of Mr. Sims, the report prepared for the Alberta Human Rights Association, the most telling point he makes is that there should be a royal commission to examine the whole question of civil liberties in Alberta, including the operation of the lower court system.

One of the points that comes out when one reads the Sims Report, Mr. Chairman, is that the lower court system in Alberta doesn't really seem to operate as it should; that the separation that should exist between the various elements of our law enforcement agency on one hand, the Crown Prosecutor and the judges themselves, does not really exist in actual practice.

The Sims Report tends to give credence to the Matthews Report which was tabled a year ago, Mr. Chairman. Hon. members will remember that the Matthews Report, a commission or a report that examined the judicial legal statistics in this province, made some pretty serious allegations.

It is suggested, for example, that we have the highest rate of indictments for minor offences of any province in Canada. It went on to suggest that a person is more likely to be sent to prison for a minor offence in Alberta than in any other part of Canada. It also suggested that our court system is more oriented towards conviction and sending people to prison than it is to rehabilitation and to probation.

Well, Mr. Chairman, without commenting on the rights and wrongs of the Matthews Report, one can only say that its credibility is enhanced considerably by reading the facts, at least as outlined in the Sims Report prepared for the Human Rights Association. Therefore, Mr. Chairman, I feel that the growing demand for a provincial royal commission is a valid one and one which the government should accept.

I might say that the concern about this matter doesn't really stem from the problem that Dr. Craig found himself in as an individual, because as the Sims Report quite properly concludes, Dr. Craig is entitled to appeal the actions against him. What is important is the operation of the court system itself and what is extremely serious is that little people who don't have the financial means of Dr. Craig are going to be caught, or could be caught in a system that may be somewhat less than fair.

We don't know that, Mr. Chairman. We will only know that if we have a royal commission, as advocated now by not just the author of the report that has been discussed quite extensively in this House, but advocated now by the Medical Association, the Alberta Federation of Labour, and various other groups.

I want to say, Mr. Chairman, that the major reason we require a Bill of Rights is not because a government is going to dishonestly attempt to deprive people of liberty. I don't think there is any doubt, as one reviews the cases that have caused controversy in Alberta, that anyone on this side of the House at least, is accusing the ministers of improper motives. As a matter of fact there is just no evidence to suggest that at all.

But what is really important is that civil liberties are often violated because of over-zealousness on the part of some government official, or because of a musty administrative practice which perhaps should have been brought up to date, or perhaps because the operation of a system such as our lower court system perhaps been reviewed as much as it should have been over the past number of years.

It is then a situation, Mr. Chairman, where you find injustice in this respect stemming not from improper motives so much as a result of neglect, apathy, over-zealousness, many of the things which really do not stem from any dishonest attempt to violate personal liberties. But that's the reason the point that Mr. Sims has made in his call for a royal commission is so important.

When this issue first arose over the Craig case I, like a lot of people, felt that perhaps a judicial inquiry into the Craig case would be the best approach. I have concluded after giving the matter some thought that the suggestion Mr. Sims makes for a royal commission is a better one. It shouldn't just be restricted to the Craig case, but it should look at the whole question of civil liberties in the province.

I note in the Sims Report that he points out that Ontario appointed the McRuer Commission several years ago to examine civil liberties in that province. One of the advantages of a royal commission is that you not only have the benefit of someone who is a judge, perhaps as head of the commission, but you can bring in people other than the judiciary or the legal profession to sit down as commissioners and consider where we should go from here. I feel that recommendation is one which should be adopted regardless of the examples that have been cited to date.

We passed the Bill of Rights last year, Mr. Chairman, and it seems to me after passing that Bill of Rights where we set out certain basic, inalienable rights which, regardless of where we sit in this House, we support and endorse, the next step would have been to conduct an inventory in the province on civil liberties.

Now the hon. Attorney General suggested in the question period, several weeks back, that the fledgling Human Rights Commission could look into this matter. I submit, with great respect to the Attorney General, that we need something with a little more status than our fledgeling Human Rights Commission to undertake this inventory.

I would submit that the natural step following the passage of The Bill of Rights would have been the appointment of a top-flight royal commission to look at the issue of civil liberties from top to bottom in Alberta, not only to review the operations of our lower court system but to examine the administrative practices in this province, to review whether or not there shouldn't be a series of important changes to bring our practice into keeping with what we all talk about and what we all endorsed last fall when we gave final reading to Bill No. 1 and Bill No. 2.

Therefore, Mr. Chairman, I would hope that this proposal wouldn't become a political football. It needn't become a football. I can well appreciate, as a person active in politics, that there are really very few political yards to be gained by the opposition parties from bringing up a civil liberties issue. Governments are defeated on bread-and-butter matters, not the civil liberties issue that we raise today.

But because of the importance, it seems to me, of the principles at stake, because of the importance of making sure that we follow through with administrative changes where necessary to give life and meaning to the Bill of Rights, I submit that the recommendation that Mr. Sims makes very eloquently in his report is one which should be endorsed by all the hon. members of this House.

MR. LUDWIG:

Mr. Chairman, I wish to agree with the remarks made by the hon. Leader of the Opposition and the hon. member, Mr. Notley. I believe it isn't so much on what the government has done that we should stand here and condemn it for its past deeds, but it's the fact that they can sit there with almost a look of disdain on their faces and do nothing about it.

They have gone the first mile with The Bill of Rights and the human rights legislation, and within two months after all this was done there have been serious violations of The Bill of Rights, with no denial that the violations were made. But nothing is being done to assure the public that it will not happen again except the Premier's word. I don't believe that from the reaction from the public and the hon. members here that that is considered sufficient under the circumstances.

It was interesting when we criticized civil liberties that so shortly after The Individual's Rights Protection Act was passed we had some very impassioned speeches in this House indicating that it does little in those areas where it's needed most. I'm referring to the discrimination in insurance on the basis of age. Certainly those hon. members who spoke -- there is a glaring shortcoming in the bill, their words and remarks were well taken, they were well intentioned, but nothing is being done to provide leadership in this area.

There is a concern about civil liberties and human rights throughout all of Canada, particularly in Ottawa in Parliament. One of the senior Conservative Members of Parliament, Mr. Baldwin, had introduced a bill, An Act respecting Impeachment. I'm just going to read a couple of clauses from this bill to indicate how seriously people take these matters in other parts of Canada.

I'm almost thinking that perhaps it's very timely that we introduce a bill of this nature in Alberta so if any high official or any minister should wrong,

or should any person feel aggrieved because of the action of a minister or a high official, there ought to be some meaningful recourse against the official or the minister or some body other than the government. Because the intention of protecting its own has been well displayed and well practised in this House that they will rally to the defence of someone who is being attacked for violation of a Bill of Rights or civil liberties of this province and sometimes in contradiction of remarks that they made only a few weeks ago.

So for this reason, Mr. Chairman, I believe that the hon. Premier and the government is remiss in not taking steps, in not showing the people and the hon. members here that what they, in fact, did with regard to human rights legislation was not adequate but they are prepared to remedy the defects. They know what the problems are. They have been told many times but nothing has been done because they feel as long as they are in office it can't happen again. Well maybe it can't, but it happened more than once. I am sure the hon. Premier must feel uncomfortable when he hears these things and especially when he can't say much in rebuttal to what is said except perhaps smile with disdain. But the facts are there.

He can perhaps even treat these remarks and the concern of the people and the press with some contempt, if he wishes to. Nevertheless, action would perhaps clear this matter, at least to a certain extent and absolve the government, partly at least, if they can show that their intentions are good.

I am just going to read what the hon. Member of Parliament, Mr. Baldwin, whom we all know and who is a very senior man, the bill he introduced in Ottawa because of his concern for these matters. I believe that a bill of this nature should be forthcoming in this province. It says here,

An Act respecting Impeachment. Clause 2:

In this Act "public official" means a Minister of the Crown or other person holding any office, commission or employment in the service of the government, at the nomination and at the removal for cause or otherwise of the Crown or any officer of the Crown, to which office is attached any salary, fees, wages, allowances, emolument or other profit of any kind.

Clause 3 says:

The right of impeachment against a public official [that includes a minister] is, has been, and shall continue to be, a remedy in respect of a grievance arising out of the administration of his office by a public official.

I believe these are certainly a strong approach but it appears that it could perhaps be used to good purpose and in the public interest in this province.

I still can't get over the fact that we have in this province the suspension of legislation by a mere statement of a minister. One can't forgive the minister because perhaps he did not really know what he was doing and he made a statement and then felt obliged to stick to it. But when the government affirms what the minister did, then the whole government certainly stands guilty of suspending legislation which, I believe, has never happened in Canada except in the Province of Alberta after long and glowing and impassioned speeches with regard to civil liberties.

I do not believe that much more needs to be said on that point, Mr. Chairman. I believe that if the government hasn't got the message by now, it is shutting its ears to what everyone is saying and feels that it could perhaps ride out the storm without taking any action. It would perhaps require a magnanimous person to admit that we should pass legislation to ensure that this will not happen again. Somehow I do not feel that we will convince the government that even in its own interest it ought to act.

One of the serious problems of this government has been its exaggeration of some of the things it proposes to do and perhaps trying to gloss over or minimize its own shortcomings. And to that purpose it has set up one of the most extensive and expensive advertising bureaus -- publicity bureaus -- perhaps of any government in Canada on a per capita basis.

Perhaps I could be wrong, but if we are not the highest we are close to it; \$1,000,086 for advertising purposes and perhaps another couple of million dollars in staff and other expenses. This is indeed a very sizable budget and the taxpayer certainly needs to be reminded that he is paying for all the fine things the hon. Premier can say about himself and his ministers.

I take resentment to the fact that not only is the government spending a lot of money on advertising -- some of it is necessary and we are sure that every government has to advertise -- but when one sees something the government advertises that has little or no relation to the truth, the opposition has a job to do, to expose this. I'm looking at a very wonderful ad here. It says, "Your Government Wants Your Advice in Keeping With Its Policy of Open Government." Everything that has happened in this House recently has negated any claim for recognition or any semblance to what one would call an open government. The only thing open about the government is its apparent generosity in spending in some areas in this government. One that I still can't seem to appreciate is the over \$1,500,000 spending in one department for travelling expenses. I believe this is a sort of reckless disregard for the dollars that belong to the taxpayers of this province.

With regard to human rights, Mr. Chairman, I believe it's incumbent upon the Premier and his ministers and the big majority that he has in this House to take some initiative and to bring in legislation before this session is over, at least for the consideration of the hon. members during the interval between the two parts of the session, to see if we can't remedy the problem that has befallen the people of this province. I'm sure they must have discussed these issues in caucus and among themselves to determine whether anything needs to be done.

I believe, so far as this session is concerned, that perhaps the opposition has taken the initiative and has led the way in some human rights types of legislation that perhaps will help budge the government to make it do what everyone believes ought to be done.

The one more serious concern that I have, and this may border on human rights and civil liberties, is the concern throughout the nation in most provinces, but particularly in Ottawa -- recently in the provinces -- with disclosure of interests of the government and public officials. The most recent bill, introduced by the way in this House today by myself, is an indication of the concern throughout the country. The government in British Columbia took the initiative in introducing this type of legislation. Premier Davis had provided guidelines, rather serious and broad guidelines, for his ministers with regard to conflict of their responsibilities in government and conflict of interest of their private interests and businesses. But the Premier, even though he had full warning of this issue, was asked on two or three occasions what his stand was on this issue. He very neatly avoided the issue and deflected it, hoping it would not be raised again. But it will continue to be raised until there is a clear-cut policy to the ministers from the Premier as to what they ought to do and what they ought not to do in this regard. It's easy for the hon. Premier to feel satisfied that all is well because he is the Premier and he trusts his ministers. So does everybody else. That does not alter the fact that perhaps the time is overdue for legislation to be passed for specific guidelines for ministers, high ranking officials in the government and other governments in this province.

Mr. Chairman, with those few remarks I just wish to indicate that in the human rights and civil liberties field this government has fallen badly, and it will require more than propaganda to redeem the government's prestige in this particular respect with the people of this province.

MR. TAYLOR:

Mr. Chairman, one of the outstanding statements of the hon. the Premier when he was speaking on the Bill of Rights and the Individual's Rights Bill, was that this legislation was aimed at protecting the individual from government. In this day and age this is essential, and all we are asking now is that the individual be protected from the power of government. It just isn't right that a lone individual without resources can be attacked by the bureaucracy of a powerful machine, and that is what government is today. It has all the resources, all the money, all the lawyers that it requires and the individual is pitted against this vast and powerful machine. Certainly an individual requires some protection against the power of government.

Now when we look at the growing list of items where the individual is not being protected against the power of government, no wonder the faith of Albertans is slowly being shattered in regard to the protection that the Bill of Rights gives an individual.

We have, first of all, the Dr. Craig case. Although a professional man, a false charge is laid against him, a charge of which he was not even guilty. But nothing is done about it. The charges go on; his files are seized. Confidential files that are supposed to be kept confidential between a medical

man and his patients, these are seized and the government says, "So what?" The man hasn't had his chance to have his day in court. And the question that arises, as was stated by Dr. Craig on a television program that I watched -- I've never met Dr. Craig personally -- is, how many other doctors in the province have been treated similarly? The man's fault was treating people who needed help, people who had become drug addicts, people who required assistance. Is a man to be condemned because he wants to help those who have no way of helping themselves?

Nobody is condoning the use of drugs. But when many people become addicted to drugs, then they become sick people. They require assistance. And when a man's only fault is that he is trying to assist those with his medical knowledge and is then treated almost, I say almost, as a criminal, then the individual is certainly not being protected against the power of government.

And why the government is reluctant to have this thing fully aired in a judicial inquiry appears bewildering. What is there to lose? Has something been done behind the scenes which they don't want brought out? If not, why not have a public inquiry and clear the air, and also protect the individual against the power of government as the bill is supposed to do. I can't follow the refusal of the government in connection with this particular case.

Organization after organization, and powerful organizations such as the College of Physicians and Surgeons, the labour organizations, et cetera have asked that the matter be aired and all relevant facts be made public. Are we refusing to let this be done? This is tantamount to what we are saying when the government continually says, "We will not have this matter aired by a judicial or an independent inquiry." And that reluctance is difficult to understand.

I would think the government, even if it hadn't passed the Bill of Rights, would want to clear itself and its ministers of rumours that are now starting to circulate simply because the government is taking the stand, "We will not", to the effect that "We will not have this matter fully investigated." Whichever way the information leaks, the government certainly would gain credence by saying, "We want all the facts known and we are not going to hide any of the facts when it comes to protecting an individual against the power of government." Otherwise, we're simply saying the individual will not be protected against the power of government. The government will do what it likes and then will refuse to have itself investigated. And this is surely contrary to the very spirit of the Bill of Rights.

And when we come to the Slave Lake affair, in spite of all the time that has been spent in discussing this matter in the House, I have yet to hear the reason why the three men were investigated by the RCMP. The hon. the Attorney General outlined some of the activities where money was loaned to organizations in that area, but immediately went on to say these men were not connected with those organizations, weren't officers, didn't have any controlling interest. Consequently what we want to hide in this is bewildering, and becoming more bewildering to the general public.

What would be lost by having the whole matter aired in court? Find out exactly what everybody had to say. Or is the government simply going to say, "We are all-powerful and we do what we like, whether it hurts an individual or not?" Because the three individuals, and I don't know any of them, I don't know any of their background and so on -- but they are individuals, and they can't fight a government. They can't fight a powerful corporation like the government. And the three individuals -- if the Bill of Rights and the Individual's Rights Act mean anything, they are surely going to protect individuals, irrespective of their colour, their creed, their politics, their morals, et cetera -- they are going to be protected against the power of government, if it doesn't mean that the whole thing should be scrapped, because that's one of the major purposes in bringing in the legislation.

When a government uses its entire power -- pits itself against an individual -- without even having an outsider into the deal, then it's showing the power of the state against an individual. And whether that individual was wrong or otherwise, surely these matters should be taken before a court and men should not be put in a position where they have to stand up alone against the power of the government.

There was a case in Nova Scotia, illustrated in Newsweek in November -- pardon me, in New Brunswick -- with comments by psychiatrists from Manitoba, where the man was incarcerated without the benefit of a trial in court. And the psychiatrists in Manitoba pointed out that, whether he was paranoid or not, he was entitled to an outside opinion, not just the opinions of those who happened to be in the employ of the New Brunswick government. And he pointed out also

that in Australia, I think he said, no man can be incarcerated unless the evidence of medical men is placed before a court -- not medical men under the control of the Crown. And the case in New Brunswick again is an illustration of what happens when one individual is pitted against the power of the state.

We have the same illustration right here. I can't understand the reluctance of the government in refusing, continuing to refuse to accede to public requests, unless it has something that it just doesn't want made public. And that's the only reason I can conclude if the government continues in its attitude of refusing to have the matter of Slave Lake and of Dr. Craig fully investigated by an impartial body through a royal commission or a judicial inquiry, the people will never know the answer. Unless that is done, many, many answers will be guessed at. Some may be a discredit to the government and some, of course, may be a very great discredit to the government.

But the power is in the hands of the government to solve this whole problem by saying, "We are not going to hide anything when it comes to protecting an individual against the power of the state." And I think that is what the people of Alberta want to hear from the hon. the Premier; that this government which brought in the Bill of Rights is now not going to make a mockery of it, but is going to live up to itself and say, "We will find out if the government is being unfair to an individual who can't fight the power of the state."

I wonder if the Canadian Pacific Railway would get away with doing this, if some government -- this one or some other provincial government or the federal government -- had to make a decision of whether or not the CPR would be able to put all of its strength against one individual without a proper hearing in a court. I can't feature a government in Canada -- this one or any other one -- permitting a large corporation to take advantage of a lone individual. It doesn't matter how bad or how good that individual is, he is surely entitled to a hearing, to his day in court.

That is really all we are asking here. If we're going to insist on that with other bodies, why shouldn't we insist on it with our own body, with our own government, to make sure that our people are going to be protected from the power of government.

The hon. the Premier and the Government of Alberta have an excellent opportunity now to show that he meant what he said -- meant what the leader of this province or the Premier of this province said -- that legislation was being introduced to protect the individual from the power of government. If it persistently and continuously refuses to have this whole matter aired in court, these words will be nothing more than a mockery. Nothing more than mockery.

MR. DIXON:

Mr. Chairman, I want to speak on one other issue that hasn't been touched on by any of the members, which I think is of very current interest to us. I think the hon. Premier will be one of the first to take note of this complaint because, in the early part of the campaign, he promised the people of Alberta a full-blown investigation and remedies to The Juvenile Offenders Act and children held under The Child Welfare Act. Because, the hon. member I'm sure, having an institution in his riding where there were problems in 1970 and 1971, is well aware of the situation. It is not an easy situation. As the hon. Member for Drumheller pointed out a few moments ago, we may be handling youngsters who aren't the easiest people in the world to handle, but even as bad as they are, they are still entitled to their rights as Alberta people.

I would like to see this government take action and investigate the handling of juvenile offenders and children under The Child Welfare Act who are put in detention in our province of Alberta, not only in the detention home in Calgary, but also throughout our province.

It is very frustrating. Taking the Calgary case, these children are sent to the detention home with the idea of being held there for a few days until a proper place can be found for them. We're running into cases now where the child is being held for five and six weeks and longer with the excuse that there is no place to send them.

It is very frustrating to the staff because the staff aren't equipped. They are there as people to hold these youngsters for a few days until they move on. There are no rehabilitation programs for them. Nothing is provided.

A child who is held and incarcerated in one of these holding units becomes very frustrated with the confinement. Naturally, he or she reacts and, of course, along with all this comes discouragement. The discouragement leads, in

many cases, to acts of violence against the staff or the building they're being held in because of this frustration.

