

## LEGISLATIVE ASSEMBLY OF ALBERTA

Tuesday Evening, October 23, 1973

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

## GOVERNMENT MOTIONS

2. The hon. Premier proposed the following motion to the Assembly, seconded by Dr. Backus:

Be it resolved that, the hon. Premier report to the Assembly respecting the operations of government during the period of the adjournment of the Assembly to the 10th day of October, 1973, and that said report be received and concurred in.

MR. LUDWIG:

Mr. Speaker, I am pleased to have the opportunity to participate in this debate. We've had several speeches to date on it, some very formidable speeches, and remarks made by ministers and the hon. Leader of the Opposition.

I won't take much time in commenting on the hon. Premier's speech, except to state that he did take a considerable portion of his time to laud the achievements and the successes of the Conservative government. I got the impression, in listening carefully, that his speech was not entirely devoid of self-interest. But in listening to the hon. Minister of Federal and Intergovernmental Affairs, he took a long time and also gave a speech lauding the Premier. So the Premier and the hon. minister gave a similar speech, except that, in this particular aspect of his speech, I thought the Premier was more sincere in his remarks.

We must not overlook the fact, Mr. Speaker, that we seem to be concentrating on the larger issues confronting Alberta. We shouldn't let that detract from the fact that there are a number of smaller issues, which are however, extremely important to the people of this province. We must not detract from the fact that we have a serious political battle with Ottawa, if nothing more. But the small problems of the people, the man on the street, must not be overlooked, must not be lost in the debate in this House because we are confronted with serious issues which may put Alberta's future into a nose-dive.

I would like to touch on a few of the issues that were dealt with in the speech and perhaps give a different view of some of the expressions to date.

One of the serious concerns I have about the Syncrude development is that it has not been stated in this House whether any effort was ever made, until after the agreement was signed, to consult with Ottawa on the intended agreement with Syncrude and the provincial government.

I believe that this is not a matter that should be treated lightly. It is an extremely serious matter, particularly in light of what the Premier said after the agreement was signed, stating that if Ottawa did not go along with us, and did something to hurt us, then Ottawa would have been responsible for hurting Alberta's economy.

I still did not realize at the time that no request was made by this government to Ottawa to, perhaps, take a stand on the agreement before it was signed. I think this has to be a reflection on the hon. Premier and the whole government. This was such an important thing. It should have been done, but, in my opinion, was not done.

Now perhaps they can tell me that I am wrong. I wish they could, and say, we did try to get consultation, we did try to get Ottawa to take a stand on this thing. I would be pleased to back off. But I think, Mr. Speaker, unless

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something was concealed from us, that that was not the case. If there was not a request in writing, by other means and through our office in Ottawa - a determined stand taken that Ottawa must declare its position on the Syncrude-Alberta agreement - someone let the people of this province down seriously.

I am not going to get to the position where perhaps this particular aspect of our relations with Ottawa was not settled on an Alberta-Canada basis. It appears to have been settled on a Conservative-Liberal basis, a political, partisan approach to an issue which was by and large economic but so vital to Alberta. If, in fact, the Premier had not requested, not only requested but insisted, that we do have a consultation and a position taken by Ottawa; if we had not written Ottawa asking that we need a commitment before we sign this agreement, then I'm saying that the hon. Premier and his government are in dereliction of their responsibilities and they have let us down badly. They have let the people of this province down badly because average small-business intelligence would know that if we're going to sign an agreement with Syncrude, and Ottawa has the power to alter the relationship by taxation, we should have had a commitment in the interests of the people of this province. I believe that all hon. members ought to talk about this and determine what was more important. Why was this request not made? Was it an oversight? Was it in ignorance or was it political? I know that I can't impute political motives to anyone, but in my opinion the matter of the dispute between Ottawa and Alberta became a partisan political relationship, at least from where I see it, Mr. Speaker.

So to that extent, I believe that it's incumbent upon someone on that other side of the House to tell us why we chose to ignore Ottawa, because certainly Ottawa could not come to the government and say, we want to be present, we want to be parties to the discussion with Syncrude. I believe they have no business saying that and to that extent, unless there is a clear explanation, I believe that the hon. Premier would have to carry the blame; that he let us down and let us down badly, because this is not the way to handle this issue.

I'd like to comment briefly on the Western Economic Opportunities Conference. It was an interesting conference. I believe that a great effort was made by everyone concerned to get as much political mileage as possible out of it. With all due respect to our Premier, I must say in assessing that function that he certainly was no exception.

But I'm puzzled, and will continue to be puzzled, why this would appear to be a confrontation between three NDP premiers, one Conservative premier and a Liberal Prime Minister. I was under the impression, and still am, that the Conservatives and the NDP have the majority in the House of Commons, where these issues are generally dealt with. There was never a stand taken where we had the support of the Conservatives and the NDP in Ottawa on this issue. So, with our partisan politicking we alienate, we certainly didn't strengthen, or at least didn't keep open the lines of communication with Ottawa. We did not indicate at all during that conference that we had any support in Ottawa; that we had no friends there, outside of perhaps, the 19 members of parliament from Alberta who are expected to stand behind Alberta. There was no effort at all; at least it didn't appear, since we couldn't get the Liberal support in some matters, that we in fact had any support at all. It wasn't obvious.

Perhaps we don't want to solve our problems in western Canada by dealing through our members of parliament. Some of the Alberta members of parliament were there. I believe they felt they were maligned somewhat when we kept saying that Ottawa does not know our problems. Ottawa does not know the problems of Alberta. We have 19 Conservative MPs, all stalwart, capable men, but Ottawa does not know the problems of Alberta. So the hon. Premier has to tell them, and I believe that there was almost a deliberate effort to circumvent and bypass our MPs who were standing there and feeling a bit sheepish and useless, because here in Alberta we are saying that our voice in Ottawa is dead, nobody listens to us. I believe that not only do the Conservatives and the NDP whose premiers were beleaguered and were crying for help as it were - not only do these two parties have a majority in Ottawa, but the western MPs themselves comprised of 68 MPs. I mean there are 68 MPs in western Canada, and we didn't have 68 members of parliament fighting for western Canada. I believe this was a letdown and an affront to the MPs. It appears that our politically-partisan MPs forget their commitments to Alberta when they cross beyond the boundary of Manitoba. They appear to have lost their identity with Alberta and become absorbed in the caucus of the Conservative party.

I'm taking the strong stand against the Conservatives because they represent every constituency, and the truth in Ottawa has to be that we have not got the support of the Conservative caucus at all on any of the issues confronting Alberta today, including the freight rate issue. If we do, I would like

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somebody to stand up and say I am wrng because the Cnservative caucus unanimsously supports us. I would want it in writing, Mr. Speaker, because I wouldn't believe it. I believe the hon. member, Mr. Stanfield, when he was in the North, stated that he agrees with what the hon. Premier is doing. But once he got farther away, in Halifax, he sort of stated that he agrees with the Manister of Energy, Mr. Macdonald.

I have to state that I read this in the press, and take it with that reservation, but I believe that there's no firm commitment in Ottawa in support of the position taken by the hon. Premier of Alberta.

So to that extent, I might state that, although we succeeded in putting the relationship between Ottawa and Alberta strictly on a political, partisan basis, it's unfortunate that we have at best 19 people supporting us.

We also believe that the hon. Premier was remiss in not attempting to use the voice of our MPs in Ottawa to a greater extent. When this Western Economic Oppurtunities Conference was held the MPs were quiet and quite insignificant. I believe that was not right and we did not use them as we ought to have done.

There are other problems that I think are of interest to the people of this province. One announcement made by the Premier that certainly appealed to me greatly was his speech on the problems of Alberta with Ottawa, particularly when he announced the Alberta Energy Company.

This was an interesting announcement but after you listen to it for a while, you wonder just who is going to get help; which of the people of Alberta will get help by investing through The Alberta Energy Company.

I believe it was a sincere effort to get the people of Alberta involved, but something didn't ring true about that announcement. He said the people will have an opportunity to invest; there is no shortage of people with money to invest in this province today. There are ample opportunities for good investments on which to make a return, be it real estate, the oil business, business, construction, or what have you.

But the problem confronting Alberta is not to get them an opportunity to invest. We are a frontier province that is certainly developing quickly. The economy is buoyant. The problem confronting us is to get those people who cannot afford to invest an opportunity to get a piece of the action. It can be done, but these people have to be encouraged to invest. If they have no money, I suppose they will lose more ground. Those who have and can invest will get on to a sure thing. The other people will have to be content to watch other people make a profit.

I would like to suggest that there is a means of getting around this problem. I will give credit to a Conservative member of parliament in Ottawa who suggested that the government take a good look - I'm not giving him a first in this, because we have been working on it for a long time - but there is some support for this view: that the government can consider giving every resident of Alberta who wants to take advantage of the offer, [a chance] to invest in the Alberta Energy Company, by guaranteeing a loan to every individual through a bank, to be secured for repayment by the security that the individual buys.

Now this might sound like it's an economic theory that can't be applied. But it is applied every day. Most investors will borrow money and pledge the purchase for repayment, whether it be chattels or securities. So the government can go one step further.

The government can extend a sincere helping hand to those people who can't invest and guarantee its loans to each individual, every individual in Alberta who needs it or wants it, because it doesn't take away from the fact that the individual must repay. If sometimes he can't, he would be afraid to borrow. So let's encourage those people who desperately need some investment, some capital to work with. Help them get a second income, as it were, instead of saying, well, let the people invest. We have a lot of wealthy people who will no doubt invest. We have hundreds of thousands of poor people who would like to but cannot, either because they can't get credit, are afraid of credit or just don't know the opportunities.

This is an opportunity to provide some leadership. I believe that the theory can work. To what extent it can be applied to every individual, I don't know, but it is [applicable] in practice. It is not an insurmountable theory.

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This province is indeed wealthy enough that it can guarantee borrowing by individuals for investment.

It is a theory that is applied broadly in this province today, only on a larger scale, Mr. Speaker. Farmers can borrow money for investment, \$40,000 or \$50,000 now - I don't know the limitation of their borrowing. So that is done. We help other people get into business by guaranteeing loans; this is an extension of the principle to the public. I believe that this Alberta Energy Company, if used properly, can be used in the interests of the people. That is a recommendation that I certainly think we all ought to pursue to determine whether anything can develop.

The hon. Premier took time to tell us about the good things in Alberta, and that we have never really had it so good. He is not the first person to make that statement. For certain, every province in Canada believes that Alberta is rolling in it. Their beliefs are certainly well-founded. We've had complaints about inflation, but it has benefited the revenues of this province. Inflation has increased the general income of this province tremendously, but it has also hurt a number of people.

The fact that there are poor in this province is admitted in the Position Paper, I believe No. 10, prepared by the Department of Health and Social Development. Reading from the statement, it says here,

Today there are large numbers of people who are fully employed yet living in poverty, unable to support their families at any acceptable standard of living. In Alberta several hundred such families have their incomes supplemented through Social Allowance. There are large numbers of additional families who could qualify under present policies, yet they do not apply either because they are unaware of the benefits available to them or because of the stigma attached to welfare payments.

So we all know. We don't need a statement to tell us that we have a lot of poor people. We have pockets of poverty in this province. We realize it. We admit the general wellbeing of our financial position and still nobody will make a move to help these people. I believe that it is a reflection perhaps on the fact that we have too many people here who are content, who are economically satisfied. Perhaps they don't know what the hungry family goes through. They ought to know because they are being told often enough.

It is incumbent on this government to make a move in that regard. We should not bask in the great things that we have in this province, particularly because of general increases and inflation throughout the world. We shouldn't bask in our great achievements. We should see many of these people can be helped, not helped by being overburdened with more debt, but helped directly.

Some time ago the four Social Credit MLAs in Calgary held a conference and urged the government to make some quick moves in this regard because these people are suffering in the midst of the greatest plenty in this province. We have a mandate and a commitment. In fact we tell everybody that we help the needy but in fact we don't, Mr. Speaker. I will keep on pressing on this point until something is done. I think that there is an obligation to subsidize these people, not by any welfare program but just to help them out through a period of urgency.

Perhaps other people's poverty is not urgent to us because everything is fine. We are doing all right, so maybe we should just hope that if they don't ask for welfare we should leave them alone. That is the wrong attitude and I believe that it behooves more of the hon. members here to get up and perhaps suggest ways of helping them. One way is to subsidize them directly. They had their purchasing power depreciated seriously. That would not be the main point I'm making if it were not for the fact that, conversely, the government benefited from inflation. It picked up literally tens of millions of dollars over and above what it expected, because of things that happened either beyond this province, or something that was beyond our control.

So we must try to balance those who suffered through inflation. We've done it to a certain extent, and I commend the government. But it doesn't alter the fact that we have not helped everybody. It's all right for people who have good incomes and have perhaps never known poverty to say that if these people are really suffering they'll come to us. As this position paper states, some of these people just will not ask for help. That's all the more reason why we should be concerned.

Now, I've mentioned the matter of a guaranteed income. I know that some people rebel when they hear this guaranteed income, because they state that if

we had a guaranteed income we might create a lot of dead beats. Mr. Speaker, if we haven't got a guaranteed income right now, we have a lot of people who are not pulling their own weight. So perhaps this present system has not worked either.

There is another interesting quotation from this Position Paper No. 10. I think that it is very well put together, and I commend the minister, Mr. Crawford. But here's a theory that is worthy of examination, and it states,

One of the primary advantages of retaining Family Allowance as a universal program would be its effect on the incentive to work. The influence of increased taxation when earnings increase is unlikely to discourage a person from seeking employment nor to persuade him to leave employment.

