

LEGISLATIVE ASSEMBLY OF ALBERTA

Thursday, December 6, 1973

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

PRAYERS

[Mr. Speaker in the Chair]

INTRODUCTION OF BILLS

Bill No. 95 The Petroleum Marketing Act

MR. DICKIE:

Mr. Speaker, I beg leave to introduce a bill, being The Petroleum Marketing Act.

The purpose of this very important bill is covered in four parts.

PART 1 creates the Alberta Petroleum Marketing Commission which shall consist of three members. It also covers the power and objects of the commission.

PART 2 covers the marketing of the Crown's royalty share of petroleum.

PART 3 covers the marketing of the lessee's share of petroleum.

PART 4 gives the province the capacity and provides the legislative authority, in the event of cooperation between the provincial government and the federal government, on regulatory powers under the constitution.

Mr. Speaker, and hon. members, the effect of the act will be that the provincial government, for the first time, will be the price-setter of our crude oil instead of the large international oil companies. It will considerably strengthen Alberta's position in meeting and protecting the constitutional responsibility to manage the development of the crude oil resources owned by the people of Alberta.

[Leave being granted, Bill No. 95 was introduced and read a first time.]

INTRODUCTION OF VISITORS

Mr. G. B. McClellan

MR. LOUGHEED:

Mr. Speaker, today we have in our gallery a very distinguished citizen. At this time during the proceedings of the House, Mr. Speaker, under Introduction of Visitors, it is my desire, and I'm sure that of other members of the Legislative Assembly, to pay tribute to our distinguished Ombudsman, Mr. McClellan, who is seated in the gallery - in your gallery, Mr. Speaker - with two of his three charming daughters.

Mr. McClellan was born in Moose Jaw, Saskatchewan and was educated at the Royal Military College in Kingston, Ontario. He joined the distinguished Royal Canadian Mounted Police in August of 1932, trained in Regina and served throughout Canada. He was appointed Commissioner of the Royal Canadian Mounted Police on November 1, 1963 and served in that capacity as head of the force until his retirement on August 15, 1967.

He was appointed by the previous administration as Ombudsman, with the endorsement of the Legislature, on September 1, 1967. He was reappointed unanimously by the members of the 17th Alberta Legislature at the spring session of 1972.

I know I join with all others in this Assembly and with the citizens of Alberta in extending our very best wishes to Mr. McClellan and his family in the future, our very sincere appreciation for the distinguished public service he has brought - not just in his office as Ombudsman but throughout his entire life - to the people of Canada.

We have indeed been fortunate. We wish him well and we thank him very much.

MR. CLARK:

Mr. Speaker, it is indeed my privilege to rise in my place and say to you, Mr. McClellan, thank you for a job very well done. It can be said that Alberta's first Ombudsman - in fact Canada's first Ombudsman - was truly a pioneer. Appointed in 1967 which, in fact, was Canada's centennial year, indeed Mr. McClellan has been a pioneer in an area that is most difficult.

I am sure, sir, that you will go down as a pioneer who has made a significant, a very meaningful contribution not only to Alberta and Canada but, in the work that you have done, to the entire North American continent. You are indeed to be credited with a great contribution.

We wish you the very best in your future endeavours. Congratulations and thank you very much.

MR. HYNDMAN:

Mr. Speaker, I am very pleased to join other hon. members in paying tribute to Mr. McClellan, the trail-blazer. I think that word can be used when we recall that in April 1967, when he started in the first position, the concept was at that time little known except perhaps in Scandinavia and some parts of the southern hemisphere.

Since that time his exceptional handling of the office has, I think, spawned a bevy of other ombudsmen in the western hemisphere. We find that five other provinces in Canada subsequently [now] have ombudsmen; also a number of states in the United States, a number of private companies, a number of universities across Canada and, of course, the federal government with its language ombudsman. I think this testifies to the sterling example which he has set, especially when we remember that all those jurisdictions, to my knowledge, enquired of the situation with the Alberta Ombudsman before proceeding to set up that position in their own jurisdictions.

I think Mr. McClellan's leadership, the tone and flavour he brought to the position, and his able handling of what was essentially an experimental office encouraged other jurisdictions to try to follow his example.

I note that Mr. McClellan has said that he, in his retirement, as he claims it to be, enjoys and will enjoy working with tools. I understand that he is a bit of a carpenter and that he likes doing this for relaxation. Certainly in his distinguished second career as Ombudsman he brought with him a number of mental tools which were very effectively used. One of his very observable attributes, I think, was the determination and 'stick-to-it-ness' of the kind of a friendly bulldog, which I think all of us have noted in him at times. He did have, I think, in obvious abundance, a degree of patience, tact and just plain horse sense which I think made an excellent contribution to the office.

Certainly his sensitivity to the problems, the hopes and aspirations of Alberta citizens, irrespective of their station in life, was something which he manifested in all cases with which he dealt.

He did also have what I think is a rare but also a crucial attribute in the office of Ombudsman and that is an ability always to distinguish between legal justice and natural justice.

I think that in terms of communicating - remembering that hon. members have received a number of annual reports and supplementary reports from him - we would all have to agree that his reports were models of brevity and models of precision - almost, in my view, Churchillian in the way they were set forth. Certainly he has demonstrated that ability to reduce even the most complex series of facts or legal problems to very easily-understandable simplicity.

Coming from a lawyer I think that is more than a noteworthy comment, Mr. Speaker.

In conclusion I would just like to note that it is reported that Mr. McClellan has said he will be moving toward more contemplative pursuits from this point on. I doubt it, in a way, because he is retiring, really, at the peak of his career as an ombudsman, and I think that with the kind of energy, the enquiring mind and the sense of the history of Canada which he demonstrates, he will be [living] long years of very constructive endeavour in many, many fields.

It has been noted that he may be writing an autobiography. Looking at the many-faceted career which he has had, I'm sure it will be a best-seller. Indeed, there may well be a number of Hollywood producers lining up for the movie rights when he completes that document.

In conclusion, Mr. Speaker, I'd just like to say that Mr. McClellan has indicated that he and his wife will be travelling to warmer climates for a few months. I think the word "warm" is an appropriate one because I believe he will be remembered as a man of warmth. He will be respected for the services he has so ably rendered to the citizens of the Province of Alberta.

MR. STROM:

Mr. Speaker, I consider it a distinct pleasure and an honour to be able to rise in my place today and to join with the hon. the Premier, the hon. Government House Leader and the hon. Leader of the Opposition, and express my own personal appreciation to Mr. McClellan for the very fine job he has done for us.

I would like to say that as I look up into the gallery and see how well Mr. McClellan is looking, it is hard to realize that he is now retiring from a second career, as the hon. House Leader has just suggested. I don't think that any of us would like to suggest for a moment that he is accepting retirement in the sense that some people do, where they will now be looking forward to nothing but a life of ease. I feel confident that Mr. McClellan is going to be accepting a great many more challenges in the days that lie ahead.

Having been the leader of the government that was in power during the early days of his work, I suppose it would be only fair for me to say that the government had mixed feelings toward the office of an ombudsman.

It was rather interesting to hear the hon. Government House Leader refer to the bulldog tenacity of the Ombudsman. I happen to have sitting to my left, Mr. Speaker, a man who I think, maybe, shares some of that tenacity and those characteristics. I refer, of course, to the hon. Member for Calgary Mountain View. He was the one who pressed the government in those early days that we set up the office of ombudsman. I think many of us felt that it was unnecessary and it is only fair to say today we fought it and did not readily accept the suggestion that we needed that particular office established. But again, displaying the bulldog tenacity that my hon. colleague has, he persisted and we had the office established.

I think I would be a little less than honest if I did not say that there were days when the hon. Ombudsman maybe caused some moments of anxiety among certain departments, and that is as it should be.

May I say to you today, just as sincerely as I can, that I have nothing but outstanding praise for the work that you have done. I can only repeat what has been said, that you were a trail-blazer. You have certainly established the office as a very notable one, and one that is now recognized as being necessary, I think, in every jurisdiction within this country and indeed in many other areas of the world.

On behalf of myself and those who were here before, I would have the opportunity of saying to you, we wish you well. We thank you for your past contribution and may you and Mrs. McClellan have many, many happy days in the future.

MR. NOTLEY:

Mr. Speaker, I welcome the opportunity to echo the comments of the other speakers today in paying tribute to an outstanding public servant in this province, a person who quite clearly, as has already been said, has been a trail-blazer, a man who has made the position what it is today.

I just simply join with the other members in expressing thanks for a job well done and expressing the wish that Mr. McClellan and his family will have many useful and rewarding years ahead.

MR. LUDWIG:

Mr. Speaker, I won't repeat any of the remarks that were made by the honourable gentlemen who spoke before me. I share their views. I would just like to suggest that when we selected the Ombudsman in 1967 we had to make a choice from 234 outstanding applicants throughout Canada. We were warned that the future of the office depended on selecting a man who would enhance the idea of ombudsman and who would be a man of integrity, strength and dedication. When we see how the office has spread throughout North America we find that the experiment, which it was at that time, has been most successful.

There's only one difficulty in having an outstanding man like Mr. McClellan in that office. It is that those who have [a part in] the choice of replacing him will now know that it's a tremendously large pair of boots to fill. I'm going to wish them all the best. I hope they will also select the kind of man who will be dedicated to the idea of keeping the government at arm's length, which is one of the requirements of the office, and who will continue to promote this idea which has spread so rapidly and so widely to the benefit of the people of North America.

Thank you, Mr. Speaker.

MR. KING:

Mr. Speaker, when Mr. McClellan was first appointed as the Ombudsman of this province, I was a younger man than I am now and I was even more inclined to generalize than I am now. As I think Mr. Strom has indicated, I had some misgivings, common to many young people, about appointing to the position of Ombudsman a man who had been a policeman, a police officer, let alone a man who had been the chief police officer of the land. And I would say this afternoon, without any hesitation, that I am embarrassed now whenever I think of the feelings I had in my mind at that time.

I have been one of a number of very fortunate people who have come to know Mr. McClellan personally since he came to the province to become our Ombudsman. In addition to the opportunities I have had to meet and to talk with him, I have followed his work very closely because it is close to my heart. I have really come to admire very much his integrity, his great understanding of man, his compassion and his humour. I think that the people of Alberta and the Legislature of the province, have been very well served, and faithfully.

MR. TAYLOR:

Mr. Speaker, Mr. McClellan, both as a peace officer and as Ombudsman, has been a builder of strong bodies, a builder of character and a builder of fairness and equity among all peoples. I want to join with other members of the Legislature in expressing the hope that he will be with us for many more years so that he may enjoy the many good things he helped to build in this country.

[Applause]

MR. SCHMID:

Mr. Speaker, I would like to introduce to you and through you to the members of this Assembly the cheerleaders, the provincial A Girls Champions in volleyball and, as well, the provincial A Boys Champions in volleyball from Bonnie Doon Composite High School. It is the first time that a boys' team has won that championship two years in a row.

They are accompanied by their principal, Mr. Klufus; Mr. Anthony Oldenhoff, who is the coach and teacher of the boy's team; Miss Sharon McFarlane, who is the coach and teacher of the girl's team; Paula Stanford and Minerva Barabash, who are supervisors for the cheerleaders and teachers; Mr. A. Graham, who is a teacher; and Ilene McGran, who is the president of the student's union.

I would like these beautiful young ladies and handsome fellows to rise and be recognized and congratulated.

MR. NOTLEY:

Mr. Speaker I would like to introduce two gentlemen sitting in your gallery, who are here in an almost totally non-partisan sense!

The first member, Mr. Speaker, claims, and with a certain amount of justification, that he represents one-half of Canada - geographically at least. I am referring to Mr. Wally Firth, the Member of Parliament for the Northwest Territories, and with him, the leader of the New Democratic Party in the territory of the Yukon, Mr. Tony Penikett. They are seated in your gallery. I would ask them to stand and be recognized by the Members of the Legislature.

MR. SORENSON:

Mr. Speaker, I wish to introduce to you and to the members of this Assembly a group of eight members of the first company, Killam Girl Guides. Their visit to the Legislature will assist them in obtaining their citizen's badge.

They are accompanied today by Mr. and Mrs. Ernest Dammann, and Mr. and Mrs. Monty Keith. The group is in the public gallery, I'll ask them to stand and be recognized at this time.

MR. HENDERSON:

Mr. Speaker, it's my privilege today to introduce to you, sir, and to the members of this Assembly the class of 16 students from the Calmar School. They are accompanied by their principal, Mr. Lavers and their teacher, Mr. Stroschein, and are seated in the public gallery. I wonder if they would rise and be recognized by the members.

FILING RETURNS AND TABLING REPORTS

MR. YURKO:

Mr. Speaker, I beg leave to table a document, being the proceedings of the public hearings on the restoration of the water levels in the Peace-Athabasca Delta.

MR. PEACOCK:

Mr. Speaker, I would like to table three publications which the Department of Industry and Commerce has recently printed.

First, I would like to table a directory entitled Services to Business. This publication contains a brief description of all government services designed to assist business. They include financial assistance, information and research services, marketing services, and manpower services.

The second report I have the pleasure of tabling is the Mid-year Forecast, an edition of The Executive Report which focuses on the prospects for Alberta's economy.

And thirdly, I beg leave to table the first issue of Alberta Memorandum which is a newsletter published in the interests of developing Alberta products and markets for export.

MR. HYNDMAN:

I wish to table a comprehensive and in-depth report on pupil transportation in the Province of Alberta. Copies will be made available to all members this afternoon.

ORAL QUESTION PERIOD

Alberta Petroleum Marketing Commission

MR. CLARK:

Mr. Speaker, I'd like to direct the first question to the Minister of Mines and Minerals and ask the government if it has received assurances from the federal government that the legislation introduced this afternoon dealing with the Alberta Petroleum Marketing Commission gets around any federal constitutional concerns. Has there been some sort of assurance received from the federal government?

MR. LEITCH:

Mr. Speaker, perhaps I ought to respond to that and call the hon. Leader of the Opposition's attention to the fact that on these matters of constitutional authority of the various governments, it's not done by way of consultation with the federal government. The question is whether it is constitutional and of course, it's brought here - and wouldn't be brought here unless the government held the view that it was.

The comments of the hon. Minister of Mines and Minerals made on introducing the bill relating to the fourth part of the bill, deals with an area where the provincial government might exercise jurisdiction as a result of cooperation or delegation from the federal government. But the remainder of the bill - there is no discussion with the federal government on it as to the question of its constitutionality, it's introduced as being constitutional.