Lo and behold, a child is threatened and if he doesn't behave himself he is put in solitary confinement. I don't know how the officials ever came along to think that the colour orange had something that would help these children settle down, because the confinement cells are orange in colour. He is sitting there in that room with nothing to do, no one to talk to. This goes on hour after hour and day after day. I don't see what that's going to do to help the youngster become a better citizen, which we all hope he would be if he has disobeyed the law.

But what I'm getting back to, Mr. Chairman, to the hon. Premier and members opposite, is that it is very essential that we see that these children are given every right that any adult would be. If you look at some of the rules and regulations that are being carried out in that institution, rules that are even more restrictive than are applied to the most hardened criminals in Canada, so I think we have to take a realistic look.

We had a great debate the other day and I am sorry I didn't get into it at the time; I wish I had, regarding the discrimination which the hon. Member for Calgary Buffalo brought up, Mr. Chairman, about our younger people. But here is a case where I think it is very vital that we get some love and interest from the outside to the inside of these types of institutions if we are going to have what I call true rehabilitation.

I am sure that the hon. the Premier will do his best to see that the Bill of Rights is upheld here in Alberta and I can recommend no better case than the case of these youngsters. I hope that the hon. the Premier will urge the different departments involved and the officials to get together and sort this out because it is a very, very uneasy situation in Calgary, and I am sure the thing is repeated in other parts of the province wherever these cases come up, because the same rules apply.

We must do something for these young people, if nothing more than trying to rehabilitate them, which is the most important part, to become good citizens. With the type of treatment that is carried on when they are sentenced to a unit that is only supposed to hold them for a day or two but they are held for weeks, that is a violation, in my opinion and many other people's. It is a violation of human rights in our province as far as our young people who unfortunately end up in these types of institutions are concerned.

I urge the hon. the Premier, Mr. Chairman, and I am sure he will, to use his good offices to see that the Bill of Rights is applicable to our young people who unfortunately have fallen afoul of the law and find themselves in a situation as I have outlined, in the city of Calgary.

There is no way I am reflecting on the staff. The staff are only carrying out their orders, but they are carrying out the orders in an institution that is not geared to rehabilitate those children. That institution is only there to hold the children for a few days until they are moved off into some other unit or some other home that will do everything it can, I am sure, to rehabilitate them. So I think this serious situation of a lengthy time held in cells, and when they naturally react and figure that everybody has left them and no one is interested in them, they are going to react and we are going to have the same situation over again. I think, if nothing else, we should investigate it most thoroughly and make sure, so that we all rest assured that everything is being done for them, and most of all that there are no violations of The Alberta Bill of Rights as far as these young people are concerned. Thank you, Mr. Chairman.

MR. CLARK:

Mr. Chairman, there are just four or five very quick points that I would like to make. I don't want to rethraash the ground that has already been covered.

Suffice for me to say this, that one of the real mysteries of this whole question concerns the request for an inquiry or royal commission into the operation of the lower courts in the province.

One of the real mysteries of this is the fact that really the government has given no reason why they are not prepared to move on this particular request. It isn't simply a request that has been made by the opposition or the opposition parties. It isn't a request that has been made by one or two local organizations in the province. It is, in fact, a request that a number of

provincial organizations and a number of the daily newspapers in the province have supported.

I recognize, Mr. Chairman, that the government can ride this out -- we can sit here until 11:00 o'clock tonight or 12:00 o'clock tonight or 4:00 o'clock in the morning and in the end the government can sit and vote the thing through on this particular vote and others. There is no question that the government has the power to do that. But at the same time, when the members of the Assembly are doing this, let's keep in mind that it isn't the members of the Legislature who are on trial as far as this particular situation is concerned; it is really the judicial process in this province and especially the operation of the lower courts in this province.

Not at the fault of any member of the Legislature was the Sims Report made necessary. It wasn't action taken by members on this side of the House or, as far as we've been told, members on that side of the House that caused this whole controversy.

But now we have a request for a public look at the operation of the lower courts in the province. And members would be very well advised, I think, to keep in mind that for Mr. and Mrs. Average Albertan the part of the judicial system they have their contact with mainly are the same lower courts that are coming into question as far as the Sims Report is concerned. So it isn't just the government that is open to question here. It isn't just the lower courts. But I think all members, if they are not, certainly should be concerned about the increased rate of crime and the increased problems of law and order that rear their heads all across the continent.

The point had been made by the Member for Drumheller about clearing the various ministers involved and clearing the government. I suggest, Mr. Chairman, also, that the reputations of the members of the Legislature are somewhat at stake here. Once again it isn't a matter of just the members of the Legislature asking for this. A number of organizations across the province have done so. It becomes very obvious here this evening that, despite the best efforts of many people, what is going to happen is the government will sit smug. It has made the decision to ride this out. That's a decision that the government, obviously, has the responsibility for. But before the government closes the book on the thing and refuses to look at it again, once again let me make the plea that for goodness sake let's have somebody stand up, preferably the Premier, to say why we won't have a royal commission. What are the reasons? Are there some investigations going on now that shouldn't be made public at time? Then for goodness sake get up and say there are some circumstances at this time that we are prepared to bring to the Legislature later, that we wouldn't think it would be in the best interests of the people to have a public inquiry at this time.

I just don't think it's good enough. I don't think it will wash with Mr. and Mrs. Average Albertan if once again we just try to give this matter the silent treatment as far as the Craig affair is concerned and as far as this whole question of human rights is concerned.

I guess all we can do over here is just simply -- nothing more and nothing less -- ask the Premier at least to give us his reasons why he feels his government, as of this evening, shouldn't move in this direction. I say if there is something he can't make public at this time then at least tell us that there are circumstances he can't explain at this time but at the fall session or some other time he will make them known to the members of the Legislature. That would go a great distance towards making the people of the province once again, I believe, have confidence in this Legislature, the government, the Bill of Rights and really what is happening in the whole field of human rights across the province.

MR. HENDERSON:

Mr. Chairman, it is quite apparent by the studied indifference of the Premier that he really doesn't intend to lower himself to discussing the matter any further in the House. I can only say that it is with amazement I witness the performance of the Premier, in light of the fact that he has said he has read the report and the only response is that he expresses confidence in the Attorney General. As I said earlier, the seriousness of this matter dictates that the sole responsibility for the matter does not rest on the shoulders of the Attorney General. The Premier of the province has the basic responsibility to see that these matters are looked into.

I think anyone reading the report and simply examining the circumstances surrounding the adjournment of the fraud charge in the case against Dr. Craig

beyond the legal eight-day limit, wherein the judge adjourned the case notwithstanding the protests of legal counsel, notwithstanding the provisions of the Criminal Code of Canada and then, at least in the report, it is stated that the judge who heard the case then did not sign the information sheet relative to the case on that particular day's proceedings and that another judge signed the sheet and stamped it "with consent of all parties". The Attorney General himself, I think, expressed a great deal of concern at this and has given a commitment to take a look at the transcripts of the day's proceedings with a view to ascertaining that the Sims Report is right in that regard.

But, Mr. Chairman, a simple commitment from the Attorney General to do that plus a couple of other token measures such as the transfer of the Crown prosecutor out of the department of the Attorney General, the resignation of the Deputy Premier, really doesn't excuse -- pardon me, the Deputy Attorney General -- now if the Deputy Premier would resign we would give up the matter right here and let it go at that.

[Laughter]

The resignation of the Deputy Attorney General and the stony silence of the Premier on this matter certainly can only leave a black mark in the records of this Assembly and on the performance of this government. It is in my view, and I think the hon. Member for Spirit River-Fairview stated it very aptly when he said, "Governments basically get defeated over bread-and-butter issues and not particularly over these types of issues." I suppose it is the political expediency of that observation that is fortifying the Premier in his conclusion that all is well in Alberta and that there is no need for any action on the part of the government.

But, Mr. Chairman, I suggest that the failure of the Premier to act in this regard is going to leave a black mark on the record of his administration from which he will never properly recover. I only conclude by saying that I am at a loss to understand the decision of the government to see this matter treated as a partisan issue in this Legislature and view that as a substitute for a royal commission to look into the administration of justice in the province. I think the very fact that the Premier has refused to make any intelligent, meaningful statements or contributions on this particular subject indicates a very marked failure on the part of the Premier in the fulfillment of his responsibilities to the people of the Province of Alberta.

MR. RUSTE:

Earlier in the session I directed a question to the Premier as to a Zenith number for the Ombudsman's office and also for the Farmer's Advocate. Have you anything to report on that at this time?

MR. LOUGHEED:

Mr. Chairman, I don't have. I hoped that I would have by now, but I think they are still making an evaluation of that. I hope to have an answer within a week for the hon. member.

Appropriation 1401 agreed to:

\$111,216

Appropriation 1402 General Administration

Fees and Commissions: \$102,000

MR. FRENCH:

Mr. Chairman, with respect to Vote 1402, I notice that Fees and Commissions have been increased from \$10,000 two years ago to \$102,000 this year. Is there a reason for it? Fees and Commissions, what does it represent?

MR. LOUGHEED:

Well it represents, Mr. Chairman, in addition to -- the increase from \$88,000 to \$102,000, was that the question?

MR. FRENCH:

You see, Mr. Chairman, I went back another year and I see it has gone up from \$10,000 two years ago, or actually from \$88,000 to \$102,000 this year. But I was really wondering what Fees and Commissions represent.

MR. LOUGHEED:

Well, Fees and Commissions involves four people who are not part of the public service but who are on a contract basis. That's the very large portion of that, some \$63,000. And there is the provision for the Crump Commission and the Davy inquiry and other matters of that nature are involved in that appropriation.

MR. FRENCH:

Mr. Chairman, I was wondering why we didn't have a listing. I notice we have 11 salaried positions here, and we don't have any wage positions. I was wondering why we didn't have an indication of wage positions if they are employees under Fees and Commissions?

MR. LOUGHEED:

Mr. Speaker, my understanding is that they wouldn't show up as wage positions if they were on a contract basis. They would come within Fees and Commissions on a contract basis.

MR. RUSTE:

Mr. Chairman, then on the total of the salaried positions, are the 4 that you mentioned included in that figure of 11, or are they over and above that?

And while you're looking, I think it would be interesting to know who these four are.

MR. LOUGHEED:

Well the four people involved in that list are: the Director of the Southern Alberta Premier's Office, the Administrator of the Executive Council, the Administrative Assistant to the Executive Council, and the Special Assistant to the Executive Council. But in terms of the question of the number, they are all in there, all the people who are on the Fees and Commissions and the salaries are in terms of that aggregate number of 11.

Mr. Chairman, there is one thing under Executive Council for 1402 that I should mention. I don't think it has been brought before the Legislature yet. And that is that we have made a division with regard to the Executive Council office and the Clerk of the Executive Council in relationship to the Clerk of the Legislative Assembly; that change was made -- it's pretty well the practice in almost every other province in Canada. So there has been a separation of that responsibility. The Clerk of the Legislative Assembly, therefore, has a different responsibility and a different role from the Clerk of the Executive Council, and we have made that division. And for that reason, if one checks you will find that under legislation, under 1902, there has been an increase in personnel there, they have been transferred over from the Executive Council to the office of the Clerk of the Legislative Assembly.

Telephones: \$17,500

MR. TAYLOR:

Mr. Chairman, I believe Albertans have the reputation of being the 'talkinest' people on the telephone in Canada. And when I look at the Telephone Vote here, it jumps from \$5,000 to \$17,500. I wonder if the hon. Premier could tell us if he is trying to live up to that reputation?

MR. LOUGHEED:

Mr. Speaker, I plead guilty. That figure comes exactly from the actual and it's a projection of the actual in the previous year, in terms of what we forecast. So we are, in fact, fitting in with the reputation of the rest of the citizens of the province.

MR. LUDWIG:

Mr. Chairman, with all due respect, the hon. Premier's observation of his talkativeness on the telephone and through other means, I must submit that he has been awfully silent in this House particularly when it comes to issues that concern the public.

Appropriation 1402 agreed to:

\$347,078

Appropriation 1403 Lieutenant Governor's Office

MR. BENOIT:

Mr. Chairman, I just noted here a reduction in this particular appropriation. It's significant that the Lieutenant Governor, being built as he is, should be cutting the fat out of the expenses.

But what I wanted to raise on this particular appropriation was, I get so many reports, both in the Legislature and outside the Legislature in the course of the year. I don't recall getting any report on this particular Executive Council group. There are six or seven reports that come underneath it in sub-headings. But we don't have any report on the Executive Council as a whole -- it's an annual report I am thinking of, you see. I am sorry, I didn't make myself clear.

So I am wondering if any consideration has been given to making such an annual report in connection with the Executive Council. What raises the question is the very interesting office of the Lieutenant Governor. All of his activities, the things he does, might form a part of that report.

MR. LOUGHEED:

Mr. Chairman, I think there are two matters raised there by the hon. member. With regard to the Executive Council, really I don't see a report because you have weekly the Orders-in-Council of the Executive Council which are public documents and to a very large extent, except from a government policy point of view, reflect the actions of the Executive Council on an ongoing basis as a public document.

But the hon. member does raise an interesting question that I think certainly warrants thought relative to the office of the Lieutenant Governor. The activities he has are just -- well, I don't know what adjective you can use except 'fabulous'. I think it would be very helpful if we gave some consideration to perhaps even just publishing his itinerary in the course of a year which is an amazing itinerary and we will take that under advisement. It is a good thought.

In terms of the amount, if you are talking about the reduction in Other Expenses in 1403, that basically was due to the fact that the year before there was an involvement of an amount for the purchase of an automobile.

MR. GRUENWALD:

Mr. Chairman, who pays his salary? Is that the federal government?

MR. LOUGHEED:

Mr. Chairman, yes it is.

MR. CHAIRMAN:

Any further questions?

MR. RUSTE:

Mr. Chairman, the Premier made reference to the Orders-in-Council being public documents. There is one thing that concerns me in this field and that is, you say it is a public document and yet how many ordinary, average citizens get to see these? There is a list that goes out to certain legal firms and so on, but my concern is how many citizens -- I mean the average Joe in the street -- get to see one of these?

MR. LOUGHEED:

Mr. Chairman, I am delighted that you asked the question. I am sure I'd be pleased to refer it to the hon. Mr. Getty when he gets to the Bureau of Public Affairs, for which subject I am sure the hon. members opposite will have some comment. But you can't have it both ways. If you are trying to communicate to the people of the province what you have done -- and to a significant extent during the course of every week, 52 weeks a year, when Orders-in-Council are in fact passed it -- I don't know what it works out to be. I think it would be an average of three or four news releases a week that arise out of an explanatory nature as to the government's decisions that have come out of those Orders-in-

Council. Now that's a very large part of our communication in trying to inform the people of Alberta what the decisions of the government have been.

For example, for setting up day centres for senior citizens a recent Order-in-Council was passed under the auspices of the Minister of Health and Social Development. It is extremely important that there be a news release and that there be communication of this. So I think the point the hon. member is making is right. The actual Orders-in-Council are seldom seen by the public, but I think there has been a real effort through the Bureau of Public Affairs to communicate what those decisions mean to the citizens.

MR. DIXON:

Mr. Chairman, I should know this and I did at one time, but it slipped from my memory. How long is the term now for the present Lieutenant Governor? Has it been extended? Is it on a yearly basis or did he get a five-year term? I'm just wondering.

MR. LOUGHEED:

Mr. Chairman, I'm not able to answer that off my memory. I believe there was an extension and I'm not certain as to the amount of that extension or the length of that extension. I'll be happy to find the answer for the hon. member and give him a note to the effect.

MR. DIXON:

The reason I asked that, Mr. Chairman, of the hon. the Premier is that I think it is very important that we try to keep the continuity of office, especially with Her Majesty coming here, the Royal Canadian Mounted Police, and the man with the historical background we are so blessed with at the present time. I just thought that if there was any thought of some other person being recommended, well, I'd certainly like to see the Premier intercede on behalf of the hon. gentleman.

MR. LOUGHEED:

I just would like to respond to that very strongly, Mr. Chairman. I couldn't agree more. I am sure all of the members of the Legislature feel that the present incumbent as Lieutenant Governor has done a magnificent job and certainly as the hon. member mentions in relationship to the centennial of the RCMP and the historical nature of that event, I would hope very much that the Lieutenant Governor, Grant MacEwan, would see fit to maintain his present responsibilities.

SOME HON. MEMBERS:

Agreed.

MR. LUDWIG:

Mr. Chairman, one of the rather heavy appropriations throughout this Executive Council budget is that of travelling -- \$420,000, and that's a lot of miles. I'd like to have the Premier advise whether any of this expense has to deal with the executive aircraft that the government has, or whether that is over and above the travelling that this budget represents.

MR. LOUGHEED:

Mr. Speaker, no, it doesn't. If you look under 1402, the \$120,000 involves air transportation, but not related to the CF-AFD or the King Air. It involves air transportation, accommodation, automobile maintenance, subsistence, and visits of people from outside the province -- in relationship to those visits. But essentially it is transportation of 22 ministers, exclusive of the use of the government aircraft.

MR. LUDWIG:

Mr. Chairman, this is all very interesting, but I added up the total figures for the Executive Council to be \$420,000. When the hon. Premier mentions that this is for the ministers also, I'd like to then take him back to the Department of Agriculture where travelling expenses add up to \$1,500,000. I'm wondering whether they can't travel together once in a while to cut this thing because I'm sure the taxpayer must feel the 'Conservative' thrust in this regard, and not exactly in the same manner the government intends it to be. This is not really what one would call tight budgeting.

I hate to involve the hon. Deputy Premier in this, because he is rather sensitive about these matters. He seems to feel we can say anything we like as long as we leave his department alone, but there is rather a flagrant violation of what I call good, sound, fat-trimming budgeting. And when you get \$1,500,000 in the Department of Agriculture for travelling, that somebody is just a little bit reckless and has little regard for the fact that many people, perhaps, have to walk for --

DR. HORNER:

On a point of order, Mr. Chairman. I'd like to point out that the hon. gentleman is now dealing with the Lieutenant Governor's office. I'd like to ask him whether or not he feels that the amount we are expending for the Lieutenant Governor's office is too much or not?

MR. CHAIRMAN:

The Deputy Premier's point of order is quite valid. Mr. Ludwig, I wonder if we could deal with the Lieutenant Governor's appropriation before we complete the Executive Council. You could then revert back to the general.

MR. LUDWIG:

You know, Mr. Chairman, I am surprised at this rather meek outburst from the Deputy Premier. He's weakening, or he's not sure of his ground on this one. He usually comes out much louder, much stronger and much longer --

MR. CHAIRMAN:

Mr. Ludwig, may we --

MR. LUDWIG:

Mr. Chairman, I made my remarks and I'd like to finish my point before I'm interrupted.

MR. CHAIRMAN:

Mr. Ludwig, if they are generally further points on travelling, I'll give you an opportunity at the end of this.

MR. LUDWIG:

Without doubt it is on travelling, Mr. Chairman. I'd like to make my point.

MR. CHAIRMAN:

Well, we're dealing with the Lieutenant Governor's office appropriation now, please.

MR. LUDWIG:

I'm still talking about General Administration.

MR. CHAIRMAN:

Lieutenant Governor's Office -- 1403, please.

DR. HORNER:

We're ahead of you this time.

MR. LUDWIG:

Well, Mr. Chairman, if we're so concerned about His Honour the Honourable the Lieutenant Governor, and I am, too, very much -- we think he is the finest this country has ever seen -- why don't we transfer \$1.5 million out of the reckless spending of the hon. Premier and the rest of the ministers to the Lieutenant Governor and give him something to travel with? Let's give him something. After all we would just as soon talk to the Lieutenant Governor as the ministers, all huddled in their own little groups. I'm sure that he's done as much for goodwill and PR in this province as perhaps the hon. Conservative ministers put together. So let's not be too sensitive that I'm trying to deprive His Honour the Honourable the Lieutenant Governor of anything. I'm

suggesting that the hon. Minister of Agriculture has got rather overloaded in the travelling section of his department.