We're talking about some form of guaranteed income. It goes on:

Yet, when the income support is not coming from a universal family allowance but from Public Assistance, the reduction of those benefits, when personal income is increased through employment, would be seen by many receiving Public Assistance as a disincentive to taking employment.

I believe that this is just a theory that could be expanded. If a lot of our people on welfare today were to be assured of a certain guaranteed income that would not prevent them from seeking an opportunity to better themselves. Whereas, on welfare, the 'disincentive' is there because the minute they start working, to a certain extent they are working for nothing. They have security even though at lower standards, and so there they continue.

I'm suggesting, Mr. Speaker, that we have a form of guaranteed income in this province this country at the present time. There are so many of these programs that we can't say that we're satisfied with the situation as it is now, with the 8, 10, 12 or 15 different aid programs which are in fact guaranteeing a minimum standard to people who can't otherwise cope. To that extent, I believe that we should look at the possibility of making a drastic and a radical shift from the present welfare system which has not worked. At best we put up with it, for want of a better way to handle this thing. We should try to see if we can make a change. We have enough people here to come up with some new ideas to help these people to seek employment on their own initiative, rather than to discourage them.

I think, Mr. Speaker, on that one point in particular, I certainly urge the hon. Premier, the hon. minister, Mr. Getty or the hon. minister, Mr. Dickie to outline in detail why the Liberal government was either not asked, not wanted or not encouraged in any way to take a stand. I believe that if we can't show that we tried, we will have to take the blame for having jeopardized the so-called billion dollar Syncrude development. I think it will go ahead anyway, but if we didn't actively seek help from the federal government to commit itself, we have, as I stated before, let the province down.

We've talked a lot about the Department of Consumer Affairs. There are no shortages of articles and people concerned about this, that, or another thing. I remember a few years ago, we brought in the cooling-off period for door-to-door sales. That was a good move. It helped a lot of people. I think it cut down the amount of work that lawyers did, but no one seemed to suffer.

There is no shortage of legislation, or proposed legislation, to deal with minor matters in consumer affairs. On anything that is of a minor nature, we will move in quickly to protect the public from being bilked or swindled by people who are perhaps too fast for them.

One problem that often confronts me is in the field of real estate: real estate buying and selling. It has become a very large business, a very sophisticated business. The salesmen are competent, they are professional salesmen, they know how to sell. Many people in the real estate business know what they are doing, people who buy and sell houses, or buy and sell commercial property. But, in a great number of cases, the individual, man or wife, elderly person, person who has a foreign background, or a person who is not too well educated, gets into a real estate deal. It's a once in a lifetime transaction. He either puts all his savings down on a purchase, or he sells a house and has to rely on the income from that sale for living, and he makes a mistake. There are too many cases where the person buying or selling does not know the ramifications or the specific details of the transaction entered into. I'm sure that every lawyer, at least every MLA, has at one time or another had someone at his doorstep complaining, I've been had, I didn't know this; and maybe if they did, they quite often want to get out of a deal.

I'm saying that it's time we took a look at this situation and provided some help either through government, through a government office, or to have some legislation passed, and it's my intention to do some, for the specific purpose of raising this issue: to get this issue brought to the attention of the Legislature so that some means is provided for these hundreds and hundreds of people who enter into real estate transactions, be they farmers or city people, who simply don't understand. I've had some glaring examples.

Most of them are good; most real estate people are extremely reputable and capable, but they must sell. In many cases the agent wants his commission, he signs him up, and then after that the person goes to a lawyer and wants to know whether he can break the agreement.

This need not happen. I think the government should provide a clearing house with real estate experts in it; so that anyone who buys or sells a house would not be bound, so that the agreement would be voidable until he has had a certificate of independent advice from a government agency - if not a government agency, then through someone, and perhaps through a law office.

I want to make it clear now that if anything like this were passed, it should be made clear that the fees would have to be extremely limited. I wouldn't want it to appear that we are lobbying for some legal work, but it is a lot easier to advise an elderly couple before they sign the agreement as to the ramifications of the thing, than to have them come to you and plead for help after they are legally bound. I believe every one of us here has had this problem at one time or another. I get lots of them. They know an MLA - and I'm not the only one that gets them - they will really want to get out, and some of them do. Some firms will let them off the hook or, by and large, when the commission is urged that's the end of it. Some very good firms will not let you off the hook, they tell you you are bound, that they've earned their commission, you do what you like.

I don't want my remarks to be taken as an affront or a criticism of the real estate business, but I had a meeting with the President of the Real Estate Board in Calgary, and a telephone meeting with the chairman of the co-operative in Edmonton. They admit that there are serious problems in this field. I believe that some initiative should be taken, probably by the Department of Consumer Affairs, it's a good place to start. I believe that perhaps if the Superintendent of Insurance were consulted he would know that he gets complaints. There are problems, and they are not insurmountable. But it's a lot more important for people who have one of these once in a lifetime purchases or sales to be completely satisfied and that they understand what they are doing, and the ramifications of the agreement they sign.

I can give you one example that came to me which is nothing short of tragic. An elderly couple sold a house. They did not know the market value of homes at all and were not knowledgeable in real estate; the majority of people are not. They sold this house. The down payment was \$2,000. They thought that that would give them a start, the monthly payments would keep them going. The payments were \$125 a month, but the commission took away most of the \$2000. The net result was that these people were bound to sell the house. They were out on the street with not enough to live on. They desperately needed some independent advice. It might not appear serious but these people were grief-stricken. They were afraid and they were worried for week after week.

We can move to alleviate the situation without encroaching in any way on the free action of the real estate business. I appreciate the fact that the real estate business has done a tremendous amount for this province. It reflects in the buoyant economy we have. It is indeed an important and valuable service. But we must take some steps to protect those who don't know any better. As I have stated, we have taken action to prevent people from being taken on small deals, for instance, a door-to-door ... a vacuum cleaner, some set of brushes or something, or an encyclopedia set. We have taken steps to give these people [an opportunity] to void an agreement. Perfectly binding agreements can be voided at the option of the purchaser if he is not satisfied.

I am suggesting that with all the lawyers experienced in real estate in this Assembly who know what the problem is, we could come up with a remedy. Perhaps we can extend, not a cooling-off period - real estate is a very fast business, I mean that time is often important - but some means by which the people who signed can void the agreement unless they have had independent advice. Now I am giving this as constructively as I can, hoping that it will not be misinterpreted as a means of getting more work into the offices of lawyers, because primarily lawyers would not want to be in the position of giving certificates of independent advice. As an alternative, in the larger cities, we have government offices, people who can give a certificate to a purchaser or

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vendor who asks for this help so that he understands, and can have it explained, something along the lines of a certificate guaranteed by a notary that the person guaranteeing repayment of a loan knows what he signed.

It is a simple thing. I am sure that, by and large, the real estate firms would not fight this. There will be some who will resent this encroachment, but it is not an encroachment. I am very seriously concerned because in many cases the agreement is binding and there is nothing you can do except tell them to go through with the transaction as best they can. You have never seen people who are that depressed or worried. This is of concern to all of us.

So with those few remarks, Mr. Speaker, I believe I have said what I wanted to say. I want to repeat that on Syncrude we should have a statement from someone on investment in the Alberta Energy Company. We should provide for those who will not invest. It is no use talking about the great things in Alberta when a certain sector of our society cannot touch them. We can't plead poverty as far as the government is concerned because we have so many programs whereby we guarantee the repayment of big loans. Let's extend this to everyone and guarantee the repayment of small loans to a great number of people. It would be a tremendous amount of money but on the other hand it would be a first for Alberta. If Alberta can't afford it, I don't see which province can. That is a stand I am prepared to support.

I don't want to get into any partisan disputes at this stage of my speech, Mr. Speaker, but lest I disappoint some of the hon. members opposite, we must be careful when we take credit for things that, perhaps, will not have such an overwhelming impact on the people of this province.

A politician whom I regard very highly, the Deputy Premier, is not in, but I wish to tell him that, with all due respect to the decentralization of government, the impact on the wellbeing of the people of this province at large is negligible. We have to make it meaningful. I don't believe that any government, in this day and age and in this province, can do anything at all - they can spend all the money they like - but there will be no appreciable reversal of the trend of everybody flocking to the cities. It hasn't happened any place else and won't happen here. I read in an article that even cities that are tremendously in danger of choking up with pollution could not stop growth. In a great province with a buoyant economy and everything falling our way, people are coming here. Unless we have a dictatorship that would prevent people from coming in at gunpoint, then we have to live with the fact that our cities will continue to grow, perhaps thrive, the little places will get smaller and the cities will get bigger, I think we have to face that. Notwithstanding some belief that we are starting a trend back to the farms, I still believe that our farm population is declining. There might be pockets where it is growing, but by and large I think it is getting smaller.

Now I have two more items, messages to the hon. Premier from Calgary, that we like the announcement that the law faculty is going to be in Calgary. I think great things will be done if there is no concern as to who gets credit for these things. I don't think it matters to the high school students who started this. They want to know specifically - it isn't too much to ask the hon. Premier, or the Minister of Advanced Education now that you have made your announcement - they want to know when. The high school students are reasonable young people. Some of them plan to take law.

I am not at all interested in the argument that we might have too many lawyers. You go out in the country and you can't find one within a radius of 50 miles, so there are not too many lawyers. They don't all have to practise law. Some join the Conservatives and get to the cabinet.

We need to know. It's sheer nonsense to have a group of responsible people in the front row tell us they don't know when. If you don't know when, get into a huddle and find out. Somebody has to be able to tell the high school students, who perhaps have to take courses now in Grade 11 to prepare themselves for a future in law, when they can start. This is nothing big. It need not be political.

I sometimes get the impression if there are no reasons forthcoming it's because the minister just can't decide. That is his biggest problem. It's a decision that has to be made. I believe in this case we have to throw the ball to the hon. the Premier. I hope that some time in the near future you can announce, Mr. Premier, that in September, 1974 we are moving. Now that's the way to get things done. I'm sure you like action and I know that some of your ministers are always screaming for action ...

MR. SPEAKER:

Would the hon. member please address the Chair and could he conclude shortly.

MR. LUDWIG:

Mr. Speaker, yes sir.

So I hope we can, in the short time I have left, get some kind of indication, by at least a nod of the head, that we will have a law faculty in Calgary and not just something dubious up in the air. For goodness sake decide, announce it and a lot of students will be happy.

One more issue that I have to come back to before I close, Mr. Speaker, is the matter of gasoline prices. You are studying and you are stalling, but there is nothing to study. The fact is that the government did pick up a lot more revenue from increased oil prices. No effort, no policy, no government ingenuity; they simply picked up a bucketful of money, just literally hundreds of millions more.

The consumer is picking up some of these good things the government picked up. So it's only reasonable to reduce the gasoline taxes by about four cents a gallon. It would be passing the benefits on to the very people who pay this tax. It isn't a hard decision to make.

As I stated, I tried to pump some information out of the Provincial Treasurer, but he was tight-lipped and reluctant. To tell us that we are studying something, that is a dodge. The public doesn't buy that - we are studying something. We are stalling. There may be an opportune time to announce this reduction in gasoline price, but there is no better time than now, Mr. Speaker.

With those few words, Mr. Speaker, I hope the hon. Premier will take the message to him from Calgary seriously and at least give us a decision on the law faculty.

MR. TAYLOR:

Have I the floor, Mr. Speaker?

MR. SPEAKER:

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

MR. TAYLOR:

Thank you, Mr. Speaker.

Mr. Speaker, may I have the unanimous consent of the House to revert to introduction of visitors for a moment before speaking on the debate?

HON. MEMBERS:

Agreed.

#### INTRODUCTION OF VISITORS (CONT.)

MR. TAYLOR:

Thank you very much.

I'd like to introduce to you, Mr. Speaker, and through you to the hon. members of the Legislature, the Belair family of the City of Edmonton. Mr. Belair, if he would stand, is a businessman and has been very active in amateur boxing for many years. Mrs. Belair isn't a boxer but she's an excellent cook. Dennis Belair, the son, is the light heavyweight champion of Canada. Lloyd Belair is the Junior Olympic Canadian champion in the 100 pounds ... [Inaudible] ...

The Belair family is here today, Mr. Speaker, because I want to speak about two items: one, the Canadian Amateur Boxing Association, and second, natural

resources. I do not plan to keep the House long but I want to deal with those two items.

The Canadian Amateur Boxing Association recently made a decision that has alarmed people in western Canada, as a matter of fact, in several parts of Canada, and certainly in Alberta. Leading up to that I'd like to give the history of Dennis Belair, the light heavyweight champion of Canada, a title which he won in Charlottetown in 1973.

Dennis was chosen to fight a young man by the name of Langille in the British Empire trials at the CNE in Toronto this year. Dennis lost to Langille and, after the fight, was declared to be the alternate in the light heavyweight class - that's 165 pounds to 178 pounds - of the Canadian team that's going to New Zealand in January, 1974. Unfortunately, five days after the fight, Langille was killed in an automobile accident and the president of the Canadian Amateur Boxing Association, which I'll call CABA to save time, telephoned Mr. Belair Sr. and gave him the bad news; namely, the death of Langille - and the good news; namely, that Dennis would now go to New Zealand.

[Mr. Diachuk in the Chair]

On August 31, 1973, Dennis Belair received a letter of introduction to Eaton's store for the purpose of ordering the necessary clothing. This letter read in part as follows, and I quote: "This letter will serve to introduce to you a member of the Canadian team who will be participating in the British Commonwealth Games in January 1974 ..." It is signed, M. Taylor, Department Manager, Montreal. So it appears that the Eaton's Store was notified that Dennis was on the team.