Solids Pipeline

MR. CLARK:

Mr. Speaker, I'd like to direct a question to the Minister of Industry and Commerce and ask the minister what is the present status of the solids pipeline to eastern Canada as an alternative to shipping coal by train?

MR. PEACOCK:

Mr. Speaker, I am uninformed in this regard but maybe my colleague, Mr. Dickie, would like to respond.

MR. DICKIE:

Yes, Mr. Speaker, I am pleased to bring the hon. members up-to-date on the discussions that have been taking place.

During our meeting in November, approximately November 22, when we were in Toronto for the mines ministers' meeting, we did have the opportunity to meet with representatives of Interprovincial Pipelines. They are the ones who have been doing considerable work and study on that question of a solids pipeline and they advised us that the present status is this: they are now awaiting a report which they anticipate receiving towards the end of the year, dealing with the problem of separating the actual oil from the coal at the end of the pipeline.

It was their feeling, as they expressed it to us, that upon completion of their report, they should be in a position to make recommendations to their board of directors with a view to doing an experimental test of 17 miles of pipeline in the Province of Saskatchewan. This could be used as an experiment to determine the validity of the type of operation. They were very optimistic about it and from the reports they have given to us, I think Alberta can be very optimistic.

MR. CLARK:

A supplementary question, Mr. Speaker, to the minister. Given the existence of such a pipeline in the eastern United States, has the Alberta government been able to obtain any figures on the operating costs of such a pipeline?

MR. DICKIE:

No, Mr. Speaker, I think perhaps it is just a little premature to get the actual cost figures involved. I think if they did an experiment with the 17 mile line they then would be in a position to ascertain some figures that would be meaningful.

MR. SPEAKER:

The hon. ...

Alberta Petroleum Marketing Commission (Cont.)

MR. NOTLEY:

Could I ask a supplementary question to the first question posed by the hon. Leader of the Opposition with respect to the constitutionality of the fourth section? Could the Attorney General advise the House whether he has received from the federal government any idea at all as to whether it is in agreement with the fourth section and whether it concurs in the constitutionality of it?

MR. LEITCH:

Well, Mr. Speaker, perhaps I ought to have mentioned - when I was answering the earlier question - that the bill is so constructed as to enable the government, by proclamation, to bring it into force either in its entirety or any particular part of it.

It would be my view, Mr. Speaker, that the fourth part would be proclaimed in force at a time when, as a result of discussion between the federal and provincial governments, there was a feeling that the provincial government ought to do something under that section with the concurrence of the federal government.

MR. NOTLEY:

Mr. Speaker, a further supplementary question. Have there been discussions on the fourth section to this date, or will discussions not take place until it has been tabled in the House?

MR. LEITCH:

Mr. Speaker, I think the answer to that might more properly come from either the hon. Minister of Federal and Intergovernmental Affairs or the hon. Minister of Mines and Minerals, as they have been carrying on the majority of discussions with federal government personnel.

It is my understanding though, Mr. Speaker, that some of the things that might be done under the fourth part of that bill have been the topic of discussions between members of the provincial government and members of the federal government.

MR. GETTY:

Mr. Speaker, I would just like to answer that matter, pretty well to confirm the statements by the hon. Attorney General that the general intent of the legislation has been discussed with the federal government. They have not, of course, seen the actual legislation since it has only now been introduced in this Legislature.

So, Mr. Speaker, the capacity that is in the legislation, and the ability for that part to be proclaimed upon an indication of federal-provincial cooperation in that area, allows the legislation to come into effect in a time sequence.

Frankly, Mr. Speaker, as the hon. Attorney General pointed out, while we are completely confident of the constitutional validity of other parts, we don't necessarily have the same confidence that we will always be able to obtain the cooperation we think is necessary.

MR. NOTLEY:

Mr. Speaker, a further supplementary ...

MR. SPEAKER:

Might this be the final supplementary on this question.

MR. NOTLEY:

Mr. Speaker, my question is to the Minister of Federal and Intergovernmental Affairs to ask whether or not he has a preliminary idea of what the federal government's position is with respect to the general intent of the fourth section?

MR. GETTY:

Well, Mr. Speaker, the only thing I can say about that is that it is really difficult to tell because of the amount of changing in federal thinking over a period of - very short periods of time. Therefore, I can only say that while they may seem at times to be completely in agreement with the intentions of the part that the Alberta Petroleum Marketing Commission might play, there are other days when it appears that they do not have that same thinking.

So I can only say to the hon. member, that it's off and on.

MR. SPEAKER:

The hon. Member for Cypress followed by the hon. Member for Drumheller.

Alberta-Japan Coal Contracts

MR. STROM:

Mr. Speaker, I'd like to direct my question to the hon. Minister of Industry and Commerce. In light of Japan's urgent need of energy sources, has there been any indication on their part that they will be increasing their coal contracts with the Alberta interests?

MR. PEACOCK:

I think, Mr. Speaker, it is fair to say that they are and they will be.

MR. STROM:

Mr. Speaker, a supplementary question. I appreciate the answer that the hon. minister has given. Could he advise if there are direct negotiations going on at this time for increasing the contract?

MR. PEACOCK:

Mr. Speaker, yes there are. There are several companies, and as a matter of fact new companies, entering the coal production market that are now presently negotiating with the Japanese.

MR. SPEAKER:

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

Aviation Fuel

MR. TAYLOR:

Thank you, Mr. Speaker. My question is to the hon. Minister of Mines and Minerals. Will there be a cut-back in the supply of aviation fuel in Alberta for (a) commercial air lines, and (b) private operators this winter?

MR. DICKIE:

Mr. Speaker, that specific question hasn't been raised during any of the discussions we have had with representatives of the federal government or with the Alberta refiners. I would, of course, like to take notice of that and perhaps I could get a definite answer for the hon. member.

MR. SPEAKER:

The hon. Member for Calgary Millican followed by the hon. Member for Bow Valley.

Smallboy Band

MR. DIXON:

Mr. Speaker, my question today is directed to the hon. Minister Without Portfolio in charge of northern development and Indian affairs. It is regarding the rejection by the government of the request of the Chief Smallboy Band for land in the area west of Rocky Mountain House, and also rejection of the recommendation of a tri-party agreement. Why did the government reject the Band's request when they were in favour of it when they were on this side of the House?

MR. SPEAKER:

Order please. The hon. member is making a debating statement in the form of a question.

MR. DIXON:

A supplementary question, then, Mr. Speaker. Following the rejection by the government, Mr. Speaker, my question is, what liaison and what assistance is

going to be given to this Band to relocate, or does the government plan to tell this band to vacate the property they are now on? What is being done?

MR. ADAIR:

Mr. Speaker, I think it is appropriate at this time to clear up some of the things that were just said, if I can.

First of all, the group, commonly known as the Smallboy Band, is located on Crown lands. They are treaty Indian people, the responsibility of the federal government. And in the letter we sent to the federal government, we pointed out that we felt it was the responsibility of the treaty people to deal first with the federal government, and we requested the hon. minister, Mr. Chretien to come back to us with a proposal as to what he intended to do. That was the case. It wasn't the case of a rejection. It was a case of stating just where we were at that particular time.

MR. DIXON:

Mr. Speaker, a supplementary question. Does the minister consider the Indians Albertans when they are outside the reserve?

MR. SPEAKER:

Order please.

The hon. Member for Bow Valley followed by the hon. Member for Vermilion-Viking.

Alberta Energy Company Shares

MR. MANDEVILLE:

Thank you, Mr. Speaker. My question is to the hon. Premier. I would like to ask the Premier if he could indicate to the House if the present federal import tax on crude oil is going to have any effect on the stance the government will be taking in offering shares to the public through the Alberta Energy Company?

MR. LOUGHEED:

Mr. Speaker, I have some difficulty with that question. Perhaps the hon. member could elaborate on the connection between the shares offered to the Alberta public for the Alberta Energy Company and the export tax?

MR. MANDEVILLE:

Mr. Speaker, my concern was, will this affect going ahead with the Alberta Energy Company? Will it affect the energy company going ahead and shares being offered to the public as a result of this, if the export tax stays on our crude oil? Will we still be going ahead with the Alberta Energy Company?

MR. LOUGHEED:

Yes, Mr. Speaker, the answer to the question raised by the hon. member is definitely yes. The Alberta Energy Company will be dealt with in a statement in the Legislature in some detail by the minister responsible, the Minister of Federal and Intergovernmental Affairs, tomorrow. And regardless of our concern about the discriminatory and penalty nature of the oil export tax by the federal government, and its continuation, it still will not affect the development of the Alberta Energy Company in terms of its opportunity for Albertans to invest in Alberta natural resources.

MR. SPEAKER:

The hon. Member for Vermilion-Viking followed by the hon. Member for Little Bow.

Pipeline to Montreal

MR. COOPER:

Mr. Speaker, my question is for the Minister of Federal and Intergovernmental Affairs. Given a new relationship between the governments of Ottawa and Edmonton, what is the present status of the proposed pipeline to Montreal?

MR. GETTY:

I'm not certain of the connection, Mr. Speaker. However, in discussions with the federal government - and I think it's fair to say, discussions among all ministers at the last federal-provincial meeting of mines ministers and ministers of energy that I happened to attend - it has been stated pretty firmly by the federal government that it is its desire to see a pipeline built to carry crude oil from Toronto past the Toronto area into Quebec and the Montreal area.

MR. COOPER:

A supplementary, Mr. Speaker. Mr. Minister, are there any markets in the United States which would not be serviced as a result of this pipeline to Montreal, if it ever becomes a fact?

MR. SPEAKER:

The hon. member is really asking a question of general information rather than relating to provincial government policy.

The hon. Member for Little Bow followed by the hon. Member for Lethbridge West.

Mental Institutions - Employee Picketing

MR. R. SPEAKER:

Mr. Speaker, my question is to the Minister of Manpower and Labour. What steps are the government taking to reach settlement with the provincial employees of the three Alberta mental institutions, who I understand are picketing over various concerns, one being the loss of certain holiday benefits?

DR. HOHOL:

Mr. Speaker, the agreement reached some days ago between officials of the Department of Health and Social Development and the Civil Service Association is something the hon. Minister of Health and Social Development might comment on.

This was a concern, off-standing for some time, that had been concluded to the best of our knowledge very recently.

MR. CRAWFORD:

Mr. Speaker, I would like to add to the answer given by the hon. Minister of Manpower and Labour. The question in particular of the accumulation of statutory holidays and the disagreement between management and staff at some provincial institutions over proposed new policies in that regard, had been made the subject of discussions between officials of the department and the CSA.

My understanding is that that was the principal reason for some picketing at provincial institutions today. I might add that throughout the situation, it had been a concern brought to my attention by the hon. Member for Camrose.

I won't give the details, Mr. Speaker, of the arrangements that have been made with respect to this dispute. But, in general terms, it amounts to the new policy in regard to statutory holidays being deferred as to its time of implementation, made primarily experimental, rather than firm, at this time, along with an understanding between officials of the department and of the CSA that when the appraisal of the success or otherwise of this new program is made, after the experimental period of two years, there will be input from both sides at that time, and that the views of the staff will be fully taken into account.

MR. SPEAKER:

The hon. Member for Lethbridge West followed by the hon. Member for Sedgewick-Coronation.

Schools - Grant Increase

MR. GRUENWALD:

Thank you, Mr. Speaker. My question is to the Minister of Education. In view of the minister's announcement yesterday of the 9 per cent increase in per pupil grant, is it the minister's intention that this 9 per cent be considered

as a guideline for trustees to use in salary negotiations presently under way with teachers?

MR. HYNDMAN:

In no way, Mr. Speaker, does the percentage which I indicated yesterday have a relationship to what trustees should use in respect of collective bargaining. The trustees, if they are following their obligations and doing their jobs, will properly reflect at the bargaining table the commitments, or otherwise, of people and taxpayers in their communities to education and to young people.

MR. GRUENWALD:

A supplementary, Mr. Speaker. Can the minister tell us what criterion was used in establishing the 9 per cent? Was it done in consultation with the school trustees?

While you are up, could you also indicate whether private schools in this province will enjoy the 9 per cent increase in their per pupil grant?

MR. HYNDMAN:

Certainly the views of school trustees were received on this matter, both at their annual convention recently and through their executive.

On the second question, Mr. Speaker, this is separate and distinct from the financing of public and Catholic schools in the province. We have under review the method of financing and the dollar amounts which are going to independent schools in the province, with a view to having further information on that subject when the budget is forthcoming.

MR. GRUENWALD:

A further supplementary, but this time directed to the Minister of Advanced Education. Will the colleges, universities, NAIT and SAIT also enjoy the 9 per cent increase in their grants?

MR. FOSTER:

Well, Mr. Speaker, as the hon. member may be aware, we are currently discussing with the officials of treasury and with my cabinet colleagues the question of a budget for the following year. I am doing my best to ensure that a high standard is maintained in advanced education, as I know my colleague in education is doing. The fighting is sometimes tough, Mr. Speaker, but that is my job and I will be very pleased to discuss the results at budget time, sir.

MR. SPEAKER:

The hon. Member ...

MR. GRUENWALD:

A further ...

MR. SPEAKER:

Possibly we could come back to this topic. We have a number of questioners waiting.

The hon. Member for Sedgewick-Coronation followed by the hon. Member for Calgary Bow.

Manpower Shortages - Engineers

MR. SORENSON:

Mr. Speaker, my question is to the hon. Minister of Manpower and Labour. Is the minister aware of the apparent shortage - some estimates run as high as 200 - of professional petroleum and mineral engineers in the province?

DR. HOHOL:

Mr. Speaker, we are both generally and somewhat specifically aware of the real and the anticipated shortages in manpower in Alberta in the years to come.

MR. SORENSON:

A supplementary to the minister. Could the minister indicate to the House what is being done to assure that such a shortage does not exist?

DR. HOHOL:

Mr. Speaker, discussions with my colleagues, the hon. Minister of Industry and Commerce, the Minister of Advanced Education and cabinet and caucus generally, and with industry and the university people, are such that we understand the problem. We are trying to get information to young people and others who may have decisions with respect to entry into post-secondary and advanced education so that they know, as fully as possible, all information having to do with occupations, with the trades and professions, as they exist today and as Alberta will need them in the future, so that any decisions they make are made with the fullest possible knowledge of the circumstances as they relate to that particular occupation.

Mineral Engineering - University of Alberta

MR. SORENSON:

A supplementary to the hon. Minister of Advanced Education. What is the reason for the government's decision not to provide the University of Alberta with sufficient funds for additional research and teaching in the Department of Mineral Engineering?

