

LEGISLATIVE ASSEMBLY OF ALBERTA

Friday, December 7, 1973

[The House met at 1:00 o'clock.]

PRAYERS

[Mr. Speaker in the Chair]

INTRODUCTION OF VISITORS

DR. WARRACK:

Mr. Speaker, it is my very great pleasure today, and a very deep honour, to introduce a gentleman in your gallery, a gentleman and a gentle man. I wish to introduce to the members of the Legislature through you, Mr. Speaker, Dr. V. A. Wood.

Dr. Wood has worked with me in the Department of Lands and Forests for some two and one-quarter years and I want to relate that this has truly been an experience of my life.

Dr. Wood's roots in Alberta are very deep. He was born in Cardston, Alberta and grew up in the Glenwoodville area near Cardston, Alberta. As a personal anecdote, I might add that this is an area of Alberta that was settled under the guidance of his father, and that, in fact, Glenwoodville is named for Dr. Wood's oldest brother, Glen Wood.

Dr. Wood graduated in agriculture from the University of Alberta, first with a Bachelor's degree and then with a Master of Science, and later with a Ph.D. degree in agricultural economics from the University of Minnesota. Dr. Wood spent five years with the Bureau of Statistics in Ottawa, then as Director of Lands in the Department of Lands and Forests from 1941 through 1966. He was appointed Deputy Minister of the Department of Lands and Forests, Government of Alberta, in 1966 through to the present time.

On January 1 Dr. Wood is entering very active retirement. Dr. Wood is undertaking the most important and very challenging task of chairmanship of Alberta's Land Use Forum.

I know that every member of the Legislature will want to join me in our most sincere expression of thanks and very best wishes. In doing so, I would ask Dr. Wood if he would rise so that we might acknowledge our thanks and extend to him our best wishes.

MR. CLARK:

Mr. Speaker, might I say, on behalf of the members on this side of the House, how much we appreciate the contribution that Dr. V. Wood has made to the Province of Alberta. Dr. Wood is a quiet, soft-spoken Albertan, but no person who has known Dr. Wood should take that to mean that he is not a man of very sincere and very genuine convictions. He has made a significant contribution to Alberta, especially in the field of our environment.

Good luck, Dr. Wood, and we trust you will enjoy your work on the land forum.

MR. DOAN:

Mr. Speaker, I'd like to introduce to you and through you to the members of this Assembly, a group of girls from our Innisfail 4-H Club, sewing section. These girls are accompanied by their leader, Judy Hoar and five adult members.

They are here to learn more about the operation of our government. They are in the public gallery. I would ask them to stand and be recognized.

MR. ANDERSON:

Mr. Speaker, I would like to introduce to you and through you to this Assembly, some 30 students from the Gilbert Patterson Junior High School at Lethbridge. They are accompanied by their teachers, Mr. J. L. Hunter and Mrs. Blanche Rothel. These students raised their own funds to pay the expenses of their trip to Edmonton. Before returning to sunny southern Alberta, they will visit the Provincial Museum and Archives and the Alberta Game Farm. They are seated in the members gallery and I would ask them to please rise and be recognized.

MR. FLUKER:

Mr. Speaker, it is my pleasure to introduce to you and this Assembly some 50 Grade 8 Social Studies students from the Racette School in St. Paul. They are accompanied by their teachers, Mme. Foisy and Mrs. Schwengler, and their driver, M. Foisy. I would ask them to rise and be recognized by this Assembly.

MR. COOPER:

Mr. Speaker, it is a pleasure for me today to introduce to you and to the members of the Assembly, 40 Grade 10 students from the town of Viking in the Vermilion-Viking constituency. They are seated in the public gallery and are accompanied by their teacher, Mr. Warren.

I was with this group for a while before the session and in the midst of them I had to look up to every one of them. I was the shortest one there. They are seated in the public gallery and I would ask them to stand and be recognized.

MR. TAYLOR:

Mr. Speaker, on November 27, there was a party in Drumheller for a lovely lady who celebrated her 101st birthday. She received at that time a beautiful scroll from the hon. Premier, and from the hon. the Lieutenant Governor. She had 11 children - 8 living - 30 grandchildren, 78 great-grandchildren, and 24 great-great grandchildren, and 1 great-great-great grandchild.

You see how we act in Drumheller. She makes up for the member.

[Laughter]

I am happy to introduce to you, Mr. Speaker, and hon. members of the Legislature, one of the great-grandchildren in the person of Wesley Stewart from Sundre, a fine young man who is a Grade 11 student and most interested in energy in the province and in Canada. I would ask Wesley to stand. I am sure hon. members will welcome him to this Legislature.

MR. HENDERSON:

Mr. Speaker, it is my pleasure to join with other members of the Assembly today in introducing to you and to members of the House a class of Grade 10 students from the Devon High School - some 20 students - accompanied by their teacher, Mrs. Chemago and their driver, Mr. Taylor. I don't know if he is any relation to the eloquent Member for Drumheller or not, but I would ask the students to now rise and be recognized.

FILING RETURNS AND TABLING REPORTS

MR. YURKO:

Mr. Speaker, I beg leave to table the proceedings of the public hearings on Land Use and Resource Development in the Eastern Slopes.

ORAL QUESTION PERIODPrice Freeze - PM's Announcement

MR. CLARK:

Mr. Speaker, I would like to direct a question to the Premier. In light of the announcement made yesterday from Ottawa I am sure that most members of this Assembly share the concern as to what is happening to the control of the natural resources of this province.