On September 1, 1973, Dennis himself received a letter from the British Commonwealth Games Association of Canada, signed by D. A. Fitzpatrick, the assistant general team manager, which reads in part as follows: "Congratulations on being selected to the Canadian British Commonwealth Team and I will look forward to meeting you en route to New Zealand ..."

While it had nothing to do with the Commonwealth Games, other than being an international boxing competition, Dennis was chosen to go to Europe this year to box in Germany. Dr. Bernard Levin requested an EEG of Dennis prior to going to Germany. This was delivered to CABA in Montreal prior to the time that Dennis left for Germany.

Dennis fought in East Germany, where he lost his fight. Without making excuses, I have to say that he travelled long hours and while on the train in Europe was awakened every hour by police officers to check his passport. He was consequently very tired when he had this bout. Even so, he put up a credible performance and the manager of the team later wrote to Mr. Belair, Sr. and congratulated Dennis on his performance in Germany.

After all of this, suddenly out of the blue, Dennis was taken off the Canadian team that will be going to the Commonwealth British Empire Games in January, 1974 in New Zealand. Conflicting reports come from the president and medical director regarding this most unusual procedure. The president told me personally that Dennis was not even voted on at the last meeting of the directors of CABA. He stated that no one advanced Dennis' name but that the name of another, a Tim Taylor from Ontario, was advanced and accepted. I suggested to the president that this was a very odd procedure and it indicated that a boxer was being chosen because of who he knows, rather than on the basis of his performance.

Dr. Levin, on the other hand, advised me over the telephone that he had voted against Dennis' going as Dennis is too young and immature. Who is right, Dr. Levin or the president of the CABA?

The next point I would like to mention is that Dr. Levin, the medical director of CABA, also indicated that the EEG, which he apparently has not even seen yet, but only the letter from Dr. Toupin outlining it, was the reason for taking Dennis off the team. This, too, seems odd.

As Dr. A.N. Toupin, M.D., F.R.C.P.(C.), an outstanding neurologist in Edmonton, advised CABA in a written report, and I quote: "... his abnormalities and the EEG are of interest, but seem to have no bearing on his performance ...". Dr. Toupin advised me over the telephone that the EEG could in no way interfere with Dennis' boxing. He further questioned why the EEG was even requested. Incidentally, I asked why an EEG was requested for Dennis and not for any of the other boxers, and now Dr. Levin tells me that he is going to ask all boxers to provide an EEG.

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It should be noted that prominent medical men state that at least four per cent of the people of the world, probably four per cent of the hon. members of this Legislature, have some abnormality in an EEG, and if it interfered with Dennis' boxing in any way, the matter would not be discussed here this evening.

Dr. Toupin, in whom I have utmost confidence, states that the performance is the important thing. Let us look at the performance of Dennis which is as follows

During his boxing career - and as you can see he is still a young man - he has fought in more than 250 fights. He has won 220 of those 250 fights. He has lost 30. He has never been knocked out. He has been in some fights that have been stopped. Of the 250 fights, 14 were in international competition; that is, outside of Canada, including the one in Germany. Of these 14, he won 6, and received a split decision in 4. As the hon. members who are acquainted with boxing know, when you receive a split decision in a foreign country, it's almost tantamount to a win. He lost 4 of these international fights. Dennis has actually had more experience than most of the other boxers who are going to New Zealand have all had put together, and yet Dr. Levin states that he is taken off the team, because he's immature and too young.

Since public money is being used, that is money provided by the Canadian government, the money belongs to the taxpayers and to the people of Canada, surely CABA has the responsibility of choosing the best Canadians possible to fight in The British Commonwealth Games? Few, if any, other boxers can match the record of Dennis Belair. Dennis won the championship in his class for Canada. Dennis has won the right as an alternate at the trials at CNE, and in my view CABA is acting in a most incredible way in removing his name from the list.

Included in the record of Dennis is the fact that he fought in Charlottetown in May of this year and won the Canadian light heavyweight championship, and the CABA has the audacity to remove the Canadian light heavyweight champion from the list of boxers who will represent Canada at the Commonwealth Games.

The hon. Member of Parliament for Edmonton East, Mr. W. Skoreyko, is dealing with this matter in Ottawa. While I have not spoken to him personally about it, I understand that he is a strong advocate of having Dennis put back on the team and he is approaching the Canadian government in that regard.

Someone may say, why is this discrimination being shown? I frankly have no answer except that provided by Mr. Belair Sr., the father of the boy. As I mentioned before, Mr. Belair Sr., has been active in boxing circles and amateur boxing for many years during almost his entire lifetime. He has tangled with the former chairman of CABA, who is now a director. On one occasion that former chairman said to Mr. Belair, and I quote Mr. Belair for this, that "no son of his would ever fight for Canada". Mr. Belair is outspoken and believes in everything being above the table and in the light of day. This was the tangling that he did with the former chairman.

Now, if this is the reason for the discrimination, it would appear that CABA needs some cleaning up. I'm not going to deal with the fact that Dennis Belair is a western boy any more than the hon. Premier is hesitant to build an attitude of east versus west, but it does make you wonder when a westerner who is the champion of Canada is removed without even having the courtesy of making representations; without even the courtesy of a vote, according to the president of the association. If CABA is going to retain any credibility at all in Canada, the president or the directors will place Dennis Belair back on the Canadian team.

Tomorrow, Mr. Speaker, a petition will be circulated which I hope every MLA of this Legislature will sign - at least they will have the opportunity to sign - as well as other Albertans, asking the CABA, in the interest of fairness and justice, to place this young man back on the Canadian team so he can fight for Canada in New Zealand, one of the things he has been preparing himself to do for many years.

#### GOVERNMENT MOTIONS (CONT.)

MR. TAYLOR:

And now, Mr. Speaker, I want to very briefly deal with some of the items raised by the hon. Premier in connection with natural resources when he gave his address in this Legislature.

The first point is that I would hope every hon. member of this Legislature would support the government in its stand for the revenue from our natural resources to belong to the people of Alberta. If that is not done and if the hon. Premier, as he goes to Ottawa to fight this battle for the people of Alberta, does not have the feeling that the people of Alberta are behind him in this important situation, then his position is weakened. But I think he does have the backing of a very large majority of the people of Alberta. I want to deal with two or three items that I think have some bearing.

The first one is, in 1931 or up until, I think, October, 1930, the federal government had the natural resources of this province under its full control. In 1931 the federal government returned the natural resources to the Province of Alberta.

I think we can thank a former Premier of this province, Mr. Brownley, the UFA Government and the other western governments of that day, for the fight they put up to have these natural resources returned. Now when these natural resources were returned to the people, to the Province of Alberta, surely they were returned so that they could be developed by the province, under the control of the provincial government. It is inconceivable that the federal government would return them for any other reason, and it is inconceivable that they would return them and then expect to take revenue from them, from the province itself.

[Mr. Speaker in the chair.]

In 1937, a man by the name of Sirois, J. Sirois, submitted a report of the Royal Commission on Dominion-Provincial Relations to the Prime Minister of that day, The Right Hon. William Lyon Mackenzie King. This report later became known as the Sirois Report.

It is dangerous to generalize in connection with a report of the magnitude of this royal commission, because it consists of several volumes. But I want to deal briefly with one of the items contained in that report. I refer to Book Two of the Recommendations, on page 271, and I'd like to read one paragraph into the record with your permission, Mr. Speaker. I quote:

To ask the provinces to give up the entire revenue which they now derive from taxing corporations would, however, intensify a grievance of which the Commission received complaint in more than one province; for the Dominion would receive a tax on income which was in part derived from the depletion of irreplaceable natural wealth. It is clearly desirable that revenue of this character should be used for developmental work which will compensate for the damage which has been done to the resources of a province. The Commission has, therefore, recommended that the Dominion should pay over to the province concerned 10 per cent of the corporate income derived from the exploitation of the mineral wealth of the province.

Now the Sirois Report really consisted of suggestions that the provinces would give up certain rights of taxation in exchange for certain grants and handouts. Now when the meeting of provincial premiers and the late Right Hon. Mackenzie King was held in Ottawa, the late Premier Aberhart, who was Premier of Alberta at that time, became so angry over the insistence of the federal government and this report in claiming some of the revenue from the resources, particularly those that were being depleted, that he and two other premiers walked out of the conference. They became so angry and frustrated, they just wouldn't even stay to discuss the matter.

At that time, while I was not a member of the House until just a short time after, I remember the people of Alberta being divided as to whether or not the late Premier Aberhart should have walked out of that conference. But Mr. Speaker, I didn't come across one individual of any political faith, who was divided on the conviction that Premier Aberhart was right, that we could not give up the revenue from our irreplaceable resources. So the fight that the hon. Premier is carrying on today, is a carry-over almost from the day that the natural resources were returned to this province with a number of conditions.

It is my view that a provincial government must be responsible to the people of the province that elects that government. That is their first responsibility. The revenue from resources must belong to the provincial government. This was part and parcel of the transfer of our natural resources. The Canadian government indicated, in the day of the late Hon. Mackenzie King, that this revenue belonged to the provinces when a royal commission tried to get a small amount of it back, in exchange for something else.

I'm not going into the policies of whether or not we should have an Alberta first program with our irreplaceable or non-renewable resources, although I

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think there is much to be said for the fact that the needs of the people who own the industry should have first claim on those industries. Whether or not the people of Alberta generally want to hold back the development of our natural resources so that we have these resources in Alberta for 7,500 years instead of a much shorter time, I am not sure.

I think there is a policy that the provincial government has to consider very carefully with regard to the Alberta first and Canada second position. If we have surpluses of material there is no reason why fellow Canadians shouldn't share in them. But they should be prepared to pay the price that is required, and not try to get a cheap bargain because we happen to be part of Canada. Of course, other countries would be third.

I believe that the government is on completely sound constitutional grounds, in every way, in putting up a fight for the revenues from our natural resources; certainly our irreplaceable resources, the non-renewable ones. But this must belong to the provincial government.

This afternoon, I asked the hon. Premier, if the nine other provincial governments were behind him in the fight that revenue from resources within a provincial government should belong to that provincial government. The hon. members heard the answer of the hon. Premier. I find it difficult to understand the position of any government of any province in Canada which would oppose that contention. I find it most difficult, because to do so is really almost a denial of part of our constitution. The principle has been recognized. If Quebec does not accept it, will Quebec agree to the Canadian government having a portion of the revenue from their huge waterfalls, hydro plants, or their lumber? If British Columbia will not support it, will they share their natural resource revenue with the Canadian government?

The Premier, today, in his reply to another question, indicated that he was not prepared to ask for any portion of the 40 cent tax, at least to start with. I think that's a sound position. All of the revenue from our natural resources belongs to the people of Alberta. I personally don't question the right of the federal government to put on the 40 cent tax, but I do question their right not to return that tax to the Province of Alberta; every bit that is on Alberta resources. I think that's a premise upon which we should start. I think the Premier's position is a very sound premise to start with, in saying the revenue from these resources belongs to the people of Alberta.

Now, on the 40 cent tax, there are some good things that I like about it. In the Chicago market the Canadian oil was 40 cents under other oils. I would much rather see it go on as a tax, so that it goes into our revenue rather than into the coffers of the oil companies. I have nothing in particular against oil companies but they have been getting along very nicely without this. I think this is money that should properly come into the revenues of the Province of Alberta. If, by any chance, the Canadian government takes the stand that they have the constitutional right to levy this 40 cent tax, then I think our next position should be that this revenue belongs to the people of Alberta because it is charged on a non-renewable resource, something that was recognized when the resources were returned to Alberta way back in 1931.

If the other nine provinces would join with the hon. Premier Lougheed in this fight - I don't think any Canadian government would stand up against ten provinces. I would suggest, if it hasn't already been done, that the Minister of Federal and Intergovernmental Affairs use every avenue at his command to persuade the nine other provincial governments of the importance of their getting into this thing at this stage because every province has much at stake.

In closing, I would like to say that I hope the members of this Legislature will forget about partisan politics in this fight for the revenue from our natural resources. In my view, it is above the political party to which we belong. I think here is a wonderful opportunity to do acts in the best interests of the people of Alberta.

MR. GHITTER:

Mr. Speaker, as a member of this Assembly who represents a constituency which is inhabited by thousands of Calgarians whose livelihood is directly related to the health, prosperity and stability of the oil and gas industry in this province, I am entering this debate in order to express some of my personal concerns as well as some of the concerns which have been expressed to me by my constituents during the past number of weeks.

As a Calgarian I think it should be stated that the future of Calgary is particularly vulnerable to the ebbs and tides of the oil industry and the

ability of the oil industry to function with confidence in this province. The existence of the numerous offices of oil companies in the City of Calgary, which does not really enjoy an industrial base, places our economy in a position whereby the offices of these companies can readily be removed from both this province and even this country if the need arises.

As a result, Mr. Speaker, I am very concerned about this industry in that I am concerned because of the off-handed unilateral approach taken against this industry, and for that matter against this province, by the federal government. I am concerned because of the international instability which is experienced by this industry. I am concerned by the extreme positions taken against this industry by political parties such as the NDP and the Committee for an Independent Canada. I am concerned because of the economic squeeze which is now being imposed upon the small, independent oil producer and company, whose importance to this province cannot be understated.

The present energy issue which is imposed upon this province by, in my view, a very inward and myopic federal government is probably the most dramatic and complex issue ever dealt with by a government of this province. The ramifications of the decisions that will be made in this Legislature will have far-reaching consequences and implications upon the lives of Albertans for centuries to come.

I am certain, Mr. Speaker, that we are at the crossroads where we must stand up and we must be counted. We must resist the pressures imposed upon us by a federal government which apparently wishes to take control of our resources. For if we don't, Alberta will eventually be placed in the position of accepting a secondary status in this Confederation, one of servicing the continuing needs of eastern Canada alone, to the detriment of the citizens of the Province of Alberta.