MR. SPEAKER:

May I respectfully suggest to the hon. member that the question is a debating question which invites further debate and does not come within the ordinary scope of the question period.

MR. NOTLEY:

Can the Minister of Advanced Education advise the Assembly whether it is true that the department turned down ...

MR. SPEAKER:

Order please. If the hon. member wishes to ask a question directly that may be in order, but the question period is not intended for the confirmation or denial of rumours wherever they may appear.

The hon. Member for Calgary Bow followed by ...

MR. NOTLEY:

Can the hon. Minister of Advanced Education advise the Assembly whether or not the government turned down a request for additional funds by the Department of Mineral Engineering at the University of Alberta?

MR. POSTER:

No, Mr. Speaker, the Department of Advanced Education did not turn down, did not deny, the additional funding requested by the department of the university to which the hon. member referred. That is the subject of a discussion between myself and my officials and the university authorities next week.

I may take just a moment, Mr. Speaker, and say that in this case a proposal was made for something like three-quarters of a million dollars. In my reply to the university officials I indicated that we could not accommodate it at the time the request was made but we would be happy to consider it in the latter part of this year, right about now or early in 1974. So there has been no decision on the subject and certainly it has not been turned down.

MR. CLARK:

Supplementary, Mr. Speaker, to the Minister of Mines and Minerals. Mr. Speaker, has the Department of Mines and Minerals endorsed the proposal from the University of Alberta dealing with the extension in the field of mineral engineering?

MR. DICKIE:

Mr. Speaker, we have had consultation with my colleague, the Minister of Advanced Education, on the question.

MR. CLARK:

Perhaps the minister didn't understand it. Is it not true that the officials of your department have supported the ...

MR. SPEAKER:

Order, please. Order, please.

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

Foreign Investment Committee

MR. WILSON:

Mr. Speaker, I'd like to direct a question to the hon. the Premier. Can the Premier advise if he or any cabinet minister has encouraged the delaying of the work of the Foreign Investment Committee?

MR. SPEAKER:

The hon. member is referring to a committee of this Legislature. There is some question whether his question is in order. He is really, in that event, asking the hon. Premier to confess to an impropriety. But if the hon. Premier wishes to deal with the question, perhaps he should do so in view of the innuendo in the question.

MR. LOUGHEED:

Mr. Speaker, the answer to the question is no.

MR. HYNDMAN:

Supplementary, Mr. Speaker, on a point of order, I think it might be noted that some weeks ago, in October, the chairman of that committee asked for an extension of time to report till the spring. A motion was put forward that he be given that time and the committee be given that time, and to my recollection it was passed unanimously. That was a debatable motion. I don't believe there was any debate at that time.

MR. LUDWIG:

On a point of order, Mr. Speaker, the hon. Government House Leader did not debate a point of order, but stated a fact and I would ...

MR. SPEAKER:

Order, please.

MR. LUDWIG:

I would also wish to debate the point of order that it is quite obvious, Mr. Speaker, that the government is not going to bring in a report as long as it can ...

[Interjections]

MR. SPEAKER:

Order, please. Order, please. The hon. member is going beyond the point of order with which he was taxing his colleague on the other side.

MR. WILSON:

Supplementary question, Mr. Speaker, to the hon. the Premier. Can the Premier advise if the regular absence of the appointed cabinet minister at Foreign Investment Committee meetings indicates the low priority of government thrust ...

MR. SPEAKER:

Order, please. Order, please.

The hon. Member for Hanna-Oyen followed by the hon. Member for Camrose.

Coal Freight Rates

MR. FRENCH:

Mr. Speaker, my question is to the Minister of Industry and Commerce. What is the current status in the negotiations with Ottawa regarding reduction of freight rates for shipment of Alberta coal to eastern Canadian markets?

MR. PEACOCK:

Mr. Speaker, I think we have answered that in the House. We stated that there was a meeting of the four western ministers, along with the federal Minister of Transport on December 13 in Winnipeg, at which time the decisions in regard to cost disclosure and some 22 anomalies that were brought up in the WEOC conference in Calgary in July would be resolved, amongst which was the coal movement cost from Alberta east as well as west.

Coal Development

MR. FRENCH:

Supplementary question, Mr. Speaker, to the Minister of Mines and Minerals. Has the minister received any indication to date that there is a definite increased interest in developing Alberta's coal industry?

MR. DICKIE:

Yes, Mr. Speaker. I think in talking to members of our department who have followed it for a number of years, I'd say that over the last, perhaps even six months, there has been considerably more interest than has been shown in the past.

MR. LUDWIG:

Supplementary, Mr. Speaker.

MR. FRENCH:

I have another supplementary question, Mr. Speaker. Would the minister indicate to the House which companies have contacted the government with definite proposals? Could he table a list of the companies?

MR. SPEAKER:

Possibly that's a question which the hon. member might wish to put on the Order Paper.

The hon. Member for Calgary Mountain View with a supplementary.

Coal Royalties

MR. LUDWIG:

Yes, I have, to the hon. Minister of Mines and Minerals. In light of his answer that there is increased interest in coal purchases in Alberta, is the government considering revising the royalty rate upward?

MR. DICKIE:

Mr. Speaker, there is a study going on now about revision of the coal royalties. However, I think we've advised the members of the House that because of the view of some of the members of the opposition we should leave the coal royalty for some time. We felt that perhaps the appropriate time to look at the royalty in depth would be after we had received the report we are expecting from the Energy Resources Conservation Board on the coal reserves and also on the Crump Commission.

I would say, Mr. Speaker, the question of the royalty on coal is under review. It will be extensively reviewed, however, after the further reports have been received.

MR. SPEAKER:

The hon. Member for Camrose followed by the hon. Member for Macleod.

MR. STROMBERG:

Mr. Speaker, my question has already been asked by the Member for Little Bow.

MR. SPEAKER:

The hon. Member for Macleod followed by the hon. Member for Wetaskiwin-Leduc.

Crude Oil Prices

MR. BUCKWELL:

Mr. Speaker, my question is to the Minister of Federal and Intergovernmental Affairs. In the minister's discussions with Ottawa in which the pricing of domestic crude was set on the basis of free international market prices, what limit, if any, was set on the upward movement of prices?

MR. GETTY:

Mr. Speaker, there was not a limit set on the upward movement of prices other than the position that has been stated by the Premier on television - and it has been stated in other places - that the Government of Alberta would like to see the crude oil owned by the people of Alberta sold at a fair market value established by world market conditions.

MR. BUCKWELL:

Supplementary, Mr. Speaker. Has the Government of Alberta placed a definite proposal before the Government of Canada as to any provisions for gradual price increases?

MR. GETTY:

We have discussed, Mr. Speaker, a kind of a phased-in type of price increases, that was also suggested by the Premier publicly and which seemed to hold a great deal of favour with the federal government once it was suggested. That matter has been explored further with the federal government.

MR. NOTLEY:

Mr. Speaker, a supplementary question to either the Minister of Federal and Intergovernmental Affairs or the Premier. Could the Minister of Federal and Intergovernmental Affairs advise the Assembly what the time frame was for the phasing-in of prices?

Further, while I'm on my feet, I believe the Premier suggested that as to the free price in Montreal, they wanted to wait until they saw what the price settled down to. Again, is there any time frame on that?

MR. LOUGHEED:

Mr. Speaker, with regard to that matter, first of all we felt that the position was that there had been a commitment by the federal government to eliminate the price freeze on Alberta crude on February 1, 1974. Whether that will proceed or not I am not, at this particular point, prepared to say although we're expecting information momentarily in that regard.

What we have said is that we, as a province owning the majority of the resource, have been prepared to enter into meaningful discussions with the federal government as to a staging-in of the price increase and as to an eventual position with regard to what the prices would be in terms of fair value.

Having regard to counter-proposals from the federal government to balance the equities in terms of confederation, we take the view that beyond taking that position, that the obligation - because the matter was initiated by the federal government, Mr. Speaker - is on the federal government to make a proposal both in relationship to the timing of the staged increases and also as to some balance of the equities that are involved.

The matter, I'm sure, will develop over the coming months and will be a subject for discussion at the National Conference on Energy by first ministers, probably before it is ultimately resolved.

MR. SPEAKER:

The hon. Member for Wetaskiwin-Leduc followed by the hon. Member for Spirit River-Fairview.

Hog Marketing - Price Pooling

MR. HENDERSON:

Mr. Speaker, I'd like to address a question to the Minister of Agriculture. I wonder if he could advise the House as to whether the government is contemplating action to bring about the pooling of prices, either on a daily or weekly basis, of hogs that are marketed within the province by the Alberta Hog Marketing Board?

DR. HORNER:

Mr. Speaker, that matter has been of some concern. On a prior occasion I asked the Hog Marketing Board to hold a referendum among their members with regard to the question of daily pooling of prices. At that time it was turned down by the producers. I'm asking the board in the near future to hold another referendum because I don't think we can get stability in the hog market area until we get that daily average.

MR. HENDERSON:

Mr. Speaker, a supplemental, if it's not contrary to any confidentiality on the part of the Hog Marketing Board. Can the minister advise the House as to when the referendum was taken and roughly what the results of the referendum were?

DR. HORNER:

It was taken approximately a year ago and at that time it was narrowly defeated by the members.

MR. SPEAKER:

The hon. Member for Spirit River-Fairview followed by the hon. Member for Lethbridge East.

Canadian Wheat Board

MR. NOTLEY:

Mr. Speaker, I'd like to direct my question to the hon. Minister of Agriculture.

In the light of the current controversy surrounding the future of the jurisdiction of the Canadian Wheat Board, my question to the minister, Mr. Speaker, is, has the Government of Alberta developed a policy as to the jurisdictional role of the Canadian Wheat Board on one hand and the private market on the other?

DR. HORNER:

Mr. Speaker, the premise of the hon. member's question is in serious doubt, because I don't think anybody is trying to undermine the working or the machinery of the Canadian Wheat Board.

The Canadian Wheat Board, of course, has an obligation to the farmers of western Canada to be their sales agent in relation to all grains that are registered with it under federal and provincial legislation. I think that's pretty clear-cut, Mr. Speaker, and I really don't understand what the hon. member is trying to get at, other than that it's absolutely essential we have an equal and fair feed-grain policy in Canada and have it very shortly.

Feed-Grain Policy

MR. NOTLEY:

Mr. Speaker, a supplementary question to the hon. Minister of Agriculture. Can the Minister of Agriculture advise the Assembly what the position of the government of Alberta is with respect to feed-grain policy when the interim feed-grain policy expires in summer, i.e. does the Government of Alberta support feed-grain going on the open market?

DR. HORNER:

Well, Mr. Speaker, I made a number of public statements with regard to that but if the Chair will allow I will briefly run over the feed-grain policy of the Province of Alberta as outlined by myself on previous occasions.

[Interjections]

MR. SPEAKER:

Possibly ...

SOME HON. MEMBERS:

Agreed.

MR. SPEAKER:

There appears to be unanimous agreement for the hon. minister to make his statement.

DR. HORNER:

Mr. Speaker, very frankly, there are five points that we feel are important in a feed-grains policy that would be fair and equitable to all people in Canada.

(1) We have to have access to a supply of feed-grains for our livestock industry.

(2) We have to have a guaranteed supply for our livestock industry.

(3) There has to be a price. For a long time this fall, Mr. Speaker, a lot of the uncertainty was just that. There was no price set and nobody knew whether they should sell, and nobody at what to buy. We now have that off-board price that at least has been set.

(4) If we're going to have a fair and equitable feed-grains policy in Canada, then we'd better start looking at the other inequities, and that means the immediate removal of feed-freight assistance and an immediate levelling of the freight rates on processed meat going into eastern Canada. That's absolutely essential if we're going to have a fair policy.

(5) If you don't expect the farmers of western Canada to subsidize all of Canada and the national cheap food policy, then the federal government should be required to pay into the pools - I mean the grain pools run by the Wheat Board - the difference between the off-board price and the export price, that will be Thunder Bay or Vancouver.

Essentially, with these basic five things, Mr. Speaker, we can develop an equitable and a fair feed-grains policy in Canada and we are hoping that the federal government will move.

MR. NOTLEY:

Mr. Speaker, a supplementary question for clarification. In the light of the minister's answer then, does that mean that the Government of Alberta would be opposed to putting feed grain on the open market at the expiry of the present interim feed-grain policy?

MR. SPEAKER:

The hon. member is essentially repeating his former question.

MR. NOTLEY:

Well, he didn't answer it.

AN HON. MEMBER:

Give up.

DR. HORNER:

Mr. Speaker, I might also say for the hon. member's edification that the stand that Alberta has taken has now been backed by the Saskatchewan Wheat Pool and the Government of Saskatchewan.

MR. SPEAKER:

The hon. Member for Lethbridge East followed by the hon. Member for Clover Bar.

Crude Oil Revenues

MR. ANDERSON:

Mr. Speaker, my question is to the Minister of Mines and Minerals. I would like to know who would have obtained additional revenues from Alberta crude in view of the increasing prices on export markets if the federal government had not introduced an export tax?

MR. SPEAKER:

The hon. member's question is clearly in the nature of debate and would invite further debate at a time when the Chair is not allowed to permit debate.

MR. LUDWIG:

Mr. Speaker, a supplementary to the hon. Minister of Agriculture with regard to his using the authority of Saskatchewan support of his policy.

MR. SPEAKER:

Is the hon. member purporting to ask a supplementary to the last question?

The hon. Member for Clover Bar followed by the hon. Member for Calgary McCall.

MR. LUDWIG:

I wanted to ask the hon. Minister of Agriculture a supplementary question. What was wrong with that?

MR. SPEAKER:

We have left that topic. Otherwise there could be supplementary questions going back to the very first question that was asked this afternoon.

MR. LUDWIG:

Mr. Speaker, on a point of order, that has been done in the past where you don't get a supplementary and you can come back to a previous question. That has been done regularly and is done everywhere.

MR. SPEAKER:

I am afraid that under the circumstances the hon. member would have to ask his question with the main question.

MR. LUDWIG:

I will do that.

MR. SPEAKER:

The hon. Member for Clover Bar followed by the hon. Member for Calgary McCall.

Fort McMurray Housing

DR. BUCK:

Mr. Speaker, I would like to address a question to the hon. Minister of Municipal Affairs. I would like to know, Mr. Speaker, if the minister can inform the House what specific steps his department is taking to help solve the housing problem in Fort McMurray.