My question to the Premier is, is it the government's intention, or the Premier's intention, to make a statement on Orders of the Day in regard to the very serious announcement made by the Prime Minister yesterday?

MR. LOUGHEED:

Mr. Speaker, it wasn't my intention to make an announcement on Orders of the Day. I would be happy to answer any questions the hon. members may wish to make.

Frankly, in reviewing the Prime Minister's statement, with the exception of the timing of the price freeze, there was nothing particularly new or different contained in it. There was a reference to the Montreal pipeline, and I think all members on both sides of the House discussed that when it was announced on September 4. Frankly, to put it in its proper perspective for Albertans, I wish we would perhaps end the conversation and start to construct the pipeline.

The other matter that was raised had been the discussion for some time, also announced on September 4, that the federal government was considering a national petroleum company. Unlike our Alberta Energy Company it obviously intends to be involved in the question of exploration and production in competition with the private sector.

There was also reference to a discussion we had at the Western Economic Opportunities Conference regarding research in the Alberta oil sands. We will be having ongoing discussions on that.

I think the only major and significant aspect of the remarks yesterday, insofar as Alberta is concerned, was that, of course, we were hopeful that the federal Liberal government would live up to its commitment to lift the price freeze on Alberta crude oil on February 1. Frankly, we were not particularly surprised they did not. But what's important to this Legislative Assembly is that the legislation that has been introduced in the last week is, in my view - as a result of the announcement made by the Prime Minister yesterday - just that much more important in protecting the interests of Albertans.

MR. CLARK:

Mr. Speaker, a supplementary question to either the Premier or the Minister of Federal and Intergovernmental Affairs.

Was the province apprised beforehand of the federal government decision that they would not be lifting the price freeze, as they had formerly indicated?

MR. LOUGHEED:

Mr. Speaker, one always has a difficulty with the use of the word "consultation" and I was pleased the hon. leader used the word "apprised". The facts are that we were, in fact, apprised and that there had been considerable discussion. One has difficulty using the word "consultation" when the end result is that there has been discussion but there hasn't been a great deal of agreement. So the end result of the discussion was an agreement to disagree. But there was no question in this case that the provincial government was apprised in advance of the decision that was to be made by the Prime Minister with regard to the extension of the price freeze.

I should, perhaps, mention that the actual terminology of the Prime Minister's statement has used the phrase "winter season" rather than being definitive. It has also used the terminology of "home heating" which we're all acquainted with in terms of the remarks that I dealt with in the House on Monday. So there are some ambiguities that I'm sure will be cleared up in the course of time.

MR. CLARK:

Supplementary question, Mr. Speaker, to the Premier. When the Alberta government was apprised of the federal government's intention not to lift the price freeze, did the Province of Alberta make it abundantly clear to the 'feds' - I mean, the federal government - that you opposed this move?

MR. LOUGHEED:

Mr. Speaker, without using the vernacular, the answer was abundantly clear.

MR. WILSON:

Supplementary, Mr. Speaker ...

MR. NOTLEY:

A supplementary question to the hon. Premier ...

MR. SPEAKER:

The hon. Member for Spirit River-Fairview with a supplementary, followed by the hon. Member for Calgary Bow, and then the hon. Member for Calgary Millican.

MR. NOTLEY:

Mr. Speaker, I'd like to direct a supplementary question to the hon. Premier. There are really two parts. Has he any idea yet as to what the definition of the end of the winter is - what that means?

[Interjections]

Also, in conjunction with that, could the hon. Premier advise the Assembly whether or not his staging-in proposition was based also on waiting until the end of the winter season before prices went up?

MR. LOUGHEED:

Mr. Speaker, with respect to the first part of the question, I have the feeling, as many westerners do these days, that the definition with regard to "winter" might emanate from Toronto.

But with regard to the question of staging, I think it's fair to say that we did envision a staging process whereby there would be a lower increase in terms of the winter months, and that it would accelerate as we reached the spring, recognizing the impact upon the consumers of Canada in the winter months.

Oil Exploration

MR. WILSON:

Supplementary, Mr. Speaker, to the hon. Premier. Is it the intention of the provincial government, either independently or in partnership with the federal government, to enter into the oil exploration business?

MR. LOUGHEED:

Mr. Speaker, it is not.

Alberta Petroleum Marketing Commission

MR. DIXON:

Mr. Speaker, my supplementary question to the hon. Premier is: owing to the fact that the freeze has now been announced by the federal government to go on for an indefinite length of time, has the Premier given any consideration, if the Legislature passes the Alberta Petroleum Marketing Commission, to going ahead with the commission and implementing it prior to the indefinite freeze that has been placed by the federal government?

MR. LOUGHEED:

Mr. Speaker, I think it's a very important point, but the very nature of the way the hon. member had to phrase the question does make it hypothetical. I think the government's position at the moment is to have the flexibility that if the Legislature does, in fact, endorse the Alberta Petroleum Marketing

Commission - which, as I've mentioned in answer to the first question from the hon. Leader of the Opposition, makes it that much more important - that we will assess the situation during the course of the early months of 1974 - developments as they then exist - and make a decision as to what we would do in terms of the matters raised by the hon. member.

E.T.S. Strike

MR. CLARK:

Mr. Speaker, I have a second question for the Minister of Labour. I'd like to ask if the government is in a position to indicate that the Edmonton Transit System strike is close to being settled, more than just one day closer to being settled? Are the two parties really getting close together?