Appropriation 1403	agreed to:	\$18,578
<u>Appropriation 1405</u>	Ministerial Assistants	\$46,290
	agreed to without debate	

Appropriation 1407 Energy Resources Conservation Board

MR. WILSON:

Mr. Chairman, a question to the hon. the Premier. In this day of increasing importance of our energy resources and their increasing importance on our provincial revenues, both from a short and a long-term standpoint, coupled with the inflationary trends that we have today, it seems to me that a stand-pat budget is unrealistic. In fact, it is not even a stand-pat budget when you consider the inflationary conditions which we are undergoing. It is a budgeted decrease in the Energy Resources Conservation Board.

This makes me wonder, Mr. Chairman, if all responsibilities are being adequately provided for. Does this budget, in fact, reflect a policy of political decisions based more on expediency than on fact? Does this budget reflect any new thrusts to discover new reserves to encourage new Alberta industry?

Mr. Chairman, perhaps the Premier could advise us what new directional thrusts the Energy Resources Conservation Board has received from the Premier's office and explain why this particular budget does not seem to be in keeping with the other budgets of this government.

MR. LOUGHEED:

Mr. Chairman, on the specific matter of the budget I will refer it to the Minister of Mines and Minerals. But I would have to respond to those rather unusual remarks that have just been made by the hon. Member for Calgary Bow which seem to me wrong on about four counts.

First of all, they are wrong because there is a reference there to the political thrusts of the Alberta Energy Resources Conservation Board. Surely the hon. member understands that that is absolutely not the position of the board. It is an independent board making decisions on the basis of conservation and energy and we were dealing with some of them today in this House -- a very sound board, very well respected by industry and across Canada. To refer to it in terms of a political thrust is, I think, something that the hon. member should consider in terms of his remarks on the record. Because I think it can be misinterpreted as a reflection -- I'm sure he didn't intend it to be that -- upon the members of the board.

In addition to that, when you talk about the activities of this board, I think Albertans who have been involved are extremely impressed. I mentioned today in my remarks on Orders of the Day that the board had done an extremely difficult and new job with regard to the question of field pricing of gas and presented a highly effective and a very well-received report that is over and above what they have been doing in the past.

To cast aspersions upon the Alberta Energy Resources Conservation Board -- really, I trust that wasn't the import of the remarks made by the hon. member. I would, in terms of the specific amount of the increase -- and look at the fact that last year there was a 10 per cent increase in the Energy Resources Conservation Board -- refer any specific question to the Minister of Mines and Minerals.

MR. WILSON:

Mr. Chairman, I certainly wasn't casting any aspersions on the Energy Resources Conservation Board. What I was trying to point out and ask the Premier if he would explain why this board is not being provided with additional funding because of the importance of the work they are doing. What I was trying to ask the Premier is the information that would ordinarily come from this board -- is it being replaced by political decisions rather than the independent decisions of the board?

These are the points that I'm trying to make out. We're certainly not casting any aspersions on the Board. But when there is a stand-pat budget, no growth in the budget, how are we replacing the services that we would ordinarily expect to come from this board? It seems to me that if the decisions are not coming from the board, they must be coming from a political source. I was inviting the Premier to explain why the change from the very important role of the board to what obviously must be decisions transferred to some political vehicle. This was the whole point of my question.

MR. DICKIE:

Mr. Chairman, might I reply here to give the hon. member certain information? But first I would like to confirm the reputation that the board does enjoy and the technical people that it has. As you tour the country and elsewhere you certainly hear the remarks that the highly technical people in the job of the Energy Resources Conservation Board -- it has earned, without question, a reputation throughout the world.

I think to be a little more specific on the question that the hon. member raises, I might draw to his attention the specific breakdown of the divisions of the board, first relating to oil and gas, and if I compare the figures that are estimated this year with previous years, that involves a five per cent increase. I am now looking at the \$2,288,600. I think that I should also mention to the hon. member that that amount is shared 50 per cent by the industry itself. So the board is always conscious of the expenditures they make because they are counting half of those expenditures to the government and half to industry.

Then in the other divisions of the Energy Resources Conservation Board dealing with hydro and electrical energy related operations in which the government accepts 100 per cent of those costs as well as coal, and mineral taxation. First in the hydro and electric energy related operations, there was a 10.7 increase there, and in the coal operations there was a decrease of some 2.2 per cent and also under The Mineral Taxation Act there was a grant from the Mines and Minerals division, because the total operation for the administration of the natural resources crude oil plan was some \$240,000. If the hon. member will recall, under the appropriations for the Department of Mines and Minerals there was a grant there of some \$100,000.

So I think, Mr. Chairman, if you consider the breakdown, there is a modest increase. I can assure the hon. member that the government certainly recognizes the importance of energy in this energy province. There hasn't been any question of any cutback, or anything of that nature, that would curtail the information that must be made available or the adequacy of the reports of the technical people that were required to advise the government on these energy matters. Also, when they conduct the public hearings, the work that is involved in those public hearings -- there hasn't been any indication at any time of any shortage of funds which would in any way curtail or restrict their activities.

MR. WILSON:

Mr. Chairman, there is certainly no question of the reputation of the board. It is number one, but because they are such an efficient and good board I am wondering why we do not use them more? We are obviously, from the budget, not planning to use them more and I was wondering what new thrusts they have been asked to perform to obtain information to support new Alberta industry. For example, do they not need additional funding to carry out these new goals and these new thrusts? This is what I was getting at, because from the budget that is presented here, it does not seem that their importance is receiving the role that it should, and that the function that they are being asked to perform is increasing in relation to their prestige and to the job they are doing.

MR. LOUGHEED:

I have to respond again, because the hon. member obviously is not prepared to listen. We spoke today about a specific assignment of great magnitude that was given to the Energy Resources Conservation Board. Perhaps the hon. member was not in his place. That was an inquiry, for the first time in the history of this province, into the question of the field pricing of gas. Through the course of the past year, the Energy Resources Conservation Board did a great deal of work, a specific example of a major new responsibility. When the hon. member stands in his place to talk about industry, he clearly does not understand from that what the purpose of this board is and what it is set up to do.

MR. WILSON:

Well, Mr. Chairman, I was in my place today, and I heard the announcement, but that is in the past. I am asking about the future. The budget here reflects the future. What new roles does the government intend to ask this board to carry out in the future? When I talk about new industry -- this board is involved with proving up reserves that we have in the line of energy in the Province of Alberta and if those statistics don't go towards establishing new industry, then I really do need further explanation. You don't start new industries without knowing what your reserves are and I'm wondering what the government's intentions are in this field.

MR. DICKIE:

Mr. Chairman, might I help the hon. member by suggesting that we might examine the actual provisions of the Energy Resources Conservation Board Act and see what the duties and obligations are. In addition to those items the hon. Premier mentioned, I can mention one specifically. When we did announce the setting up of the Crump Commission, at the same time we asked the Energy Resources Conservation Board to conduct a study on the coal industry.

I think if the hon. member would examine the terms of reference for the coal industry, he would see they are very wide. It's going to take a detailed study on the coal industry in Alberta. In addition to that they started in September 1972 to conduct an extensive hearing again on the energy requirements of the Province of Alberta -- that covers the electrical as well as gas and so forth. I think those are continuing studies that are being carried on.

I think the hon. member, if he's trying to suggest they are getting in the area of promoting industry, that's not their obligation and that's within the jurisdiction of the Minister of Industry and Commerce. That's why again I would emphasize if the hon. member would like to have a clear understanding of what the board does, he can get that by examining the acts and the purposes of the Act. I can assure the hon. member they are carrying out their obligations under those acts.

MR. HENDERSON:

Mr. Chairman, I would like to just ask one or two questions and preface with a brief remark.

I'm somewhat surprised that the gentlemen seated opposite should be so shocked by the suggestion that there's something to do with politics in the Conservation Board. I recall very well when some of the gentlemen seated opposite who are wearing their halos now, when they were sitting on this side of the House, suggested there was something very improper about the fact industry paid half the cost of the operation of the board and that this compromised the board's independence and so on and so forth.

I recall very specifically the Minister of Federal and Intergovernmental Affairs sort of summarizing with a quip that I think he said was going around in the oil industry that Imperial Oil owned the board -- I'll put it the other way around -- I think it was Texaco wanted to buy it from Imperial, but Imperial wouldn't sell it. So I'm pleased to hear that the members seated opposite -- as I say it's fortunate politicians do change their minds when they cross onto that side of the House.

So the shocked expression of the Premier about politics on the board I think is quite in order, based on the statements that the gentlemen seated opposite have on record in the transcripts a few years back. I don't know whether Texaco still wants to buy the board and whether Imperial still won't sell or not, but that is somewhat irrelevant to the exercise. I presume the Minister of Federal and Intergovernmental Affairs knows the answer to that question.

On a more serious vein, Mr. Chairman, I would like to bring up the question of the announcement of the Premier this afternoon and his indications and the statement in the board report on page 78 which states that the pricing structure in the contracts was not in keeping with the government's recommended guidelines. I would like to ask the Premier to give the House some idea just what price it is that they are shooting for, so far as the gas sales in the contract are concerned? This may very well be spelled out in some of the statements and reports earlier, but I think since the subject has come up today it would be relevant to the present discussion.

After that I have one or two other questions, Mr. Chairman.

MR. LOUGHEED:

Mr. Chairman, on that question we wouldn't go beyond the statement that we made in the House with regard to pricing on November 16, 1972. We refer the hon. leader to that statement and we stand on it.

MR. HENDERSON:

Would the Premier -- I don't carry his statements around in the back of my mind like a Bible to refer to at the appropriate moment -- maybe he could refresh my memory very briefly as to what the general text of the statement was.

MR. LOUGHEED:

Mr. Chairman, perhaps the two most major aspects of the statement, to refresh the hon. leader's memory, were that the finding of the Alberta Energy Resources Conservation Board with regard to the field price of gas was that the average field price of gas in the Province of Alberta today leaving the Province of Alberta, was some 16 cents per thousand cubic feet. It was the view of the Conservation Board, which was concurred in by the government, that that was some 10 to 20 cents per thousand cubic feet under value.

The second aspect of the natural gas policy of last November was that redetermination provisions should be in all gas contracts, that they were not contained in a very significant number of them, and the board has suggested that the redetermination should occur at a particular period of time. The government took the view that the redetermination provision should be in every gas contract for every second year.

From memory, those are the two major ones. There are others.

MR. HENDERSON:

I wonder, Mr. Chairman, if the Premier could tell us briefly just what the price offered was in general terms. We are talking in the range of 26 cents to 36 cents a thousand. If the average was 16 cents, then it is 10 cents to 20 cents too low. Where did the prices offered in the permits, the requests that were turned down today as announced by the Premier, fall? In the 20 cent range?

MR. LOUGHEED:

Mr. Chairman, perhaps the hon. leader misunderstood my remarks today. I was referring to the finding of the board in their statement regarding TransCanada Pipelines, but as far as the board was concerned, they found that as of September 1972 TransCanada's pricing provisions did not come within the parameters of the natural gas policy outlined by the government last November. That was the position which was taken. As I said in my remarks today, we are awaiting the report -- which we anticipate, I would think, by the end of April -- from the Energy Resources Conservation Board that we requested as to the status of the pricing situation of March 31, 1973.

MR. HENDERSON:

Is the Premier in a position to inform the House then, Mr. Chairman, as to whether there has been any movement upwards on the part of TransCanada? Is it at all realistic or are they just standing pat?

MR. LOUGHEED:

Mr. Chairman, I think a response to that would be premature and we should wait for the report of the board at the end of April.

MR. HENDERSON:

Mr. Chairman, I would like to pursue another aspect of this TransCanada business. I asked a question of the Minister of Mines and Minerals and really haven't received a response from him yet, but I think it would be appropriate to bring it up again today. Is the concern that there has to be -- so far as protecting the interests of Alberta citizens is concerned, relative to the monopoly position that TransCanada Pipelines has on the marketing of a substantial portion of the gas that has been exported out of the province? And I come back to the question of whether the government has taken any significant steps towards trying to have TransCanada Pipelines declared a common carrier to get them into the same position as the oil business. We don't get these arrangements in the oil business. The pipeline is just a carrier and they are charging a freight charge to transport gas.

I recall very definitely the problems which arose with the permits, which the Minister of Mines and Minerals referred to today, over the attempts on the part of Consolidated Natural Gas Limited to get directly into the pipeline business. They were threatening to break the TransCanada monopoly. I am well aware of the rather significant pressure that was applied at that time to try to convince the Government of Alberta that it was in the best interests of the people of Alberta to go along with the monopoly position on the part of TransCanada Pipelines. I am sure the government is highly conscious of this. They don't know exactly what action they are taking indirectly behind the scenes, but it does seem to me in the final analysis this might be what has to be done: break the monopoly position that TransCanada Pipelines now enjoys relative to the stranglehold in the marketing of a substantial portion of gas that is exported out of the province.

Now the Minister of Mines and Minerals -- I found it a little hard to buy his rather vague indifference on the subject when I asked him a question earlier in his estimates because the significance of it is, what position has the Government of Alberta taken relative to representations of the federal government in this regard?

MR. DICKIE:

Mr. Chairman, again I would like to emphasize what I mentioned to the hon. member earlier. I can recall in our meetings with the federal government that we did take a definite stand on the question of track and had a considerable discussion on that.

We also had a discussion on the point that the hon. member raised about the common carrier. I was going to go back and check my notes to see exactly what recollection I had from the notes on the conversation we had on the common carrier aspect. I will do that and advise the hon. member at that time. I can only assure the hon. member again that we're conscious of the fact of the monopoly situation that the hon. member raised and we have been dealing with that in our discussions with the federal government.

MR. LOUGHEED:

I might add to what the hon. minister has said. It's a matter of your terminology of the use of the word "monopoly". I believe hon. members will recall that on a number of occasions since the decision in November, 1971 by the National Energy Board, we put TransCanada Pipelines into a pretty clear monopoly purchase position or a monopoly buying position insofar as natural gas is concerned in this province, and that started a chain reaction of a number of events that I referred to in my statement today. It's that monopoly position of TransCanada that is of a great deal of concern to us. Whether the answer would be solved in part -- I'm satisfied it wouldn't be solved in entirety -- in any part or any significant degree by establishing TransCanada Pipelines as a common carrier is certainly one of the situations that we are evaluating. But in the shorter term and the need to assure that there are some upward pressures on price, we've taken the steps that we've referred to today.

MR. HENDERSON:

Well, Mr. Chairman, I want to make it clear I don't basically quarrel with the steps the government is taking to deal with the matter. I raise the question mostly with the view of finding out and getting on record, and I think it should be on public record, the position TransCanada Pipelines holds relative to the marketing of gas out of the province. It clearly is detrimental to the public interest insofar as the citizens of Alberta are concerned.

And I am sure the Premier would also agree that one cannot go on for too long a period with refusing to grant export permits. Because very obviously, sooner or later the industry starts saying, well why bother doing exploration work. If we do find something, we can't sell it. And, you know, why bother drilling exploration holes in Suffield one might say, if they aren't going to allow it to be exported.

I appreciate the problem the government has, and I basically endorse the steps they have taken. And I think maybe one of the steps they should take is a little more of a hard-nosed position publicly relative to breaking the monopoly in the practical sense that TransCanada Pipelines has on the Province of Alberta. I'm sure this is the key problem insofar as cracking this nut of higher prices.

But again, one can only go on on a fairly short-term basis with refusing to grant export permits, and if the pressure builds fast enough on the market end,

maybe that will work. But I didn't get the impression from the Minister of Mines and Minerals in his remarks during the study of his estimates that the government was really looking very seriously at this particular question of common carrier requirements and the desirability of having TransCanada Pipelines declared a common carrier.

It seemed to me that would have been a much more meaningful exercise than this bit of foolishness about a new energy board that the Minister of Mines and Minerals talked about and introduced in the House the other day. I mean, that has to be taken as a bit of a jest really. It's been indicated to me that the matter wasn't being taken particularly seriously.

[Mr. Deputy Chairman took the Chair.]

I can see the Minister of Mines and Minerals is anxious to get up and respond, but I want to ask one other question before he does, or before the Premier does. And that's the question of the direction that has been outstanding with the Energy Board for a number of years now relative to their responsibility to maintain a watching brief over the possibilities of development of the oil shales in Colorado. This very clearly is of major significance to the planning on the part of the Government of Alberta relative to the development of the Athabasca Tar Sands.

Because while the United States market seems to be suffering from a shortage of energy in some forms, they do have tremendous reserves of the oil shales, and I'm wondering whether the Conservation Board is still maintaining that watching brief, and whether they are reporting routinely to the Executive Council on them. I'm not going to ask what they are reporting because I think it would probably not be desirable to discuss it at this time. But are they still maintaining that watching brief and reporting to the Executive Council in that regard?

MR. LOUGHEED:

Mr. Chairman, before the hon. minister responds to the last question, I would like to deal with this matter of common carrier because I think it can be misunderstood if it's left perhaps where it stands in the record now.

Really the situation with regard to the National Energy Board at the moment would be that the only significant purchase of gas, if TransCanada Pipelines was a common carrier, would come from three Ontario distributors, Northern and Central, Consumers Gas, and Union Gas. Now certainly that could develop a possibility in terms of competition between the three of them.

But we are not so naive as to consider that when they have separate franchise areas involved in terms of the orbit of the one provincial government and the Ontario Public Utilities Board that our problems and our concern over pricing would be simply solved by converting TransCanada Pipelines into a common carrier position. It may be an improvement and certainly it is an option we are considering.

I think what's much more important is to back up the producers in this province, back up the people of the province in assuring that the gas doesn't leave here unless it leaves at fair value. That's my response to the common carrier, perhaps the hon. minister would like to react to the question regarding the matter of the oil shares.

MR. HENDERSON:

Mr. Chairman, maybe just before the Minister of Mines and Minerals does, I think the words of the Premier are well taken. But obviously, that once again is a short-term proposition. I think with the inevitability of the development of the MacKenzie Pipeline to bring gas down from MacKenzie Delta and Prudhoe Bay, the question of gas export into the U.S. has to be reopened. The National Energy Board simply cannot sit on it. I was thinking in the longer-term range.

I agree wholeheartedly with the statements that were made by the Premier, so far as the common carrier in relationship to the Ontario market. I think his points are right on the mark.

With that now, I'd like to hear the response of the Minister of Mines and Minerals.

MR. STROM:

[Inaudible]... to the point of the common carrier and get in a question as well. I agree with what the Premier has said in regard to the common carrier and the only additional comment that I would make is that had Consolidated been able to have a market to sell their product then, of course -- and they could have used TransCanada Pipelines -- it would have been a distinct advantage to have had it a common carrier.

Now my question to the Premier is this, I am sure that he is well aware of Consolidated's entry into the Alberta market for the purchase of gas at a considerably higher price than what was being paid previously. I believe if I heard correctly, that you replied to the hon. Leader of the Opposition that you would rather not make any comment in regard to TransCanada's decision of increasing prices. My question is this, has TransCanada accepted Consolidated Gas at a higher price and are they, in fact, now absorbing that higher price and selling it at the same price at the other end? Or have they made a deal and are buying it from Consolidated at something less than Consolidated hope to get?

MR. LOUGHEED:

Mr. Chairman, I can't specifically answer that question by the hon. member. except to say that the increase he refers to relative to Consolidated is quite small relative to the 10 to 20 cents that we are talking about. There is an increase factor and it would be within it. But even looking at that, the findings of the Energy Resources Conservation Board in the report tabled yesterday, were that the average price as of September, 1972, TransCanada Pipelines was still at 16 cents per 1,000 cubic feet. Now there could be some slight increase in that if you took the portion of the Consolidated Gas within that orbit. But it would not nearly be within the 10 to 20-cent range that we have been talking about.