MR. RUSSELL:

Mr. Speaker, with respect to the department, they have, of course, been responsible for some of the initial planning to date. More of the current work has been done by the Alberta Housing Corporation and they are presently responsible for the planning of two residential neighbourhoods, an industrial park and a mobile home park.

They are also acting - they being the Alberta Housing Corporation - as a developer and are marketing lots just as quickly as they can. I should say there are at the present time in excess of a dozen houses under construction, or permits taken out in the first of the two new subdivisions. So we are finally able to say that there are actually houses under way.

DR. BUCK:

A supplementary, Mr. Speaker. Can the hon. minister inform the House if the Alberta Housing Corporation has Crown land in its possession that can be used to cut down the cost of land speculation?

MR. RUSSELL:

Mr. Speaker, every attempt has been made to use Crown land wherever possible. I think the hon. member can appreciate, when you move into a town that has been there for many years, some of the land that is suitable for development has been held by private parties for many years. Other than an attempt to get them to agree to develop with the government or its agencies, or else sell at a reasonable price to the Alberta Housing Corporation, there is not much more we can do. But we certainly subscribe to the idea of the control of land ownership in that area being maintained by the Crown.

DR. BUCK:

Supplementary, is the minister saying then that they do not have a land-bank scheme in the area?

MR. RUSSELL:

If I understand the hon. member's question, Mr. Speaker, they have a very substantial land-bank for both industry and for housing. It would be the intention of the government to maintain that position.

MR. SPEAKER:

The hon. Member for Calgary McCall followed by the hon. Member for Calgary Mountain View.

Alberta Housing Corporation Director

MR. HO LEM:

Mr. Speaker, I would like to direct a question to the hon. Attorney General. Could the minister advise this House whether there were requests made to the minister or to the members of the minister's department to dispose of or destroy the police report which dealt with the matters leading up to the firing of the director of the Alberta Housing Corporation?

MR. LEITCH:

Mr. Speaker, let me quickly put at rest any assumption that the hon. member puts into his question, to the effect that there were reports which had anything to do with the firing of the director of the Alberta Housing Corporation. That is just an unfounded assumption,

With respect to the second branch of his question which would perhaps also be of questionable propriety, Mr. Speaker, as we have said publicly, there was an investigation carried out by the police force roughly a year ago now as a

result of a complaint to them by a private citizen. So far as I am aware, all the information gathered at that time is still available and there has certainly been no request, that I am aware of, to destroy any of that information.

MR. SPEAKER:

The hon. Member for Calgary Mountain View followed by the hon. Member for Highwood.

Ottawa Office

MR. LUDWIG:

Mr. Speaker, since the hon. Minister of Highways is not in his seat, I will direct my question to the hon. Minister of Federal and Intergovernmental Affairs. Is he advertising for staff in the Alberta office in Ottawa?

MR. GETTY:

Mr. Speaker, I haven't checked whether an advertisement is currently outstanding or not, but I do know that we have been looking for an additional person in that office.

MR. LUDWIG:

Mr. Speaker, is it likely that advertising for staff in his office in Ottawa may be conducted without the minister's knowledge?

MR. SPEAKER:

Surely the minister can't answer what's happening without his knowledge unless he is ... [Inaudible] ...

MR. LUDWIG:

I would like to just state that the minister sometimes can't answer ...

MR. SPEAKER:

Order please. Order please.

The hon. Member for Highwood followed by the hon. Member for Wainwright.

Energy Transportation Policy

MR. BENOIT:

My question, Mr. Speaker, pertains to the transportation of energy and I am not certain what minister to address it to, whether it's Industry and Commerce or Mines and Minerals.

Considering the need for getting our resources to the marketplace as soon as possible, would the minister indicate when this Legislature can expect a comprehensive statement or position paper on the government's policy on energy transmission and transportation?

MR. LOUGHEED:

Mr. Speaker, I wonder if the hon. member could be perhaps more specific as to whether we are talking about natural gas, crude oil, synthetic crude oil or coal, or what form of energy we are referring to?

MR. BENOIT:

Primarily gas and oil, natural gas and oil.

MR. LOUGHEED:

Mr. Speaker, the situation with regard to crude oil at the moment is that the capacity of Alberta in terms of production is at this day being strained in order to meet the requirements of Canada, as a result of the failure of national policy to construct a Montreal pipeline.

We are in fact shipping out of Alberta wells by way of production more, slightly more, and doing some reservoir damage in the interests of Canada by way of production of crude oil, and all that we are producing is being shipped. The

difficulty is that even if one were able to produce more and ship more to eastern Canada, it would not help to solve the problem. Because the problem is the lack of a distribution system for taking the crude oil from the Sarnia-Toronto area into Montreal where it is required.

In terms of natural gas, the problem is not one of a distribution system. The problem in natural gas is that this government has taken the position that I have dealt with in the Legislative Assembly this week, that although there is capacity for distribution, although there are needs that are surplus to requirements ...

MR. SPEAKER:

With respect, the hon. member's question, as the Chair recalls it, was when a comprehensive statement might be expected on this point. Possibly the hon. Premier would like to deal with that aspect.

MR. LOUGHEED:

Mr. Speaker, I think I was just in the process of concluding regarding natural gas and if ...

MR. BENOIT:

A supplementary, Mr. Speaker, if I may, phrasing it briefly another way. Is there a general, overall transportation policy being prepared or proposed or considered at this time? Or is that not being considered at all?

MR. LOUGHEED:

Mr. Speaker, again that question requires an answer in some scope, because in the question period we have already dealt with the matter of the solid pipeline in terms of the matter of coal. I think it is quite clear that we have in existence, as far as the Alberta government is concerned, and within our jurisdiction, a distribution system that is adequate. There will be some additions that may be required relative to the synthetic crude oil production in the Alberta oil sands.

MR. TAYLOR:

Mr. Speaker, on a point of order, could we not have unanimous consent to permit the Premier to conclude his statement? I think it is a very important statement.

MR. SPEAKER:

The question which the Chair would have to ask then is, whether it would also be the unanimous wish of the House that the time limit for the question period be extended. We still have about three members who wish to ask questions and under the circumstances would the hon. Premier wish to elaborate further on the ... [Inaudible] ...

MR. DIXON:

Mr. Speaker, I wonder if I could ask the hon. Premier a supplementary question, and he can answer it at the same time because it's very vital to Alberta now in the gas export question. What is happening, Mr. Premier, through the Chair, to the gas contracts that were held by Westcoast Transmission, which have now been turned over to the B.C. Gas Purchasing Board - to the gas that is being taken from the Worsley field in northwestern Alberta?

MR. LOUGHEED:

Mr. Speaker, perhaps I could just briefly conclude with the question raised by the hon. Member for Highwood, which I was in the process of doing, and then refer that last question to the Minister of Mines and Minerals.

The position with regard to natural gas, in terms of production, is that we have reports by the Alberta Energy Resources Conservation Board, that there is gas surplus to Alberta's requirements based on a 30 year assessment for present and future needs. There is, however, the interim report that was tabled in this Legislature on Monday, where the Alberta Energy Resources Conservation Board has expressed some concern about that particular position. Hence it is going to have a final report after a further hearing and that raises the matter that the Member for Clover Bar raised yesterday in debate: whether or not the future

needs of Albertans are adequately met by that policy. We are awaiting that report.

Concurrently with that, we are taking the position we have expressed and reiterated that as a government we do not propose to authorize under The Gas Resources Preservation Act, [that] any further gas, not one cubic foot of extra natural gas, [goes] out of this province until we are satisfied that we are going to get fair value for it. So the problem isn't the distribution system, the problem is one of a combination of reserve requirements for the future, and value for the resources that leave the province.

Perhaps I could refer the other question to the Minister of Mines and Minerals.

MR. DICKIE:

Mr. Speaker, in respect to the question by the hon. Member for Calgary Millican. As I understand the question, it dealt with the contracts by Westcoast Transmission that would, in effect, relate to Alberta and as a result of the action by the British Columbia Petroleum Corporation taking over those contracts.

Mr. Speaker, I'm not sure that I can be quite as definite as the hon. member would like. On the information I have, there would be some 31 companies that have contracts involved. If those contracts are assigned they must have obtained approval from the Energy Resources Conservation Board. At this time we have no information that they have made application for approval of assignment of those contracts. Other than endeavouring to contact those 31 companies, it would be difficult to say specifically what action is proposed.

MR. SPEAKER:

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

Crop Insurance Program

MR. RUSTE:

Mr. Speaker, my question is to the Minister of Agriculture and has to do with crop insurance and the emergency crop assistance program. What was the reason for changing the qualifications for emergency crop assistance as it relates to the taking out of a crop insurance contract?

DR. HORNER:

Mr. Speaker, we ascertained that the crop insurance commission would not be in a position to let farmers know, in fact, what premium they would be charging for the next crop year. I felt it very unfair to ask farmers to buy a program for which they wouldn't know the cost to them.

MR. RUSTE:

A supplementary question, or questions. What percentage of the farmers of Alberta held crop insurance in 1973, and secondly, is it the intention of the government to require the farmers of this province to carry crop insurance coverage in 1974?

DR. HORNER:

The second question perhaps is a more proper question, Mr. Speaker. It is not our intention to compel farmers to carry crop insurance.

Recent meetings in Ottawa with the federal crop insurance people have just been concluded and I'm hoping for a report from the commission so that we can institute a different type of insurance and hopefully get the kind of coverage that farmers will voluntarily accept and that we can then expand to coverage which - and I'm speaking from the top of my head now - around 21 per cent.

MR. SPEAKER:

The hon. Member for Calgary Millican followed by the hon. Member for Medicine Hat-Redcliff.

Natural Gas Pricing

MR. DIXON:

Mr. Speaker, I'd like to direct a question to the hon. the Premier. It's regarding gas export again. Has the federal government expressed any concern about the present provincial government's stand of no export until the price goes up - having in mind the transmission line to eastern Canada - if there isn't enough supply to meet the demands?

MR. LOUGHEED:

Mr. Speaker, I think generally speaking on this issue of natural gas pricing, the federal government has expressed concurrence with the Alberta view regarding the fact that the prices for natural gas are generally too low in Canada. Certainly they confirmed that in their energy analysis of last June.

They have noted the remarks that I made in the Legislature on Monday and particularly the remarks that there could be a greater expansion of residential utilization for home heating by natural gas. If we could get a proposal from the eastern gas utilities involving the provincial and federal governments in that regard, we would find it most welcome.

MR. DIXON:

A supplementary question to the Premier. If - I shouldn't say "if" - the probability that TransCanada will not be able to fulfill its commitments because it has not been able to acquire gas, has the federal government given any indication that they will step in if their needs aren't met?

MR. LOUGHEED:

Mr. Speaker, we have no such indication. I would hope that we would be hearing from the gas utility companies directly if they face such a problem.

MR. SPEAKER:

The hon. Member for Medicine Hat-Redcliff.

Coal In Power Plants

MR. WYSE:

My question, Mr. Speaker, is to the hon. Premier. In the Premier's reply to a question, I believe it was on Monday last, he made reference or alluded to, Medicine Hat and Lethbridge and the possible phasing-in of coal for use in power plants. My question is, is it government policy to request these two cities to phase-in, over a period of time, the use of coal in their generator plants?

MR. LOUGHEED:

Mr. Speaker, no. That would be a misinterpretation of what I was saying. It was a recognition that the area is using natural gas for electric generation and that we are involved in general pressures which are going to have an upward movement on the pricing of natural gas. So we would anticipate having discussions with the two city administrations with regard to the impact and consequences of that.

MR. WYSE:

One supplementary question then. The government will not interfere with new construction of plants?

MR. LOUGHEED:

Mr. Speaker, I don't know that the word "interfere" would be the right word. We certainly will be doing a review and an assessment with them as to their future needs in terms of electric generation. We, at the same time, will be discussing with them the desirable sources for such generation.

MR. SPEAKER:

We have run over the time for the question period to a slight extent.

With regard to the very important matters raised in the questions addressed to the hon. Deputy Premier and the hon. Premier, I wonder if the hon. members

might wish to consider whether, in the event of such exceptionally important topics being raised, the questioner might invite an hon. minister - or ask an hon. minister - whether he would like to make a statement on Orders of the Day or whether the House might give its unanimous consent that such a statement be made during the question period. In that event the Chair would be glad to receive some guidance from the House and perhaps some suggestions from the House leaders whether a corresponding extension should be made of the question period.

It is not a welcome thing at all for a Speaker to have to intervene in such an important matter. I very much dislike doing it. On the other hand, the rules are there and I am bound by them unless hon. members absolve me from following them.

ORDERS OF THE DAY

MINISTERIAL ANNOUNCEMENTS

Department of the Provincial Treasurer

MR. MINIELY:

Mr. Speaker, a great deal of inaccurate communication and misunderstanding has occurred with respect to the condition in subparagraph (b) of Clause (g) paragraph 21 in the original Alberta-Syncrude letter of intent, namely, Mr. Speaker, the deductibility of the Crown's royalty for income tax purposes from the industry participant's income.

It should be made clear that no tax concession was asked for and there never was any question regarding the deductibility of the royalty designed by the Alberta government under existing federal income tax legislation.

The problem was solely that the Minister of Finance, Mr. Turner, felt that the Alberta-Syncrude letter of intent and the royalty based on income might not meet the spirit and intention of tax reform or future tax legislation, in that it is the present intention not to allow royalties based on income as deductions, commencing with 1976 and subsequent years.

Meetings and discussions between myself, my colleague, the Minister of Federal and Intergovernmental Affairs, and the federal ministers of Finance, and Energy, Mines and Resources have resulted in a successful conclusion. By altering the letter of intent between Alberta and Syncrude to provide for the Crown's share and ownership of resources to be obtained through a joint venture arrangement, the people of Alberta will receive the identical share of profits as announced in the former agreement.

I am pleased, therefore, to report, Mr. Speaker, to the House that the profit-sharing arrangement to the people of Alberta, as owners of the resource, remains the same, and all other rights of the Crown have been preserved. Syncrude has received rulings from the Minister of Finance and the Minister of National Revenue for Canada to this effect. We have also received a letter from Syncrude Canada Ltd., indicating that this condition no longer stands in the way of this tremendous Alberta development proceeding. I believe that my colleague, the Minister of Mines and Minerals, will be reporting to the House on the pricing conditions shortly.

MR. CLARK:

Mr. Speaker, in response to the announcement made by the Provincial Treasurer, might I say that we on this side of the House are pleased that the roadblock dealing with the profit-sharing aspect of the Syncrude agreement has been worked out with the federal government.