DR. HOHOL:

Mr. Speaker, that would be an extremely difficult kind of prediction to make. Collective bargaining doesn't lend itself to that. I hope as much as everyone else does that the parties are getting closer together. Our mediation staff is doing everything possible to make that possible, but I could not honestly be more definitive.

MR. LUDWIG:

A supplementary. Has the hon. minister been involved personally in attempting to settle the strike?

DR. HOHOL:

Mr. Speaker, again, candidly but carefully, I would have to say that I was, in the sense that I have had discussions on the initiative of some of the principals to the dispute; but I have not, in the sense of mediating it as would be defined under The Labour Act.

MR. LUDWIG:

Supplementary. When did the hon. minister last meet with the principals to both sides of the dispute?

DR. HOHOL:

Mr. Speaker, I have not, in fact, personally met with them, but have had discussions on the telephone with the principals of both groups.

MR. SPEAKER:

The hon. Member for Clover Bar followed by the hon. Member for Spirit River-Fairview.

Licence Plates Manufacture

DR. BUCK:

Mr. Speaker, I'd like to ask a question of the Minister of Highways and Transport. Is the minister in a position to inform the House if a non-Canadian company was the low bidder on manufacturing licence plates?

MR. COPITHORNE:

Mr. Speaker, I'd be very happy to answer that question. It was a Canadian company that was the low bidder. I have here the name of the low bidder. Signal Industries Ltd., from Regina, Saskatchewan, was the low bidder in that particular tender.

Price Freeze

MR. NOTLEY:

Mr. Speaker, I'd like to pose this question to the hon. Premier for clarification. Mr. Speaker, could the hon. Premier advise the House whether it is the intention of the Alberta government - once the marketing commission has passed, the legislation is set up and the commission established - to respect the price freeze for that period of time, whatever the definition of the winter is?

MR. LOUGHEED:

Mr. Speaker, I think that is the matter I was attempting to answer for the hon. Member for Calgary Millican. Certainly that would be something that we would assess in the early months of 1974, having regard to the conditions that exist at that time.

MR. SPEAKER:

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

School Double-Entry Funding

MR. LEE:

I have a question for the Minister of Education. In light of the decisions of the Calgary public and separate school boards to initiate a double entry for Grade 1 students in the new year, does your department plan any modifications in the funding of either basic or early childhood programs?

MR. HYNDMAN:

Mr. Speaker, no, we don't plan any changes from the point of view of the provincial government. Certainly the double-entry system, which is one whereby students entering Grade 1 can do so on two occasions during the school year rather than the traditional single September date - that is a program which was initiated by the two school boards in question - there would be no change in provincial funding, either under the School Foundation Program fund or the Early Childhood Services plan, insofar as the double entry was initiated by those boards in response to the wishes of their constituents in Calgary.

MR. SPEAKER:

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

Welfare Allowances - Christmas

MR. TAYLOR:

Thank you, Mr. Speaker, my question is to the hon. Minister of Health and Social Development. Is the government planning any extra allowance for welfare recipients at Christmastime, especially for those who have young and growing children?

MR. CRAWFORD:

Mr. Speaker, the new schedules of food and clothing allowances for adults are going into effect on February 1, and as the hon. member would know, were announced a couple of weeks ago.

In respect to youngsters and people with families, the attitude I have taken is that the substantial increase in family allowances which was being phased-in as of October, is done in respect to the higher cost of raising children and in respect to the specific needs of children for items not provided for in their food and clothing allowance.

On that basis, for the time being, we are treating that as being the adjustment made in the case of children.

MR. SPEAKER:

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

Oil Resources Preservation

MR. HENDERSON:

Mr. Speaker, I'd like to ask the Minister of Mines and Minerals if he could advise the House whether it's the intention of the government to introduce, either at this sitting or at the next sitting, an oil resources preservation act?

MR. DICKIE:

Mr. Speaker, it's not the intention of the government to introduce at this session of the Legislature an oil resources preservation act. Our department has done some considerable work on that type of bill. It may be in the future that it would be necessary. That decision hasn't been reached.

MR. SPEAKER:

The hon. Member for Edmonton Kingsway followed by the hon. Member for Vermilion-Viking.

Wiretapping

DR. PAPROSKI:

Mr. Speaker, a question to the Minister of Telephones and Utilities. Has the recently-introduced Alberta legislation dealing with wiretapping and restricting wiretapping in Alberta been affected in any way by the federal legislation?

MR. FARRAN:

Mr. Speaker, you would probably have to recall that in the AGT Amendment Act, in the last sitting, there was a provision that put no obstacle in the way of senior federal legislation.

The new federal bill, I understand, allows wiretapping by the police upon the order of a judge. This would apply to Alberta as well which has previously prohibited wiretapping by the police.

MR. SPEAKER:

The hon. Member for Vermilion-Viking followed by the hon. Member for Edmonton Norwood.

Secondary Industries

MR. COOPER:

Mr. Speaker, my question is directed to the Minister of Industry and Commerce. Could the hon. minister inform the members what effect, if any, the Government of Canada's oil export tax and price freeze has had on the development of secondary industry in Alberta, and if any, could he give examples?

MR. PEACOCK:

Mr. Speaker, I don't think that I can answer that question at this time. I would suggest that if the hon. member will put it under the Order Paper, I would have our department do an in-depth review of it.