As a result, Mr. Speaker, this is not a time in Alberta history for partisan politics. I agree from the hon. Member for Drumheller. This is a time for leadership. This is a time for the unanimity of this House in support of the difficult task upon which this government is forced to embark. I say this, Mr. Speaker, because quite frankly I am not quite clear as to the position of the hon. members opposite from the point of view of the issue that appears before us.

I know that, sincerely speaking, from the point of view of the hon. Leader of the Opposition when he spoke the other day, that he raised the six points which he referred to, which he regarded as being vital in the Syncrude agreement. He talked in terms of the immediate start in the Syncrude plant. He talked in terms of an opportunity for Albertans and Canadians to invest in the project. He talked in terms of adequate environmental protection. He talked in terms of government assistance for job training of local people, the establishment of a Fort McMurray development corporation, and the setting of royalties which would encourage the development of the sands.

I think, fairly speaking, that at least five of these criteria have been met by the Syncrude agreement. I then wonder why it is that the hon. Leader of the Opposition does not then come forward. In a non-partisan way I invite him to do so, to say that, yes, we must stand united in what we are doing.

I disagree somewhat with the point of view of the hon. Member for Drumheller when he talks in terms, that the revenue belongs to the province.

Indeed it does. But I believe that the issue is much deeper than one of merely revenue. I believe the issue is, who is entitled to the control and the development of our natural resources in this province. I say to you, hon. Member for Drumheller, that the provincial government is entitled to this control and development. The moment the federal government wishes to impose an export tax it is playing with the resources of this province. This is something that we must do and historically are entitled to do.

I couldn't help but be amused by the very sincere suggestion made the other evening by the Leader of the Opposition to extend an invitation to the federal government, the federal minister of energy, the government of the Province of Ontario, and others, to come before this Legislature for two or three days to discuss matters relating to energy.

I found it more particularly amusing inasmuch as the suggestion came shortly after the portion of the hon. leader's message where he suggested that the only result of the Western Economic Opportunities Conference of this summer was that Albertans who had high expectations merely ended up by paying the bill. Surely one must have due regard for what occurred at the Western Economic Opportunities

Conference. I would think that from the point of view of one who sat there for a few days and listened to it - I had serious reservations about the honourable intentions of some of the members of the federal government who came to this province on what some will be led to believe was more a political fishing expedition than one of really seriously confronting the problems that we face here in western Canada.

But I think, Mr. Speaker, if one were to accept the sincere suggestion made by the hon. Leader of the Opposition in inviting these key people to the Legislature, quite a scene would be created. If one could just imagine, for the moment, the hon. Donald Macdonald coming into this austere Legislature Building, with his matchbooks in hand and his entourage coming to sit here to be questioned by the members. The hon. Member for Ponoka, Dr. McCrimmon, puts his gavel down, calls the meeting to order, and the hon. Donald Macdonald says to all of us for the world to hear, we will have fullest consultation with the government of the Province of Alberta, while someone in Ottawa is shafting us in the back at that very moment.

Mr. Speaker, I am not surprised by the comments of the state-control Member for Spirit River-Fairview on the point of view of the approach taken by this government. His comments are typical of the rather Pavlovian reaction we seem to receive from the members of the NDP when dealing with matters pertaining to energy.

However, for an hon. member of this Legislature, who has so consistently alleged that we are selling out our Canadian resources to foreign enterprise, I was amazed by his attitude when he stated, or seemed to be of the view, that it was all right for Alberta to sell out its constitutional rights in favour of eastern interests.

If any of the members had any concerns about socialist candidates in the next election, let me assure them that all they need to do is have in their hands the Alberta Hansard of October 15, 1973, and read to the electors from pages 3306 and 3307 the incredible statements made by the leader of the state-control party, when he suggests that he believes that the imposition of the export tax was necessary, and when he says that he believes that the federal government had little choice but to place the export tax before the people of this country.

If this is his view, I would suggest that he is out of touch with the citizens of this province. I would suggest that he is out of touch with the attitudes of the mainstream of Alberta life.

One point comes through to me, Mr. Speaker, loudly and clearly in my conversations, at least with Albertans - even those involved in the oil industry - and that is one of total support for this government in its constitutional dispute with Ottawa in the latter's attempt to take control of our resources.

Well, Mr. Speaker, the Melvin Hurtigs and the NDPs of this country will argue that we in Alberta should be husbanding in our natural resources for domestic consumption. The Hurtigs and NDPs of this country will argue that the Syncrude agreement was bad in that total Canadian ownership should have been involved and that Albertans will not reasonably share in the profits, if any, from the so-called foreign controlled operation.

Quite frankly, Mr. Speaker, I find their arguments difficult to accept. I say that with the caveat that one must recognize that there are considerable unknown factors in any argument of this nature resulting in what we should do in Alberta with the planning of our natural resources. But I do not profess to be as negatively futuristic as the Hurtigs and the NDPs of this country. I do not accept the hypothetical conclusions that they accept as factual when I examine this area of continual flux and rapid change.

There are a number of factors that must be considered, which these individuals do not take into consideration when they talk about the husbanding of our resources and the need for Canadian ownership. Let me remind the proponents of the socialist and Hurtig-type arguments of a few of the facts on the other side of the argument.

My first concern surrounds the possibility that the American government will achieve its concerted efforts toward self-sufficiency in energy matters within the next 20 years. There is no way that the United States of America can tolerate the political blackmail that it is facing in the world today due to its lack of energy.

As a result, in March 1973, the Henry Jackson measures were introduced in the United States, wherein the Chairman of the Senate Interior Committee unveiled a wide ranging legislative boost, the whole intent of which was to provide some \$20 billion for energy research over a period of ten years; the purpose of which was to achieve President Nixon's expressed goal of energy self-sufficiency for the United States.

The specifics of this proposal related to immediate development and research in matters pertaining to coal gasification plants, shale plants, advanced power cycle plants, coal liquefaction plants and geothermal plants. A recent report in one of the local newspapers talked in terms of President Nixon's desires to achieve self-sufficiency, and the headline "Energy research in U.S. given \$115-million boost."

Recent studies relating to the Colorado oil shales alone, Mr. Speaker, suggest that by 1985 it is entirely predictable that 456 million barrels of oil a year will come from the oil shale alone and that by the year 2000, there will be approximately 156 plant operations conducted on the shales of Colorado.

One cannot just sit back smugly and say, "There's no rush for the Syncrude project. There's no hurry. Hold on. We're sitting on black gold. We'll always have its value." This is not in Alberta's interest nor is this in the interests of Canada.

If one were to examine the projections of the Syncrude project you would note its predicted 25-year life. Yet the lead-in time to commence the Syncrude project is approximately 5 years which means, in man-hours of field construction for the first phase of the project, some 12 million man-hours, by comparison, for example, with the Procter and Gamble pulp mill at Grande Prairie which is 3.5 million man-hours.

I'm not a soothsayer, Mr. Speaker, and I'm not predicting that the Americans will become self-sufficient in energy by 1985. But if these same people are capable of putting moon bases on the moon it may be entirely conceivable that with their expertise and with their money and the express desires of their president there is a possibility. Where does this leave the Syncrude project? Where does this leave the Province of Alberta? When the research that will emanate from the United States of America is not only used there but elsewhere in the world, what will we then be sitting on when we look at the calculations for the profits that will be derived, hopefully, I say hopefully with risk, from the Syncrude project.

If the Hurtigs and the NDPs of this country would take off their blinkers and read, for just a moment, the last three pages of the Levy report which was filed by the hon. Minister of Mines and Minerals in this House, and would read the views of a highly respected firm of consultants, they would read, and I quote:

It appears likely that tar sands production will find market outlets up to the practical limits on development through the mid 1980's at least.

I underline the at least.

It would seem to be in the interests of the province to get projects underway as rapidly as possible in order to take advantage of the opportunities open to the tar sands over this period.

I stress this period.

May I then suggest, Mr. Speaker, that arguments of husbanding our resources may not be as persuasive as certain individuals may think when one looks at the future possibilities in this world. I, for one, am not willing to support a point of view which tells us to sit back and wait.

We also hear, Mr. Speaker, from the same sources, antagonism to the Syncrude announcement based on the argument that we can do it alone, that we don't need money from private enterprise, that we as a government can go to the markets of the world, borrow the money as a government, perform the deficit capital financing, forego other programs and get into the development bag ourselves with the Canadian Development Corporation.

Mr. Speaker, aside from my basic distrust of views which suggest that government can do it better, or should do it, or the likes of such socialistic arguments, I find it totally unacceptable to suggest that a government should proceed to expend the funds of its citizens to the extent of at least \$900 million on a risk project such as this.

Although I do not profess to understand the financial ramifications of the oil industry, I think that it should also be brought to the attention of all hon. members that the future demands for financing in the oil industry are staggering. I refer to a recent report in The Oil and Gas Journal of March, 1973 which predicts that funds which will be needed by the world's non-communist oil industry from 1970 to 1985 will double that of the previous 15 years. The article goes on to predict that approximately \$1 trillion will be required. It further goes on to state that it is doubtful, that under present economic conditions, the industry will be able to raise that amount of money.

Mr. Speaker, this is indeed a glum prospect, as stated in this article, for, based on past experience, the energy economists are stated to predict that the industry itself cannot raise that amount of capital. Mr. Speaker, it's a staggering amount of capital. We now have a situation in this very province where private industry is willing to come to Alberta, accept severe conditions, and yet invest at least \$900 billion in this province, for the first stage of the Syncrude development.

Mr. Speaker, I think that that is a project worth moving on, and when I look in the local newspapers and see reports which say that "Syncrude begins sands subcontracting" and announce that "ATCO Ltd. of Calgary has been awarded an \$891,000 contract for the construction of a mining equipment warehouse ..." when I look elsewhere in the article that says that Syncrude contemplates engineering design contracts worth millions of dollars in the next 60 days, well then, I say that's good for Alberta and that's the type of project we need to go ahead with in this province if we are going to look at our interest and the national interest of Canada.

But go slow, say the Hurtigs and NDPs of this nation. Husband your resources, spend the citizen's money to keep private enterprise out and let's, in effect, pickle our resources in the hopes that they will be more valuable 15 years from now.

Mr. Speaker, I am reading from an article in The Globe and Mail of October 13, 1973, written by Mr. Hurtig. One of the things that I just couldn't quite believe is when he states in his article, and I underlined it:

... you can bet your bottom dollar that the NDP governments in Manitoba, Saskatchewan, and British Columbia have very little sympathy for the Alberta Premier's continual defence of the U.S. oil industry.

Well, I can't believe statements like that coming from an Albertan, Mr. Speaker. If that is the type of thing that Mr. Hurtig believes actually is the prevailing attitude in this province or is even a reasonable approach towards Confederation, then I would suggest that Mr. Hurtig is far off-base when he makes suggestions that people in Alberta are not supportive of this government and what we are doing.

Mr. Speaker, I think it would be a retrograde step of this government not to proceed at the earliest possible date with the Syncrude project. I am hopeful that this will occur. But I must also at this time express certain concerns and reservations that I have with respect to the developments in the past few months pertaining to the unstable and complex energy problems which are faced not, only by this government, but throughout the world.

I make these comments declaring fully and completely my entire support of the programs announced by the hon. Premier, both from the point of view of the Syncrude agreement and more particularly, from the point of view of the commitment of this government to now reassess the royalty structures, scrap The Mineral Taxation Act, and embark on a new approach to the oil industry of this province.

May I suggest, Mr. Speaker, that the decision to rescind prior commitments of this government, both express and implied, is a decision which has caused many of us on this side of the House a great degree of concern. I hasten to add that, although I totally support this decision of the government, I do so somewhat sadly when I look upon the imposition that was forced upon this government to scrap prior commitments. Such an action, however seriously regarded, however sad it may make some members - most of the members, I know, on this side of the House - is an action which unfortunately harms the good faith between an industry and the government. As a result, some have suggested to me and in some quarters I believe it, that the investor confidence in this province has, I fear, diminished, due to the unpredictability which seems to be endemic in an industry of this nature.

First, Mr. Speaker, I think it essential that as a government we do whatever is reasonably possible to restore investor confidence in this province and express to the oil and gas industry our undertaking that our future actions will be dealt with with the fullest consultation between the parties concerned. I know that the hon. Premier, Mr. Speaker, has made this statement to the industry in his public addresses.

May I also suggest, Mr. Speaker, that there are many things this government can do, as it formulates its approach to the oil and gas industry during the next month, that will hopefully display to the industry that we understand their problems, that we sympathize with them as they are in the position that they are in at the present time, and that the interests of this province, the national interest of Canada and the interests of the industry at large, will, wherever possible, be encouraged by this government in a meaningful way so that we might all participate together in the proper, orderly, reasonable development of our natural resources.

That brings me to the announcement, Mr. Speaker, relating to the incentive program that the government intends to embark upon. I wish to direct a few comments in this regard. Undoubtedly the first and most important concern when the royalty structure is announced is that it will be reasonable and that it will allow industry the opportunity to meet its accelerating costs in an inflationary world and to still make a reasonable profit which, after all, any business should be allowed to experience.

Undoubtedly the next greatest incentive would be the removal of the federal freeze on oil and gas prices which would then allow the prices of our oil and gas to attain levels in keeping with their real worth in world standards. Such an action was indeed an unfortunate imposition upon the industry. I would hope, Mr. Speaker, that the hon. Premier in his negotiations with the federal government, if and when they do occur, would do whatever is possible to achieve the immediate removal of the federal freeze on oil and gas prices.