Might I just re-emphasize the point that we have made on numerous occasions, and we'd hope you keep this in mind in the future. In future it would seem very wise if you had this kind of consultation with Ottawa before the announcement rather than after. But we are pleased the matter has been worked out.

The Office of the Premier

MR. LOUGHEED:

Mr. Speaker, I thought that members of the Legislative Assembly would be interested to know that in the last few minutes I have just received a

communication from the Prime Minister suggesting dates for first ministers to meet to discuss matters regarding energy in Ottawa on January 22 and 23.

As hon. members will recall, we quickly joined with the suggestion last April of Premier Davis that such a national conference of first ministers would be desirable and in the public interest at that time, and we reaffirmed that position at the meeting of premiers in Charlottetown during the month of August. We are now pleased that that meeting will proceed. Although the time will be short in terms of preparation, we certainly feel that the dates can be proceeded with and we will, in fact, do our best to get ready to represent the people of Alberta on those dates.

MR. CLARK:

Mr. Speaker, in light of the comments made by the Premier, I'd like to ask the Premier if this, in fact, will be an open conference or will it be a closed conference?

MR. LOUGHEED:

Mr. Speaker, I can't answer that question at the moment. It is not specifically referred to in the communication from the Prime Minister. The request we've made is that it be an open conference, but I don't think the matter has been resolved as yet. I might be in a position to report to the House on that point before we finish our business here in December.

QUESTIONS

287. Mr. Ludwig asked the government the following question:

What are the names of agricultural societies established in Alberta since September 10, 1971, and the amount of financial assistance which has been made available to each society?

DR. HORNER:

We accept the question, Mr. Speaker, and I table the answer.

288. Mr. Notley asked the government the following question:

1. How much money was made available, by way of grants or other assistance, to cultural organizations in the province between January 1 and November 15, 1973?
2. What is the criteria used to allocate grants or assistance?
3. What groups received grants and/or assistance and, in each case, how much?

MR. SCHMID:

Mr. Speaker, I accept the question.

289. Mr. Clark asked the government the following question:

1. How many exploration wells have been drilled in the Suffield Block up to December 1, 1973?
2. What has been the cost of drilling each well up to December 1, 1973?
3. What have been the findings or results of the drilling of each well as of December 1, 1973?

MR. DICKIE:

Mr. Speaker, I accept the question and would like to table the answer.

291. Mr. Clark asked the government the following question:

What are the names of all the companies which have been retained to do public relations work for the Government of Alberta, its agencies or boards

from January 1, 1973 to December 1, 1973, and the location of the head office of each of the firms mentioned?

MR. GETTY:

We accept the question, Mr. Speaker.

292. Mr. Taylor asked the government the following question:

1. How many teachers were employed in the Public and Separate Schools in Alberta on September 30, 1973?
2. How many of these teachers actually taught one or more classes?
3. How many were employed for administration work only?
4. What is the average teacher/pupil ratio based on the number of teachers that are actually teaching and excluding those who are on staff for administration purposes?

MR. TAYLOR:

Mr. Speaker, in view of the fact that the information on items (1) and (4) will not be available till the end of the year, and the information on (2) and (3) is available only through school boards, I would like permission of the House to withdraw the question at this time.

HON. MEMBERS:

Agreed.

MR. SPEAKER:

I take it the hon. member has leave of the House to do so.

293. Mr. Notley asked the government the following question:

Re: Library Services Study

1. Is it the government's intention to resume the Alberta Library Study? If so, when will it be resumed?
2. Does the projected completion date of early summer, 1973, still apply? If not, when will the study be completed?
3. What is the expected total cost of the study?
4. What was the expected total cost of the original proposal of the Library Association of Alberta?
5. What amount of money was the firm of L.W. Downey Research Associates Ltd. offered under the terms of the original agreement with the Government of Alberta?
6. What amount, if any, did Mr. Downey receive over and above the amount stated in the original proposal?
7. What qualifications, in the government's view, did the firm of L.W. Downey possess such that it was chosen to do the study?
8. Did the Advisory Committee to the Library Study give a vote of confidence to the project in November, 1973?

MR. SCHMID:

Mr. Speaker, I accept the question.

MOTIONS FOR A RETURN

285. Mr. R. Speaker proposed the following motion to the Assembly, seconded by Mr. Wilson.

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

Information about the Vocational, Rehabilitation and Research Institute, Calgary, also Industrial, Research and Training Centre, Edmonton and Advance Industries, indicating for each of the past five years:

- (1) the yearly operational costs,
- (2) the source of all funds and methods of obtaining same (not just C.A.P. but all inputs, for example LIP grants and donations),
- (3) the number of applicants, total served each year and total currently on waiting list,
- (4) the number of staff, including part time and those on special grants (example, LIP and federal grants, etc.),
- (5) the number of full time administrators and the number of administrators working part time on university payroll, I.R.T.C. payroll, or both,
- (6) the number of clients transferred from Red Deer,
- (7) the number of university students working on part time and/or training at the V.R.R.I., and the number of university faculty and students engaged in externally supported research at the V.R.R.I.,
- (8) the type of research carried on at V.R.R.I. by project numbers (rehabilitation, preventative, etc.),
- (9) the number of former trainees now in employment outside V.R.R.I. full time (part time), rate of pay of individuals, job locations and employers by name,
- (10) the number of trainees employed at V.R.R.I. and rates of pay, and costs of operation per client,
- (11) the number of persons in attendance at V.R.R.I. each year since inception,
- (12) the type of contracts for manufacturing, the costs of manufacturing, including overhead and labour, and sales costs,
- (13) How many trainees are or were employed by these contracts?

MR. R. SPEAKER:

Mr. Speaker, I would like to move Motion for a Return No. 285 that stands in my name and in so doing at the direction of the House I have had discussions with the hon. minister. I believe that he has an amendment to propose to that motion which meets with my agreement and I certainly hope it will meet with the agreement of the Assembly.

MR. CRAWFORD:

Mr. Speaker, I'd like to move the amendment to Motion for a Return No. 285 in the following terms: by adding immediately after the colon following the word "showing", "That an Order of the Assembly do issue for a Return showing", the following words, "providing that consent be given by the following named institutions."

Mr. Speaker, just further to the remarks I made yesterday on the same subject, my only concern in providing the information was that the institutions were not provincial institutions but were operated by private societies.

[The amendment was carried.]

[The motion as amended was carried.]

286. Mr. Ho Lem proposed the following motion to the Assembly, seconded by Dr. Buck.

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

Copies of all documents and correspondence with and between the Minister of Municipal Affairs, Alberta Housing Corporation, the City of

Calgary, Calgary Housing Authority and Calgary Metropolitan Foundation, and the M.L.A. from Calgary North Hill, outlining the reasons and statistics for the selection of the new lodge site for the City of Calgary.

MR. HO LEM:

Mr. Speaker, I move Motion No. 286 standing in my name on the Order Paper.

MR. RUSSELL:

Mr. Speaker, I have an amendment to propose to that motion with the concurrence of the House. The purpose of the amendment is merely for clarification with respect to submitting information which the government may have or may be obliged to submit if this motion is passed. At present the motion asks, if it's interpreted literally, for correspondence that may have occurred between the City of Calgary and two other private agencies within the city, and, of course, we would have no way of tabling that kind of correspondence.

It also asks for the tabling of memoranda or correspondence that may have occurred between myself and another minister of the Crown. Of course, we would not agree to that.

I am proposing, seconded by the hon. minister, Mr. Crawford, that the motion be amended to read as follows, by striking out all the words after "correspondence" and substituting the following:

... between the Minister of Municipal Affairs or the Alberta Housing Corporation with the City of Calgary, Calgary Housing Authority and Calgary Metropolitan Foundation, outlining the reasons and statistics for the selection of the new lodge site for the City of Calgary.

[The amendment was carried.]

[The motion as amended was carried.]

290. Mr. Clark proposed the following motion to the Assembly, seconded by Mr. Ho Lem.

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

A copy of the document showing the provincial constituency breakdown of all the PEP and STEP money given to non-governmental groups, agencies, or private companies by the Department of Culture, Youth and Recreation, and the names of the projects involved.

MR. CLARK:

I move Motion 290 on the Order Paper in my name go forward.

MR. SCHMID:

Mr. Speaker, STEP and PEP programs are placed where there is a need for employment in any area of this province. We, especially in this department, emphasize employment of our young people of Alberta and this most successfully so; also, of course, to employ young people so they can gain work experience so if an employer asks them if they have just that, they can answer affirmatively.

Constituencies, in a program of this type, are completely irrelevant and no breakdown as to the constituencies exists.

I therefore move, seconded by the hon. Minister of Telephones and Utilities, that the words "provincial constituency" be deleted from the motion.

MR. CLARK:

Mr. Speaker, in speaking to the amendment moved by the minister, might I remind the Assembly that this form is used in the House of Commons when asking for federal programs, namely LIP programs, and programs of similar nature.

Might I also, Mr. Speaker, then ask the minister, if he is striking out "provincial constituencies", what is he prepared to use, or what is the government prepared to use as criteria? Are you looking at municipal boundaries?

MR. SCHMID:

Mr. Speaker, in reply to that question. Actually what we do when a STEP or PEP program is made up, we look at the census divisions as submitted to us by the unemployment statistics. By these statistics we determine whether or not a program should go forward in a certain census division, and the census divisions, of course, are the census divisions of the federal government.

[The amendment was carried.]

[The motion as amended was carried.]

GOVERNMENT BILLS AND ORDERS
(Second Reading)

Bill No. 94
The Mines and Minerals Amendment Act, 1973

MR. HARLE:

Mr. Speaker, when we adjourned last night I only had a few moments of debate left.

At that time I was pointing out the fact that the Leader of the Opposition was urging the Premier and the government to negotiate with the federal government on energy matters and that the government must get back to the bargaining table to get a large portion of the export tax. I was pointing out the inconsistency on the one hand of opposing the export tax, as he did in his contribution to this debate, and on the other hand asking for a share of it.

Our government was negotiating on energy matters and, as can be expected in any negotiations, the talks can break down. There are occasions when one party to the negotiations has to break off because they know they are right and they know they are on firm ground. That is what happened. The federal government had to admit it was wrong and this it did. As soon as that was done, negotiations were recommenced, not on determining a share of the export tax but on the whole area of oil and gas matters. Those negotiations and consultations have been continuing ever since.

And that, Mr. Speaker, leads me to my conclusion.

I was extremely interested, as I'm sure all members of this House were, in hearing what the Leader of the Opposition had to say to the people of Alberta and to this House on this important bill, especially in view of the fact that the health of one of our major industries depends on it.

But, Mr. Speaker, the Member for Olds-Didsbury opened his speech with a story. Even before he had started to tell it, the Member for Clover Bar gave him fair warning to be careful, but he pressed on.

AN HON. MEMBER:

Professional judgment.

MR. HARLE:

Mr. Speaker, I'm sure many of my constituents would think his story had a rather dubious point to it and it would have been better left untold.

Thank you, Mr. Speaker.

MR. DIXON:

Mr. Speaker, I wonder if the hon. Member for Stettler would permit a question. I was wondering where I could find the actual information where the federal government admitted that they were wrong.

MR. HARLE:

Mr. Speaker, it's my understanding that this appears in the debates in the federal House, and from my reading of them it is quite evident that that is the case.

DR. PAPROSKI:

Mr. Speaker, it doesn't happen very often, but as I rise to speak during this special energy session, and to follow the hon. Leader of the Opposition by one day - the leader of that opposition party that has been called the riddled party, as I understand, by some member of the Social Credit party - it gives me both sadness and pleasure. Sadness because, in fact, he, in his debate yesterday, offered very little challenge. As a matter of fact, I submit, Mr. Speaker and members of the Assembly, he offered nothing new that has not been considered. It gives me pleasure because he stated very little of any substance that has not already been incorporated in our discussion of our future action.

Mr. Speaker, it's amazing to me how off-base the hon. Leader of the Opposition can be. When he was talking about free enterprise he didn't even bring into consideration the combination of government participation and free enterprise which is certainly in tune with the present time. I recall yesterday, also, that he mentioned that Alberta will become the energy centre of Canada. Well, ladies and gentlemen, I suggest to you that Alberta, in fact, is the energy centre of Canada.

Mr. Speaker, with these remarks I have no intention of recapitulating all of the tremendous amount of information that is energized, from this side of House at least, but what I intend to do is to offer a perspective.

Mr. Speaker, on April 11, 1972, as recorded in Hansard, I indicated and I spoke on items dealing with overpopulation and overpollution. At that time, I indicated by my statements and by the record as it stands in Hansard that this planet and our world population are leading on a collision course with themselves.

Mr. Speaker, I was sincere in those statements then and I am sincere in these statements today. With these expressed concerns some 18 months has passed. The hon. Minister of the Environment has gone to Stockholm, and indeed at that conference I think the urgency of the matter was brought home very well.

In addition to that, Mr. Speaker, we now have an energy crisis, maybe artificial, but certainly real in some parts of the world. And I recall vividly how at that time, Mr. Speaker, some members of the Assembly thought this gloom and doom statement that I made - and I didn't make it because experts and scientists around the world made it - thought this was exaggerated. Well, Mr. Speaker, I would like to know now, after 18 months, after the Stockholm Conference and with an energy crisis that surrounds us - not in Alberta but in other parts of Canada and in the United States - whether, in fact, as many members of this Assembly truly believe, this problem of overpopulation, overpollution and an energy crisis is truly not a problem. I suggest it is.

Now, Mr. Speaker, to keep such a perspective, I think, is vital if we are to deal rationally with energy in Alberta, Canada and the world. It's certainly striking by example even when we drive around this city - where there is no energy shortage - to see Christmas tree lights not on as early and torches at hotels and motels turned off. I suggest to you that this is a sympathetic, an empathetic concern expressed by people, and this is good. Our province is youthful and the youth of this province certainly are sensitive to this. Ladies and gentlemen of the Assembly, certainly we are very cognizant of the fact that we have imminent rationing of gasoline in the United States and the resultant factors. I think this is a serious concern.

Mr. Speaker, my concern is exactly that. And this is the perspective, that this concern we have at this time will indeed be short-lived and that overproduction or abuse of overproduction and abuse of our natural resources will continue and, indeed, we may end up in a very difficult situation in a few years.

Frankly, the "energy crisis", in quotation, is at this moment probably artificially created, certainly in Canada. It is sad because of mismanagement, I would suggest, by the federal authorities, and I suggest and know that it is due to the federal authorities that in fact this so-called crisis exists.