MR. STROM:

Mr. Chairman, I appreciate that and there is only one other comment that I would like to make, if I may at this point in time. It's in regard to a question I raised with the hon. Minister of Mines and Minerals the other night when we were considering his estimates and the hon. Premier wasn't here. I would like to point out that one of the problems that we faced two or three years ago was the matter of whether or not the government would be prepared to go along with the recommendation of the Oil and Gas Conservation Board that the request for export out of Alberta by Consolidated be accepted. And it was well recognized then -- and I'm sure the hon. Premier can appreciate this -- that we were sitting on the verge of having markets more readily obtainable at a considerably higher price. It was the view of our government at that time that had the application of Consolidated to the National Energy Board been accepted, we would then have seen the natural forces of the market place begin the process of increased prices for gas and they would have been very noticeable in that period from then on in.

The other point that I was making with the hon. Minister of Mines and Minerals is that at the present time, I think we are sitting in a very favourable position in that it is impossible for Arctic gas to come down to anywhere near a competitive price. And I am sure that the hon. the Premier and the hon. Minister of Mines and Minerals recognize that it will be one of the very large factors in determining what the increase will be.

One of the questions I raised with the hon. Minister of Mines and Minerals was the matter of the market place determining what the price ought to be. I don't recall exactly what the hon. minister's answer was, but what I'm trying to point out is the factors that we are presently facing are very strong factors in determining what the price can be. And I want to say the same as the hon. Leader of the Opposition said, that I concur in the steps that are being taken by the government at this point in time. But having said that, I cannot accept the suggestion of criticism of the past administration as to what it might have done.

[Mr. Chairman resumed the Chair.]

And I'm going to make a statement, Mr. Chairman, that I've made on many occasions. I suggest that when we are making criticisms of the past, we ought to try and make it in light of the circumstances that prevailed at that point in time, and not to take the circumstances that prevail in 1973 and say that in 1971 a certain decision should have been made.

We are going through a very rapidly changing situation that is very favourable to Alberta, and all I say is, I am with you 100 per cent, but I think it's well that we look at some of the past as well and recognize when these changes started to take place. I just wanted to put this on the record, Mr. Chairman.

MR. LOUGHEED:

Mr. Chairman, I just want to respond to the hon. Member for Cypress. There are really two parts to what he said. Perhaps he may misunderstand our view. I don't think we have ever taken the position that the decision by the previous government to grant the permit to Consolidated was one that we take issue with. We certainly don't and didn't, because it did bring -- provided the National Energy Board had concurred -- it did bring into the market place a competitive price factor.

So from that point of view we accept what the hon. Member for Cypress has put before the committee, and that is that that was an element of increased competition. Our issue, and it's a debate that I'm sure will wage here and elsewhere outside this House, has to do with the question of the pricing aspect and the time when a pricing came into effect. That's the point we were talking about.

But I would have to come back to say that the hon. Member for Cypress relates the decision back to the National Energy Board. The hon. Leader of the Opposition can be disdainful about the strong position taken by the Minister of Mines and Minerals with regard to the National Energy Board, but I assure him that in terms of effective negotiation, in terms of any hopeful remedy, hopeful improvement, in the structure of the National Energy Board -- if we start with a weak position, if we start with a position that doesn't recognize that this is the energy province of Canada, we're not going to have that restructuring of the National Energy Board.

MR. STROM:

Mr. Chairman, let me just say this in addition to what I've already said, that I certainly agree with the point made that we are the energy province. I agree, too, that there is a need of placing the facts very clearly before the federal government. But I certainly go along with the hon. Leader of the Opposition as to the remarks he made on the proposal made by the hon. Minister of Mines and Minerals in regard to the new organization. I'm not going to say anything more at this point.

MR. DICKIE:

Mr. Chairman, perhaps I can pass on a few comments. First, I would like to say this to the hon. Leader of the Opposition. I was a little disappointed that he hadn't listened with interest to the remarks I was making the other day because obviously I reviewed, first, the summary of what the Energy Resources Conservation Board report stated and our natural gas policy statements. And he has to ask the hon. Premier tonight what they said. So I can appreciate that when he talked about my observations on the National Energy Board he completely overlooked some major points.

However, I would like to pursue that with him perhaps some other time a little later and give him the full details and answer some of the questions he has. I'm sure I can answer them for him. So I would like to do that --

MR. HENDERSON:

Point of order, Mr. Chairman. The minister is always going to do these things later. There is nothing like now. Maybe he can convince us that the suggested revision of the National Energy Board makes some sense.

MR. CHAIRMAN:

Order. Continue, Mr. Minister.

MR. DICKIE:

Mr. Chairman, I am going to welcome that opportunity. I would like to comment, though, on when you suggested we were pursuing publicly this other aspect of the common carrier and the tracking. As I said, we have had many discussions with the federal government on these various points. Before I give them the arguments for and against those questions I would like to check my notes and give them those questions. And I will certainly do that.

The other area that the hon. Leader of the Opposition raised was the question of shales in the United States. I'm pleased to advise the hon. member there that we did attend meetings of the Inter-State Oil Compact Commission. That would be an organization comparable to our CPA and IPAC here. They have had periodic meetings in the United States. One of the items on the agenda is the shales in the United States and the comparisons that we had with our tar sands problems and in situ here in Canada with the shales.

We have representatives on the ongoing committees who are continually watching the developments in the United States with respect to the shales and comparing them with our in situ process here for our oil sands.

In addition to that, there are representatives of companies that have interests in the shales in the United States as well as interests in our oil sands here. We are discussing with them the common problems involved in the development of the shales as well as the oil sands. With that in mind, we are continually looking to see if there are ways and means by which the technological developments required to continue to bring forth the in situ process in Canada as well as the development of shales can be carried on jointly in some way so that both would benefit as a result of the various developments in research that have taken place.

MR. HENDERSON:

I just want to clarify one point. While the technological aspects of this watching brief are significant, in the final analysis they express themselves in terms of economics. When one reads the statements in the press that apparently there is consideration now within the American government relative to whether they should forge ahead with commercial development of the tar sands, obviously this has some considerable significance relative to the decision-making of the provincial government.

I just wanted to find out whether they were watching the situation and I gather they continue to do it through the offices of the Energy Board.

Before leaving this appropriation though, Mr. Chairman, it may be an appropriate point in time to ask the Premier for clarification of a statement he made relative to the tar sands policy. While it isn't technically correct to bring it up under this appropriation, nonetheless, maybe the Chairman would agree to entertain the question. He announced that the question of the royalties on the tar sands for the Syncrude project was under active discussion and consideration. I think the Minister of Mines and Minerals also indicated that he didn't believe there were any major stumbling blocks in that area. I just wanted clarification as to whether any revision or change in the royalty structure relative to the tar sands is not just applicable to the Syncrude project, but rather as a policy that would apply to both the Great Canadian Tar Sands plan and the proposed Syncrude plan.

MR. LOUGHEED:

Mr. Chairman, we are simply not in a position to respond to the hon. leader on that matter. It is a matter that is presently under negotiation and I can't say anything more than that.

MR. DICKIE:

The hon. member uses the words "stumbling block". I am just trying to recollect the words that I did use. I was referring to the time aspect, that there was some time element involved in that there would be considerable time in resolving the question of the royalties. That is what I was dealing with.

MR. HENDERSON:

Mr. Chairman, the basic question I am wondering -- and apparently the Premier is not prepared to answer at this time, and it may be desirable not to be answered at this time -- but what I am really wondering, are we going to run into a situation where we will have two different royalty structures applicable to two different plants? Obviously this raises some questions that are going to have to be, and I am sure are being examined by the government. This was my basic question really.

MR. LOUGHEED:

Well, Mr. Chairman, as the hon. leader is well aware we have inherited the situation of an initial plant tied into a lease situation with maximum royalties, tied into a situation developed for royalty for the first plant, the

GCOS plant, then with a remission by the previous government with regard to that royalty, and now in a provision, if my memory is correct, with regards to the oil sands policy of 1968. As to the question of the basis upon which that royalty should be made, we are now in the process of negotiation, both with Syncrude and GCOS being conscious of the need that what we are doing there will have some bearing upon future plants.

MR. CLARK:

Mr. Chairman, I would like to ask a question of the Premier. Mr. Premier, will the services of the Energy Resources Conservation Board be used as the regulatory agency as far the work that is being done in the Suffield area? As I understand the arrangements, the government is going to have the wells drilled, at least under government supervision, and it would seem logical to me that the Energy Resources Conservation Board is the agency that will do that supervision.

I'd just make one more comment on that and that is that when I say supervision from the standpoint of poor drilling practices I mean from the standpoint of the ecology of the area, not from the standpoint of the on-the-spot supervision day in and day out.

MR. DICKIE:

Mr. Chairman, dealing with that question of how we propose to become involved in the question of the drilling of the 77 evaluation wells, at the present time it is our intention to have a committee that will advise the minister on that. They will look after the supervision of the 77 evaluation wells. On that will be a team of experts that continue to advise the government of the proper maintenance and supervision of the wells. I think it would be a wrong practice for us to request the board to become involved in that situation.

MR. CLARK:

Mr. Chairman, on that point to the minister. Mr. Minister, I appreciate your point that it would be wrong for the board to be involved in the day-to-day supervision, but the point I am trying to make is that one of the reasons that I can be rather enthusiastic about the way you're doing that program down there is because the reputation of the Energy Resources Conservation Board, I think, will carry the judgement of many Albertans, as far as damage which will be done in the area.

The program being done by the government, I think, commends itself from that standpoint. My point is that the Energy Resources Conservation Board is very well regarded, as has been alluded to earlier, across the province. If you are going to carry the judgment of those Albertans who are concerned about the long-term preservation of that area, then I think at the outset it is very clear, or it's important, that you set out the role of the Energy Resources Conservation Board. Because it will be seen as neutral, and be prepared to rap the government's hands as it raps industries' hands if it is needed, in this course of operation.

The reason that I raise it is that if we get a while down the road in this thing, then you come to that point -- and I think you are going to have a lot of people, various conservation groups, wilderness groups and so on, who legitimately are going to be on your neck, and I will be with them.

MR. DICKIE:

Well, Mr. Chairman, might I respond in this way, and say that certainly we are in a position to request advice and direction from the Energy Resources Conservation Board. If the occasion did arise where a point was raised of that nature, certainly we would do that, but also keep in mind that we have the Department of Environment, and the Department of Lands and Forests who will also be conscious of that, and they will be working in those areas as well so that they will have their proper input.

MR. HENDERSON:

Mr. Chairman, the basic question that the member for Olds is asking is whether the jurisdiction of the energy board will be applicable, in general terms, to the operation within the Suffield gas development.

MR. DICKIE:

Mr. Chairman, I'd say now, without examining it further, that they would be in a position to advise the government on various matters and that would be one if the government so required.

MR. HENDERSON:

We are not going to be faced with the idea that the government is going to develop for its operations and the energy board is going to have another set of standards that would be applicable to the operations of industry elsewhere. I think this was all the hon. Member for Olds-Didsbury was asking, the general requirements and stipulations of the Energy Board are going to be applicable to the government during any operation it carries out in Suffield.

MR. DICKIE:

Yes, I would assume the hon. member has accepted that answer.

MR. STROM:

I wonder if I might just revert to this matter of royalties in the oil sands again and direct a question to either the hon. the Premier or the hon. minister? One of the arguments that Great Canadian Oil Sands was using was the fact that the royalty was paid on a partially refined product. Is that part of the negotiations that will be carried on with them to determine whether or not it should be on the partial refined, or is that matter considered settled?

MR. LOUGHEED:

Mr. Chairman, all I can say at this time is, it is one of the factors that are under discussion and under negotiation.

MR. DICKIE:

Mr. Chairman, before we leave this I would like to make just one further observation on the suggestion of the restructuring of the National Energy Board. Again I would like to be very brief, but I would like to express my concerns as to what I see happening and I think I try to express it to the hon. members that the present set-up we are dealing in the oil situation in Canada, first we must settle and resolve the problems of the system we have in Canada itself and then we can perhaps look elsewhere.

And then we first make an analysis in depth of the situation that does exist in Canada today, now that they have first had gas under the National Energy Board and now brought oil under that, and the steps that would happen and the implications of what controls might mean.

I think we have to ask ourselves, are we properly set up to handle the situation from the point of view of the protection of the Province of Alberta and the protection of industry in Alberta and are there better ways of doing this? This is what we are trying to do when we are talking about restructuring the National Energy Board: to get a system that can meet with the approval of industry, the people of the Province of Alberta, as well as the interests of the federal government.

Of course, Mr. Chairman, it does involve a difficult task, asking the federal government to give up some of the considerations that they have. But I would suggest to the hon. members that there is precedent for doing this. We have tax-sharing agreements involved in situations where they are required. We could have an energy agreement between the provinces involved, that are concerned to set out how these terms and conditions would be carried out.

I would like to alleviate any fears that I kind of sense from the hon. Leader of the Opposition that the Alberta interests wouldn't be protected. But we have no hesitation in telling the hon. member that in the proposal I have suggested there would be ample protection for the people of Alberta and the resources we have in the Province of Alberta.

I would like to make it absolutely clear that situation would exist in the procedures that we're contemplating. But we recognize the difficult question, when you are dealing with the federal government, of asking them to enter such an agreement because of the constitutional powers they have. But on the other hand, I think you have to recognize the situation that exists at the present time. There's no question, in my mind, about the conflict of interest question when you consider the federal government and oil and gas lands, the 2.6 million

acres they have and are dealing with in oil and gas, their interest in Panarctic and so forth.

I suggest to the hon. members that when you review that argument, ask yourself at the end of that argument if that situation doesn't exist and whether we should continue to say there isn't a need for a restructuring of the National Energy Board. If the hon. member has some suggestions as to how the National Energy Board might be restructured, certainly we would be pleased to hear them and consider them in the thoughts we have.

But I think the hon. member has to recognize what is happening and the question of controls and the serious implication of control from the point of view of Alberta when we look at our drilling incentive system which we are developing. It's coming along very well; we would hate to see that jeopardized in any way, shape or form. And we are also looking at the development of the oil sands itself and how we have to develop the oil sands and the serious implications of the question of controls in those areas.

Those are a few of the thoughts I would like the hon. member to give consideration to.

MR. HENDERSON:

Fine, Mr. Chairman, I have no quarrel with the basic objective the government is trying to achieve. But I would reiterate that it is hard to accept and take seriously at all the proposition as put forward by the government as to what the restructured energy board should consist of.

I have to point out to the minister that I can understand their concerns about the conflict of interest on the part of the federal government relative to the Arctic lands. But I would point out to the minister their proposal to become involved in Suffield creates the same conflict of interest relative to this government within the Province of Alberta.

So his comments about conflict of interest and the proposal to become involved in Suffield creates the same conflict of interest relative to this government within the Province of Alberta. So his comments about conflict of interest and the proposal to become directly involved in the Suffield thing -- I am not quarrelling with the basic objective of Suffield but I think the timing of it may weaken the basic argument so far as conflict of interest with the federal government, because they are setting themselves up in the same position of conflict of interest within the Alberta context.

I say again, Mr. Chairman, I have no quarrel with what the minister or the government are basically trying to achieve relative to the federal government. But I do suggest that the proposal that was put forward by the minister is difficult to take seriously. One would have to take it as a joke. I don't think, in that vein, it really enhances the reputation of the Province of Alberta, nor strengthens their particular position in dealing with the matter federally.

I point out again that the Government of Alberta, to some extent, weakens its own arguments on conflict of interest by virtue of its proposal, relative to federal government, to become involved in gas development within the Province of Alberta. The timing of that particular exercise may be rather poor in that regard.

So the footwork the minister has done in the matter -- I think he had better learn some new dance steps because he is a little out of tune, I think, right at the moment.

MR. DICKIE:

Mr. Chairman, I certainly welcome the thoughts expressed. I can't agree with them. I don't agree with the conflict of interest.

But I think the hon. leader of the Opposition is missing one key point in the remarks on the restructuring we are talking about and that is an energy agreement. Within the terms of this energy agreement between the federal government, the provincial government and other governments who may be involved in the energy question -- we established the terms and conditions as to how these things can be worked out, how the spirit of cooperation can exist with the better development of the energy problems which we have and are going to face in the future.

I suggest again to the hon. Leader of the Opposition, it is just not good enough to sit there and say that we are satisfied with the situation as it exists today, because we don't have the mechanism. We don't have the system to solve the problems that are in the future, particularly on a two or three-price gas system we are talking about. A two or three-price system on oil could exist -- we have to have some mechanism for solving these. We don't have those.

I suggest to the hon. Leader of the Opposition that if he would really stop and think about it and look at the situation as it exists today, an energy agreement is the basis from which we may start to develop and to try and solve some of the serious problems that Canada will soon face in the whole energy field.

MR. HENDERSON:

Mr. Chairman, I would just respond by pointing out one other thing which I think the government weakens its hand on. I don't think the Government of Alberta has got any business talking about a three-price system. The question of a three-price system, relative to what the price of gas is in other provinces in Canada, really isn't the business of the Province of Alberta.

The business of the Province of Alberta is getting the best price for the gas that we sell outside of the Province of Alberta. I basically endorse the philosophy of the rebate that is going into it, because I don't think any political party would ever convince the people of Alberta, other than the fact that by virtue of Alberta being the energy province of Canada, they expect to and are entitled to and are going to get energy at a price substantially lower than the other prices in Canada.

When a minister gets in and starts talking about a three-price system, I think he is way off in left field and he should leave it alone. It weakens the basic argument and raises the whole question that the Government of Ontario is bringing up, rather than the constitutionality of the issue. You have no business -- the Government of Alberta, I think, has no business, in entertaining the politics of a three-price system. Leave that to the Conservative government in Ontario. It is not the responsibility of the Conservative government in Alberta. I have never been able to understand why on earth the minister got into that particular field of talking about a three-price system, because it is clearly beyond our jurisdiction.

MR. LOUGHEED:

Mr. Chairman, just to respond to that. I think the first comment on the three-price system raised in this Legislature was made by myself. We in no way said that we were accepting any three-price system and the records should be clear about that. What we did say is that we recognize the magnitude of the actions we were taking relative to the Government of Ontario.

We were not going to approach discussions with closed minds. If the minister responsible to the representative of the Ontario government, Mr. McKeough, wants to explore with the federal government the question of a three-price system, we certainly aren't prepared to take the position that that is a matter we are simply not prepared to talk about.

I have never said, and I hope the record is clear on that, that we considered the three-price system as an option that we would favour. We don't think that in the best interests of Canada at large we should take the view that we simply won't discuss these matters when they are raised by other governments in a responsible way.

MR. HENDERSON:

Mr. Chairman, we're back into the whole, muddy issue of what is the responsibility of the Government of Alberta. I just don't accept the argument of the Premier that the government of this province has to have concerns about the price of gas to consumers outside of it. I don't think the government of Ontario is the least bit concerned about the price of cars in Alberta, the price of combines in Alberta, and the price of all the other stuff that comes out of Ontario.

So let's not carry this milk of human kindness nonsense too far because Ontario can talk three-price gas to the federal government to their heart's content. I suggest the matter is basically irrelevant to the Province of Alberta. We should stay away from it, because the more Alberta gets involved in that discussion the more the basic question of the constitutionality of the two-price system in Alberta is going to come to the fore.

And I suggest there is nothing to be gained as far as the citizens of Alberta are concerned by the Province of Alberta getting mixed up in that issue. There might be from the politics of a few of the members seated opposite, but it has nothing to do with the best interests of the people of Alberta. I don't hear anybody in Ontario shedding a tear over the cost of the manufactured goods that come out of Ontario into Alberta.

MR. DICKIE:

Well, Mr. Chairman, I must respond because I think the hon. member hasn't grasped what really happens -- what is referred to as a three-price system. I think those terms are used very loosely.

But it does concern the Province of Alberta and it has concerned it in this way: that when they implemented the provisions of Section 11(a) under The National Energy Board Act, the situation did arise there that the federal government in effect said that if the price of the opportunity price in the United States was increased, then the price for Alberta gas or any gas going from Canada would automatically be increased.