Thirdly, I suppose we wouldn't need any incentives whatsoever, Mr. Speaker, if the industry felt that their markets were assured and that they wouldn't be forced to maintain their oil and gas in the ground for lengthy periods of time. Unfortunately the concern for reserves in Canada for future years requires many small independent oil companies to retain the oil and gas in the ground for the reserves for future generations, and I suppose this is sound. But the very fact of the keeping of the resources in the ground has indeed a very difficult impact upon small companies who cannot turn those reserves into cash and cannot take that cash and place it back into the industry in an exploratory way. This is one of the squeezes upon the small oil companies. This can be seen, for example, in the Medicine Hat gas field where many small oil companies have held their interest but have not, as yet, been successful in getting their products on stream.

Now these suggestions are, of course, merely a portion of a much larger package which must be dealt with at a very early date, that of a very rational, national oil policy relating to the marketing of oil and gas so that the industry may deal with Canada and particularly Alberta with confidence and knowledge of what it is to expect in future years.

The second area that I submit respectfully for consideration is that of tax policies that should provide meaningful incentives to the industry. First, I would merely be repeating a frequent plea of those knowledgeable in the oil industry, when I suggest that the Canadian investor does not get an even break in the investment of his funds in Canada in oil exploration and that the foreign investor gets a better break coming into Alberta than our Alberta citizens receive by virtue of the tax policies of the federal government. I would predict that if the federal government were to allow a Canadian investor to write off exploration losses against income, a tremendous amount of investor capital from Canada would come forward for utilization in this province.

It must be known that when we talk about receiving or obtaining money for Alberta investment, we are competing on the international market for money. We must also then be aware that other countries in the world allow the oil industry and their investors who are willing to take risks in the industry tremendous advantages from the point of view of taxes. I have before me a breakdown of the tax incentives of countries throughout the world, from Argentina and Australia, right down to the United Kingdom. I can certainly say that one of the poorest countries for incentives on a tax base, in this world, is the country of Canada. I can then say that when we're competing for international dollars, as we are doing, then we must do better. I think tax incentives would be a very meaningful area that we could look at in much more detail.

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Thirdly, Mr. Speaker, in dealing with matters that are more within the area of provincial rights, in dealing with the areas of incentives, I have already mentioned the royalty structure, but there are many other areas that the province could embark upon to reassert the need for investor confidence, and to provide a favourable climate for investment in the province.

First, I would like to refer to the Drilling Incentive Program. Indeed the Drilling Incentive Program has been meaningful to the province. There is no denying that it has been good for the drilling contractors, and there is no denying that for the first nine months of 1973, the result was a 53 per cent hike in the number of wells drilled in Alberta, up 899 to 2,593 holes. It is also noteworthy that drilling in the provinces of Manitoba and British Columbia dropped dramatically. But Mr. Speaker, knowledgeable people whose views I respect in the oil industry, whom I have talked to, have suggested that the Drilling Incentive Program has not really uncovered anything new geologically. It has not really discovered any wildcat areas, assuming they exist in this province.

But they have encouraged drilling in areas where, to some, it was known that there was drilling and there was production, more in the, what they call the chasing of gas at 2,000 feet. In fact, many have criticized the program for being a speed-up program. I don't totally agree, I think it was a meaningful program. But I would certainly hope, Mr. Speaker, that in the development of new incentive programs, which should be created in consultation with industry and announced in December, that this Legislature and the government will create incentives whereby the research that is required not be merely construed for the Alberta tar sands development, but that there is additional research, by way of incentives, required in other areas.

In this, for example, Mr. Speaker, I refer to stratigraphic traps. I understand there are many areas in this province where oil exists, but there is no way to find it. The normal seismic approaches do not locate the oil. I was surprised to be advised that we only have approximately 33 per cent of our oil out of the ground.

I was also surprised, Mr. Speaker, that there are many areas in the nature of worldwide research that are lacking, from the point of view of discovery of this oil and getting it out of the ground. Certainly an accelerated research program and incentives from this government would be meaningful. There must be an accelerated program to improve recovery efficiency, such as water floods and the like. And undoubtedly additional research is required in this area.

There can be little doubt that if we embarked on an incentive program, whereby these research incentives were provided were granted to Alberta companies, we would have a much better opportunity to take out of our ground a considerable amount more of our natural resources.

Certainly, Mr. Speaker, when I talk of terms of meaningful incentives, I feel quite strongly that we must do whatever is possible for the small independent oil company in this province. The Independent Petroleum Association reports that 82 per cent of the wildcat wells drilled in western Canada in 1972 were drilled by the independent companies. The large companies a long time ago left Alberta in exploration matters, I would submit, Mr. Speaker. It would seem to me that it would be reasonable that what we should do in our programs is encourage the small independent companies.

I was pleased to hear the hon. Premier suggest his understanding of the problems of land tenure to encourage the major companies to move off their land quicker with farm-out agreements, and certainly any policy of our government from that point of view I think would be important. I think it is vital that we encourage the more rapid use of our land in an exploratory way.

It has also been suggested that we should reconsider our bonus system by, in fact, scrapping it for areas which are unproven, and that we replace this with heavy work load commitments whereby the parties who acquire these rights would then be required to get on the land quicker and work the land in the hopes of encouraging the exploration.

Mr. Speaker, there are a number of areas that must be considered from the point of view of incentives. I regard these incentives to be vital to the industry. I regard the existence of meaningful incentives to be so vital in creating a new and renewed investor competence in this government from the point of view of the proper, orderly exploration of our resources. For it is only with the working of government and enterprise, hand in hand, that our resources will be properly and reasonably developed for the good, not only of the citizens of this province, but for the national interest of Canada at large.

MR. STROM:

Mr. Speaker, it is with some hesitation that I rise to make a few comments on this resolution, particularly after listening to the silver-tongued orator from Calgary Buffalo. I must say I thoroughly enjoyed his talk and it has been delivered in a very, very excellent manner. I must say, however, Mr. Speaker, as I listened to him I sat here and had the distinct feeling that on behalf of the government he was trying to tell the oil industry: oil industry, we are not against you, we are not going to do anything to hurt you, we believe that you have done a good job, but because of those dirty so and sos who were in before us we have been placed in a very difficult spot and that is why we have had to do some of the things that we've had to do. Maybe I've put it in a rather blunt fashion, Mr. Speaker, but that is the way I read it as I listened to it, and I tried to listen to it rather carefully.

Mr. Speaker, I have said on a number of occasions that I'm not really interested in what has gone on in the past. I respect the decisions that have been made by those who have had the responsibility of making decisions in the past, as long as they made those decisions based on the best information they had at the time that they made them. I am going to say to the hon. members who sit on the other side of the House, Mr. Speaker, that it is not my intention to try to judge their decisions based on information that we had, say, four years ago, five years ago, or half a dozen years ago. I hope, Mr. Speaker, I'm going to be honest enough with myself and honest enough with them to try to judge their actions based on the information they had at the time that they made the decisions.

Mr. Speaker, I think it goes without saying that the subject that is on everybody's mind at the present time is the subject of energy, and this is as it should be. I'm very happy we have had the opportunity of discussing energy to the extent that we have within this Legislature at this point in time.

I want to make it very clear, Mr. Speaker, that in my mind energy has just not become important to Albertans in 1973. It has been a very important subject to all Albertans since the year that the resources were turned over to Albertans. I think all hon. members will agree that it is not just in the year 1973 that the subject of energy becomes so important. The matter of energy and its development over the years has been a very important part in the development of this great province of ours.

At this point, I would like to give credit to those who have dealt with the subject before us. I believe they have done a reasonably good job with the handling of the resource and developing it in the interests of all Albertans. I am sure the critical decision a number of years ago was that decision of turning over the resources to Albertans. I would have to say, Mr. Speaker, that I've had the distinct feeling, and maybe I'm being a little hard in making this statement, but I've had the distinct feeling that Canada, the governments of Canada, even though there has been a change of government from time to time, have always had a certain amount of regret that they had to turn over the resources to the Province of Alberta and the other provinces when they did. It's rather interesting that even though the other provinces had the resources, they were theirs to develop as they wanted to, nevertheless the fact that at this point in time the federal government made a decision to turn over the resources to the western provinces was a matter that I think they must have been thinking about many times since that decision was made.

I think it is fair to say, Mr. Speaker, that many Canadians, and particularly Albertans, are extremely concerned with the involvement of the federal government in the development of resources in Canada today.

I think back to some of the meetings that I had with federal ministers of the Crown in regard to their involvement in the development of resources in the far North. I recall asking a certain minister whether or not it was the intention of the Canadian government to remain as a partner in the development of resources in the North. He gave me this very interesting answer. When I try to imitate him there might be those who will even recognize who it was. In a slow drawl, he said: "well, I'll tell you. When Canada finds that it is profitable for them to have gone in, it is going to be very difficult to recommend to the Government of Canada that they get out."

Mr. Speaker, I am convinced that there is no intention on the part of the present government - I am not sure that it will be the intention of other governments if they come into power - that it get out of the development of resources in northern Canada. But I suggest that the very involvement of Canada in that development has a bearing on the problem that we are facing today. I am sure that the hon. Premier will recognize that their being involved in that

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development places them in a position of competition up to a certain point in time with Alberta. This was the fear we expressed at the point in time that we were discussing with them, as to whether or not as a province we could have confidence in their handling of that resource; that it would not be handled in such a manner that it would be detrimental to Alberta.

Mr. Speaker, I am not sure at this point in time, in spite of the tremendous demand that we have for that particular energy resource, that this is not a factor that should be of concern to all Canadians. I mention that because certainly the future of Canada seems to hinge on northern development, and I say that it can be of interest and of direct effect to Albertans.

I think there is a question all of us need to ask and that is, what of Alberta's future? I am sure the hon. Premier has had to look at that question very, very carefully, many, many times in the past months. I want to say to you, hon. Premier, and through you, Mr. Speaker, that I think I can share with you to some extent the pressures that are placed upon you in recognizing the problem that you have to resolve in dealing with a federal government, in recognizing the situation that you are faced with here in Alberta. All I can say, as other members from this side of the House have said, is that we want you to know that we are not opposed to the position you have taken.

Having said that, I want to go into another couple of areas that have been of concern to me. I am sure it was of concern to the hon. members sitting on that side of the House who sat over here some years ago.

I can recall very vividly, Mr. Speaker, that on a number of occasions I was asked, what was my consultation with Ottawa? Did I pick up the phone and ring the Prime Minister and talk to him about this matter? I notice that the hon. Minister of Federal and Intergovernmental Affairs is reading something at this point in time. I wish he would take note, because he was the chief of those who seemed to try to drive home that point: why aren't you talking to Ottawa? What has happened?

AN HON. MEMBER:

The telephone lines were down.

MR. STROM:

Well, I don't know whether the telephone lines were down.

But I was surprised, when I raised the question with the hon. the Premier, to have him reply to me today that he has not at this particular point in time had a direct consultation with the Prime Minister in regard to the particular problem that we are facing. I say, I wish they would heed some of the advice that they were giving me just a few short years ago, because at that time I thought it was rather legitimate. I followed up on the recommendations that they made, as a matter of fact, and I did try to establish liaison with the Prime Minister.

Mr. Speaker, it might be of interest to the hon. members on that side of the House to know that even when the Prime Minister had made all the arrangements to go to Russia, on the day he was to leave a matter of direct interest to Alberta arose and I decided to call him on the phone. The person I talked to said he felt it would likely be impossible for me to get through to the Prime Minister because he was leaving for Russia that day. Within 15 or 20 minutes he called back to discuss with me the problem that I wanted to talk to him about. I think I heeded the advice given to me by the hon. members, and I was able to establish a liaison whereby I could talk directly to the Prime Minister in regard to problems of direct concern to our province.

Mr. Speaker, I would have to say - and I say this not with any note of bitterness or seemingly trying to pick on matters that are not important - that I watched with a great deal of interest when the Premier of Ontario, for example, became very concerned about what was happening in the energy field. What happened then? He apparently felt that the only way he could make the point with the people in Ontario - so they knew what he was doing - was to jump into his jet plane and fly out to Alberta, widely advertising that he was having a meeting with the Premier of Alberta to discuss energy matters.

Mr. Speaker, I am so convinced that all he needed to do, knowing our hon. Premier as well as I do, and knowing how well they know each other, was to go to the nearest telephone, dial the number, and talk to him. He could have had exactly the same situation as flying out here to talk with him. But it wouldn't have the same public effect.

I suggest, Mr. Speaker, that what we are witnessing now, and I deplore it, is an attempt to present to the public that there is a real confrontation taking place within the energy field. I say as kindly as I can, hon. Premier, through you, Mr. Speaker, that in my view this calls for a statesman-like approach, where you are prepared to sit down and discuss it in the most open manner possible. I am not suggesting that you are going to get agreement. Don't misunderstand me. But having done that, then I suggest there is a second step that can be taken which certainly lies within the area of the approach that you have taken.

I suggest, Mr. Speaker, that what we are discussing this evening is a point of principle. As I thought about it, I said to myself, this point of principle is absolutely clear to every Albertan as far as our jurisdictional rights are concerned. Then I did a little soul-searching. I said, is it as clear as we would like to think it is? I said, how about the matter of education? What do we do as far as federal involvement there? What do we do as far as federal involvement in the area of health? What do we do as far as federal involvement in the area of roads? I am thinking in terms of grants or cost sharing programs in which we have been prepared, Mr. Speaker, to forsake principle in the interest of getting dollars.

Let me make it very clear, Mr. Speaker, at this point, I am not suggesting for a moment that this is a problem of the present government. I am suggesting that it was not a problem of the previous government because we repeatedly tried to point out to the federal government that it was a breach of principle to get involved in that manner. But I say that we have been forced to accept this because the majority of provinces were more concerned about getting dollars than they were in standing on principle. This has been a continuing problem and, I say, will be a continuing problem for us in the years to come.