MR. LOUGHEED:

Mr. Speaker, in addition, I am sure, to the detailed information the hon. member seeks on the Order Paper from the hon. minister, I think it's clear from the reports we are receiving that quite obviously there is a very dramatic change going on right now in terms of the world, and North America in particular, in terms of where one intends to locate a secondary industry. Certainly security of supply for feedstocks, petrochemicals and chemicals, in the recent articles that have just been printed with regard to the chemical industry, reflects some real opportunities for Albertans in that regard.

MR. SPEAKER:

The hon. Member for Edmonton Norwood followed by the hon. Member for Little Bow.

Alberta Petroleum Marketing Commission (Cont.)

MRS. CHICAK:

Mr. Speaker, my question is directed to the hon. Minister of Mines and Minerals. Could the hon. minister advise the House as to when a decision might be expected on the location of the Alberta Petroleum Marketing Commission office, when that commission has been established?

MR. DICKIE:

Mr. Speaker, there has been no decision as to the proposed location of the Alberta Petroleum Marketing Commission. I'm sure hon. members would agree there are a number of ideal locations in Alberta. One might be, Calgary, of course, because of the location of the Energy Resources Conservation Board, the number of oil companies located there and the work that will be done with the crude oil purchasers who operate out of there. On the other hand, in Edmonton there are a number of refineries, the location of the interprovincial pipeline, the whole development of the North. Those are items that would have to be considered.

Mr. Speaker, as to the timing of when that decision might be made, I think I could perhaps call on the hon. Premier. He might have an observation.

MR. LOUGHEED:

Mr. Speaker, that is what is known as receiving a lateral.

With regard to the timing or the location, I think one of the keys, as the hon. minister mentioned, is the question of reaching a decision as to whether or not synthetic crude oil will come within the Alberta Marketing Commission act - as it is presently constituted before the House, it is excluded. But if a policy decision is made to include it, and hence to seek amendment in the spring, at that time, of course, one will have to give greater consideration to the logic of the central geographic nature of the decision, and I leave that to the hon. members to speculate.

MR. SPEAKER:

The hon. member ...

MRS. CHICHAK:

Supplementary. Could we perhaps conclude that it might be Edmonton?

MR. LOUGHEED:

Mr. Speaker, that would be a reasonable conclusion, provided the verb there was "might".

MR. SPEAKER:

The hon. Member for Little Bow followed by the hon. Member for Lac La Biche-McMurray.

Health Institutions

MR. R. SPEAKER:

Mr. Speaker, my question is to the Minister of Health and Social Development. Has the two-year study on health institutions by the Hospital Services Commission been completed?

MR. CRAWFORD:

Not entirely, Mr. Speaker. There have been a lot of interim submissions made by the team working on it to the Hospital Services Commission, which they have found to be of distinct value in dealing with the subjects referred to in the reports that have come from time to time. But to say that it is complete and that it is time to have a final summation and collecting together of the information, that has not quite [happened] yet. My estimation now is that it will be in the spring, perhaps about the month of March.

MR. R. SPEAKER:

Mr. Speaker, a supplementary. Have any decisions been made with regard to phasing out any active treatment hospitals in the province during the year 1973 or in the year 1974?

MR. CRAWFORD:

Mr. Speaker, the hospitals, in respect to which that type of discussion usually comes up, are mainly small rural hospitals that are operated at relatively low cost, and [make up a] low proportion of the budget. It is the policy of the government not to phase out small rural hospitals. There is in existence a continuing plan for replacing them where the appropriate facility

would be another hospital. In cases where the appropriate facility might be an alternative, in the general sense of what is referred to now as a health centre, that type of thing is being given consideration, for several communities, by the Alberta Hospital Services Commission.

I might emphasize that in cases where that is being considered it is as a result of discussions between the commission and the local board.

MR. SPEAKER:

The hon. Member for Lac La Biche-McMurray followed by the hon. Member for Sedgewick-Coronation.

Syncrude - Board of Directors

DR. BOUVIER:

Yes, Mr. Speaker, I would like to direct my question to the Premier. In view of the fact that the province is now considered a 50 per cent partner in the development of the Syncrude project, rather than receiving 50 per cent royalties, and in view of the fact that there is an option to purchase 20 per cent of the plant at a later date, and in view of the fact that ...

MR. SPEAKER:

Possibly the hon. member's two preambles, which are already two too many, would suffice.

DR. BOUVIER:

Is it the intention of the government to acquire 50 per cent or 20 per cent or one director on the board of directors of Syncrude in the future?

MR. LOUGHEED:

Mr. Speaker, it certainly would be the intention under the joint venture arrangement, to assure that, as a true and proper joint venture arrangement, the accounting manual that is prepared is finalized by the Deputy Provincial Treasurer. Secondly, with regard to the actual representation on the board of directors, that would, of course, flow through the Alberta Energy Company. But we felt that the situation of the 50 per cent joint venture partner on the one hand, balanced by the option of 20 per cent on the other, gives the government, both in terms of profits by way of 60 per cent and in terms of decision-making, I think we would get pretty close to that as well.

DR. BOUVIER:

A supplementary. Could the Premier advise how many directors there are on the board of directors of Syncrude, approximately?

MR. LOUGHEED:

Mr. Speaker, I don't have the number presently in my mind. I think the arrangements would be worked out now that - I should say "now", there is still an outstanding condition - that when the final outstanding condition has been finalized, and it is absolutely clear that they are proceeding, it would be the intention to come down on a definitive agreement that would spell out, both in terms of the accounting manual and also [in terms of] the question the hon. member raises. And I would think that we would be unencumbered by the present situation in reaching a conclusion on the hon. member's question.