Perhaps I can explain it this way: that if the gas in California was being sold at 28 cents, then they said under Section 11(a) the gas from Alberta should be sold at 28 cents. And that is how that situation arises. If the gas is leaving Canada at 25 cents and it's being sold on the California market; if gas is being sold on the California market at 28 cents, the gas from Canada should be increased 3 cents.

Now our concern was: what happens to that extra 3 cents? Who gets it? In one instance, the first illustration that happened was that the producers, pipeline company which was selling across the line got it.

We suggested that what should properly happen in that case is that the gas should come back to the producers of Alberta and the people of Alberta should receive the royalty share of that. And that's how you get involved in the three-price system. That's how the discussion commences on the three-price system.

So we are vitally concerned because we do receive a royalty benefit on that. If that extra additional revenue of gas that is going through the United States is increased in price, we do want a share of that royalty because we as a province would get that.

In addition to that, if the producers who are producing the gas get that additional revenue back in the Province of Alberta, then the chances are that they would spend it here for further exploration and development. So we are vitally concerned on that.

Now you also get tied in with that on the question of new gas or old gas and have to roll in the gas. Those are the problems that I'm talking about that have to be resolved between the federal and provincial governments. Those are very serious problems when you're dealing between Canada and the United States.

We've experienced this when you look at the problems that the United States faced with the FPC when they started to talk about bringing gas in from Algeria. These are exactly the situations that arose in that particular case because they did have the question of saying that they wouldn't lower the price for the new gas that was coming in from Algeria and the companies that wanted to do it, wanted to roll in their gas to reduce the cost of it. As a result of that decision by the FPC, the first decision by them, they couldn't carry that out. It was impractical to do that. So they had to have another rehearing and have further decisions on that.

Now we're faced with the same kind of problems that they are faced with in Canada and the United States. We're suggesting, at this time, that those are the kind of problems that have to be resolved between the federal and provincial governments.

So you do get involved in this question of a three-price system or what is referred to as a three-price system whether you like it or not. And what we're really looking at when we're trying to do that is to make sure that the interests of the people of Alberta are protected through the royalty interest, as well as the producers. That is what is referred to. I think if the hon. member appreciates those things happening, I think he'll have to agree that we have to become involved in it. That's how we become involved in it.

MR. NOTLEY:

Mr. Chairman, if I could just revert for a second to the tar sands question and this is just for clarification. The other day during your estimates, Mr. Minister, you said that the agreement on the remission to GCOS expired on March 31. Now I take it from your answers tonight that the new royalty structure or the decision whether or not to continue that remission formally won't be decided until you have straightened out your policy as far as Syncrude is concerned.

So for the time being, what royalty will GCOS be paying? Will they be paying their original royalty or will they be paying the royalty on the basis of the remissions?

MR. DICKIE:

Mr. Chairman, I think I have to answer that. That is really under consideration at the present time and we anticipate being in a position to make a decision very shortly on that.

MR. DIXON:

Just one small observation before we close this debate. If we read the Conservation Report for 1972, the board points out that their abnormal expenses in the past two years have been for pollution control. And then we go to the hon. Minister Mr. Yurko's department and there is quite an increase there.

So I am wondering what are the guidelines between this government department in cooperation with industry and the money that they are spending, which is one of the major industrial industries in our province. How are the guidelines laid out so that there is no overlapping of services between the two departments?

MR. DICKIE:

Mr. Chairman, that is a very good point on which there has been considerable discussion between myself and the Minister of the Environment. What we are really concerned about, looking at it from our department, would be that the one-window concept go before the board so that industry, when they make their applications, know exactly what the situation would be in respect to their permits. And those applications at the present time will require approvals from the Department of the Environment. However, if there are violations of any of the acts that are under the Department of the Environment, then the Department of the Environment would look after and supervise those various requirements.

But I'd like to emphasize to the hon. member again that we are conscious of this problem and we do work very closely together on the problems where they are related that closely.

MR. DIXON:

This is one of the reasons why I brought it up. In the case of Syncrude, for example, they are going through the board and they're also going through some guidelines that set down by the Minister of the Environment. I think if we are going to cooperate with industry, I think we had better try and put them all together in one package and say if the approval is given by either the Minister of the Environment or his department, then it won't be necessary to get the approval from the Energy Board.

I can't see two authorities in government. It must be confusing to industry, and as I read news reports and other information, it sounds a bit confusing. Because they have made this hurdle with the Conservation Board, but they haven't made the hurdle with the Minister of the Environment. I think the Energy Board and all the years of experience it has had, to me would be the number one decision-maker with the final approval by the minister. But what I'm trying to avoid is approval of that department, approval of this department, and then approval of the minister. I think it should be approval of either the minister's department or in my case I would favour the Conservation Board when it comes to oil and gas, hydro and coal, because this is what they are working in.

MR. DICKIE:

Mr. Chairman, I know the Minister of the Environment will like to pass on an observation or two, but I want to assure the hon. member that we have been working very closely. We have this one-window concept that I think the hon. member is referring to, that the persons do apply to the Energy Resources

Conservation Board and then they do receive approvals from the Department of the Environment before they proceed and make their final recommendations on their applications.

MR. YURKO:

If I might give the department's point of view in this regard. We have worked with the board for a considerable period of time straightening out this situation.

The situation as it is right now is that all approvals, everything that is approved from an environmental point of view, is approved by the department. So that all approvals are under the jurisdiction of the Department of the Environment. The board acts have been changed to make the minister responsible for the approval under the board's acts. They were changed in the spring of 1972.

The department, recognizing that the board has responsibilities, has farmed out to the board surveillance and enforcement on all energy projects. I want to repeat that again. The board has direct responsibility for surveillance and enforcement on all energy projects. The surveillance is basically only on on-site facilities. Off-site facilities, that is, ambient measuring around plants, is the responsibility of the company itself, but then can be checked by the department. But the off-site monitoring by the companies is reported to the board.

Now can I repeat that again? All approvals are directly under the Department of the Environment. The Crown is totally bound by all the department acts. Those are The Clean Air Act, The Clean Water Act, and the anticipated Land Surface Conservation Act. The surveillance on all energy projects is the responsibility of the board. The enforcement is the responsibility of the board.

On all approvals we have agreed to the one-window concept, so that all the approvals by industry on an energy project only, go to the board. The board then fans them out immediately to the departments involved, that is, the Department of Lands and Forests, the Department of the Environment -- where the Department of Agriculture or the Department of Labour is involved, it fans it out immediately. The companies then deal with each department accordingly.

When the final approval is given, it's given by the board and it contains all the approvals from the various departments. So basically the company gets one approval which has in it the approvals from the board in regard to energy utilization, the approval with regard to the Department of the Environment, and the approvals that are necessary from any other department. Is that fairly clear?

MR. DIXON:

I was just wondering, Mr. Minister, through the Chair, what you are trying to tell me. Let's take the gas plant at Crossfield for example. I don't know anything about their pollution problems, but --

MR. CLARK:

We can't talk about that one.

MR. DIXON:

The hon. Member for Clds-Didsbury says we shouldn't talk about that one. Anyway, what I'm trying to get at is an example. All right, the Energy Board goes in there as far as the installation and different things. Then your department comes along on the air pollution just half a mile away. This is where your department comes in. This off-site scrutiny is what you are doing in your department and the Conservation Board, as far as the output of sulphur from the plant -- would that also be under your department or would that come under the Energy Board?

MR. YURKO:

One other thing I missed a few minutes ago was to indicate that all the standards are established by the department -- that is, pollution standards and environmental standards are established by the department, not the board. When the board makes regulations touching on environmental matters, these regulations have to be approved by the department.

Now, in terms of surveillance again, all the drawings for pre-approval come to the department on any gas plant, and the department approves it in regard to stack height, maximum stack concentrations, maximum tonnage discharge to the air and so forth. This approval is issued and also on that approval the department indicates how many monitors have to be set around the plant, the continuous monitoring of the stacks -- the department establishes all of this.

Once this is established and the plant is built, the board then has the responsibility of surveillance to see that if a company was asked to monitor at 12 different points it is monitoring on a daily or monthly basis. This data is reported to the board and to the department when the department requests it. At the same time, on-site monitoring -- that is the stack maximum concentration and the stack, it's a continuous reading -- this is monitored by the board and it is reported daily to the board. The board can go into the plant any time and get that data. The department has mobile monitors and can go and monitor around the plant any time it wishes. It doesn't necessarily go onto a project unless it goes on with the board, because we have assigned this to the board.

Now the enforcement -- when we recognize that a plant is breaking an ambient standard or a source standard, then the board is the agency that enforces the standard on that gas plant rather than the department. But if the department isn't happy with the board's enforcement we can exercise an additional amount of control on top of the board.

MR. DIXON:

Mr. Chairman, I think the minister has confirmed the very thing I'm saying. You put the board, I think, in such a secondary position, are they really going to be effective? Because you are saying you can override them at any time -- not you personally, but your department.

MR. YURKO:

Of course -- on environmental matters only.

MR. DIXON:

But why don't you let them do the on-site and off-site policing of pollution? I think that would be more practical than having two departments looking after it.

MR. YURKO:

The first thing you have to remember is that the board is primarily responsible for the use of energy and the regulation of the use of energy and, in fact, the conservation of energy. It does not have prime responsibility for the environment. The Department of the Environment was set up for this matter and it was your previous government that set this up. You set up the Department of the Environment and gave it this responsibility -- the primary responsibility over environmental matters. It is very specific in all its acts.

That is why the department has this primary responsibility. But it subsequently assigned some of it back to the board. The board's primary responsibility isn't environmental. Because if it was they would be in conflict of interest. In many instances they would be in direct conflict of interest between trying to preserve the environment and using the energy and using the energy in a major way. So you see the answers are very logical.

MR. HENDERSON:

Mr. Chairman, I just want to make one final comment relative to the provincial government's action and position relative to the National Energy Board. I have to suggest in all seriousness that the manner in which the government is going about dealing with this matter is really lacking in credibility.

The question of the equal pricing provisions in the American market, as determined by the National Energy Board, obviously -- the problem has only arisen because of the action of the part of the Energy Board. So on the one hand the government wants to get rid of the National Energy Board and weaken its jurisdiction and on the other hand the equal pricing problem -- they want to get their share of the increased price back in the province of Alberta.

I would point out that the problem was around before the question of the two-price system in Alberta came up. So that really isn't relevant to what

we're talking about. Because we were aware of that problem, we were examining it before the election.

But on the one hand, the government is saying they want to get rid of the Energy Board and on the other hand -- the only reason there is any possible benefits that might come to Alberta from the equal pricing provisions in the American market is due to the action of the Energy Board. The Alberta government takes exception with the National Energy Board restricting exports into the American market of crude oil -- a token amount -- that is the one hand. But on the other hand, they want the National Energy Board to maintain the protection for the Alberta crude in the Ontario market.

Then we come back to the statements of the minister about the conflict of interest on the part of the federal government relative to their Arctic lands and their responsibilities for controlling the exports of products out of Canada. Now we find the provincial government, by virtue of the fact that it is going into business in Suffield, setting itself up within its own jurisdiction, within the province of Alberta, with exactly the same conflicts of interests.

Then the minister comes along with his fly-by-night foolish nonsense that sounds like something we would expect out of him when he was on this side of the House, about restructuring the Energy Board. I have to suggest, Mr. Chairman, there is absolutely no way anybody with any knowledge of the problem could take the propositions being put forth by the government of Alberta in relationship to the functions of the actual Energy Board seriously.

Because the one hand, Alberta is accruing quite a number of benefits in the National Energy Board. On the other hand they are saying that they want to get rid of them. Now the Government of Alberta can't have it both ways. Do they want to weaken and undermine their position? They can't have the Ontario market protected on the one hand for Alberta crude as I see it, and then complain about the fact that they restrict the export of crude to make sure there is enough crude for the Ontario market.

I won't bother going back over the whole three points again. But I say the manner in which the government has proceeded to deal with the question of the National Energy Board and the marketing of Alberta oil and gas in Canada and the United States has raised some very serious doubts as to the credibility of this government in the manner in which it is going about doing these things.

I think they are playing what is really a superficial game of politics. I suggest they get off the superficial kick and get down to some solid business on the matter and forget about the business that we may have a man in Alberta who wants to move on to national politics or there may be some ambitions of other members over there who may want to get into it. I think they are confusing the responsibility to the people of Alberta and their own political interest.

I can see no credibility whatever about the government actions and the statements it has made relative to the National Energy Board to this point in time, notwithstanding the fact that I basically concur with some of the concerns they have. But they are making themselves look absolutely foolish when they come up with this latest charade of -- I can't even describe it adequately -- but in effect they are saying that the federal government should not have any jurisdiction over the export of crude oil and gas, or the federal government should not have any jurisdiction to speak of over the export of oil and gas outside the province. On the other hand, they are looking for the federal government to protect certain market interests for them.

I come back again to the question of equal price sharing, or the equal pricing provisions in the American market. Is it the matter of the three-pricing on Alberta gas that the minister is referring to? Because that has only come up since the question of the two-price structure in Alberta was introduced by the government. The equal pricing provisions were around before this existing government ever came into office and were probably ever aware of the problem. But they are making themselves right now look absolutely foolish in this latest act -- this latest gesture -- to which is the crowning achievement in foolishness relative to the recommendations for a new energy board. And I don't know how on earth they expect anybody in Ottawa to take them seriously when they go about playing the game in this matter because nobody is going to take them seriously on it.

MR. DICKIE:

Well, Mr. Chairman, first of all I must say I am reminded of when we had our natural resources revenue hearing last year when the hon. member stood up and said that it would be -- if we removed the ceiling, that would be the end of

the world, if I can use this phrase, and so forth, and I think I introduced in my budget speech exactly what did happen on the bids. He said they would go down. We showed that the bids had actually gone up \$5 or \$6. He is talking about credibility and I ask all hon. members if they recall his statements last year at the time, recall what happened in our natural resources revenue plan and ask them where is the credibility today.

I listened to the hon. leader of the Opposition tonight. He hasn't even read the words we've said. He didn't understand them when we did mention them and he hasn't read them since that time because we haven't said a number of the statements he has suggested. But I think it really does show to me today that he just hasn't the concept of what's really happening and this is the concern we have.

We are talking about the National Energy Board, a restructuring of it so we can have some provincial voice and input on that. If he wants to suggest that we stay exactly the same and he is happy with the National Energy Board -- we look at exactly what did happen with the gas export situation where they refused in November of 1971 -- refused gas export at that time. The provincial government was vitally concerned. If they put the same type of controls on oil, and their indications are from the preliminary report, because they used the words "assured source of supply", they don't even consider our great oil sands as an assured source of supply and yet we are producing 60,000 barrels a day.

I can't really conceive in my own mind that he has really grasped the seriousness of the situation with controls on oil. And I again emphasize to the hon. members that if the controls are put on, and the indications are even in the first few months of it that we are bearing the brunt of the control on the oil and the restrictions that will be placed on it, it puts in serious jeopardy the drilling incentive system that we have implemented. It puts in serious jeopardy the development of the oil sands, and I ask the hon. members to really consider that.

Now if the hon. member really wants to go back and understand what happened, I suggest he has to take the National Energy Board Act. He has to take Section 11(2), trace exactly the history of that Act and how 11(a) did arise. If you want to really understand and appreciate the development of Section 11(a), read the hearings that are going on in the federal government at the present time, and the hon. member would understand it. Because what Section 11(a) does -- in which we say that it is questionable whether it is within the constitution and the validity of The National Energy Board Act itself, but it does exist for the National Energy Board to monitor, to keep track of the prices in the United States and reflect those prices.

Now the hon. member said before the election that problem existed. Certainly it existed and it's going to exist again. If we look at what can happen -- and I tried to emphasize this in my Budget Speech -- when Nixon is going to talk on energy matters, if he lifts the wellhead price on natural gas in the United States and those prices escalate, then what is going to happen to the prices of gas being exported in the United States if those prices go out of Canada at lower prices? Then the National Energy Board comes along and says we should get a higher price for gas -- say it is going out at 26 cents and the price in the United States may be 36 cents -- what is going to happen to that extra 10 cents? How is it going to be disposed of?

And we again come back to the situation now that it's being directed by the National Energy Board which is a federally controlled board, operated federally, appointed federally. It advises the federal government. The federal government has the interest in the oil and gas in 2.6 million acres. Certainly they have that conflict of interest.

When we are talking about a restructuring of the National Energy Board, I think the hon. member would like to deal with that point and we would like to see whether he agrees that it should be restructured to start with. If it is restructured how do we get the input into the National Energy Board to deal with this question?

We are again coming back to the suggestion that we made which, I think, is a logical, well thought out suggestion; that we talk about an energy agreement with the federal government, the government of the Province of Alberta and other provinces that may be concerned in the energy requirements they have and that they sit down and enter an agreement like we have in our tax sharing agreements to solve these key problems of how we are going to deal with energy. If we don't do that within Canada then we have some real serious problems.

Mr. Chairman, I again suggest to the hon. members that we as politicians must grasp these problems and deal with them. Because what we really have happening today is that people in the industry are having real difficulties in knowing how they can formulate plans and where they are going at the present time. Particularly if you look at the question of what happened in gas export itself, in November when they turned down the applications for export of gas they didn't come along then and say that on the next export of gas X company would have a preference because it was there before. They didn't make those kinds of suggestions, so industry has no assurance at the present time that if they bring the expensive gas down from the Arctic it will be rifle shot into the United States market at the higher prices.

Again, if we are to develop an industry, industry must know where it's going. It must be able to plan its future. If we have the multitude of boards that are trying to make these decisions, that take two or three years and cost two or three million dollars to get these decisions, then I suggest to you that our petroleum industry is in serious jeopardy in the Province of Alberta. We, as a province, are working to make sure those things don't happen.

I must say I would be very surprised if the views of the Leader of the Opposition are shared by his colleagues on the other side. I think he's a voice in the wilderness. Certainly if he isn't then some of the other members better really give serious thought and consideration as to what is really happening in the petroleum industry and the future of the petroleum industry.

MR. HENDERSON:

Mr. Chairman, it never disturbs me when people cast reflections on my intelligence. That is the least of my worries. I find people resort to those arguments because they lack anything --

MR. DICKIE:

Mr. Chairman, on a point of order. I never questioned his intelligence. I questioned if he has ever taken the time to grasp an understanding of what is going on.

MR. HENDERSON:

It's matter of opinion as to how you interpret the minister's remarks. It's debatable.

But there is only one thing I really forgot -- I think there's two things. The one thing that really was lacking in the proposal for the new energy board -- about the only thing the minister missed out on was putting a member of the opposition on there. And I thought for sure he would take his cues from the Member for Edmonton Gold Bar who introduced a pollution control bill when he was a member on this side of the House. Because that would have made about as much sense as some of the other propositions in the minister's proposals for a reorganization of the energy board. In fact it might have made a lot more sense than some of the other propositions contained in the recommendation.

The only other comment I would like to make before we leave the appropriation is relative to this halo the minister wears regarding the drilling incentive program. I hope the minister really isn't kidding himself about the program because the majority of the drilling, as the minister knows full well, that has been going on in the province doesn't relate to the incentive program at all. It relates to infill drilling in established pools where industry is simply punching down more holes to increase their capability to produce more oil over a shorter period of time and deplete the reserves faster. So let's not paint the picture too rosy about the incentive program, because the final judgment is a long way from being in on that, and the statistics that have been put out by the minister indicating that something is really happening are really a big smoke screen because very little of it relates to drilling incentive. Most of it is infilled drilling, as the minister knows full well. So we will let time take care of that one.

I could demonstrate my ignorance further on the matter of the Energy Board, Mr. Chairman, but I think I have really exhausted everything that I feel the minister is capable of grasping.