But, ladies and gentlemen, overpopulation, overproduction, abuse of our resources indeed can lead us into greater difficulty in a very short while.

Therefore I refer again to my statements in Hansard in April, 1972. I stated very clearly that it's important that we as an Assembly - assemblies everywhere in Canada, and for that matter around the world - develop a new scientific, philosophical, religious and human goal to balance this environment and our aspirations regarding technology; in other words to keep man in harmony with nature.

With this perspective, Mr. Speaker, I would like to turn to energy, an item that is so timely and so important at this juncture. That item causes force and does work for man. Again, as a perspective as I speak, Mr. Speaker, fossil fuels, crude oil and natural gas are called the conventional hydrocarbons. They give us two-thirds of the energy for Canada. There are other sources of energy, the Athabasca oil sands, of course, and the heavy oils from the Cold Lake area in Alberta. These four items I have just mentioned give us a reserve in Canada of some 550 billion barrels.

Mr. Speaker, coal - and apparently three-quarters of it is in Alberta - in Canada gives us an equal amount of some 450 billion barrels of oil. So, Mr. Speaker, we have a reserve in Canada of approximately 1,000 billion barrels of oil equivalents. Now, according to some figures in the CPA report or yearbook, it has been indicated that in fact this reserve is only 500 billion barrels. It matters not. The important thing is that we have a substantial reserve for Canada and for Canadians, if that's all that really matters.

Fields currently producing contain some 10 billion barrels of oil and 53 trillion cubic feet of natural gas. Again this is largely in Alberta.

As I speak here, Mr. Speaker, I'm just trying to outline a perspective because these figures, to a lay person like myself, are difficult to even imagine. But the important issue here is that leading authorities tell us that with the current production of the items of oil and natural gas, it will last some 16 years for oil and some 24 to 30 years for natural gas in Canada. Leading authorities tell us that a decline will be evident in approximately 10 years and then we must go on to the new reserves of natural gas. Where? In the Arctic or in other Alberta fields. And again, oil - in other Alberta fields or in the Arctic or off the Atlantic coast, the tar sands, the heavy oil in Cold Lake, and so forth.

Again, a perspective. We need lead time. The time from the moment of decision to the moment of production takes some 10 to 15 to 20 years. This has been exemplified very well by the Arctic oil and natural gas which took some 15 years.

Mr. Speaker, another perspective regarding price and exports. Canada is a trading nation. We all know this. Canada's economy, growth and standard of living are dependent on exports. I suggest to you that an example of this, Mr. Speaker, would be the trans-mountain pipeline, which serves the British Columbia refineries, of course. But this would not have been built had it not been for the so-called Puget Sound market in the United States. Again, the dependency on export.

Export sales of petroleum products, and all products including agricultural products, in Alberta earn a foreign exchange and pay for the commodities we import.

Ladies and gentlemen of the Assembly, these are important items to us because we are a trading nation. These provide jobs, our standard of living and all those amenities that we require and are so used to. But like buying or selling anything, Mr. Speaker, it is obvious that it's necessary to have a fair price to obtain a fair price on the market. This is very important and we are striving to do this via this bill and other bills.

It is necessary to secure our supply - supply for not only Albertans, but for Canadians. It's necessary to do away with waste and abuse, and I'm sure that we are on this course with the able Minister of Mines and Minerals and the Minister of the Environment. It's necessary, Mr. Speaker, to maintain an incentive.

Now, Mr. Speaker, this is a special session of the Legislature to deal with just these issues. So, Mr. Speaker, as a Canadian, as an Albertan, as a citizen and as a representative of an average constituency, Edmonton Kingsway, in this province - and I'm sure this is true of probably of all of us here - I believe it is mandatory to deal with the very, very important issue as we are now.

As has been stated many times, Mr. Speaker, love makes the world go round, but it takes energy to push it. And there ...

[Laughter]

... and there is manpower and there is womanpower of course, and we need energy power - and thus, society. But, Mr. Speaker, all joking aside, with humans and the energy that we have indeed, this is the heart of our society.

This bill, as the bills that are going to be introduced, I am sure, to offer flexibility in the control and monitoring of these important items, is vital and essential.

Alberta's policy on energy I have no intention of recapitulating, except to briefly mention that security of supply is so vital and that flexibility indeed is offered in this bill: by increase or decrease of exploration by the incentives that could be produced; the flexibility for the incentives, as I just mentioned, and certainly the flexibility to obtain a fair market price for Albertans, Albertans first.

Now, Mr. Speaker, I feel it is necessary to obtain this flexibility of monitoring. It is not only necessary to have this because our resources are for Albertans first, and Canadians of course, second. It is necessary to have a balance between government participation, and this is what I was talking about when the hon. Member for Olds-Edsberry did not mention this. He was speaking of free enterprise as if it was in isolation.

It is necessary to have a balance between government participation with government guidelines and free enterprise, in other words, a partnership of benefits and incentives. And this partnership, of course, should include governments, peoples and companies. Government with the manager and the controller is Alberta first, and then other provinces and the federal government. People in partnership of course, Albertans first, and then other people in Canada. Companies, of course, in partnership. Alberta companies first, then other companies in Canada, and then the international companies.

Certainly, Mr. Speaker, this has been exemplified very well with what we have announced and then thus far, by increasing the degree of Alberta participation by the Alberta Energy Company that has been announced in Suffield and the tar sands. The special incentive programs, the tar sands plant No. 3, which would allow, at least it has been indicated that other provinces and other governments would be allowed to participate on a minority basis, and this government has indicated quite clearly that if the federal government wants to participate it can, either directly monetarily or else by a trade-off or a fairer transportation policy for Albertans or western Canada. Mr. Speaker, this is a balance in tune with the changing times that our citizens of Alberta, our youth of Alberta certainly understand.

But, Mr. Speaker, as we go on over the next few months and the next few years and deal with energy, then we as a Legislature have recognized, I am sure we have, that we are the top energy area certainly in Canada and North America, and probably - no question about it - one of the leading areas in the world, and that this simple fact adds increased responsibility. Here, Mr. Speaker, is the responsibility perspective to assure that energy is being used for worthwhile human goods, and not wasted for cheap, unnecessary commodities or consumer goods, and not waste clean, efficient fuel when less clean fuel can be used for other items and, of course, I am referring to power plants.

We should maintain our cognizance and awareness that the overproduction and overabuse of our resources, and overpollution can indeed cause a threat not only to Alberta but to Canada, and for that matter, the world. And that, Mr. Speaker, is the environmental perspective. As Albertans we are also Canadians. We should maintain this responsibility to all of Canada.

Mr. Speaker, there is also an opportunity for a new direction perspective, a human perspective, that Alberta could be an example for the rest of the world, that in spite of the fact that we have these resources and that we are so well off where we are, we will not allow helter-skelter, meaningless development for just development's sake, but we will have a high standard of living, a quality of life, a balanced economy, as has been so well mentioned by the Premier.

In other words, Mr. Speaker, we should reverse our attention to some degree, or maybe to a greater degree, because we have already chosen that course towards a disadvantage towards human programs. Although we have [done so] in the past few years, as I have stated already, we could accelerate these programs even to a greater degree and I am sure we will.

So Mr. Speaker, some of these comments you may say are idealistic. I think not. The sensitivity of the hon. Premier, the hon. members of the Assembly at least on this side of the House, I am confident will develop the proper balance of human environment and production and development of our resources.

So finally, Mr. Speaker, with the wealth that we have - and when I speak of wealth I speak of human wealth, human resources, as well as the natural resources outside of the human beings - we have an opportunity perspective, Mr. Speaker, to reverse our attention towards a goal for optimal happiness for as many people as possible in Alberta as quickly as possible, and then turn our full attention to other parts of the world where they have so little and they need so much.

In concluding finally, Mr. Speaker, in response to the hon. Minister of Mines and Minerals' request for some royalty structure, as a lay person, Mr. Minister, I can only say this in two or three sentences. I suggest and request on behalf certainly of my constituency, that you maximize and optimize the dollars for Albertans, either in direct cash flow or via jobs, secondary industries and maintain exploration and a high index of incentives.

Mr. Minister, I suggest you also maximize and optimize the balance control of our environment with, of course, the Minister of Environment. I hope that you keep in mind and maximize and optimize the human programs that we have already set down, that we accelerate.

Thank you very much, Mr. Speaker.

MR. BUCKWELL:

Mr. Speaker, it is with a great deal of pleasure and yet not without a sense of concern that I rise on this very important second reading of Bill No. 94.

This crisis, if we can call it a crisis, and I think we could if we look not only in Alberta but throughout the world, these moments that we are spending here in the Alberta Legislature are probably some of the most important and the item that we are discussing the most important that probably will face the Legislature for many years. What we do here at this time and what the government has set out to do might determine our life style for the next 25 or 50 years.

In listening to our last speaker - I see he is leaving, I had a few quotes for him - I just wondered, I didn't say I wouldn't trust a man, but I wondered at a man who would read his old speeches. But at the beginning he was talking about overpopulation and what concern he had about overpopulation. The energy shortage is not going to solve that because if people get cold they will spend a longer time in bed.

And then he was mentioning the energy crisis, blaming it on the federal government. I don't say they haven't got their share but you must remember, Mr. Speaker, that we have changed our royalty twice in six months to keep up with the times.

Now as I mentioned - I have in fact almost been accused of being called a PC but it is really indigestion that makes me look this way. I was at a Chamber of Commerce meeting in Fort Macleod as an ordinary member of the chamber, and they had a letter from the Alberta Chamber of Commerce asking us to support the position of Alberta's Premier. So they all turned to me and said, well, what do you think? I was quite honest about it. I said sincerely that in this crisis I believe we should give Mr. Lougheed and his government all the support that we could. Don't hang the lantern on the back door. I said this in fairness.

Now what we are talking about here today is the principle. The opposition on this side have said repeatedly, and I think, in all fairness to the people of Alberta, and in fairness to the Premier and his government, that if we can get as far away from this thing in a partisan, political way - this is the future of Alberta that we are dealing with. We are not dealing with money that the government is hopefully going to get and spend in the right direction because they have got their members and we have got our members here who will tell them how this money should be spent. But what we are actually doing when it comes down to it, and the position that we are in, is one that I have mentioned before, and I can't say it enough, that this is one of the most serious situations Alberta has faced, not only Alberta but Canada itself.

What is going to happen in the world through recession or what position the Arab world is going to take, no one knows. But I can tell you, Mr. Speaker, and this House that energy today is the source of life to all of us. And we are not

talking necessarily about food, because we have to have energy even to grow food.

We are not careful of what is going on in the world. If we precipitate a third world war, we won't need any energy at all. You can't have a nation like Japan brought to her knees because she doesn't get energy and there is the source that she can get it from, an almost unarmed Arab camp. You can't have western Europe going cold and hungry, the people of The Netherlands cut off altogether and say, you know, all we have to do is go down there and take it. You can't have the Israeli nation supplied by the United States, the great United States who at the moment are almost begging for fuel, and on the other hand have the Arab nations and the Egyptians, supported by the Russians with their arms.

We are closer to reality, Mr. Speaker, in this issue and we are dealing primarily now with what we have of the world energy. We are closer maybe to world confrontation than we realize.

Alberta's position, I believe, has been stated by the Premier. It is a positive statement. I don't think that we should sell, or we should give away, or we should barter in any description the energy we have unless we get a fair price for it. And in a rising market, what is a fair price?

Now, if we are going to take political action on what we are doing today - and we have to come into the realm of politics - what I am afraid is what has happened down in Ottawa is going to happen in Washington because the State of Louisiana, while the conditions may be different, has a great deal of oil.

The State of Louisiana and the governor of that state say no longer are we going to give our oil away. If you are going to pay for it in New York, if it is going to cost you \$5 a barrel more than what you paid for, well by George, you all's going to pay for it right here in Louisiana. And I don't blame him [the governor]. He is in exactly the same position as we are. We are selling our heritage out to try to help people. And even though they are our fellow citizens, once our oil is gone, they couldn't care less whether we sold it for nothing or whether we paid \$20 a barrel for it.

So the course the Premier and the government are charting now is a very, very important course indeed. The goal is admirable and we have great expectations, the greatest expectations, maybe, that we have had since 1947 and the discovery of Leduc.

In Section 142(1), with the change of royalty, I would judge that the government has given a tremendous amount of study to it and they must have had quite a bit of anguish. It's no light thing to break a contract. Some people say you didn't have to break the contract, we could have done it another way. I don't see, in my own mind, how this could be done.

Yet I am not so sure that some of the government back-benchers have been really cognizant of the fact that you have done a serious, serious thing in a way, particularly when the Attorney General, as quoted in the paper, said, well governments are different from anybody else. And yet I realize that a government, in the name of the people - people have to be protected - but had the shoe been on the other foot, I wonder could the oil companies have broken a contract with the government?

In the export tax, what else, what other choice did the Government of Canada have at the moment? We could say, well, they put on an export tax of 40 cents. Who was to get the 40 cents? Who could have got it? The trade? It was selling 40 cents less at that particular time, who was to get it? American customers?

I am not supporting altogether Mr. Macdonald's stand. I think what hurt more than anything else was having to come back from Ottawa with the 40 cents and say, now look, I think they're going to take it off, then be slapped with a \$1.90 tax two days later. It was probably more than the hon. Minister of Federal and Intergovernmental Affairs could stand. And in some ways I'm able to pitch the football on the ground, too.

But I think we have to look for a higher royalty. We have to look - I don't know just how it's going to be done, whether it's going to be an escalating rate.

I am like a good many of the back-benchers. This is a very complex and confusing issue. The producing and the manufacturing, the distribution of oil is not something that you pick up overnight. You have to be in the trade. In fact, the more you listen to the trade themselves, the more confused you become.

This is an international cartel, if you want to call it that, that has some very clued-up boys. And even some of them don't know the total ramifications of what their companies are involved in.

What is a fair return to the people of Alberta? What is a fair return to the industry itself? Let's make no mistake, if the industry were to get more than their fair return, there is no guarantee that they are going to spend that money in Alberta.

On the other hand, where did they get the money in the first place to develop Alberta, if they had not got it from some other oil field in some other part of the world? What is a fair return to Alberta? I would say the fair return is as much as we can get at a fair price. What is a fair price? This is one of the complex things the government and the Premier are going to have to face.

Right now we haven't got an energy policy in Canada. Maybe we never will have. The ones who need the energy policy the most, in fact, the ones who could almost tell them what the energy policy should be, should be the Province of Alberta because we have 80 per cent of the total energy in Canada and always will have. But maybe we are not going to get it through the federal government - through their heads - that they are going to kowtow to a province.