Mr. Speaker, this leads me to another point that I would like to make. I am wondering if we have not reached a point where it is necessary for us to look again at constitutional problems or constitutional matters. I say that within the framework of the present BNA Act, it is very clear. But within the framework of the BNA Act we have many, many cases where the constitution has been ignored and we have gone ahead simply in the interest of getting done.

I suggest then that maybe it would be necessary for our government to give some consideration again to looking at constitutional matters. If this approach cannot be followed, if there is no way of resolving this, then I suggest again that I am 100 per cent behind you, hon. Premier and your ministers, in pointing out to the federal government the need of abiding by the constitution as we know it. I want you to know that in no way will I ever change my attitude as far as supporting that particular issue.

We have a number of people who will say repeatedly, we are Canadians first, Albertans second. Here again I have to say that I have asked myself very, very carefully, what does it mean? In my view it means this, it means that as far as sharing the natural resources within our province with the rest of Canada I am prepared to accept the federal government's decision that Canada comes first. I support that without question and I'm sure that the hon. Premier does too.

Then I think we have to look at it a little further and be totally honest with ourselves. As an Albertan I want to make it very clear, Mr. Speaker, that I have no hesitation in saying I expect to get every cent that my product will bring to me. Now maybe this again needs a little further amplification. I would say this, that I am prepared to accept what I would think would be a fair market value for our resources, based on a comparable value that we could receive if that resource were to be exploited. Maybe we wouldn't get exactly the amount of money that we could get if it were exploited, but certainly I do not accept for a minute that it is the responsibility of Albertans to subsidize the rest of Canada through the sharing of its natural resources with the rest of Canada, and I make no apologies for it.

I have been a strong supporter for the basic standard for all Canadians regardless of where they live. As the leader of the government in the past, as our previous leader did before me, we stated that in no uncertain terms. But I think we have to draw a line, and when we are asked again to then make a double payment, if you like, to that particular principle then I think that it is wrong.

Mr. Speaker, it is not my intention to get into the details of some of the points that have been made, except to say this, that I hope the government will not feel it necessary to try to lay blame on someone else for something they have done. I know it's an easy thing to do. Maybe all of us are responsible for doing it at some time or other, but I suggest that the situation in the

energy field is changing so rapidly that the reasons for making a decision a year ago maybe do not even apply this year. I think that is, in fact, what the hon. Premier has been saying. We are in a rapidly changing situation: which calls for bold action, direct action, but above all, as was mentioned by the hon. Member for Calgary Buffalo, it is important that we maintain our integrity with the people of Alberta, our integrity with the industry which has done a great job in developing it to the benefit of all Albertans.

I hope that in the approach that is used by the government there will be a direct approach to the industry where all of the industry will hear the same statement at the same time; where they understand clearly that because of the rapid change we are experiencing, it is necessary to make changes that were anticipated previously.

I am sure that we must be prepared to sit down with the federal government. It is most important that this meeting be a meeting where they are close to one another, and not shooting at a distance. I suggest that if this is done, the government has our fullest support in continuing with the principles that have been enunciated by the Premier.

Thank you.

MR. SPEAKER:

The hon. Member for Lethbridge West has sought the floor a number of times, followed by the hon. Attorney General.

MR. GRUENWALD:

Thank you, Mr. Speaker. After the very scholarly way in which the Member for Calgary Buffalo and the Member for Cypress have articulated their remarks and made their points, it gives one a bit of hesitation to stand up and give a talk the way they have put their points across. They have certainly made the case for natural resources and energy. Not being one who understands that area well, I am prepared to support the government and take the advice of the experts and not touch on that area at all in the few remarks I have to make.

I would like to first of all touch on some of the remarks that the Premier made, some of the things that I think are of concern to the constituency that I come from and to the people of Alberta in general.

First of all, I would like to congratulate the Premier on the appointment of the hon. Helen Hunley as the Solicitor General of this province. I am sure that she is going to bring to that department the dignity that it so richly deserves.

I am sure that she is going to administer it in an honest and straightforward way, with good judgment and without any partisan politics whatsoever. I am sure that she will, without hesitation, put people before the party. I know that she has a tremendously big load to carry in that department but also, knowing her, I am sure that she will do the thing that any good administrator will do, she will set the policy and let someone else do the managing. In that way I am sure the job will be carried out well.

After having said that, I am sure that she won't mind if I make a few suggestions that I think may be of some assistance. At least we'll get my points of view across, as far as the Solicitor General and some of her program is concerned. I had intended to bring these up when she introduced her bill the other night but, as the debate proceeded, it seemed that possibly I would be better off to make my remarks at a time other than that evening.

The one point I want to acknowledge, the program that she is advertising and advocating as one of her new innovations is the initiation of checkpoints across this province. I want to say that I subscribe to this. There's no difficulty in accepting the proposition that we're trying to slow down and get rid of the drinking drivers on our roads. The police of the City of Lethbridge adopted this plan about 18 months ago. It's very difficult in that type of a plan, Mr. Speaker, to measure the success of your work. You don't know just how successful you have been, but that doesn't mean that we shouldn't do it anyway.

I most certainly support the crackdown program, if you want to call it that, and certainly some of the recommendations of the Committee on Beverage Alcohol Legislation that have been brought in. It seemed a little inconsistent with the crackdown program. I get the feeling that the report in some ways de-emphasizes the hazard of combining driving and drinking. I agree with a great many of the recommendations in that report, probably the most of them, but I am concerned with open liquor containers in cars.

I have had quite a lot of representation made to me from the general public who believe that open liquor in cars de-emphasizes the danger of drinking while driving. I think the temptation might be just a little too great for those people who are a little weak. I think it's much like carrying a loaded rifle with you, which just may go off sometime when you hadn't intended it to. This is the type of problem that you can run into.

I also hope that the Solicitor General will look at the penal institutions. She mentioned this in her talk. As a matter of fact, we had a brief discussion on the penal institutions when we were sort of going up the down staircase one day.

I am concerned about the facilities, the business of putting 16 year old males in with adult offenders. I'm the first one to recognize that 14 year olds, 15 year olds or 16 year olds could be pretty hard criminals. Nevertheless, I believe that those are the exception rather than the rule.

If we are interested in rehabilitation - and I'm sure that we are - I have some pretty serious doubts. I know that a lot of people have. For those of you who have young boys that age, well, it may be as difficult for you as it is for me to imagine your own boy in jail. Nevertheless, it does give you an idea of the immaturity of a boy that age and what he is exposed to when he would be put into an institution with older and more hardened criminals.

Another thing that I think I would really like to see emphasized in the Province of Alberta - and I'm sure it comes again under the Department of the Solicitor General - is a highly-advertised plan or program that would put emphasis on the importance of making Albertans safe. I think that clear across this country you can pick up the paper any day of the week, any time of the day, and see nothing but problems. As our cities become larger the problems become greater. We would like to feel that our wives, our children and our friends are safe. That they are safe in our homes, on our streets, on the highways, and that they are safe in our schools. School vandalism is getting to be a monumental problem. It is costing millions of dollars throughout the country. I believe that programs such as this, if properly advertised and concentrated on, could do an awful lot to raise the prestige of the Province of Alberta.

Well, how do we do this? It annoys me almost every year at budget time - and you'll see this at the municipal level, and even at the provincial level - where we are constantly beating down the budget of the police commissions. I submit, Mr. Speaker, that this is absolutely wrong. If we are going to have laws that are worth keeping, and if we are going to enforce those laws, we have to have the people who can do it. We have to upgrade our police departments. If it means doubling its budget, I say, more power to them, let's do it.

We have no hesitation in increasing the budgets for our schools, for our education in every aspect. We do it year after year after year. I submit, Mr. Speaker, that it is not completely solving our social problems, as a lot of people claim it does. So I'd suggest that - I'm not downgrading education - but let's educate our police force. Let's make it more of a profession. Give them more training, more people, and let them get the job done. I think that it is important to the people of Alberta.

I'd like to direct a few remarks to the Department of Advanced Education. Our Leader of the Opposition, here, made a remark the other day that advanced education was under "Foster care". I thought, gee whiz, what does that mean? Then I suddenly thought, that means, in the dictionary meaning, that someone is in charge of something on a temporary basis. I'm just wondering if that's what he had in mind for advanced education.

MR. FOSTER.

It means to help.

MR. GRUENWALD:

Yes it does.

I'd like to say to the Premier in his remarks, and to the minister, that I, with some reservations, welcome the announcement of the law school in Calgary. But, at the same time, if it were an issue that were placed before this Legislature, and we were to vote on it, I suspect that I would vote against it, possibly for the same reason that the Premier and the minister are hesitating to say when they are going to approve this program.

Clearly, Mr. Speaker, the need for that school, in my mind, has not been demonstrated. There have been a lot of people talking about it, and there have been a lot of lawyers who are very much in favor of it. They're an influential group, and this is fine and dandy. But I haven't seen where the need has been really demonstrated for that school. Maybe it's a bit of a political decision, and maybe it's a really good decision, but only time will tell.

I have demonstrated on at least two occasions with facts and figures that I think clearly demonstrate the need for a school of optometry in this province. I have shown that there is only one English-speaking school of optometry in Canada. It's in Waterloo, Ontario. They have only 65 places in that school, but the average age of an optometrist in Canada is 48. The Province of Alberta is lucky if it gets one, two, or three seats in that university per year. That would be the maximum that it would get. I don't believe that Alberta should be parasitic on the other provinces or the United States for the training of a profession that is an essential service.

I think that the same applies, as a matter of fact, to chiropractors. I am sure that if these schools were established they would be full and overrunning and there would be a waiting list in no time at all.

I believe, Mr. Speaker, that we should remember when we look at these programs, I get the feeling that the Minister of Advanced Education is really not very enthused about it - but we must remember that it is the job of the government to provide for the needs of our society, and I believe this is one of the needs. I think that we should take it more seriously and do what we can to get this school on the road.

The community of post-secondary education in this province is a little on the unhappy side. As a matter of fact at times they are quite unhappy, and I know that they are never completely happy. They are sort of a dissatisfied group, because they never have enough. All they want is more, but I think of late they have been more unhappy than they have in the past. So I would have to ask the Minister of Advanced Education whether he is going to be a part of the problem or whether he is going to be a part of the solution. Only time will tell that.

Another area that I believe the minister will have to take a look at in the very near future is the operation of the student loan fund. The purpose for which that fund was initially set up is no longer being used; it is not being utilized in that way. The students of this province, and the parents of students, no longer accept the fact that they can only get a student loan after the parents have contributed down to what they can afford completely. Students now feel that when they come out of high school, if they want to go into university or college, they have as much right to a low-interest rate loan as anyone does if they want to go into business, and it's pretty hard to argue with them. I realize that there have to be limits, and I don't believe in making loans so easy for them that they borrow themselves into debt. This is like an albatross around their neck for a good many years to come. Nevertheless, I really believe that we have to take a look at it, because I don't like the way a lot of the students are getting loans. I don't like the type of advice that a lot of the counsellors are giving to students, telling them the strings that they must pull in order to get a loan. I believe that this area needs cleaning up very badly, Mr. Speaker, and I would challenge the Minister of Advanced Education to take a look at it. I expect to dwell on that later again, maybe in the spring session.

I'd just like to make a point or two on the fall session of the Legislature. Since this government has been elected, we have gone into the two sittings of the Legislature, and I don't see anything wrong with that. It's good. But I think it affords the government of this province a great opportunity to do something that is completely different.

I have had a lot of representation, and I'm sure that all of us have, from the municipal levels of government who wish they could get to know earlier in the year what their grant and budget implications would be, as they pertain to the province. I'm wondering if it's feasible, if it's possible, that we could at some time in the future possibly give some serious consideration to doing the budget in the fall. Now, there may be some problems about it, there may be some hurdles that have to be crossed, but that doesn't mean that we shouldn't work on them and try to do it.

I know that this would make the government very popular if they would conclude that type of thing. If this could be done, and then in the fall have only that type of legislation necessary to implement certain budgeted programs, I believe it would really be a great help. Maybe I shouldn't be giving all

these good suggestions to the government, Mr. Speaker, it will just make it that much easier for them to get elected again. But nevertheless, we are interested in the welfare of the province.

Regarding the sessions, I just have to mention that, as we have all noted, the time spent by MLAs in the legislature is getting longer and longer and I can see the time when it's going to get close to 50 per cent time allotment in the City of Edmonton, just for the MLAs. If this is true, then I'm going to start to complain a little bit that maybe all MLAs are entitled to a little better facilities within this Legislature. Right now, in the office space I have, I've got as much privacy as if I were in the middle of Jasper Avenue. Not much quieter either, as a matter of fact. So I would hope that the Minister of Public Works might take this under advisement. Maybe that's what he is going to do across the road where he's taken these houses cut and he's going to build more space over there for government people.

I'd like to make a brief comment to the cabinet on their tour to southern Alberta. I would like to say that we were very pleased to have the Premier and his cabinet - as a matter of fact, we are always pleased to have people come to Lethbridge. We'll treat you very warmly, we're a very hospitable group. You can come anytime, and you can stay as long as you like. As a matter of fact - it would help me - you should really stay there and I'll tell you why. I'm having trouble fulfilling a couple of election promises that I've made. The only thing I've promised my people is that we would move the Legislature Building down to the west bank of the Oldman River. We'd call the west side, Gruenwald, Alberta - put a monorail across the Oldman River instead of a bridge. Now, this is slow coming but I'm still going to work on it.