MR. GETTY:

Mr. Chairman, I just wanted to make a comment or two about the attitude of the hon. Leader of the Opposition regarding the proposal by the Minister of Mines and Minerals on the restructuring of the National Energy Board. I think

it is far more fundamental and has for more importance, not only in this province but in Canada, than the hon. Leader of the Opposition tends to give this matter. If he doesn't know what is happening in Canada today we have in fact -- he mentions the credibility of whether anyone is giving this serious consideration -- we have now the Province of Alberta who have asked for a restructuring of the National Energy Board. We have the Province of Ontario, through their Premier in this province -- whether they misunderstood what he called for in Calgary, what he called for was a federal-provincial conference to discuss a new structure such as suggested by the hon. Minister of Mines and Minerals. Then we had the federal government react to that proposal and say, "Yes, that conference could be called." That was the subject of the conference, to come up with a new federal-provincial structure to handle the very problems that we have discussed so much today.

Now we have the major purchaser of energy in this country, the major supplier of energy in this country and the federal government who have all agreed that there is need for a national conference to discuss a new structure. So to hear the hon. member say that it has no credibility or that no one is taking it seriously is almost a shame. It is almost a crime. You don't know whether to laugh or cry, because he is completely missing what is necessary in this country. They are defending the National Energy Board who had their hands in their pockets. When they had that key decision that was made regarding Consolidated Natural Gas -- and let's go back to it since they don't seem to appreciate the problem of the National Energy Board.

Consolidated Natural Gas came into this province and started, as the hon. Member for Cypress said, to increase prices of natural gas through competition. They also proposed to build a pipeline, an additional pipeline to TransCanada Pipelines, which would put Alberta gas in reach of other markets. They then went, after getting an expert approval from this province, before the National Energy Board along with or four other people, TransCanada Pipelines, Westcoast Transmission, Alberta & Southern, and Consolidated. They all applied for applications to export additional gas. What happened? The National Energy Board found that there wasn't, in their minds, enough gas.

Now they didn't, at that point, make a proration of the amount that was available for surplus. No. As a matter of fact they gave the total requested from TransCanada, the total requested from Alberta & Southern, and the total requested from Westcoast Transmission. As a matter of fact, they allowed Westcoast Transmission to export gas out of British Columbia which has no further surplus. They rely on Alberta and yet the NEB allowed that to happen.

So in fact what they did was to eliminate Consolidated Natural Gas. If there had been a structure where there was provincial input that they had been able to impress upon that board or that structure the importance to the Province of Alberta, obviously we would have had a chance to get some other kind of arrangement than to have so narrowly shut off this new thrust in Alberta to increase prices and provide additional markets. So in fact, the hon. members are now defending the very board which essentially did almost irreparable damage to the industry in Alberta. And I can't understand why they now aren't looking back on those kind of decisions and understanding that that no longer is good enough.

We are dealing with national problems, they require national solutions. We can't sit within the confines of the province of Alberta and say, we'll take care of our gas, we'll send it outside the province, we'll have our own little two-price system, nothing else. It just doesn't work.

We have energy as a national matter in this country. It has national problems, national solutions, and it needs a structure, a new structure which will provide us to solve those. The discussion about stay away from the National Energy Board because they, in some magical way, are protecting the Ontario market for Alberta is astonishing.

That isn't done by the National Energy Board, that's a national oil policy established by elected representatives of the people. The National Energy Board is just told to administer it. That certainly isn't theirs. They aren't protecting us in any way. And the hon. Leader of the Opposition -- that statement really astonishes me. Surely he knows the role of the National Energy Board better than that.

So, Mr. Speaker, I think the hon. members, before they react so lightly to something the hon. Minister of Mines and Minerals said, give a little more thought and they will appreciate that he is dealing with a major subject and a major proposal to solve some very major problems.

MR. FARRAN:

Mr. Chairman, I don't know how the Leader of the Opposition got into this debate on oil and gas in the estimates of the Executive Council. But what I do know is that this government is the first in Alberta's history to stand up to the East, to insist that we're not going to be regarded as a colony, to insist that we get fair shares and fair prices for our resources.

For 36 years the members opposite complained that they couldn't do anything about the status of Alberta because of the constitution, because of international finance, because of banks, because of the immense powers of vested interests down East, because of some mysterious international conspiracy. Since 1947 with stars in their eyes when they suddenly became lucky rich they sold our natural resources for half of what they were worth, instead of \$3.5 billion it should have been \$7 billion.

They oppose us when we first moved to get by their ridiculous price fixing in favour of the oil corporations, when they froze the ceiling on royalties at a low level. When we moved to do something they fought us all the way. They claim we bring ruin to Alberta, they claim we wrecked the oil industry. They said that we drive the rigs to the North Sea, to Arabia, to anywhere but somewhere else in Alberta. Now we have twice as many rigs drilling as before.

He didn't like the oil hearings, he's criticized the blocking of permits to export gas at a cut rate. He doesn't like anything because his attitude is totally destructive and totally political without any regard for the real interests of the people of Alberta.

MR. HENDERSON:

The debate is starting to get interesting, Mr. Chairman.

I would like to start by firstly correcting the -- I guess the member wasn't here, he's like the Premier, he's seldom around -- when I made the statement that certainly I supported the axioms of the government on its export, holding the lid down, on approving more export permits of gas out of the province at this point in time because it's the only trump card the province really has in the matter.

And I suggest the rather enthusiastic new minister is somewhat out of line, as usual, when he gets up and gets on one of these little tirades of his. I've always noticed, Mr. Chairman, that when the government finds itself badly in the defensive that we want to start back in rehashing the 36 year history of the government of the province of Alberta under Social Credit administration. I say once again, we're more than pleased to sit back and examine the record, if the hon. members think it would be relevant to their exercise.

They don't seem to think that the province of Alberta was discovered before the end of August, 1971, that it didn't exist prior to then. And I am not going to bother going back into the record of the oil industry in the Province of Alberta because the member who has just spoken knows full well it's a record of achievement, so far as the oil and gas industry is concerned that any other province in Canada would be proud to have.

Quite frankly, the only reason we have to put up with the member who just spoke is because the oil industry brought him to prosperous Alberta. And the same way with the Minister for Federal and Intergovernmental Affairs. You know, he came out here to the wealthy oil town of Alberta to play football and liked it so well he stayed. So one doesn't have to go very far to point out the irrelevant nonsense.

But once again, I say quite seriously if the members really want to go back and debate the policies that have been in effect in this province that has brought the province to the point it is today, making it second to none in Canada, we'd be pleased to do it. What we're concerned about though is that this government doesn't ruin the record. This is what the concern is.

I am wondering, Mr. Chairman, before we go any further, since it is the Premier's department in estimates, are we going to be graced with the presence of the Premier before we go on with the study of the estimates or is he boycotting us the rest of the evening?

MR. HYNDMAN:

It certainly isn't the Premier's department. As is well known, opposite members, for many years -- the Executive Council comprises a number of votes

here and the first four are those under the direct purview of the Premier, the others are under the purview, as the hon. members opposite very well know, of Mr. Dowling and Mr. Adair who are all here and who'd be willing to provide ample answers.

MR. HENDERSON:

Mr. Chairman, I guess -- who does the Energy Resources Conservation Board report to?

[Interjections]

Is he the Executive Council? I thought it was the Premier.

AN HON. MEMBER:

Executive Council.

MR. HENDERSON:

They changed the law?

AN HON. MEMBER:

They changed it last year.

MR. HENDERSON:

Is this one of the behind-the-scenes transfers you fellows have a habit of doing?

[Interjections]

MR. DIXON:

Mr. Chairman, I'd like to say just a few words in reference to what the hon. Member for Calgary-North Hill had to say. When he talks about the oil industry and what we didn't do as a former government, I'd like to remind the hon. member that if the Conservatives had anything to do with it, we would not have an oil industry in Alberta today.

[Interjections]

MR. CHAIRMAN:

Order. Order.

MR. DIXON:

Now that they've had their laugh, Mr. Chairman, they can laugh all they want. But it doesn't snuff cut the truth I am going to tell them.

[Interjections]

Go ahead, have your fun. All right, let's go back, Mr. Chairman, to governments in Canada that have had anything to do with the oil industry and I'll refer you to the Conservatives. Their record in the federal field for assisting the oil industry in the development is the most shameful of any political party in Canada.

AN HON. MEMBER:

Hear, hear.

MR. DIXON:

All you need to do is go back to the pipeline debate and the hon. Member for Calgary South at that time, Mr. Carl Nickle, was heckled down the same as you are trying to do to me right here in the House of Commons when he tried to defend the oil industry. And I'll challenge any of you hon. members to go down to the library and read Hansard and you will see that your record is a most shameful record.

AN HON. MEMBER:

Hear, hear.

[Interjections]

MR. DIXON:

And then I only have to remind the hon. members opposite, now if --

MR. CHAIRMAN:

Order please. Order.

MR. DIXON:

If the Deputy Premier will mind his bedside manner, I'll remind him of something else. We had a famous lawyer, who I have every respect for as far as a legal man is concerned, but he led this so-called Conservative party not too many years ago, even when some of the hon. members opposite did live in this province, and it is Mr. Harradence. And he flew all over the province and he was going to nationalize the oil industry. He should be on the other end of the line here.

It was a --

[Interjections]

It was the hon. Mr. Pearkes -- I quote him, I can't quote word for word but he said, "Leave the gas in the ground. What are we worrying about it for?" He was a famous Conservative. They even honoured him by making him the Lieutenant Governor of British Columbia, which I have every respect for. But as far as being an oil expert, he's just like the rest of the Conservatives over there. He knew nothing about it.

[Interjections]

So I think, in all fairness, if the hon. gentlemen opposite and ladies -- and I don't blame the ladies so much, but some of these fellows like the hon. Member for Calgary North Hill -- I'm ashamed to say that a member from the City of Calgary where the oil industry is so important, gets up here and says that the former government did nothing towards the oil industry but give it away -- if they are so certain of that statement, we have the Attorney General and about 11 lawyers over there, why don't they sue the oil companies for stealing it?

[Interjections]

MR. CHAIRMAN:

Order, please.

[Interjections]

Order.

[Interjections]

May I have order here to permit Mr. Dixon to conclude?

MR. DIXON:

I'm just getting warmed up, Mr. Chairman. The hon. members opposite have all the answers. We all know, if we want to be honest and fair in this House, that the energy picture in Canada has changed more in the last two months as far as -- or two years --

[Interjections]

--not only in Alberta but in the whole North American continent and worldwide, as far as energy supply ...[inaudible]. Why isn't the hon. Minister of Agriculture getting money back for the farmers who sold their wheat at less money than they are selling it for today? It's the same argument.

But I'd just like to remind the hon. members, Mr. Chairman, that the Conservative party should hang its head in shame when it talks about the oil industry, because they have done more than any other government -- and I can't emphasize that enough -- their record is a most shameful record. They have done more to discourage industry -- as a matter of fact, I think the NDP which is out to socialize the oil industry, is a much more honest party because at least they talk the same way all the time.

[Interjections]

I'd like to remind the hon. members opposite too, Mr. Chairman, that it was a Social Credit federal member --

MR. KOZIAK:

Amen.

[Laughter]

MR. CHAIRMAN:

Order, please.

MR. DIXON:

You see, Mr. Chairman, they are trying to laugh down the truth, but it hurts. It's on record and your record is a very poor one, so any of the hon. members who get up and try and tell me that they were the great people to push the oil industry -- they pushed nothing. They have just taken advantage of a wonderful base that was built for them by the people of this province and by the former government of this province.

I'm going to remind the hon. members, Mr. Chairman -- I'd like them all to go down to the library and read Hansard about the famous pipeline debate when the hon. member, Mr. Quelch felt sorry for the way they were treating the hon. member, Mr. Carl Nickle, the Member for Calgary South when your own Conservative party tried to heckle him down when he was fighting for the oil industry which in those years was having a tough time to get established because markets weren't as great as they are today. And all credit to Mr. Nickle, because he was one Conservative of all of them who had the foresight to know how important the industry was to Alberta. Thank you, Mr. Chairman.

MR. HENDERSON:

Since the members on the government side would rather discuss the past than the future, I'd just like to comment again on the remarks of the hon. Member for Calgary North Hill who started this rather fruitful exercise. I think he made the statement that the previous administration had only taken \$3.5 billion in revenue out of the oil industry and it should have been \$7 billion. Now I'd like to introduce the Member for Calgary North Hill to the Member for Spirit River-Fairview, because that's exactly what he argues.

MR. DIXON:

Yes, but at least he's consistent and honest.

MR. HENDERSON:

And he's at least consistent about it. Now if that really is the case, I'm at a loss to understand why on earth the government has kept the royalty structure down where it is at.

MR. DIXON:

Where was his influence --

MR. HENDERSON:

Where was his influence in the party here? He stands up and makes the statement that the resources have been given away, that the royalty rate should have been doubled. I don't recall a peep out of him, other than to defend the action of the government, the judgment of the minister and the Premier, and so on and so forth. So I think that probably illustrates better than anything else the utter nonsense contained in the remarks of the Member for Calgary North Hill.

Mr. Chairman, I think in view of the absence of the Premier, it would probably be desirable to adjourn the House at this time until he gets back, so we can finish the Executive Council estimates.

SOME HON. MEMBERS:

Agreed.

MR. DICKIE:

I wonder if we could ask if they have any more questions on that one vote and at least complete Vote 1407?

MR. CHAIRMAN:

Any further questions on Appropriation 1407? Mr. Strom?

MR. STROM:

I raise a question here because I think there is an inference left and it wasn't directly stated. I want to clear it. The hon. Minister of Federal and Intergovernmental Affairs left the impression that the National Energy Board was influenced politically. Am I -- now he shakes his head. I want to be sure on this because I would like to follow it up, hon. minister, if I may. He suggested that there was a bit of imagination on their part. You made the statement "in their minds".

I'm wondering what you have in mind because I certainly want to be fair with the Energy Board to this extent, that their decision was on a different basis than what our Oil and Gas Conservation Board was using. I know there was a difference of opinion because of a different method of arriving at a surplus. I would be interested in knowing just what the minister had in mind.

MR. GETTY:

Mr. Chairman, one can only conjecture as to the reasons why the National Energy Board came up with the decision on Consolidated Natural Gas. The real question was not how much gas was available for export because, as I pointed out, there were four people, four companies -- Alberta & Southern, TransCanada, Consolidated, and Westcoast -- who applied for export of natural gas. Then the National Energy Board -- one of these by the way, as I pointed out, was in Alberta competing for natural gas -- Consolidated -- increasing the price -- you said so and I agree, not very much but they did to a certain extent -- increasing the price and proposing to build a pipeline, Mr. Chairman, to additional markets.

Of those four -- when the National Energy Board, in their wisdom, decided there wasn't enough gas to service all four applications for export, it strikes me that it would have been a perfectly logical position to take that there could have been some prorating of the applications from the total, subtract what they didn't think was available and split the rest up in the prorating of the amounts asked for by the four applying companies. Then you would have had TransCanada satisfied to a great extent and you would have had Westcoast satisfied and Alberta & Southern. But even more important to Alberta, you would have had Consolidated with a right to build their pipeline, a right to export their gas and a right to continue to compete at the wellhead. Therefore, as we all know when you have competition and not a monopoly, you would have had increased prices in this province.

So, as I said, it is conjecture as to why. I have had people from Consolidated say that they felt a report along the lines of prorating actually came out but was rejected. I don't know. But those kinds of things are what disturb me. Because now we have these matters on energy that are so important on both a federal and provincial basis. If there had been a provincial input to the National Energy Board when they were making that decision that was so important to Alberta, as both you and I have said -- if there had been a provincial input to explain and to make sure that the province's interests were adequately projected by that decision when it was made, I feel the decision would have been different.

Therefore, the hon. member, Mr. Dickie, the Premier of Ontario, and also the federal Minister of Energy, Mines, and Resources have all agreed that there is a need for a new restructured federal-provincial body to deal with energy matters when there is a conflict either on a provincial province-to-province basis or on a federal-provincial basis. And I say it is long overdue.

I'm very hopeful that the conference that is being called -- and let it be clear that it is not a national energy conference. It is a conference to discuss the means of establishing a new federal-provincial structure that's been accepted by the federal government proposed by ourselves in Ontario, that the new structure will go a long way toward solving the kind of problems, conflicts of interest, the lack of confidence that is building up in some sectors about the NEB.

MR. STROM:

Mr. Chairman, I don't intend to debate the points that he has gone over except to say this, he has cleared it up in my mind that it was merely a conjecture on your part as to how they made their decision. You have in no way made any statements, at this point in time, that would indicate that they did not base a decision on the information that was made available to them.

MR. GETTY:

Well, Mr. Chairman, let's be clear. I was not privy to the internal workings of the board or the federal cabinet and obviously I have no knowledge as to whether there was any other decision -- reasons for their decision other than the ones they gave. But what makes it more important in this debate, is that the hon. Member for Cypress and the hon. Member for Wetaskiwin-Leduc should not react so quickly and brush aside the proposal by the Minister of Mines and Minerals, because there is the possibility that without sufficient provincial input into national matters the provinces' interests are not adequately protected. That is what the argument is all about.

MR. STROM:

Mr. Chairman, a question to the hon. Minister of Mines and Minerals. Is there liaison between the federal government and the provincial government at this point in time?

MR. DICKIE:

Yes, Mr. Chairman.

MR. STROM:

Does the federal government consult the province prior to making any decision at the federal level that may affect the provincial government in the mines and minerals area?

MR. DICKIE:

Well, Mr. Chairman, I would like to say through the excellent approach taken by the Minister of Federal and Intergovernmental Affairs we have a good working relationship with the federal government. They have been consulting with us on a regular basis.

AN HON. MEMBER:

Sell us a song.

MR. HENDERSON:

The minister in answering a question in the House in this regard indicated they hadn't been consulted prior to the imposition of the restriction of oil exports. They heard about it the day before or something, but they were not consulted on it, so let's not kid ourselves, Mr. Chairman.

I want to ask the Minister of Intergovernmental Affairs a question --

MR. DICKIE:

Mr. Chairman, on a point of order, that statement is inaccurate. We can produce a letter in the House which we sent to all the crude oil purchasers that would indicate clearly that we were consulted on that.

MR. HENDERSON:

I will dig out Hansard and quote it back to the minister at the appropriate time, because I asked him the question of whether they were consulted and he basically told the House no. They received a letter the day before the announcement was made.

I want to ask the Minister of Federal and Intergovernment Affairs a question for clarification. The minister indicated, I gather, that they have received specific information from the federal government that the federal government is prepared to restructure the National Energy Board.

MR. GETTY:

[Inaudible]

MR. HENDERSON:

Yes, but I wonder if you check Hansard, Mr. Minister, you will find that you indicated the Government of Alberta, the Government of Ontario, and the federal government are all on record as favouring a restructuring of the National Energy Board.

[Interjections]

That's the way I interpret it, and I suggest you check Hansard. That is why I am asking the question -- to have it clarified, because in my understanding the federal government said they have no objections to an energy conference, the way I interpreted the ministers' remarks. We will check the tape and find out, but I think regardless of what he did say I would like to be sure that we did get the message straight as to what he meant.

MR. GETTY:

It is a logical question I suppose, Mr. Chairman, because there has been, almost on a national basis, some misunderstanding as to what has been called for by the Prime Minister or the Premier of Ontario and the Premier of Alberta and the Minister of Mines and Minerals, and that is a national conference, a national, federal-provincial conference to consider the means of establishing a new structure to handle federal, provincial energy matters and the Minister of Energy, Mines and Resources has responded in the affirmative. He has said "Yes". His only qualification was whether or not it could be in the fall or would have to wait over until spring.

So that is the point we've made that the Leader of the Opposition stood up today and said no one is going to pay any attention to this. It's not credible.

MR. HENDERSON:

It isn't credible. You don't have to change that.