I have taken the Premier at his word ...[Inaudible]... there has never been a thought in my mind to distrust his thought that we are going to sell our products at a fair price, that we will not see anybody in Canada go cold or hungry because we held out for the highest cent. I believe sincerely that this is what he intends to do. But I think we should have a fair price, as I say, on our product without endangering the Confederation of Canada.

Several months ago, in fact, it's been going on for two, three years now, we have been worried about Quebec leaving Canada. I was one of those who didn't feel that Quebec should just be able to walk out of Confederation because the part is not greater than the whole. I believe they have, or we have, as Canadians a part of Quebec. Even though we are not within her border, she is part of the Confederation of Canada and the people of Quebec, in their last election, made no mistake that they wanted to belong to Canada.

Alberta is part of Canada. I don't think we want to be in any position where we are dictating to Canada, well, we have got the oil and you are cold, so you will pay for anything. We want to play our part in Confederation.

Yet, on the other hand, eastern Canada has to be made to realize that they can't always dictate. The country is getting too big. Alberta is now free, white and over 21 and has to take a man's place in society. And she is going to take that place whether the old boys down East like it or not.

If we are, in this marketing board - getting on to this then - and I just hope it doesn't become ultra vires, because we've had quite a little history of that in Alberta. But what rate per barrel of oil, what we are trying to get through my thick head anyway - is how does this marketing board work? You set a price and all oil goes through the marketing board? Does the price fluctuate up and down? Does the royalty fluctuate up and down with the price? If it does, what sort of stability do we have in the industry? And we must have stability.

If you set a price, and the world market suddenly jumps and it doesn't fluctuate, is there still room there for an export tax? Can the federal government overrule the marketing board, or have one of their own which our marketing board must sell to theirs? Does the Government of Canada have the right, say, to set on the national average what price oil should be? Or could our marketing board, with the export tax, be another tool in stabilizing the oil price? What is the federal position? This is another of these questions that has not been answered.

Now if industry cannot receive some assurance and they are the ones that we have talked to in our caucus, the major oil companies. They are confused and you can't expect the oil company to set the energy policy for Canada. You can't go to the oil companies, and the government can't go to the oil companies, and say, now fellas, how are we going to divide up this plum that has come into our hands by raising prices? I'd like to be in the position where you could go to the electorate and say, well, how much tax would you like to pay? But you can't expect them to be in that position. I think the government has to give direction. I think the Government of Alberta, the Government of Canada and the major trade should sit together. Maybe they are sitting together bilaterally, but get them all together around the table. Maybe this is in the future. But

industry must be assured. If we are to continue to have them stay in the province to help us to develop our oil industry, industry must be assured that they are going to get a fair rate of return.

On the other hand, if the Government of Alberta is going to receive the major lion's share of the windfall, we might be in the unfortunate position that we are going to have to develop the tar sands ourselves and we haven't the resources. We won't be able to go in and say to the trade, now, won't you come in with us? They will say, we were in with you once before.

These are questions that have to be answered in Bill No. 94 and in Bill No. 95. We're asking for second reading on Bill No. 94 today, the principle of the bill. We are not opposed so much in principle as we are opposed, in that we are asked to make a decision on a bill when very little information has been given.

I'm not accusing the government of withholding information, but I would suggest to the Premier, and to those who have taken part in the negotiations with Ottawa, that in all fairness, you have been less than candid to the House, and to the media through the House, on what has taken place.

I think the Attorney General should give us some of the constitutional implications of what has gone on and what are the concerns on these negotiations. I'm not asking you to tip your hand, but what is common knowledge maybe between you and the ministers and the Minister of Energy, Mines and Resources, Mr. Macdonald, what is common knowledge between you and the trade, and is common knowledge there now, has not been made public to the House. You have not come forward and said, this is a statement.

I enjoyed the Premier's statement the other day. It was fairly sketchy but he covered a lot of ground. But you are not getting down to the details of how are you going to set these royalties. What is the scale? Give us some idea of what you have in mind. Don't expect the House - and we're not doing this because, as I said, we don't want to make a political issue of it. It's too big to become a political issue. We are all in this as Albertans and representatives of our people together. We don't want to make a political issue of it if you can give us some indication of what type of scale you have, say for example, for royalties.

Could you give us an indication, and probably the hon. Minister of Mines and Minerals will [announce] on the second reading of Bill No. 95 just how he envisions his marketing board will work. If this could be done - the assurance that rather than saying, well fellas, would you sign the blank cheque. We know you are for it. Well this is fine, but I think in fairness to our people, and in fairness as members of the opposition, that we must have some more detail because even this is lacking in the press.

I'm asking you sincerely. We're not trying to be argumentative and I hope you are not adamant on this, but I again would say I feel you have been less than candid on the most important question. We admire the goals. We admire the spirit on which you are setting out on that course, and God help us you are going to need all the prayers and help that you can get because this is no light matter.

Before I close, I would ask that if you have any information on the front bench, it shouldn't be back-benchers - I say shouldn't be back-benchers - I think all back-benchers should get up and state their views. Most of us I would say, are for what you are trying to do. But what is going on from the back bench - what I say will do very little to change the course of history because I don't know anything about it so I'm like most of the back-benchers. But what is going on in the front bench? Give us a little credence that we have enough common sense to say, yes, I buy that. If you can do that, then I feel that you have the unanimous support of all the people of the Province of Alberta.

MR. KOZIAK:

Mr. Speaker, in entering into the debate on Bill No. 94, I too share the concerns of the hon. Member for Macleod in regard to the fact that we are in the bill changing a contract. I know that during the hearings into the pricing of oil and the royalty hearings which we had a little over a year ago, all of us were concerned about changing existing contracts. However, as we can all attest to from the facts that have been known to us in the last few months, the events that have taken place are such that none of us could have foreseen them. None of us could have foreseen them a year and a half ago, let alone when these contracts were, in fact, entered into. I think, having regard to that fact, the oil industry probably will not look askance at us for revoking these contracts, provided that in setting the new oil royalties we treat them fairly.

The suggestion came from the hon. Member for Macleod - what would have happened if the oil companies had wanted to renegotiate the contracts, revoke them, is there any history for this? I think that governments of this province have treated the industry fairly. I at least recall one incident where a royalty was not collected, and that was in the case of the Great Canadian Oil Sands development plant in the Alberta tar sands. So there are precedents the other way where there is a remission of royalties because the equities demanded it. I think we all agree that in the situation that we are in today, the equities, in fact, demand a review of the royalty scale and a review of the amounts that the oil industry should pay in the way of oil royalties.

Let it be suggested that the oil industry can take comfort from my words, and that subsequently some sleuth on the other side discovers that perhaps I might have an interest in an oil company and then accuses me of conflict of interest, I will disclose right here and now that I am a shareholder in one of Canada's largest oil companies, Imperial Oil Limited. Of course, I must confess that my shareholdings aren't large; I only hold one share.

AN HON. MEMBER:

In his wife's name.

MR. KOZIAK:

So on the invitation of the hon. Minister of Mines and Minerals in regard to what the royalties should be, I suggest first that they be fair - fair not only to the people of the Province of Alberta, but fair to the oil industry.

We have to look at history when we are discussing oil royalties. We have to look at the original way in which royalties developed in this province. At one time oil royalties weren't fixed, and after the initial field was proven and after the industry returned to the Crown on a checkerboard basis, one-half of the field, there was the possibility for bidding on the lands that were returned on a royalty basis, with royalties going as high as - I think I'm correct on this - 65 per cent and perhaps even higher.

But what that quickly determined was that there came a level in the removal of oil from a particular well at which it was uneconomical to withdraw oil from the well. As a result, the present system that we are in today was developed. That system was that the oil industry would bid on these additional parcels a cash bid. These bids, as you can see from the figures in looking at the Provincial Treasurer's report from year to year, have been substantial - millions of dollars in certain cases.

That, hon. members, Mr. Speaker, is nothing more than payment of an advanced royalty, so that in many of these wells and many of these fields the oil industry has, in fact, paid an advanced royalty and paid that advanced royalty in earlier dollars - not today's dollars, but earlier dollars. You know there is a suggestion that the oil industry is now taking out more money than it is putting into the oil industry in this province and that that is the sole criterion we should use in determining what royalties we should impose.

Mr. Speaker, let's not forget that the 1947 dollar that was invested in Leduc is not the same dollar that comes out in 1973. I venture to say that perhaps the 1947 dollar isn't worth any more than about 60 cents of that same dollar today.

There is some suggestion that we should grab it all - grab all the increases - and perhaps trickle down a little bit to the oil industry. Well, that sounds very nice if you don't have any interest in the oil industry. Let them pay - them, they - we are not involved in it except for maybe one share. But let them pay. If we used the same rationale with the farmer and said, well, let's take the same route; having developed this precedent, let's take the same route and take every cent on every increase on every bushel of wheat that that farmer has received in the last two or three years, let's do that. I mean, it's the same principle, isn't it? Or, you know, why don't we apply the same principle then to wage increases? Let's take the wage increases that all employees have received in the last two or three years and let's tax them 100 per cent in income tax. One hundred per cent. Grab all we can. It's really the same principle, isn't it?

So I suggest to you that that is one trap we shouldn't fall into. Greed, just because it is exemplified by a body such as this, doesn't become any more holy. Any legislator who suggests greed or wishes to legislate greed isn't, to my mind, giving that one of those cardinal sins any more of a holy flavour than it really has. If we expect our citizens - the citizens of the Province of

Alberta, the citizens of Canada and the citizens of the world - to be fair, how can we lead the way by being greedy, saying we should grab it all?

The other problem, of course, with a royalty that is too high, and I alluded to this earlier, is that especially in the declining years of the field it makes it uneconomical at a certain level, at least at a much more rapid level, to withdraw that oil. So what happens? The higher the royalty in the areas where you have slow-producing fields, the sooner the industry will close up the field. Once the field is closed, that's it. You're not going to get that oil any more. So if we have a shortage of oil, the last thing we should be doing is leaving it in the ground, unrecoverable for the future.

I think, Mr. Speaker, that the hon. minister's approach to the royalties has to be fluid because today's situation may be a lot different from tomorrow's. The events of the last three to six months have borne this out. We can't be setting out right now what the royalties are today on the basis of today's facts. Tomorrow's facts may be different. So they have to have some manoeuvrability, some method of being fluid.

As I understand from reading the bill, the decision as to the royalties is going to be left with the Lieutenant Governor in Council. Now to my mind I don't think that Canada has more knowledge on energy, than a group such as the Lieutenant Governor in Council of the Province of Alberta, nor anybody who is more capable of fairly and properly setting those rates.

There is another section in Bill No. 94 that perhaps hasn't received as much attention as it should have, and that is Section 2 of the bill which provides that a royalty can be paid in kind - not in dollars and cents but in kind - so that the Province of Alberta can receive its royalty in crude oil. I think that is a very important addition to The Mines and Minerals Amendment Act.

MR. HENDERSON:

It's always been there.

MR. KOZIAK:

I am sorry. This is an amendment that is found in Bill No. 94 and the amendment ... I beg your pardon? ...

MR. HENDERSON:

It's always been there.

MR. KOZIAK:

Well this, of course, makes it much clearer. If it's in the leases, of course, we then have to examine every lease to see if that is correct.

Bill 94 provides that this is applicable for all royalties that the Crown in the right of Alberta receives on a mineral, and not with respect to three leases or leases that were signed this year or leases that were signed ten years ago. I think it is an important provision because it provides a source of crude oil for such possibilities as we are looking at in Calgary right now.

We have a group of employees looking at perhaps buying a refinery. Say a co-operative wishes to set up a refinery; an independent wishes to set up a refinery; it could also result in more assurance of supply for an independent service station. We have seen the demise of the independent service station in this province over the last number of years. We are concerned about the family farm. We are concerned about individual free enterprise, and in the individual owner-operated service station we are seeing a demise of the concept of that idea.

I can see in that provision in the act a useful possibility whereby the development of an independent service station, the development of an independent refinery, could easily become - I mean independent in the sense as opposed to the oil industry we have now which has the all-inclusive ... I forget the word. Perhaps somebody can help me.

AN HON. MEMBER:

Integrated.

MR. KOZIAK:

Integrated oil companies. Thank you. I don't suppose the House would mind if I seek the advice of the Attorney General.

I recall that the Premier read the announcement from the Prime Minister of Canada in the House earlier this afternoon, that there will be a conference of first ministers on the matter of energy. I also noticed that that conference will not be held in Alberta but in Ottawa, and to my mind that's a shame, because energy and Alberta are synonymous. The production of energy is almost entirely within the bounds of the Province of Alberta, and it seems to me that a conference involving energy would most suitably be held in the Province of Alberta.

We hear a lot about the energy crisis. The phrase has been used indiscriminately, I think, in the last little while. I think that here in Alberta particularly and in Canada we are experiencing, under the guise of an energy crisis, a constitutional crisis. We're experiencing a grab for power, a grab for state control of the whole energy field, a grab by the federal government in this area, all under the guise of an energy crisis. The answers we get federally as to shortages just don't seem to indicate that in Canada such shortages exist. Of course, the price goes up, but is that the only reason for federal control - an increase in price? We didn't see that in timber. So I don't think we have an energy crisis, Mr. Speaker. I think we have a constitutional crisis. I'm a little concerned about what flows from such a crisis, Mr. Speaker.

MR. WILSON:

Mr. Speaker, it is sad to see that this government has so rapidly fallen from its self-proclaimed pinnacle of principle to a lowly position of expediency. It's strange, Mr. Speaker, that those who hollered loudest for government by legislation are the foremost practitioners of government by regulation in the country. What is worse, Mr. Speaker, they don't know what those regulations are. Now the government is asking for authority to set royalties day by day or hour by hour. The irony of all this, Mr. Speaker, can be fully appreciated when we investigate some of the earlier comments of the Premier, Premier Lougheed.

Back in 1972 he was taking the previous Social Credit government to task for very serious errors in judgment it made in 1948. Twenty-four years after the fact he was criticizing their foresight. Well then, Mr. Speaker, on April 17, 1972, Premier Lougheed, when talking about maximum royalty limitations said, and I quote: "It will take as long as after 1980 before the situation can be reversed and the bulk of the production of crude oil be freed from maximum royalty restrictions." Well, Mr. Speaker, this is not 1980, and the principle that Premier Lougheed stood for on April 17, 1972 is now not good enough.