MR. NOTLEY:

A supplementary question to the hon. Premier. Is it the government's intention to table a definitive agreement during the spring session once it is arrived at?

MR. LOUGHEED:

Mr. Speaker, certainly the definitive agreement will be tabled once it has been concluded. As to the timing, there is no way I can comment on that at the moment.

MR. SPEAKER:

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

Supervision of Children

MR. SORENSON:

Mr. Speaker, my question is directed to the hon. Attorney General. Is the hon. minister considering reassessing the statutes dealing with care and supervision of infants in light of the two recent fatalities, which appear to be due to inadequate supervision?

MR. LEITCH:

Mr. Speaker, I can't immediately call to mind the statutes to which the hon. member might be referring. We do have some legislation regarding the welfare of children. But if the hon. member is referring to an obligation on the part of a parent to supervise, as opposed to providing education and things of that nature, I can't at the moment call to mind any such legislation.

MR. SPEAKER:

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

Oil Royalties

MR. WILSON:

Mr. Speaker, I'd like to direct a question to the hon. Minister of Mines and Minerals. Has the government agreed with the oil industry that the proposed new royalty will be 50 per cent at \$8 a barrel?

MR. DICKIE:

No, Mr. Speaker.

MR. WILSON:

A supplementary, Mr. Speaker. Has the government reached agreement with the industry on a sliding-scale royalty?

MR. DICKIE:

No, Mr. Speaker.

MR. WILSON:

Has the government reached agreement with the industry on any royalty formula?

MR. DICKIE:

No, Mr. Speaker.

MR. WILSON:

Has the government had discussions with the industry at all?

MR. DICKIE:

Yes, Mr. Speaker, and I mentioned that on the debate under The Mines and Minerals Amendment Act.

MR. WILSON:

A final supplementary, Mr. Speaker. Is it the intention of the minister to elaborate on those discussions at any time?

AN HON. MEMBER:

Spring session, in the spring session.

MR. DIXON:

Mr. Speaker, I'd like to ask the hon. minister a question regarding royalty. Is the government giving any consideration at all to applying any increase in royalty only to the increased price above, say, what the price is today?

MR. DICKIE:

Mr. Speaker, I'm not so sure these questions are really proper when we are discussing the bill, The Mines and Minerals Amendment Act. I think we can perhaps get into those discussions at that time.

MR. SPEAKER:

The hon. Member for Camrose followed by the hon. Member for Lethbridge East.

Coal Leases - Big Knife Provincial Park

MR. STROMBERG:

Mr. Speaker, my question is directed to the Minister of Lands and Forests. I was wondering if the hon. minister has anything new to add in regard to the coal leases presently under Big Knife Provincial Park?

DR. WARRACK:

Yes, Mr. Speaker, the hon. member pursued that matter with me in October. I am happy to report that we have made considerable progress. We have had communications with the company involved and have worked out a proposal which is now before us and we are assessing. And, Mr. Speaker, I am very optimistic that we can reconcile this long-standing problem very soon.

MR. STROMBERG:

A supplementary, Mr. Speaker. Have any discussions been implemented with Alberta Power about their reservations for land in Big Knife Park for future flooding?

DR. WARRACK:

Offhand, Mr. Speaker, I can't be positive that that's a part of the situation we are looking at at the moment. I'm afraid I would have to check on that.

MR. SORENSON:

A supplementary to the minister. Has the minister had the opportunity to visit Big Knife Park since becoming Minister of Lands and Forests?

DR. WARRACK:

Yes, Mr. Speaker, I'm happy to report that I've now visited 38 provincial parks in Alberta, and I understand that is more, by far, than ever visited by a minister.

MR. SPEAKER:

The hon. Member for Lethbridge East followed by the hon. Member for Edmonton Kingsway.

Alberta Municipal Financing Bonds

MR. ANDERSON:

Mr. Speaker, my question is directed to the Provincial Treasurer. Does the government intend to use the treasury branches as an agent for the sale of the new issue of Alberta Municipal Financing Bonds to the citizens of the province?

MR. MINIELY:

Mr. Speaker, I could best answer that question by saying that when it is desired to cover and provide a service to Albertans in any investment vehicle, frequently the treasury branches are useful, because of their broad ability to cover the province. But I would have to check into the specific item about which the hon. member has asked and report back on it.

MR. SPEAKER:

Instead of Edmonton Kingsway, I had intended to say Edmonton Highlands. The hon. Member for that constituency followed by the hon. Member for Wainwright.

Neighbourhood Improvement Program

MR. KING:

Mr. Speaker, since the province was the first of the Canadian provinces to sign a master agreement with Central Mortgage and Housing Corporation this spring, I wonder if the minister could advise whether or not there have been any applications from communities for Neighbourhood Improvement Program assistance? If there have been, where are these communities located, and at what stage is their application?

MR. SPEAKER:

This is certainly a question which is eminently suited for the Order Paper.

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

Widows' Allowances

MR. RUSTE:

Mr. Speaker, my question is to the Minister of Manpower and Labour and deals with The Workers' Compensation Act. In view of the recent announcement by the Minister of Health and Social Development relating to the increased family allowances, will the government be reviewing the awards payable by government under Section 40 of The Workers' Compensation Act which relates to compensation to widows and their dependent children?

DR. HOHOL:

Mr. Speaker, that won't be the case. I should say that we spent a great deal of time on that very point, anticipating certain other kinds of benefits that go across the board and including the people the hon. member is referring to. It was the judgment of the legislative committee that the benefits which we recommended to the Legislature considered eventualities of the kind described by the hon. member.