MR. GETTY:

I urged him to consider that now the largest purchaser of energy in this country, the largest supplier and the federal government together have agreed for the need of a conference to work out a new federal-provincial structure, certainly to discuss one. And we think they have absolutely no consideration to consider something new and why have the conference. So I am looking forward to it very positively as a reasonable place, on a national basis, to attempt to work out a federal-provincial body which will allow us to solve some of the energy problems in Canada.

MR. HENDERSON:

Could I ask the Minister of Federal and Intergovernmental Affairs further -- then they have received specific correspondence from the federal government outlining that, or is he just talking about the news report?

MR. GETTY:

We have not got it in writing, but we have got it --

SOME HON. MEMBERS:

Oh.

MR. GETTY:

Hold it -- we have got it in the federal Hansard.

[Interjections]

No, no, the federal Hansard which we monitor as quickly as we can every day. I suppose if they consider our Hansard to be relatively binding, Mr. Chairman, I would assume that they would also consider the federal Hansard. When the Minister of Energy, Mines and Resources was asked about his reaction to Mr. Davis' proposal that is where he gave his answer.

MR. HENDERSON:

Mr. Chairman, I suggest, of course, the fact that Hansard is binding is utter nonsense because you only have to look at the glowing statement by the gentlemen opposite -- the Premier on human rights and the performance of the ministers on the matter. So what is in Hansard is irrelevant to getting some firm commitment in writing out of the minister on the matter. If this is the form of communication they are talking about, that they are reading it in The Edmonton Journal, I suggest they leave a little bit to be desired. Maybe they had better do something about the Ottawa office and improve their communications.

MR. GETTY:

Mr. Chairman, why would he say that? I didn't say I read it in The Edmonton Journal. So why would he stand up and immediately say that's our means of communications? I wonder if the hon. Leader of the Opposition is really paying attention or is just trying to harm the general flow of debate tonight?

What we have said is that we have it in Hansard. I consider Hansard -- if an elected representative and a member of the federal cabinet makes a statement in Hansard, I consider it to be relatively as binding as if he wrote a letter and said so. They may not, but that's a matter of judgment. But it wasn't read in The Edmonton Journal and I don't know why he made that as the reason for making our statement.

MR. HENDERSON:

Well, when the federal Hansard gets fuddle duddles and a few other things in it I am not really too convinced that the minister's argument is really meaningful. Because really all he's done is read the press announcements and he's had no correspondence with the government relative to the commitment that he has stated has been made by the federal government. I don't think the federal government made any such commitment at all that would get back to this Alice in Wonderland exercise on the part of the Minister of Mines and Minerals about the National Energy Board. Because if you follow these proposals there wouldn't be a National Energy Board, it just means it would be an Alberta Energy Board.

MR. GETTY:

Mr. Chairman, it's a shame, and the debate shouldn't end with that kind of offhand statement to what has been a relatively serious discussion on something that is important to this country and certainly to this province. I don't know why the leader would want to end it on that kind of statement, the fact about fuddle duddle in the federal Hansard.

In fact we are progressing amazingly well towards a federal-provincial conference that will be working to establish a new method of handling federal-provincial problems in energy through some new federal-provincial structure.

MR. HENDERSON:

Mr. Chairman, I'm pleased to hear the Minister of Federal and Intergovernmental Affairs is taking the matter seriously because I suggest again the Minister of Mines and Minerals isn't when he comes out with the proposition put in there.

The way I read the statement that he made on the matter was that the federal government and the Energy Board that he came up with would only have jurisdiction if the province involved agreed to give it jurisdiction. What kind of nonsense is that? That's the way the thing came out, Mr. Chairman, so how on earth can anybody take it seriously?

But I am going to ask again -- is the Premier coming back to consider some of the other estimates or is he no longer going to grace us with his presence?

MR. DICKIE:

Mr. Chairman, I would like to ask the consent of the members if they agreed on 1407?

MR. CHAIRMAN:

Mr. Ludwig, you wanted to say something on 1407?

MR. LUDWIG:

Mr. Chairman, now that we have the credibility of the Ottawa Hansard in issue in this House, I wish to bring the Minister of Federal and Intergovernmental Affairs attention to the fact that Tommy Douglas had made a statement in Hansard that a responsible minister of Alberta -- and I think he can be excused for using that term "responsible" because he is not acquainted with Alberta politics -- stated that Alberta may well be short of oil in the next while. I wonder whether the hon. minister can tell us how he wiggled out of that one because I understand that not only was this all over the media and all over the press but I understand the Premier had to slap him in line because he made a statement which was neither true nor credible nor called for.

I wonder whether this furore in Ottawa where the Minister of Mines and Minerals had to get up and make some fast moves to preserve Alberta's future because it is running out of oil. I wonder how you solved that one, Mr. Minister?

MR. GETTY:

Mr. Chairman, an unbelievable presentation by the hon. Member for Calgary Mountain View. Well, frankly I don't know what Tommy Douglas said in the Hansard. If he was talking about anything an Alberta minister said, perhaps the hon. member might ask it in this House and get it straight.

But in any event, if he is talking about the problems which the Minister of Mines and Minerals was involved with, in which the markets for Alberta crude expanded so rapidly that there was some danger that the Canadian needs might not be completely met if there wasn't some additional work done with industry to ensure that Canadian needs were met. In fact, the crude oil didn't flow into the United States. That was a fact. It had to be handled and unfortunately it ended up that, rather than being handled voluntarily, it was handled by the imposition by the National Energy Board oil export restrictions.

The member shows an amazing lack of knowledge about the industry when he can't grasp the difference between reserves and productive capacity to market, because although Alberta has a tremendous amount of reserves through the tar sands and conventional crude, the discussion was about productive capacity to existing markets -- expanding markets. Perhaps the member should take a course on the oil industry.

MR. LUDWIG:

Mr. Chairman, I would like to state that the hon. minister, in not being able to refute the allegation I made, had to go and make reference to my lack of knowledge in this field. I think the confusion that exists on the other side stems primarily from the fact that they are listening to each other's speeches, instead of learning their business.

MR. HENDERSON:

I think that since the Minister of Federal and Intergovernmental Affairs has suggested that we are treating the matter lightly and has suggested that Hansard isn't a reliable vehicle on which to use as a method of communication between the provincial and the federal government, my suggestion is that we only have to look at the Throne Speech and the statement that has already been made in this House. This is right in the first issue of Hansard in this session.

During this Session ... my government will:

and it goes on down,

(3) Outline the design of the proposed two-price system for natural gas;

We are not going to get that now. And:

(4) Finalize a new natural gas revenue and royalty plan for Alberta

We are not going to get that this particular session. And:

(5) Present a new Oil Sands Development Policy;

SOME HON. MEMBERS:

Why not?

MR. HENDERSON:

Oh well, of course. You are talking about the fall, are you? Oh sure. Oh sure.

[Interjections]

Obviously that was not the intent of the government or we wouldn't have had the Premier get up and announce the fact that they weren't going to be able to make these policy decisions now they wouldn't be forthcoming later on.

[Interjections]

DR. HORNER:

Mr. Chairman, on a point of order. This is how reliable -- the Leader of the Opposition is completely -- either he doesn't want to learn or refuses to accept the fact that there is one session in this Legislature and there is one Speech from the Throne and it is broken into two sessions, in the spring and in the fall. If the hon. member wants to have another throne speech debate in the fall, or an additional throne speech twice a year --

MR. HENDERSON:

The Deputy Premier is all wet, as usual, because it says right here it is going to present a new oil sands policy -- the Premier has already announced that they don't have a new oil sands policy. They're going to play it by ear. So I'm just getting back to when they suggest -- the Minister of Federal and Intergovernmental Affairs indicates to the House that The Edmonton Journal and the federal Hansard constitute an effective vehicle of communication from the federal government relative to its desirability to reorganize the National Energy Board and that prompts the Minister of Mines and Minerals to come up with this gem that he has produced. I suggest they are not really treating the matter as seriously as the Minister of Federal and Intergovernmental Affairs would like to lead us to believe.

But I would be quite prepared to move the approval of Vote 1407 if it meets with the wishes of the members of the House.

MR. CHAIRMAN:

Any further discussion on Vote 1407?

MR. DIXON:

Just one question, Mr. Chairman, to the Minister of Mines and Minerals or the Minister of Federal and Intergovernmental Affairs. Has the government of Alberta done any research on how long TransCanada Pipelines can hang on, now that we have given them a slight increase in volume of gas for their line? How long do you predict they can hang out before we will actually see a substantial increase in the price of gas to the Alberta producer?

And the reason I ask is that I think we're going to find the industry in serious jeopardy if we don't make that announcement fairly soon. Because we have to encourage them that they are going to be able to sell the gas; and following what the Premier said and following the report of the Alberta Energy Resources Conservation Board, I feel that they have substantiated that there is gas for export providing, according to the government, that the price is right.

So I think the only alternative now -- we can talk all night long about whether the Minister of Federal and Intergovernmental Affairs is going to get an agreement with the federal government. We can sell our gas tomorrow and the gas is available and the industry is willing to supply it.

What I'm trying to say is that we're going to have to deal with TransCanada Pipelines so I'm asking the government if they have done any research. They have given this extra amount of gas to TransCanada --

MR. MINIELY:

No we haven't.

DR. HORNER:

No. No.

AN HON. MEMBER:

We did not.

MR. DIXON:

Well, just let me finish.

AN HON. MEMBER:

Just state the facts.

MR. DIXON:

Alright, well, I can put it the other way. I don't care whether we give them the gas or not. Right now what I'm trying to find out, Mr. Minister --

[Interjections]

What I'd like to find out, because I'm vitally concerned with this as all the rest of the members are in this House, particularly Calgary members who have many constituents who are very actively participating as employees and investors in the oil industry -- when do you think that TransCanada Pipelines is going to say that we will go along with the higher price? Now whether we agree it's enough, that's not my question. My question is, when do you think that TransCanada Pipelines is going to have to make a decision as far as the higher price is concerned?

MR. DICKIE:

Well, Mr. Chairman, all I can say to the hon. member is we are certainly analyzing all the problems involved and the implications of the problems involved in the question of price, and the question of the export and if he will be patient I think he will watch with interest the events that are occurring.

MR. DIXON:

Well, Mr. Minister, would ...[Inaudible]... that at least you are looking at the amount of customers that TransCanada Pipelines have viewed on the gas they are taking now. We're the largest supplier into that line. Now surely we must have something somewhere in the records that is going to say that they are going to have to have additional volume by such and such a date.

MR. DICKIE:

Well, Mr. Chairman, again all I can suggest is that we've done extensive work and research on these problems that the hon. member has raised and we're aware of the information that is available. We'll take it all into account in our considerations.

MR. DIXON:

Well, Mr. Minister, I think you may be misunderstanding my question. I don't want you to say it's going to be on August 15. Are we looking at six months? Are we looking at a year? Are we looking at two years? I think we owe it to the industry, if nobody else, to give them some idea of when they can expect that gas will flow out in order that they can sell some of this gas they have for sale.

MR. DICKIE:

Well, Mr. Chairman, again I would suggest to the hon. member that he read the statement made by the hon. Premier today and then wait patiently.

MR. TAYLOR:

Mr. Chairman, to put it another way, and I don't know if I'm asking you, but does TransCanada have reserves that it can use to supply customers in Ontario for a period of six months, or one year, or do you know?

MR. DICKIE:

Mr. Chairman, I am not sure of what he is asking at the present time, whether he is asking about the reserves they have in Ontario?

MR. TAYLOR:

Do they have reserves either storage or commitments from other places in which they could supply their customers say for six months, a year, five years?

MR. DICKIE:

Well, Mr. Chairman, we have certain information. I'm not so sure that the questions raised by the hon. member -- whether there is information available in that regard.

MR. DIXON:

Maybe I can put it another way then. Has TransCanada Pipelines got quite a bit of gas committed to them now at the lower price? Maybe we are only kidding ourselves. They can maybe hang out for two years. All I am saying is if that's the situation, we better forget about TransCanada Pipelines and start looking at some other way to get rid of this gas, which, apparently as the Premier announced today, we have a surplus of.

MR. GETTY:

Mr. Chairman, the member, if he would just discuss the matter with the Leader of the Opposition, will be aware that TransCanada have under previous permits from this province long-term contracts to purchase and deliver natural gas to the markets. And they are presently servicing their present markets.

MR. HENDERSON:

Expanded markets.

MR. GETTY:

Yes, there are expanded markets and there are people using more and more every day who are presently taking gas. There are people asking for more and more every day. I suggest though, Mr. Chairman, to the committee that the best interests of the province of Alberta would not really be served if we now got into some kind of guessing game either as a result of questions or as a result of information from this side. To present the negotiating position, if you like, of the province in trying to establish increased gas prices in Alberta and it would probably be best -- not really in the interests of Albertans -- to deal any further along the lines we have been.

MR. HENDERSON:

Is it correct, Mr. Chairman then, just to clarify it, that TransCanada Pipelines has under contract sufficient reserves to meet their long-term customers at the existing rates of demand and the export permits relate to increased demand?

MR. GETTY:

Yes.

MR. TAYLOR:

Further to that, Mr. Minister, what I was endeavouring to find out and I believe what the hon. Member for Calgary Millican is endeavouring to find out does TransCanada Pipelines have other reserves that it can meet these expanded markets for a period --

MR. GETTY:

No.

MR. TAYLOR:

No reserves whatsoever.

MR. CHAIRMAN:

No further questions? Question has been called on resolution 1407.

Appropriation 1407 agreed to: \$2,772,200

Appropriation 1410 Alberta Women's Bureau

MR. BUCKWELL:

There have been a lot of irrelevant things tonight and this is probably irrelevant, too. But this appropriation is of general interest to the members, but to the hon. Minister of Municipal Affairs and to the hon. Member for Drumheller and myself, just what type of information do you provide about women?

MR. LUDWIG:

Why would the Minister of Municipal Affairs want to know?

MISS HUNLEY:

Just about whatever you would like to know.

MR. RUSTE:

I think a question to the minister. Does she provide private consultation? That, I think, would be a good way to ask.

MISS HUNLEY:

The Director of the Women's Bureau will be glad to answer you.

Appropriation 1410 agreed to: \$44,000

Tourism

Appropriation 1413 Minister's Office \$44,480
agreed to without debate

Appropriation 1414 Travel Alberta

MR. BENOIT:

I was wondering if the minister responsible for the department could give us a little information with regard to these information stations or booths: how many we have today; whether they provide information for people going out of the province as well as those coming in, or whether this is strictly a one-way situation?

MR. DOWLING:

Mr. Chairman, they do provide information for anybody who wants to stop. We have something of the order of eight mobile units in operation in Alberta. These are located strategically throughout the province at various centres, depending on a particular type of activity. For example, we might have one at the Calgary zoo or the game farm, and one at Jasper is there through necessity. The parks department won't allow us to set up a permanent booth, so there is a mobile covered by an A-frame. They are located in Alsask, Banff, Canmore, Coumts, Dawson Creek, Fort Macleod, Frank, Golden, Lloydminster, Provost, St. Mary, Montana and Walsh. Those are the permanent ones. In addition to that we have information centres in Los Angeles, Minneapolis, Chicago, San Francisco and Seattle.

One other thing -- in the appropriation for the tourist budget this year we have allotted an amount of money for an office in Calgary. We have had some considerable requests that this office be established and it will be established this year.

MR. BENOIT:

I just have another question, also with regard to facilities for tourists. We have been back and forth and arguing on this. Is it the minister's opinion that there are enough facilities in the province of Alberta by way of accommodation for tourists? Do you expect a number of tourists, or are we still considered to be short of accommodation for tourists if the number we expect come in?

MR. DOWLING:

Yes, Mr. Chairman, I do consider that we are still short of tourist facilities. The Alberta Opportunity Company, however, has produced 1,400 new units in a loan program ending December 31, 1972. They have participated in 3 loans for restaurants, 14 trailer and campgrounds, 1 renovation to a motel and some assistance to 2 ski areas. The total amount of the loans made for that period was \$10,807,000. And only a portion of it, of course, has been disbursed. Some of the loans are still pending. But we have increased the facilities considerably.

I think the total amount of money that the IDB loans for the development of tourist facilities across the dominion is something on the order of 22.9 per cent of their total loaning power. And this has gone from a figure of something like 8 per cent in 1965 to that figure for last year, 1972. So we are making some inroads, but I don't think we have reached a situation where we have an excess of accommodation or facilities of any kind.

I'm delighted to just make mention briefly that there is a \$3.5 million amount in the Lands and Forests budget this year for park development. This is part of the program which I think is so vitally necessary. So it's a start and we are going in the right direction.

MR. BENOIT:

That last comment, Mr. Chairman, partly answers the next question I have in mind, and that is the effectiveness that the tourism department has on other departments of government in getting assistance for tourist purposes. You mentioned this matter of parks with Lands and Forests.

Also, I'm thinking particularly in terms of the Department of Highways and the roadside campsites that have been so popular for so long. Some of them are closing down now in areas along the roadside. I'm wondering if the tourist department is keen to keep these open, or whether there should be another approach taken here. And then, what other departments is the Department of Tourism dealing with in an attempt to get more facilities and attractions for tourists?

MR. DOWLING:

Well, first, we are interested in any department of government that has some extra money to spend on tourism. We have some additional funds made available to us through the Department of Public Works for the erection of additional information centres. And I should mention that our philosophy on information centres that the government operates is that generally they should be on border points so that the information can be given to the tourist as he comes into the province and we can tell him what a wonderful place we really do have. There are some, however, operated in the province at Fort Macleod and places like this, which we really have to operate because of peculiar circumstances. I said a long time ago that I thought the only way tourism could really get off the ground and realize even a part of its potential was if we could cooperate with other branches of government -- other departments.

Just to name a few, the Department of Highways, of course, is one and we have an ongoing committee with members of the Department and the Travel Alberta executive to establish a new signing program. They deal also with these campsites.

We deal very effectively with the Department of Lands and Forests regarding park development and the development of a parks policy for the province. We are also dealing with them and other branches of government in developing a total facility program over the Province of Alberta.

The Department of the Environment is extremely involved and the Fish and Wildlife Branch of the Department of Lands and Forests. The Department of Advanced Education is extremely vital to us because we believe that in order to develop the expertise for this number three industry in Alberta, now, and

hopefully number one in competition with the Department of Agriculture, is to develop expertise in the field that will guarantee we will have returns visits from our visitors to Alberta from other provinces in Canada and from other countries.

So there is a great deal of cross-fertilization in a number of committees that are ongoing -- ad hoc committees of cabinet, committees from the executive positions of various departments of government.

MR. BENOIT:

Mr. Chairman, at the risk of opening up a can of worms, I would like to ask a question with regard to the facilities at Lake Louise, or should I say the lack of facilities at Lake Louise? I appreciate the fact that this is in the national park but, partially as a result of a decision made by the government, the proposed facilities are not developed. Are there any alternative sites or facilities being proposed that would help to take the pressure off of that situation or what is for the future?

MR. DOWLING:

Yes, there are. As a matter of fact, my personal views on this -- and I would suspect the views of my branch -- is that with approximately 10 per cent of our province devoted to national parks under federal jurisdiction, we should surely have something to say about what really goes on there.

With that as a base we are looking, however, to develop tourist facilities outside the national parks and I would suspect that when the hearings on the eastern slopes of the Rockies are completed -- if you are able to attend I think it would be advisable because some of the proposals for development are very large and very comprehensive. Some of them are truly excellent.

I think this is our route because surely with all the advertising that is done to promote Alberta's national parks in the Rocky Mountains by the provinces of Quebec, Ontario, and the Maritimes -- they put this as a backdrop for their brochures. For the Province of British Columbia they advertise "Come and see beautiful B.C. and don't forget to visit Jasper and Banff." Our philosophy should be that if they are coming there we should bring them in further so that the rest of the province has an opportunity to participate in this industry.