Also regarding that cabinet tour, I would just like to indicate my support for the brief that was presented to the Minister of Health and Social Development and some of the other ministers, on the home care program suggested by the people down there. I believe there is a lot of good thought and some real good ideas in the proposition of home care. The proposition is that if we could get a lot of the people out of the hospitals earlier, particularly the older people, who ordinarily would be able to go home and look after themselves, but because of their age, their inability, they possibly require the services of the VON, the Meals on Wheels group, or the Lethbridge Family Service, these types of groups. They need to be subsidized if they are going to carry on and do the work they would like to do, and believe they should do. I believe that it is a good project for them to help those people who could leave the hospital, get home earlier, without that expensive type of care, with these people to look after them on a once a day basis. I subscribe to that program. I believe that it would be very helpful to most communities in the Province of Alberta and would alleviate the hospital situation because there is a shortage of beds.

Mr. Speaker, I've just tried to make a few, what I hope would be considered positive suggestions. Suggestions that I hope will make this great province of ours even better and that we will be continuously looked on as the leading province in the Dominion of Canada.

MR. LEITCH:

Mr. Speaker, I'm very, very pleased to be able to take part in what I think has been a very informative, stimulating debate on a number of very important issues to the Province of Alberta.

I'd like to open my contribution to this debate, Mr. Speaker, by responding to some allegations or positions taken by some hon. members on the other side, and particularly the hon. Member for Calgary Mountain View, those allegations dealt with the question of the province's consultation with the federal government with respect to the Syncrude arrangement.

As I followed the hon. Member for Calgary Mountain View, he was trying to equate and said, you have complained bitterly, and I think he conceded with justification about the federal government's failure to consult with you about the export tax. Now I'd like to hear about how much consultation you had with the federal government on Syncrude, and if you didn't have any, why not?

Well, Mr. Speaker, I think the answer to that is a very simple one and it's this. The two things are entirely different matters. They involve entirely different principles, entirely different concepts. I'll now try to outline, Mr. Speaker, why I think they do involve different principles and different concepts. First of all let's review for a moment what the export tax is.

It is first of all a tax on the production of a province's natural resources. I should say, Mr. Speaker, that it was really more than just a tax.

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We've talked in this Assembly, when this matter has been under discussion, about an export tax. But there was another part to the federal government's policy in this area which was equally important. That was a freeze on the price at which Alberta crude would be sold west of the Cttawa valley. So it was more than just a tax on oil that went outside of the nation. It was also, as part of that policy, a freeze on the price for which Alberta oil would be sold in eastern Canada. The federal government there, Mr. Speaker, is dealing with money that would, without its actions, have come to Albertans. It would have either come to Albertans as the producers of the crude product or it would have come to Albertans by way of a contribution to the provincial treasury.

In my view, Mr. Speaker, there are two very fundamental differences between the federal government's action and the Syncrude matter. The federal government was really involved in a form of interference with the province's management and control over its natural resources. Now when you put those things on the one hand and look at what was involved in the Syncrude agreement, you find a much different factual situation.

The Syncrude arrangement is really an arrangement between a leasor and a leasee. The province is dealing as the owner of the resources, the government is dealing on behalf of the people of Alberta as owners of a natural resource with someone who wants to enter into a leasing arrangement.

Let's look at the things we were talking about when, as part of that arrangement, we were talking about public participation, something in which the federal government has no jurisdiction at all. We were talking about an ownership interest in the power plant. We were talking about an ownership interest in the pipeline - all areas in which the federal government has no jurisdiction or no interest at all.

I should say, Mr. Speaker, I think it is worthwhile having this cleared up so that we don't have any misunderstanding about what occurred between the federal government and the provincial government with respect to the Syncrude matter. At all times the federal government was aware that discussions were going on between the province and Syncrude with respect to that agreement. It has been a matter of public knowledge for a long time.

There was a permit issued that was dealt with by the Energy Resources Conservation Board. There were discussions between members of the federal government and the provincial government about the matter - not in detail, but generally the federal government was aware of what was happening.

So when one says you should have done more than that, they are really saying that you should have had the federal government as a party to those negotiations, with an intimate involvement in those discussions. That, Mr. Speaker, in my submission, is an entirely different thing than the export tax that we have been talking about. That would be a discussion about an arrangement the province was making with respect to its own resources, the terms on which it would deal with them. The fact that we were contemplating entering into such an arrangement was well-known at all times to the federal government.

There were in the agreement, or there is in the letter of intent that has been filed, Mr. Speaker, two conditions that do involve the federal government. I would like to refer to those now.

The first condition refers to a ruling or advice that the money paid to the provincial government as a royalty would not be taxable in Syncrude's hands. Now I have noticed in some statements and in some newspaper articles, Mr. Speaker, that they have been talking about that as a tax concession, as if Syncrude were asking for a tax concession. Now, Mr. Speaker, in my view that is quite a misleading term to use.

What is really being asked for there is an acknowledgement that the arrangement that has been made or proposed between the provincial government and Syncrude is a royalty and remains tax deductible like any other royalty. I am sure all hon. members of the House are aware that the royalty payments made on conventional crude are tax deductible by the companies or individuals that made them. The question that arose here was whether the royalty that is to be payable by Syncrude is equally tax deductible.

Now frankly, Mr. Speaker, when the provincial government had to consider that question, we consulted our advisers about it. We didn't have the slightest hesitation in reaching the conclusion that that was a royalty. It was a royalty just like the royalty on conventional crude and should and would be treated in that way. After all, Mr. Speaker, the key features of a royalty are: it's provided for at the time the arrangement is entered into; it provides for a

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payment either in money or in kind; and it relates in one way or another to production. Those are the conditions that are met by the royalty payable on conventional crude. They are equally the conditions that are met by the tentative agreement with Syncrude.

The only possible distinction between the two is that the Syncrude proposal provides for a calculation of the amount of the royalty on a profit basis. That is, you determine the profit and that determines how much royalty is paid. But all the other provisions are identical.

There is a provision there that the provincial government is entitled to take its share of the royalty in kind, if it wishes. It is entitled to require the Syncrude participants to sell it and remit the cash. Both things are identical to the royalty arrangements in conventional crude. So in my view, Mr. Speaker, it is quite misleading to use the term "tax concession" about that. It's not that at all. It's a royalty. It's merely calculated or determined in a somewhat different way than the conventional crude.

Now one might say, if that's so, why would the Syncrude people ask for that condition in the agreement? I think the answer is quite a reasonable and logical one. It's very common practice for business people, when they are about to embark on substantial investments, particularly investments in a somewhat new area, and where the question of whether they will have to pay tax will determine whether the project is viable or not, to get a ruling in advance from the tax department. It's something that is done all the time and it's done in circumstances where business people are quite confident what the ruling will be. They simply want to be absolutely sure.

In my judgment here, Mr. Speaker, this was a requirement that was imposed by Syncrude, out of an excess of caution perhaps, because it deals with an item that's vital to the viability of their project. They felt they had to get that ruling in advance from the federal government.

The other condition of the agreement, Mr. Speaker, which involves the federal government, is the condition that the project will only go ahead if there is an undertaking from the federal government that they will not regulate the price of the synthetic crude oil coming from the plant below world commodity prices. One might ask the question, why wasn't that item taken up with the federal government beforehand? I think really, Mr. Speaker, there are two answers to that.

First of all, it is not an item that is really capable of negotiation. Remember we are talking about world commodity prices, which will be a different thing from the price in a particular country at a particular time. If one examines the mathematics of the Syncrude project, which have been filed in the House showing the cost of building the project, the cost of operating it, the revenue, the price of crude, and so on, it will be very readily apparent that if there is any appreciable drop in the prices used in that projection, the project isn't viable. That projection is of course using world commodity values for oil. So really, Mr. Speaker, there was no room for reducing the revenue from the sale of crude below that level.

The second point, I think, Mr. Speaker, which is accurate about that condition is this. For some considerable time now, there have been negotiations or discussions going on between the provincial government and Syncrude. But it was only recently that there appeared to be some possibility of the federal government taking action and controlling the price at which all would be sold. So this isn't something that was a part of the considerations for a lengthy period of time. It's something that emerged rather late in the negotiations between the federal government and Syncrude.

In summary on that issue, Mr. Speaker. It's my submission, to require consultation in situations that we're talking about where the federal government is imposing a tax or price freeze on the provincial government's natural resources, is an entirely different thing, an entirely different principle, than talking about consultation in an agreement between the province and someone else about the development of natural resources held in the name of the province. If we're using consultation in the sense of information, having been made aware of it, then certainly that was done in the case of Syncrude.

Mr. Speaker, I would just like to make a few comments on a number of items that have been raised during the debate about the Syncrude agreement. We have heard the argument on the one hand that the world is very, very short of energy, it is going to get shorter, the price is going up, it is going to continue to go up and, therefore, we should hold back the development because at a later stage it will be worth more than is now the case. I think that argument was very

effectively and very eloquently answered by the hon. Minister of Federal and Intergovernmental Affairs and the hon. Member for Calgary Buffalo.

There is just one piece of additional information I would like to add on the side of the argument that it is not valid to assume there will always be an energy shortage, that there always will be a sellers' market for Alberta's oil and gas, because there is a growing body of very responsible and expert opinion to the contrary, Mr. Speaker. I'm referring to a submission that was recently filed before the Energy Resources Conservation Board. It was filed by Dr. Atro and it was filed as an unsolicited submission. He, Mr. Speaker, has been working for some appreciable time now as an appointee of the Prime Minister on matters dealing with energy and economics. He filed this report and argues in it in support of the granting of export licences for Alberta's natural gas, and the principle thrust of his argument is that we may not always have a sellers' market.

I would like to read one paragraph from this submission, Mr. Speaker:

In this discussion the claim is made that there is a chance, perhaps a significant chance, that by 1985 the present seller's market for gas that Alberta enjoys may have switched to a buyer's market. The reason this is believed imminent by the author is the high probability that the U.S. will almost immediately seek permanent solutions to its energy problem which will both free the U.S. from world dependence for energy, relatively speaking, and minimize the extent to which the U.S. must invest in foreign countries for basic energy supplies.

He then goes on, Mr. Speaker, to make the argument that was really made by the hon. Member for Calgary Buffalo, about the moves that are now being made by the United States to assure itself, at the earliest possible time, of an adequate energy supply from within its own boundaries. If that occurs, and there are a number of predictions that it will occur in the next 15, 20 years or so, it will then mean that Alberta is not in a sellers' market for its petroleum products but will be in a buyers' market.

There are weighty arguments, Mr. Speaker, on both sides. I don't think any member of this House would be prepared to say which side is correct, but what we do have to bear in mind is that there are sound arguments on both sides, and I think when that is the case, it's entirely reasonable. The sensible thing to do is to begin a project that really takes the first major step in the development of that tremendous resource in the Athabasca oil sands.

Now, Mr. Speaker, I would like to turn to two points made by the hon. Member for Spirit River-Fairview. In one of them, he ridiculed the provision in the agreement that provided for the attendance by representatives of the provincial government at meetings of the Syncrude participants, the right to obtain information, contracts, dates and things of that nature. Then he went on to say that that was a little ludicrous because they didn't have any right to vote. I want to say to the hon. member that if he peruses the letter of intent that has been filed, I think he will come to the inescapable conclusion that that provision only deals with the situation prior to the exercise of the option, as provided in the agreement. It's there for a very simple reason, Mr. Speaker. It enables the provincial government to get all the information it needs, all of the data, the contracts, information about costs, materials, the selling price of any of the products that are produced to enable it to make a decision about exercising the option and the price which it should pay if it is exercised, also, to make the decision about accounting, the control. That provision, in no way whatsoever, is applicable after the government has exercised the option. So his comments, Mr. Speaker, in that area are based entirely on a misreading of the letter of intent that has been filed.

One other point that the hon. member dealt with, that I would like to respond to, Mr. Speaker, is his comments about equity capital. Now, as I followed his argument, it ran something like this. He said, let's assume the plant is going to cost a billion, let's assume an equity debt ratio of 75-25. That will mean that the Syncrude participants will raise \$750 million by debt debentures, they'll put up equity money of \$250 million, the provincial government will then exercise its option for 20 per cent and pay over \$200 million. The Syncrude participants will pocket that, they will then have a debt of \$750 million, \$50 million in equity, and the provincial government will have put up 80 per cent of the equity money in the plant.

Well, that kind of interpretation, Mr. Speaker, makes about as much financial sense as most of the economic statements we hear from that particular party. It's absolutely and entirely divorced from what happens.

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If the hon. Member for Spirit River-Fairview is able to enter into that kind of financial arrangement, I wish he'd tell me about it, I'd like to get in on some of it.

What happens in that kind of arrangement, Mr. Speaker, is very simple. If you raise money, if you borrow money and give a debenture or a mortgage as security on a particular piece of property and then dispose of the piece of property, you have to pay off a portion of the amount of the debt.

I don't know of any financial institution that's going to lend you any money, say, on a 1,000 acre farm, then let you sell off 200 acres, leaving them with 800 acres protecting the same security. There can't be any doubt about that. The hon. member's comments in that area, Mr. Speaker, have to be just a gross misleading of the people. It isn't ever going to happen that way.

I would like to close on the Syncrude matter, Mr. Speaker, by making one response to the allegations that this is a very good deal for Syncrude. The government was outnegotiated, that kind of thing which we've been hearing from the odd source, and I must say, Mr. Speaker, in my view, a pretty badly informed source. In answer to that kind of comment, Mr. Speaker, I would like to draw attention to the figures that have been filed.

If you assume that the cost of construction, the operation costs and the revenues are going to be as set out in those forecasts, you can very quickly work out what business people call the DCF rate of return for the money being invested by Syncrude. That comes to a very low percentage, something like six percent.