MR. RUSTE:

A supplementary question to the minister. Does not this leave them below the levels announced by the Minister of Health and Social Development?

DR. HOHOL:

It could. I would have to check, but it could.

MR. SPEAKER:

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

Alberta Energy Company Directors

MR. DIXON:

Mr. Speaker, I would like to direct a question to the hon. the Premier. Have the directors of the Alberta Energy Company been appointed yet, and if so, I wonder if the Premier could inform the House of the names of the directors?

MR. LOUGHEED:

Mr. Speaker, I believe that we are dealing only with interim directors, but the hon. minister who is responsible, the hon. Minister of Federal and Intergovernmental Affairs, intends to make a statement on the Alberta Energy Company on Orders of the Day today.

MR. SPEAKER:

The hon. Member for Calgary Mountain View followed by the hon. Member for Spirit River-Fairview.

Remand Centre - Edmonton

MR. LUDWIG:

My question, Mr. Speaker, is to the hon. Minister of Public Works. Could he advise as to the stage of development of the remand centre in Edmonton?

DR. BACKUS:

Yes, Mr. Speaker. The remand centre in Edmonton is, I think, reaching about 90 per cent completion. It has been held up somewhat by strikes and supplies but it is certainly getting close to completion.

MR. LUDWIG:

Mr. Speaker, a related question to the Minister of Public Works. Is there any progress in the plans and construction of the addition to the main Calgary Court House?

DR. BACKUS:

In answering that previous question, I assumed you were talking about the remand centre in Calgary.

MR. LUDWIG:

No, the remand centre in Edmonton.

DR. BACKUS:

I'm sorry, Mr. Speaker. In answering the one in regard to Edmonton, we are at the stage there where we are presently obtaining the necessary site for it. The plans are certainly going ahead regardless of the site. Right at the moment we are in negotiation for the land for the Edmonton remand centre, and therefore, I can't make a firm statement about just where that is going, but it is definitely in preparation.

Calgary Court House

With regard to the extension of the courthouse in Calgary, the plans are being prepared. We are developing a project management method of developing this because it will be quite complicated. We have established the project manager and we have got to the point of ordering materials that we anticipate will be difficult [to get] next year. But progress is definitely going ahead on that.

MR. LUDWIG:

A supplementary with regard to the courthouse in Calgary. Has an architectural firm been engaged to design the addition, or will the design be done entirely by the Department of Public Works?

DR. BACKUS:

An architectural firm has been engaged, the same architectural firm that in fact constructed the original courthouse there.

Remand Centre - Edmonton (Cont.)

MR. LUDWIG:

A supplementary with regard to the remand centre in Edmonton. Can the minister advise when he could expect this project to go to tender?

DR. BACKUS:

I think probably it will be a matter of about six months before this project will be going to tender.

MR. LUDWIG:

Is that just an opinion, or do you have some facts? Does the minister have some facts to back that statement?

MR. SPEAKER:

Order please. The hon. Member for Spirit River-Fairview followed by ...

MR. LUDWIG:

Mr. Speaker, I posed a question, which was a proper question, to the hon. minister. He said "probably" thinks, and I think that is indefinite. If he doesn't know he shouldn't answer.

[Interjections]

MR. SPEAKER:

Order please. The hon. member is not entitled, as he well knows from 'way back, to comment on a minister's answer in that fashion, nor may one question lead to a cross-examination as to the underlying reasons for the minister giving the answer.

MR. LUDWIG:

Mr. Speaker, on a point of order, I know that I do not expect an answer but I can expect, as a member in this House, that when the minister does not know he should not try to answer.

MR. SPEAKER:

Order please. The hon. member is repeating his previous breach of order in commenting on the minister's answer. The minister is the one who exercises the discretion as to the manner of his answer.

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

Rapeseed Plebiscite

MR. NOTLEY:

Mr. Speaker, I would like to direct this question to the hon. Minister of Agriculture. Has the government had an opportunity to review the mechanics of the rapeseed vote among Alberta rapeseed producers? By mechanics, I mean both the ballot itself plus the 60 per cent requirement to bring rapeseed under the jurisdiction of the Canadian Wheat Board.

DR. HORNER:

Mr. Speaker, the rapeseed plebiscite, of course, is being held under the auspices of the federal minister who is responsible for the Canadian Wheat Board. We had some discussions with him prior to the plebiscite going out. I would like to say pretty firmly, Mr. Speaker, that there is a question that should be on the plebiscite - that isn't on - and that is that most of our rapeseed in Alberta should be crushed and processed here, rather than just devising a method for the export of a raw product.

MR. NOTLEY:

A supplementary question to the hon. minister, Mr. Speaker. Can the minister advise whether the government has taken a position with respect to the two specific points I raised in the question: first of all, the ballot itself for three choices, and secondly, the 60 per cent requirement necessary to bring rapeseed under the jurisdiction of the board?

DR. HORNER:

As I tried to point out in the first part of my answer, Mr. Speaker, that is the responsibility of the federal minister responsible for the Canadian Wheat Board.

MR. NOTLEY:

Mr. Speaker, a further supplementary question to the hon. minister. Can the minister advise the Assembly whether the statement made on October 11 by the vice-chairman of the Alberta Grain Commission that favoured an open-market system for rapeseed represents the position of the grain commission, or does it also represent the position of the Alberta government?