One interesting fact that just came to light not too long ago, as a result of a recent study, was that 35 per cent of the visitors who come to Alberta have a destination from Edmonton north. Seven per cent of the people who come to Alberta come for the national parks primarily. So the philosophy is to develop the industry over the total area of Alberta and not concentrate it in its separate little places -- either Edmonton, Calgary, Banff, Jasper, Waterton Lakes, or anything like this.

It is to remember that we have two-thirds of our province above the city of Edmonton in the Peace River country. We have to remember we have all of these wonderful things and promote it on this basis.

MR. COOPER:

Mr. Chairman, just one short question for the hon. minister. Mr. Minister, is there any financial aid for tourist information booths operated on highways by Chambers of Commerce, either from your department or any other avenue?

MR. DOWLING:

Yes, I was going to mention that. You will notice in the appropriation for Travel Alberta this year that in wages there is an amount of \$175,000 -- an increase from \$12,000. That is an amount of money transferred from the STEP program of last year, which paid for the staffing of all our information centres. Now it is directly in our appropriation. That operates all of the government operated information centres.

There are a number of privately operated information centres in Grand Prairie. For example, they opened up one this year. They have the option -- the people of Grande Prairie as the people of Vermilion or anywhere -- of applying to the Department of Manpower and Labour, the STEP program, this summer for assistance in manning these information booths, and I think it would be an excellent idea. The Travel Alberta people will give all kinds of help and assistance in providing information and so on down the way, but from the standpoint of staffing and the cost of operating the thing the STEP Program is the logical route.

MR. LUDWIG:

Mr. Chairman, I would like to ask the Minister of Tourism whether he anticipates any tourist problems in the Kananaskis area now that the highway will be going through? Perhaps not only the local people but people outside the province may wish to travel in that area. Are there any plans now to perhaps develop facilities, or are there any approaches made to the minister for the purpose of perhaps establishing facilities in the area for tourist accommodation?

MR. DOWLING:

Yes, Mr. Chairman, there have been. There are some submissions for that area that will be made at the hearings on the eastern slopes of the Rockies. I hate to just keep saying this, but I don't believe we can move on any of these major items until the proposals have all come in. Then perhaps the government will look them over and maybe submit some, or advertise for requests for proposals on a given area for a particular type of site.

I don't visualize any problems. I think the development will come very quietly and very orderly and will be a real credit to the tourist industry and to the province when it comes.

MR. LUDWIG:

Mr. Chairman, I am rather interested in the answer because there is no doubt that that is a high interest area, and even with roads on which travellers are restricted there is quite a lot of pressure on that area. But once the road becomes paved it will perhaps siphon off tourists and travellers from other areas of Alberta which are being crowded. That could be a heavy concentration area and, notwithstanding the fact that one may not want to see too many buildings in the area once the highway goes through, the result may be inevitable, that there will have to be a place for people to stop.

Perhaps maybe that ought to be a good reason to not proceed with plans, because that area will be open to intensive public use. Once the highway goes through there is no way you can turn people back, and that is a sort of virgin territory. People like going where it is new, where it isn't crowded, and for that reason there may be a tremendous influx of tourist into that area, not only from Calgary and other parts of Alberta, but from elsewhere. There could be a major sort of a traffic jam, a log jam in that area, unless plans are being made to take care of this problem.

MR. DOWLING:

Well I do not want to prolong the debate on this, Mr. Chairman, but I do think that the route that is presently being proposed -- I don't mean the highway route -- I mean the hearings are the proper route. I think that we have to know what people are thinking. My view is that down the road, and it might not be in my time in the Legislature, but down the road I believe we have to do something about the total of that forestry trunk road, and I don't mean a commercial highway. I mean development of a road that is going open up a brand new area for people.

There are other areas of the province too. The Peace River country I mentioned, and the lakeland country in central northeast Alberta have tremendous potential. These areas will all have to come, but the pressures of all other kinds of things, like industrial development, just take money away from the tourist development, of course. It has to be spread around. Roads of course are vital to the development of this industry. I really think we are going the right direction. I am positive that by fall we will have some idea what people are proposing and we will act accordingly.

MR. CLARK:

Mr. Chairman, I would like to ask the minister -- Mr. Minister, have you tabled the return yet dealing with the guarantees that were made on the development of tourist facilities? You recall the Motion for a Return that took most of the afternoon. Have you had an opportunity to table that yet?

MR. DOWLING:

No, I have not. It is in the final stages of preparation though and it won't be long. I checked it out today because I had the other two to table. I tabled the other two -- both related to tourist development. One had to do with

the amount spent for research and the other one had to do with the development of airports. The other will be along, I am sure, very shortly.

MR. CLARK:

Mr. Minister, why has it been so long? Because this is the only opportunity that the hon. member, Mr. Dixon has in this particular session to debate that particular matter. If he puts some private members resolution on, it will never get to the top now. By not having it in by this time, you have just eliminated the opportunity for the matter to be discussed.

MR. DOWLING:

Not really, Mr. Chairman. What I'm really trying very hard to do is to provide as much information in that return as I can and stay within the bounds of the regulations. I believe it has reached that stage now and I visualize that within the next couple of days it will be available.

MR. RUSTE:

Mr. Chairman, to the minister. In the latest Alberta 1973 Visitors Guide that is being distributed this year, I believe there are several of the smaller communities left out. I was wondering if there is a possibility of including all these. Because to some of these communities -- we'll say a stranger comes to Wainwright or something like that and there's a smaller community beyond that has hotel facilities and restaurants, I think it would be a benefit to them to have this known in this guide so they can go on to them.

MR. DOWLING:

Yes, Mr. Chairman. One thing I neglected to point out to my hon. friend from Highwood is that the information contained in this book on accommodations is strictly on a voluntary basis. Any hotel, motel or thing of this nature that wants to its name or facility listed can have it listed simply by applying. They will receive an inspection and will be rated according to Travel Alberta standards.

The people who make these inspections are qualified and have doing it for some number of years. So it really amounts to -- the people who operate the facilities should be in touch with their local travel industry association zone, ask that their names be included in next year's edition and if they qualify and come up to the standards of Travel Alberta they will be listed for sure.

MR. BENOIT:

If the minister mentioned it, I didn't get the answer to his question with regard to the roadside campsites. Is it the intention of Tourism to increase the number of them, reduce the number, or maintain them at the present level?

MR. DOWLING:

Mr. Chairman, I have no responsibility for roadside campsites, although I'm very interested in their development. I would suggest that perhaps you ask the Minister of Highways a question at some other time.

MR. FRENCH:

Mr. Chairman, I don't see in Travel Alberta -- in going through the estimates, I'm wondering if there is any appropriation anywhere in the estimates for upgrading airstrips? I think today in Alberta we have many airstrips that could be upgraded and would promote the travel industry -- people coming in from the States. It's almost impossible for some of these smaller communities to have adequate airstrips. I'm wondering what consideration the government is giving? I don't see anything in the estimates to upgrade airstrips and I'm wondering if the travel people are doing something in that line?

MR. DOWLING:

Mr. Chairman, most of it is being done through the Department of Industry and Commerce. They have four minor studies, or studies underway, on airport facilities. One is the City of Edmonton Industrial Airport, the other is the City of Lethbridge airport. The other two are the Canmore Corridor proposed airstrip and the Jasper-Hinton airstrip.

Our interest in them is, of course, of a tourist nature. I do know there are facilities in the government for the purchasing of property for the

development of strips, but there has to be a great deal of negotiation with federal authorities if you want a true airport.

If it's just an airstrip where you want local people to fly in and out, that can be a municipal responsibility very effectively. But if you want a major airport developed, you have to do it through MOT. We have had a number of conversations with them regarding a number of airports all over the province. The two I mentioned, the Canmore Corridor one and the Jasper-Hinton one, are presently under study by the Department of Industry and Commerce. The studies are progressing very favourably I would say.

MR. FRENCH:

Mr. Chairman, what I had in mind, although I don't know if I should be pursuing that under this vote, was maybe a policy whereby the government would put up X per cent and the local people X per cent to look after -- I'm thinking more of airstrips in some of the smaller communities. I think they are very vital. There is a growing interest in air travel. And many places in Alberta when you get into storms, it's necessary to provide facilities for people in an emergency and these sort of things. I would certainly recommend that we come up with some new type of policy to help these small communities to provide air strips which will indirectly assist in the travel industry.

MR. DOWLING:

Mr. Chairman, I can't agree with the hon. Member for Hanna-Oyen more. I have always been a great believer in the private pilot and what he can contribute to the tourist industry. I think it is an excellent suggestion and we will take it under advisement and probably we will get together and chat about it some day.

MR. BARTON:

Mr. Chairman, to the Minister of Tourism. Have all the mobile booths been settled yet and their areas?

MR. DOWLING:

As I said, Mr. Chairman, earlier on the reason we established these mobiles is to get a feel for the traffic that is there and the best possible use for the mobiles. One of the ones that I really want very badly to be established this year is the one in Valleyview. The reason for that is, and you know the north country, the fact that the road splits at that point. We would like to get a count of where people are going and where they are from and so on. All of them have been spoken for, I think. At least they have been advertised a dozen times over. But our purpose in having those mobiles is to use them to determine where a permanent information centre should be established so they will move around every year. If there isn't one in the High Level area this year perhaps it could be there another year.

MR. DIXON:

Yes, Mr. Chairman, to the minister. I have had a number of people mention to me the fact of getting staff in our eating establishments. I am not thinking so much of chefs, I am thinking of the waitresses and waiters. What plan do you have, as a tourist office, to research this problem? I think we are running into it for two or three reasons, one being immigration has slowed down and people are moving on who used to take those types of jobs.

I am just wondering what research we are doing to overcome what seems to be -- at least started on its way -- to be a shortage of servicing in our eating establishments, especially those of the restaurant type. I am not thinking so much of the drive-in but the others which use a greater staff.

MR. DOWLING:

Yes, Mr. Chairman. We have made some considerable inroads. As I said, we have had talks with the Minister of Advanced Education and the Minister of Education regarding this problem that was being experienced, not only in the tourist industry but generally in the service industry.

We have under way now a research study in eastern Canada, at Sir Sanford Fleming College. It's a contract with a Miss Christine Woods who is a native Albertan and who is taking a course in tourism down there. She is doing a research study to determine what the educational needs are in the travel

industry of Alberta. By educational needs, I mean how can we possibly train the service staff we need to run the tourist industry.

In addition to that we have, in conjunction with the federal authorities, a travel review and policy study which is being funded jointly by the Planning and Intelligence Branch of the Department of Industry and Commerce and the PEP program.

So we are aware of the problem. It is not something that is unique to the tourist areas. It is something that is unique to the world, I would suspect. We haven't developed what I would call an expertise in the field at all. I can be very critical of the entire field and I don't mind who I criticize because I think we have to develop a desire by young people to get involved in this industry. We have to develop some sort of an esprit de corps so that they want to become involved and stay involved over their lifetime.

We are making some progress. I would suspect that our first report on this study by Miss Woods will be available some time in mid-summer.

MR. BARTON:

Would the Department of Tourism let the plans for the teepee be available in case the community wanted to build one? Are they available for community use, in other words?

MR. DOWLING:

Yes, Mr. Chairman. The cost of one of the teepees is \$18,000. The plans are available if anybody wants them. I find in travelling around the province that the people in various communities that have Chambers of Commerce and so on manage a great deal better building their own, rather than going for the teepee design. The one in Grande Prairie, I believe, and I may be way off base, cost something in the order of \$500 and they had all kinds of volunteer labour, all kinds of volunteer materials put in. It's a great tourist centre and you will notice it on the north end of the City of Grande Prairie.

MR. DIXON:

Mr. Minister, through the Chair, I was wondering if you will have this return for me tomorrow because I had a few things I would like to touch on and it would all hinge on this report. I want to go over the whole area of Alberta and where the money is being developed for the tourist industry. And I'm wondering if you could bring that in. It's past midnight now and I think maybe we should sort of hold this up and maybe adjourn. We'll have an opportunity then to go into it more thoroughly.

MR. DOWLING:

Well, Mr. Chairman, if I might just touch on that return. I can tell you that it's not ready and I did say a couple of days. In order to comply with the regulations I've had to locate these tourist facilities by zone, in all fairness to the people who are operating them and made the loans. I tried very hard, we tried all kinds of methods in locating them in counties and so on. But we've located them in zones, there are now 14 in Alberta. So they are fairly simple to locate -- to locate the structures. I would say it would be two days. I would hate to have the appropriation held up for this. There will be plenty of opportunity to discuss the return other than on the appropriation.

MR. CLARK:

When?

MR. DIXON:

When will that be?

MR. DOWLING:

At any time.

MR. CLARK:

Oh come on.

MR. DIXON:

Well, Mr. Speaker, I'm going to have to fly in the dark because I would have liked to have had the return. I wonder if the minister could tell me, in the investment from the Alberta Opportunity Fund, did most of the loans go to already established businesses? And I'm talking about the larger loans, those of say \$50,000 or more. Did they go to already established businesses to enlarge those businesses, or did the majority of them go to establish new accommodation?

MR. DOWLING:

Mr. Chairman, without having the return here, I will correct myself if I'm wrong. Most of them in my view have gone to new units, new establishments. I have only one listing of renovation assistance to a motel; these are just summaries of the programs, not the return. So I would say, Mr. Chairman, that the bulk of them were for new units, new establishments, 1,400 new motel units were constructed. I can say also, of the two major cities, there were only two loans went to the major cities of Edmonton and Calgary, two each. Two in Edmonton and two in Calgary.

MR. DIXON:

Well, Mr. Minister, I don't want to argue with your facts but I have two copies of mortgages that were listed in Banff alone which were two additions to motels that were already established.

I think when you're talking about new units, am I correct in assuming that you are talking about a new unit, but it could be part of an already established motel? I think this is what you mean. What I'm trying to get at is, forgetting about established motels, how many loans did we make for new installations, or new businesses, completely new businesses? Because I really take exception to loaning money to people who can borrow money from a bank or are already in business. I don't see why we should be worrying about giving the taxpayers money to them. So I'm anxious to find out how many actual new businesses we started up.

MR. DOWLING:

Well, Mr. Chairman, I'll try to get that information for the hon. member by tomorrow. I really will.

The other thing I think I should mention while we are talking about the Opportunity Company. I see very little of any applications for a loan unless the people come to me because they know I'm involved in tourism and they ask me how to go about it. I simply send them over to the Alberta Opportunity Company or to Travel Alberta and have the director of Travel Alberta deal with them there by handing out the brochure on the Opportunity Company and the application form.

Travel Alberta has asked at some time during the procedure of the Opportunity Fund application to pass judgment but on whether the facility is a needed facility, not on the viability of it at all, but on whether the facility is needed in the area where it's proposed. That is the only input we have from the tourist end of it. And the viability is dealt with by the Opportunity Company executive.

MR. NOTLEY:

Mr. Chairman, to the minister. Could he advise us, he may have already done so, but if he did I've forgotten the figures. How much money has been loaned by the Alberta Opportunity Company to various groups and people in the tourist industry?

MR. DOWLING:

Yes, I did say that. The amount was \$10,807,200. All of that money has not been disbursed to date but the loans have been approved for that amount.

MR. NOTLEY:

A follow-up question. Can the minister specify what percentage that would be of the total loans approved to date by the Alberta Opportunity Company?

MR. DOWLING:

Mr. Chairman, I am sorry, I am not able to say that. I don't know what the industry portion of the fund has been loaned to date.

MR. DIXON:

Mr. Chairman, to the minister. Have you had any default of payments? I know the fund hasn't been going too long, but have there been any that are behind now in their payments to the Alberta Opportunity Fund? And I am thinking of either motels or restaurants we have loaned money to.

MR. DOWLING:

In all honesty I am not able to give you an accurate answer on that. I could probably furnish that for you tomorrow too or in another day or so. I'm sorry, Mr. Chairman, I don't have that information.

MR. HENDERSON:

The Motion for Return that's in question here was approved by the House on February 20.

AN HON. MEMBER:

That's not long, is it?

MR. HENDERSON:

And so that's seven weeks ago.

[Interjections]

Well, I've got it right here, Tuesday, February 20 that Orders of the Day being read, Motions for Return, the following motions agreed to: 109, moved by Mr. Dixon, seconded Mr. Bencit the names of the 80 tourist-oriented individuals and so on, corporations who received loans from the \$50 million Opportunity Fund. The amount of each loan granted showing terms, showing what securities were taken by the government and what falsified appraisers and evaluators.

I have to suggest, Mr. Chairman -- that I have to object that after waiting for the returns all this time we make the request that we withhold the appropriation until we get the return. And then we find at ten after twelve at night that the government still wants to shove it through, I suggest that the government may be asking a little bit too much. We should hold this particular appropriation, bear in mind we are in Committee of the Whole, we are not in the general thing, we're not in subcommittee, and that we can hold this appropriation, come back to it when we get the return.

SOME HON. MEMBERS:

Agreed.

MR. CHAIRMAN:

Any further inquiries on 1414? Agreed to the total of \$1,908,000 --

MR. HENDERSON:

Mr. Chairman, I guess the Chairman doesn't apparently listen or doesn't hear. I just made a suggestion we'd like to --

MR. CHAIRMAN:

Order, order. Mr. Henderson, you suggested it. There has been no motion. I can't deal with this suggestion.

MR. HENDERSON:

I'll make a motion then, Mr. Chairman, that we hold Appropriation 1414 in Committee of the Whole pending the tabling of the Motion for Return 109.

MR. CHAIRMAN:

Any discussion on the motion?

MR. LUDWIG:

Yes, I'd like to make a few remarks on that motion. I believe it's a legitimate request to hold this vote. We have -- seven weeks is enough time to answer a question unless the government is hiding something. Certainly they haven't thousands and thousands of loans made. They could get this information in one day, if they wanted to. But it is one of the problems we have with this government. The minute they don't like to give us something, they'll stall, and they'll twist and they'll weave and they'll plead the fifth amendment because it might be embarrassing --

DR. HORNER:

On a point of order --

MR. CHAIRMAN:

Order. What's the point of order?

DR. HORNER:

The point of order. I think the hon. member is wrong on two counts. He is not in his seat in this Legislature at the moment. The other important thing is that we have already agreed to the motion by the Leader of the Opposition that we will hold this vote until such time as the return is tabled.

MR. HYNDMAN:

Point of order for the seventeenth time.

MR. CHAIRMAN:

Order. All those in favour of the motion as presented by Mr. Henderson say aye.

[The motion was carried.]

MR. DICKIE:

On a point of order. The hon. member should realize that we don't have the fifth amendment. Nobody pleads the fifth amendment in Canada. You better get your procedure straightened out.

MR. LUDWIG:

Mr. Chairman, to that gem of wisdom you don't plead the fifth amendment but you're trying awfully hard to do so.

[Interjections]

MR. LUDWIG:

Yeah, you need a few more on your side.

MR. HYNDMAN:

I move that the committee rise and report some progress, bearing in the mind the activities on the other side, and ask leave to sit again.

MR. CHAIRMAN:

Is it agreed as moved by the minister?

HON. MEMBERS:

Agreed.

MR. HENDERSON:

Mr. Chairman, I want to speak to the motion.

AN HON. MEMBER:

It's passed.

[The motion was carried.]

MR. HENDERSON:

I didn't hear him put the question.

AN HON. MEMBER:

No, you've been talking too often, you couldn't go to sleep.

[Mr. Chairman left the Chair.]

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[Mr. Speaker in the Chair.]

MR. DIACHUK:

Mr. Speaker, the Committee of Supply has had under consideration the Estimates of the Executive Council, begs to report progress and begs leave to sit again.

MR. SPEAKER:

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

HON. MEMBERS:

Agreed.

MR. HYNDMAN:

I move we adjourn until this afternoon at 2:30 o'clock.

MR. SPEAKER:

Having heard the motion by the hon. Government House Leader, do you all agree?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

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

[The House rose at 12:15 o'clock.]