I think also, Mr. Speaker, all business people familiar with that kind of an investment where the risk is high, where there are great uncertainties, would say that that is far, far below what they would normally expect as a rate of return. If you ask yourself then - that's a little silly, why would these companies enter into an arrangement which indicates a rate of return much below what they normally expect in a risk venture? I think that there are a number of answers to that.

We have to keep in mind that these companies have spent considerable money in this area in an exploratory research way before entering into this arrangement. If they don't enter into this arrangement they must walk away and leave it. This gives them some opportunity to recoup. An additional and, I think, a more important factor is, giving in to the oil sands now, in this fashion, gives those companies an opportunity to be the leaders in the field, to acquire technical knowledge, to acquire operating experience, to get a jump on their competitors.

In my judgement, Mr. Speaker, those factors enabled those members of the provincial government involved in the negotiations in this arrangement to negotiate much harder than they would otherwise have been able to do. And certainly, Mr. Speaker, on the information that we have now, it is not the kind of arrangement where I would be prepared, on behalf of my constituents, to suggest that they ought to put their money in on the same terms as Syncrude, at this date when all of the risks are unknown. They don't know the costs of building, the estimates. They don't know the operating costs.

When one reaches that conclusion, Mr. Speaker, I think one can readily arrive at what answer you would give if you were asked whether that would be a sound business deal for the government of Alberta to take on on its own. I think the answer would clearly be no.

Now, Mr. Speaker, I regret that I have to close my remarks by referring to what I think were unfortunate and uncalled-for remarks by the hon. Leader of the Opposition about the board of review and particularly the chairman. His remarks carried the implication that because of the chairman's past association with the Progressive Conservative party of Alberta, he would find it very difficult to properly carry out his duties.

I think it regrettable that that implication was left by the Leader of the Opposition. It is left about people who are unable, in any effective way, to defend themselves. It is also made about a person, Mr. Speaker, who is a member of the judiciary, which I think for centuries has prided itself on its capacity to be free of political involvement or influence. It is the very cornerstone of their existence. It is so much the cornerstone of their existence, they don't have the right to vote that they lose on their appointment to the bench. I think, Mr. Speaker, that for those of us who have had experience practicing before them for years and for those who haven't been that closely involved, it is with a touch of sadness that we hear people say, perhaps because of their

political involvement of a long time ago, they couldn't now properly do the work they were asked to do.

What, of course, the hon. Leader of the Opposition was endeavouring to do - and he chose his words carefully - was to be critical of the government for appointing to this position someone who had an affiliation with this party some years ago.

I'd like to say two things in response to that, Mr. Speaker.

First of all, I think that the hon. Leader of the Opposition wanted to be fair in these matters. He would find if he checked on the number of judicial persons that this government has appointed for various tasks, by far and away the vast majority have come from a party other than the Progressive Conservative party.

But even more important than that, Mr. Speaker, since the hon. Leader of the Opposition has raised this accusation against the government, I'd now like to outline just exactly how the appointment of Mr. Justice Kirby came about.

When we decided that a board of review should be appointed, we also reached the conclusion that it should be chaired by someone with the stature of a Supreme Court Judge, with the familiarity that a Supreme Court Judge has with courts and their procedures.

Having reached those conclusions, Mr. Speaker, we then got in touch with, I believe, both Chief Justices of the Province of Alberta. We did that for a very good reason. We don't simply just appoint members off the bench. After all, the Chief Justices are responsible for making assignments, seeing that the work of the court is done. If you're going to take one of their members away for a lengthy period of time, you don't do it without consulting with them.

We discussed with the Chief Justice of the Trial Division, the work that we thought had to be done, the length of time we thought it might take, and his response to that. We asked if he thought a Supreme Court Judge could be made available. His response was that he would think about it. He thought it likely that he could meet our request. A bit later he returned, again got in touch with me, and said, yes, he was pleased to be able to meet our request, and that he would make Mr. Justice Kirby available.

In short, the appointment, the selection, was made by the Chief Justice of the Trial Division, and not by the provincial government. I can only close, Mr. Speaker, by saying that it is with some sorrow on my part that the matter was raised in this House, in that fashion.

MR. SPEAKER:

The hon. Member for Highwood followed by the hon. Member for Calgary Foothills.

MR. BENOIT:

Thank you, Mr. Speaker.

In the interests of creating some variety, and in order to avoid getting on slippery ground, I don't intend to speak about petroleum in my remarks at this time. The Premier's speech dealt only very slightly, or comparatively slightly, with the matter of petroleum, and had in it a number of other matters that I wanted to discuss briefly. I hope that hon. members will take these thoughts in the light in which they are given. Some may be slightly facetious.

One of the things which was drawn to our attention, which I think everybody agrees is good, was the degree of merit there is in the government continuing the practice of the former government when the cabinet travels around the province. I thought that it's taken very well by most of the people. The Premier's speech was, I thought, a very good speech on what the Progressive Conservatives are doing on the road that was paved with Social Credit policies, management, cash, natural resources, and natural reserves also; with the blood, sweat, toil and tears through the past years. It's a wonderful thing to be able to work on a good foundation.

I do believe that one promise that came out very strongly in reading and in listening during the '71 campaign was that the Conservatives were going to do the same as Social Credit, only better. There's no doubt they have done the same in a lot of things, only more, not necessarily better. There's a big difference in doing it more and doing it better.

One thing that I am going to speak about briefly is the pros and the cons of the decentralization of government. This is good in one sense when certain divisions of certain departments are put out into the smaller community. But it does create some problems, Mr. Speaker, and it's a question of whether the advantages outweigh the disadvantages or vice versa.

When anyone comes to the big city where the heart of the government, or the seat of the government is, depending on how you look at it, they come to find the government. When they discover that some of the matters they want to deal with are being dealt with in some other town, a problem is created for them - transportation. There are some other matters too in dealing with it. The town that receives the new division of government is happy, but it is the same story all the time. Usually the town receiving it is the town that has already got a fairly good population and a certain amount of industrial and commercial base. Because it is a central town in a given area, the other smaller towns around still haven't received any more assistance. So, it's made some people happy, but it's made some people unhappy.

Even the problem of moving civil servants is not altogether offset by the advantages received by the towns. So, without condemning the move, because I am strong on decentralization of certain aspects of government, I simply state those observations which have come to my attention.

I would like to suggest, with regard to the Land Use Forum, it is imperative, in my viewpoint, that this forum dispatch with all haste possible the responsibilities given to it and that they include, hopefully, the public hearings on the eastern slopes, and any other matters that have to do with land use. Our agricultural land is fast disappearing as far as use for agricultural purposes are concerned, particularly around the major urban centres of the province. For that reason, Mr. Speaker, I hope we will not delay any longer than is absolutely necessary the work of the Land Use Forum.

It's always amusing - other members have commented on this, and I've only passed by - what a wonderful thing hindsight is when we look at all the mistakes made, at least mistakes considered in the light of present day circumstances, by the forerunners and pioneers of some things such as the tar sands, all the problems involved in establishing the first plant, encouraging somebody to come in and take it over. I think of the comparison between that and the CPR many times and I've been guilty of it myself, I have condemned the former federal government for giving the CPR such vast liberties, such vast amounts of land, the privileges which seem to last forever. Who could tell when these gifts were bestowed upon this pioneer company which went out into the wilderness and hammered out a road that was so essential for the development of Canada, that some day it would stand in such an apparently wonderful financial position. Then see it go down again because of a change in circumstances in that the railroads are not being used anywhere to the extent that they were at one time.

So when it comes to the Alberta Resources Railroad, it would be very interesting to know what this government would have done ten years or even five years ago, about a resource railroad into the North. It is easy to see the mistakes once they have been made. Even I, and I think I look pretty good, can see some of the mistakes that I have made, especially when someone else has pointed them out to me. But to see them in advance, that is the thing that is difficult.

Somebody has raised, on two or three occasions, the question of whether the Premier is Canadian first and an Albertan second, or vice versa. One hon. member suggested it is only academic, but I, myself, would like to hear his version of his position here. I wouldn't criticize him regardless of what his answer was. It is only a matter of curiosity.

I suppose that if all members were put to the test in this Legislature, Mr. Speaker, we would hear a variety of opinions and every opinion could be justified by the person giving the opinion in what would appear to be fairly logical fashion, at least logical in the sight of the one who was giving the reasons. I like to think of myself as being Canadian, Mr. Speaker, probably a Canadian first, but a patriot, not a nationalist. It makes quite a bit of difference when you look at it from the standpoint of your own locality.

We are glad that agriculture has fared as well again this year as it has several years in the past. The Minister of Agriculture, generally speaking, is running a good ship, and he is to be commended for the work he is doing and his ability in this field. He is also spending money like it was going out of style - that mustn't be overlooked. There was a time when we used ...

AN HON. MEMBER:

That is irrelevant.

MR. BENOIT:

There was a time when we used to say that we were spending money like water. That would be a comparison, but since the days of the Gitter report on beverage alcohol the superlative expression would be that we're spending money like beverage alcohol.

The excessive assistance that is being given - and I use that word advisedly - the excessive assistance that is being given in the affluent society in which we live could very well be destroying the vitality and the independence of our people in some parts of our society. I say this with all due respect. I am probably sticking my neck in the noose when I say it because it is a very popular thing for people to be able to receive assistance in every area of activity. Between the federal and the provincial government in Alberta there is hardly anything that a person wants to do that he can't get assistance for by way of subsidies, grants, loans, guaranteed loans or something of that sort.

When the Premier makes the statement that the economy has never been stronger and the provincial finances are in an excellent position, I have to say that is the story that we have been able to repeat year after year for the last 35 or 40 years in Alberta. Until fairly recently it was virtually debt free.

AN HON. MEMBER:

Forty?

MR. BENOIT:

I said 35 or 40 years. About 35 years ago, 38 years ago, it began on this upward trend and it has been going up ever since until today ...

[Interjections]

... still going up, and the existing governments can't take all the credits, in either case.

In spite of the drilling incentives and the searches that have been made for oil in the last two or three years, with all due credit given to the government for the Drilling Incentive Program and so on, we have to face the fact, hon. members, Mr. Speaker, that no major significant oil discoveries have been made in the last three or four years. That means that we have been either using or exporting more petroleum products than we have been discovering and our reserves are dwindling. To what extent, it is difficult to say because of the inaccuracy in being able to determine the amount of reserves we have, but there is no doubt that we are using more than we are discovering.

I was interested in the comments the Premier made in conjunction with inflation because there is no doubt that this is one of our major problems at this time. On page 58-3157 he makes this statement: "We can't in Alberta or in Canada hope to be quarantined or insulated from a worldwide situation of inflation." I believe that this is partially right. I am not prepared to accept the fact that it is totally right. I believe there are certain things that can be done to help insulate us in conjunction with this matter of inflation. Then he goes on to say, immediately after that: "The first root cause, and a very startling one, is in the international monetary situation."

Mr. Speaker, I know that our Premier is a businessman of long standing. He has been in the business world all his life. He inherited this. I thought that, if not before, at least when he was at the Bilderburg conference he might have discovered some of the workings of the world monetary system and that it wouldn't have been so startling to him.

It has ever been thus. Some of the great leaders of the world have said, if they had the control of the money in the nation it doesn't make any difference who gets elected. This is the way it is. We are not our own masters in our own house until we control the money. This is a simple Social Credit doctrine that has been available to people for many years, long before they existed as a party. It's a matter of course, of time. Bankers have been telling us about this for generations, but we haven't paid too much attention to it; it's time that Canada and Canadians became very much aware of the situation, and they would see the international monetary situation is ever controlling the

depressions and the inflations of the world. Unless we are our own masters and insulate ourselves against some of its pressures, we will continue to be its pawns.

I was interested in the matter of agricultural credit, and commented to the Premier upon the matter shortly after he spoke. On page 3160 he says:

In terms of agriculture credit, we think that one of the most meaningful ways in which we can do it is do our best to put into the hands of the farmers sufficient credit to take advantage of an expansion, in terms of facilities, ...

A little farther along he goes on to say, "The total agricultural credit in the 2 years has been \$111 million compared to the previous 10 years..."

It is the terminology I make reference to, Mr. Speaker. Agricultural credit or agricultural debt? In order to get \$111 million into the farmers' pockets, we had to create a debt, first in the bank and then, I presume, in the bankers' pockets. The bank did not loan the money that was deposited, nor did it loan its reserves. The bank loaned the money that it created on a book; it is considered by the bankers as a debt and remains as a debt until it has been paid back. The only thing that is real money in it is the interest that the man has to pay. So here I am sure the farmer, while he sees that he has some credit on hand, as long as the money is not paid back I doubt if he would ever consider it anything but a debt.

Mr. Speaker, there are other things we might talk about, but I think that I will leave it at that point tonight. We need to be careful of the language that we use, remembering that the language we use may convey exactly opposite meaning to what is really the situation. So, we are going along in a very affluent time and things are going good for us. I hope that, because they are, we won't take the extensive advantage we could and get so far into debt that when days of affluence are over we find ourselves in bondage for years afterward.

This is the time, Mr. Speaker, when as a province we are receiving more income than we've ever received before, but we could be going along and paying our way with just a little more care and a little less giving-away programs in a time when they are not needed. If we're going to do any giving away, we should probably wait till the day of greater need comes and give it away then, having reserved it against that day.

MR. MCCRAE:

Mr. Speaker, may I beg leave to adjourn?

MR. SPEAKER:

May the hon. member adjourn the debate?

HON. MEMBERS:

Agreed.

MR. HYNDMAN:

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

[The House rose at 11:05 o'clock.]