DR. HORNER:

Mr. Speaker, I have said pretty clearly that the position of the Alberta government was to allow the farmers of Alberta to decide on the ballot themselves. That is the position of the Alberta government. The grain commission is quite free in this province to indicate its views. We still have a free democracy, at least in Alberta.

MR. SPEAKER:

The hon. Member for Drumheller followed by the hon. Member for Vermilion-Viking.

Railbed Usage

MR. TAYLOR:

Mr. Speaker, I would like to give a very, very short explanation before asking a question of the hon. Minister of Industry and Commerce. At the western conference the hon. minister presented a novel plan in connection with the use of railbeds, and the Prime Minister promised at that time that he would give a response at a later date.

Has the Prime Minister or the federal government given their view on the plan that was presented?

MR. PEACOCK:

... [Not recorded] ... a meeting next week with Mr. Marchand. It is, at that time, to be revealed to what extent the studies have gone forward, and in what time frame we, the western provinces, will expect some results and further consultation with the federal government office.

MR. TAYLOR:

Supplementary, Mr. Speaker. Has the hon. minister had any serious objections raised by either of the major railways in the country in connection with the plan?

MR. PEACOCK:

Mr. Speaker, directly, no.

MR. SPEAKER:

The hon. Member for Vermilion-Viking followed by the hon. Member for Clover Bar.

Flood Relief Program

MR. COOPER:

Mr. Speaker, my question is for the Minister of the Environment. Could the hon. minister inform the members if there was a flood relief program carried out in east-central Alberta this past summer and fall, and if so, the criteria to qualify for same?

MR. YURKO:

Yes, Mr. Speaker, I met with the farmers who had some difficulty in regard to flooding from the Vermilion River. Two policies were suggested to the farmers: one, that they should make application under the Department of Agriculture for relief in regard to the damage suffered; second, that the Department of the Environment was prepared, on application by farmers, to repurchase some of the land frequently flooded.

The Minister of Agriculture might wish to answer in terms of the relief provided through that department.

DR. HORNER:

Mr. Speaker, if I could briefly tell the House, cheques have gone out to that particular area for payment of damages in the area.

MR. COOPER:

Supplementary, Mr. Speaker. Could the hon. minister inform us of the rate of relief paid to those qualifying?

DR. HORNER:

I could get a detailed answer for the hon. member and supply it to him, Mr. Speaker.

MR. SPEAKER:

The hon. Member for Camrose with a supplementary.

MR. STROMBERG:

Supplementary to the Minister of the Environment. Is consideration being given to the Vermilion valley of taking some of the flood waters out of the Holden drainage ditch into Beaverhill Lake?

MR. YURKO:

Mr. Speaker, the entire drainage system is being studied. One of the proposals being studied is the possible diversion of some of the drainage waters in the Holden area into Beaverhill Lake. At the same time, another study under active consideration is a variable type of structure at the head of the Vermilion Lakes to control the waters in the Vermilion watershed.

MR. SPEAKER:

The hon. Member for Clover Bar followed by the hon. Member for Edmonton Kingsway.

Licence Plates Manufacture (Cont.)

DR. BUCK:

Mr. Speaker, I have another question to the Minister of Highways and Transport. Could the hon. minister inform the members of the House how many people tendered for the manufacture of licence plates?

MR. COPITHORNE:

Yes, Mr. Speaker. There were three.

DR. BUCK:

Mr. Speaker, were the tenders opened before the people tendering? I mean, were they in attendance?

MR. COPITHORNE:

Yes, Mr. Speaker, all the tenders are opened before the tenderers at the time of tender opening.

DR. BUCK:

Mr. Speaker, could the hon. minister table the letter he read the information from?

MR. COPITHORNE:

Mr. Speaker, if the hon. member wants that information, he can ask for it in a return.

DR. PAPROSKI:

Mr. Speaker, I love the attention I'm getting, but I believe it's another member.

MR. SPEAKER:

The Chair has overlooked the boundary between the two constituencies.

The hon. Member for Edmonton Highlands.

MR. KING:

Mr. Speaker, the two constituencies don't have any common boundaries at all ...

MR. SPEAKER:

That's why I couldn't see it.

MR. KING:

... except that we're both on this side of the House.

I'm tempted to try again with the hon. Minister of Municipal Affairs, but I think I'm going to have to rephrase the question.

Cable Television Licensing

Instead I will ask the hon. Minister of Telephones and Utilities whether or not the government has given consideration to adopting a policy of provincial licensing and regulation of cable-casting, that is, cable television, and also ultrahigh frequency television which has very limited reach?

MR. FARRAN:

Mr. Speaker, on November 25 the Government of Alberta took this position at a federal-provincial conference on communications in Ottawa.

On cablevision, it called for more provincial input in regard to the setting of franchise boundaries, the regulation of rates and the right of the common carrier to assist with capital investment in the ownership of coaxial cable which could be leased back to operators. The reason for the position was that it was felt this was the only way that the benefits of this new technology could be delivered to the greatest number of Albertans.

Other provinces took a position for total control of cablevision within their borders. We took a position of calling for input because we recognize that the federal government has some legitimate concern for the economic viability of orthodox broadcasters.

MR. SPEAKER:

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

Oil Sands Development

MR. WILSON:

Mr. Speaker, I'd like to direct a question to the hon. the Premier. Can the hon. Premier advise what is the basis of cooperation between the provincial and federal governments in relation to the technology development for the Alberta oil sands?