Perhaps, Mr. Speaker, the Premier will acknowledge that circumstances certainly change in one year, let alone in 24 years, and perhaps he wishes he had been more charitable in some of his earlier hindsight criticisms.

Then, Mr. Speaker, in April of 1972 this government produced the tentative Natural Resources Revenue Plan, and in that one of the comments says, "The royalty provisions in existing contracts or lease agreements between the government and the petroleum industry should not be unilaterally repudiated by the government." That was the government policy in April of 1972. Further, another quote: "It would be undesirable ..." - undesirable - "... for a new Government to unilaterally override these maximum royalty limitations." Well, we're doing it, or being asked to do it, now, Mr. Speaker.

Mr. Speaker, the government is asking for open-ended authority with no indication of what they are planning or what they are thinking, if anything. The minister's introduction of the bill was completely and hopelessly inadequate. He says the industry has earned \$15 to \$18 million in the current drilling incentive program and that, as a result of that, there was one well that proved to be a real good discovery, and so on. Well, Mr. Speaker, this government that we have in Alberta today is the first government that ever felt it was necessary to pay out public funds to encourage exploration for oil in Alberta.

Mr. Speaker, in light of the widespread criticism of the drilling incentive program, the minister could have advised how he intended to improve upon it, how he intended to eliminate the hassles and how he would change the ground rules if they intended to continue with the drilling incentive program. He could even have acknowledged whether it was the intention to continue. Also, Mr. Speaker,

he could have acknowledged that most of the exploratory drilling activity has been done recently due to the expectancy of price increases, due to the expectancy of a better rate of return and due to what this government told them would be a five-year period of stability that was introduced under this government's legislation.

Now, Mr. Speaker, the minister could have given us the name of that company and the location of that great discovery well. It would have been more meaningful and it would have been far more convincing, I can assure you. The statement of the minister, Mr. Speaker, when he introduced this bill, that synthetic crude would not be included in this bill but may be added later - now that certainly raised far more questions than answers. How can the private sector, any business, prepare and budget for a business venture of any kind with that kind of uncertainty? It's strange that the debate participation, Mr. Speaker, from the government front bench is nonexistent. Yet these are the people whom we are told should have the authority to set the royalty day by day, hour by hour or whatever else they want to do. And there is not one of them who has stood up and said "boo" in the many, many hours of debate in this Legislature.

SOME HON. MEMBERS:

Boo.

MR. WILSON:

Hey, glad you're alive, boys. Glad you're alive.

AN HON. MEMBER:

Boo hoo.

[Interjections]

MR. WILSON:

Well, Mr. Speaker, we wonder why they are so silent. We suspect they are thoroughly confused, that they don't know what to do, and I suggest, Mr. Speaker, that that is a very poor foundation for the introduction of open-ended legislation. This silence, Mr. Speaker, from senior ranks further contributes to the deterioration of confidence within the business sector and the general population of the province.

What is their proposed royalty policy? How does the government expect industry to prepare budgets, prepare pro forma operating statements, compute returns? Between the federal and provincial government, it seems they're both hitting industry at the beginning, in the middle and at the end. Industry is threatened, Mr. Speaker, to the extent that if the present confusion continues we may very well kill the goose that laid the golden egg that made Alberta the 'have' province with the standard of living that most people enjoy in this province today.

Now, Mr. Speaker, a further concern. Statements attributed to the Attorney General of this province on the sanctity of contract are already having a negative effect on attracting venture capital to Alberta.

Mr. Speaker, the two minutes that the minister used in introducing this bill certainly were not adequate and I would like to suggest to the minister that when he closes the debate on this bill he should very carefully consider the need to re-establish investor confidence, or do what he can to re-establish investor confidence, in Alberta. He'll need far more than two minutes in closing the debate on this bill to do that.

The reneging on royalty contracts to be replaced by 'ad hocery' of setting of royalties will encourage a bigger bureaucracy.

SOME HON. MEMBERS:

Who wrote your speech?

MR. WILSON:

Then the government, Mr. Speaker, I'm sure, will find it very difficult to resist the clamour to form a state oil company. I do not think there is any room in Alberta for a state-owned oil company in the exploration business. You know the first thing that will happen - they'll want buildings, then they'll

want airplanes, then they'll be wanting to hire politicians, friends and relatives, to staff the thing and then they'll want to go into the service station business - and boy, we're heading right down the socialist track.

Mr. Speaker, there is no way a state oil company can compete or be as effective or do as good a job as the private sector has done in this province and will continue to do ...

SOME HON. MEMBERS:

Hear hear.

MR. WILSON:

... if allowed to do so.

Mr. Speaker, the minister must tell us what the royalty limits are, and when he is doing this he must keep in mind the competition for venture capital around the world for exploration in the oil and gas business.

In closing the debate, Mr. Speaker, the minister must assure Albertans that he knows what he is doing with this province's future in the energy field, and he should spend all the time that is required - and I should suggest, Mr. Speaker, that that is considerable - when he does it.

There's a need for the government to make long-term commitment for stability and investor confidence when the exploration plays take many years to bring to fruition.

Increasing the bureaucracy between producer and seller also contributes to lack of investor confidence. There's a need in Alberta to speed up discovery and to maintain a continuing exploration program to realize Alberta's full potential. Our proven reserves are declining, our sales are greater than our new discoveries. Alberta's current level of affluence can't last forever under those circumstances.

All of this translates to jobs, continued employment and better employment opportunities. We have many young people coming through the educational system, through universities and technical institutes and other houses of learning in this province, in eager anticipation of taking employment in this province where they were born in many cases and received their education. If we kill the goose there will be no employment opportunities for these young people.

Mr. Speaker, it is certainly not my intention to be an alarmist, but I do become very concerned when people in the industry tell me that the situation in Alberta today is a salvage operation.

Government greed and indecision frustrate and hinder the job of the private sector. Then when the private sector falters the socialists gleefully proclaim that they knew it would fail all along. So we're not helping those things which we have learned to cherish by frustrating the role of the private sector.

Participation by the majors in exploration in Alberta is declining. Alberta and Canadian-owned independents will be forced to leave if they cannot attract venture capital. Mr. Speaker, the Premier has received letters from Albertans who are afraid of being forced to leave the province. They're afraid of losing their jobs mainly because of the fear and the lack of investor confidence that is being created in Alberta today. Some of these people who have written these letters to the Premier have even made public statements on them.

What is the government's response? The minister introduces an open-ended document and no statement of intention and expects our support. This is simply not acceptable. It is retroactive legislation at its worst. It's one thing to try to control the direction of the future, but it's ridiculous to try to rewrite history.

Alberta's present prosperity was not built on this type of legislation. This really can't even be called legislation. This bill is a license to dictate. I cannot support this bill unless the government commits itself in full detail as to how it will use it. Further, the explanation must be based on principles Albertans have historically enjoyed.

What is the government going to do with its windfall? We haven't heard a peep about that. How will it be used to benefit Albertans who form the part of the general public paying for this windfall?

SOME HON. MEMBERS:

Out of order.

MR. WILSON:

Alberta consumers will be paying part of this windfall. What is the government going to do with the money? Embark on more give-away programs? Will they enlarge the civil service by 27 per cent in the next budget? Or will it be used to formulate an Alberta heritage, as recommended by the official Leader of the Opposition, a heritage of lasting benefit, a continuing heritage for future generations in Alberta?

[Interjections]

So it all boils down, Mr. Speaker, to basic beliefs. What does this government stand for? A planned economy or the competitive marketplace system? I think it's time some members of the front bench stood up and said exactly what this government stands for and what they plan to do in the vast, vast sea of question marks that have been thrown at us so far. The government must set the level of contractual morality in the Province of Alberta.

SOME HON. MEMBERS:

It says here ...

MR. WILSON:

Business ethics will follow, Mr. Speaker, if the government sets the tone and sets the level. Does this government really want to leave Alberta a legacy of expediency, or a legacy of sound principles?

MR. YOUNG:

Mr. Speaker, would the hon. member permit a question?

MR. WILSON:

Certainly.

MR. YOUNG:

Mr. Speaker, I would like to know where the hon. member stands and what he stands for now.

[Interjections]

MR. WILSON:

Mr. Speaker. I just happen to have the answer right here, Mr. Speaker. It may take a little time but I think I have some time left.

SOME HON. MEMBERS:

Give it to him.

SOME HON. MEMBERS:

Thanks a lot.

MR. WILSON:

I think, Mr. Speaker, that we should start with the concept of justice, who it applies to and who is immune to it.

SOME HON. MEMBERS:

Out of order.

MR. WILSON:

It seems to me, Mr. Speaker, that the government has to set the tone, lead the people and show that they stand for sanctity of contract. If it means something to the government, then that attitude flows all down the line. But if the government doesn't believe in sanctity of contract, if the government believes in retroactive legislation that is vicious, then that permeates all others in the province. And that flows - that attitude flows.

It's one thing to call industry together and say, now then, there are some windfalls that have developed here. We would like to change this situation from today on - that's one thing - and to introduce legislation. But the sanctity of contract, Mr. Speaker, applies to all, including government.

Now then, perhaps some of the hon. members opposite would like a few more questions.

MR. GHITTER:

Would the hon. member permit another question?

MR. WILSON:

Certainly.

AN HON. MEMBER:

Agreed.

MR. GHITTER:

I'm wondering if it is the hon. member's intention to vote in favour of or against this bill?

MR. WILSON:

Well, Mr. Speaker, I thought I made it perfectly clear that there's no way I was going to vote for this bill unless the government committed itself on what it intended to do with it when it got it.

[Interjections]

MR. HENDERSON:

Mr. Speaker, I wonder if I might address a question to the member.

[Interjections]

MR. HENDERSON:

I wonder if the hon. member has ever heard of a statute that has been on the books in Alberta for a number of years called The Unconscionable Transactions Act, which is applicable to all legislation in the province?

[Interjections]

MR. WILSON:

Well, I can recall when the hon. Member for Wetaskiwin-Leduc was our house leader. He drew it to my attention on several occasions.

MR. HENDERSON:

Mr. Speaker, I have to stand up and say I taught him a lot of things, but not that one.

[Interjections]

MR. TAYLOR:

Mr. Speaker, I am not going to take very much time in the House, but I do want to make two or three comments on two or three items.

The first item I would like to speak on is the matter of the incentive for drilling, which I think is a very important part of this whole operation. The record for this year is actually outstanding when we check the number of wells

that have been drilled, something like 4500 or 4800, involving about 16 million cubic feet of hole. The incentive program may or may not have been responsible for part or all of this.

I think as long as the drilling is done I, for one, would not be prepared to say - or care very much - whether the incentive program was fully responsible or otherwise. I think the important item is that the exploration is carried out.

It looks as if this exploratory drilling will continue for the balance of this year and probably well into 1973. It's after that, that I think the program or the stability - the political stability - of the province is going to bear fruit, or, well, it will bear fruit one way or the other.

I think it's essential, at this time, that all legislation and all government action endeavour to ensure some political stability now and in the future. This is more easily said than done but certainly the incentive program in itself is not going to ensure continued drilling.

I'd like to make one or two suggestions in connection with the drilling program. It's very easy to criticize any program, and I do think the criticism doesn't get very far if we don't have an alternative to suggest.

When we provide a \$100,000 incentive program to companies - or up to that amount - it's encouraging for some types of drilling. It's not encouraging at all, or at least very little, for a very deep well, through very tough terrain, that might cost \$1 million, \$2 million or \$3 million; \$100,000 is a very small proportion of that type. And rather than having the incentive program based on the distance from other wells and other such factors, I would think the incentive program should be based on the actual cost of the well; at least, bear some relation to the actual cost of the well.

Now, this undoubtedly, would cost more money, but it would also probably lead to more drilling of wells in areas where you must go much deeper than in other parts of the province. The test of the incentive program will come at the end of 1974 when companies are deciding whether or not they are going to provide money at that time.

Now I think at that time it is most important that the program be carefully checked to see if the present criteria for securing the incentive is actually bearing fruit or if that drilling, as some say, would have been carried out anyway. I don't know how many of the 4500 or 4800 wells would have been drilled anyway - probably nobody knows. I think we have to give the government credit for that incentive program as long as these wells continue.

But I am somewhat concerned that if this program is being criticized by the drilling companies, we try to make the criteria more of an incentive than what it is today. I think by doing that, we can get into the deeper wells and consequently get more mileage.

The second point that I would like to mention deals with royalties. There has been considerable criticism of the section of the bill that gives the cabinet authority to raise the royalties. My criticism is not based on that made by other members, because I supported this principle when I was in government and when I was a back-bencher sitting on the other side of the House. I think it would be almost impossible to set the royalties in a bill unless the Legislature was going to be in perpetual session.

Now, even more so than a few years ago, we're living in changing times - conditions are changing rapidly, the world picture is changing. The cost of exploration is changing. The price of oil and gas is changing, at least it will if the federal government releases the freeze that I understand is now going to be continued on these products. Consequently there has to be some flexibility.

I agree with those who say the industry has to have some assurance that when a rate is set it is not going to put them out of operation or nullify the investment that they made. I think this is essential and for that reason I'm going to ask the hon. minister if he would consider making a change - I'm not going to move the amendment because unless the government wishes to do it it would certainly be ineffective. I am going to suggest that 142.1 in the bill would be stronger if it gave the cabinet authority to move the royalties up or down. There are places where the royalty at one-sixth is too much. I think, if we believe in the principle of taxation according to the ability to pay, that that principle should also carry over ...

MR. SPEAKER:

The hon. member has perhaps overlooked the time.

MR. TAYLOR:

I'm sorry, Mr. Speaker, I forget to look at the clock. I beg leave to adjourn the debate.

MR. SPEAKER:

May the hon. member adjourn the debate.

SOME HON. MEMBERS:

Agreed.

MR. HYNDMAN:

Mr. Speaker, tomorrow the House will continue with second reading of The Mines and Minerals Act and move into committee for committee consideration of Bill No. 53, The Arbitration Amendment Act, 1973; Bill No. 96, The Gas Resources Preservation Amendment Act, 1973; and Bill No. 93, The Freehold Mineral Taxation Act.

Concerning early next week, knowing that MLAs get fidgety and upset when they have free time in the evenings, I would like to reassure them that the House will probably be sitting Monday and Tuesday night.

I would move, Mr. Speaker, that the House do now adjourn until tomorrow afternoon at 1:00 o'clock.

MR. SPEAKER:

The House stands adjourned until tomorrow afternoon at 1:00 o'clock.

[The House rose at 5:32 o'clock.]