MR. LOUGHEED:

Mr. Speaker, I think it's a matter that is, at the moment, unresolved. There have been discussions by officials and by ministers from time to time. I doubt that it really would reach a point of understanding or possible agreement until the middle part of 1974, and subsequent to the statement that the provincial government will be making regarding long-term plans for oil sands development - which I mentioned in the House a few days ago.

MR. WILSON:

Supplementary, Mr. Speaker. Has the Alberta government received prior notice of the \$40 million which the federal government is budgeting over the next five years for this purpose?

MR. LOUGHEED:

Mr. Speaker, we have had plenty of notice of gifts and offers and propositions from the federal government with respect to their growing and 'consuming' interest in the Alberta oil sands.

[Laughter]

MR. WILSON:

Supplementary, Mr. Speaker. Has the Alberta government established a budget for the technology development of the oil sands?

MR. LOUGHEED:

Mr. Speaker, that will be something that the hon. member will find to his interest and, I think, to his endorsement when the budget is presented in the spring.

MR. SPEAKER:

The hon. Member for Calgary Mountain View followed by the hon. Member for Edmonton Jasper Place.

Railway Crossing Hazards

MR. LUDWIG:

Mr. Speaker, my question is to the hon. Minister of Highways and Transport and it deals with the number of serious accidents at railway crossings in Edmonton and district. Is any action being contemplated by the Department of Highways and Transport to see whether some of these hazards could be overcome in the near future?

MR. COPITHORNE:

Mr. Speaker, we are continually trying to eliminate the hazards at railway crossings throughout the province.

MR. LUDWIG:

I was interested, Mr. Speaker, whether there's any immediate action contemplated or whether this is still in the stage of contemplation?

MR. COPITHORNE:

Mr. Speaker, there are several great separations separating the railway from highway crossings under way the present moment. There have been, all summer.

MR. LUDWIG:

Supplementary. I was dealing particularly with those locations where accidents have taken place just within the last few days. Is anything being planned for these particular locations?

MR. COPITHORNE:

Mr. Speaker, the reasons for the accidents are under investigation.

MR. SPEAKER:

The hon. Member for ...

MR. DIXON:

Mr. Speaker, could I ask a supplementary question to the Minister of Highways and Transport. Has your department given any consideration to recommending to the CPR and CNR that they give more protection to the operators of dayliners, that is, by more substantial protection at the front end of the vehicle? Because this seems to be a real problem in these accidents.

MR. COPITHORNE:

Mr. Speaker, every accident that occurs involving the dayliners and any railroad vehicles is investigated and there are recommendations ... [Inaudible] ...

MR. SPEAKER:

The hon. Member for Edmonton Jasper Place.

Neighbourhood Improvement Program (Cont.)

MR. YOUNG:

A question, Mr. Speaker, to the Minister of Municipal Affairs. Could the minister advise whether a decision has been taken by the government to match, in part at least, the federal funds under the Neighbourhood Improvement Program? If not, when will such a decision be taken?

MR. RUSSELL:

Mr. Speaker, that is a matter currently under review. The operative agreement with the federal government has been signed and the two reports have been prepared through the auspices of the Alberta Housing Corporation with respect to that very matter. I hope to present them to the members of the Executive Council at an early date.

ORDERS OF THE DAY

MINISTERIAL ANNOUNCEMENT

Department of Federal and Intergovernmental Affairs

MR. GETTY:

I would like to take this opportunity on Orders of the Day to make a statement to the members regarding the Alberta Energy Company.

Mr. Speaker, the Government of Alberta has been continually assessing ways and means to provide Albertans with opportunities for equity investments in Alberta energy resources.

It is the government's belief that these opportunities should clearly involve the potential for individual Albertans to participate in both the profits and risks which are inherent in the development of these resources.

As a result of our analysis, it is our judgment that a corporate entity should be established. This decision was embodied in the Premier's message on September 18, 1973, when he announced the formation of the Alberta Energy Company. It is also our intention to introduce, during the 1974 session of the Legislature, an act to establish the Alberta Energy Company.

We are convinced that there is a demonstrated need for an energy investment company whose control will always remain in the hands of Albertans. There is also a need to develop the basis for a continuing partnership between Albertans and their government, with the government providing the initial leadership in establishing such a company.

Albertans will continue to benefit from income presently received by the government in the form of lease and royalty payments. Now, however, through ownership of shares in the Alberta Energy Company, they will also have the opportunity to benefit directly through personal ownership in a company which will be participating in resource development projects.

We believe that this Alberta-controlled company will be a unique partnership between the Government of Alberta and its citizens and its share distribution plan will be especially designed to attract first-time investors in our province. An opportunity will be presented to every man, woman and child in Alberta to participate directly in the development and ownership of resources in our province while at the same time providing a stake in the future for their children and grandchildren in years to come.

Through its ownership of 50 per cent of the shares, the government will be able to ensure that meaningful and effective control of the company will be in Alberta and directly responsive to the interests of Albertans.

The Alberta Energy Company which was formed on September 18, 1973, has a capitalization of \$500 million. This is the largest capitalization for any company yet incorporated in Alberta. The government will provide \$250 million of this capital, with a matching \$250 million invested firstly by Albertans on a preference basis and secondly by other Canadians. It is our intention that the ownership of the voting shares will be restricted to Canadian citizens or residents of Canada. Foreign-controlled companies will be excluded from

ownership of voting shares. We are convinced this venture will be a challenge to the rest of Canada to follow the lead of Albertans by participating in the purchase of shares in this company.

The Alberta Energy Company presently has a share structure of 100 million shares. It is expected that the company will initially require \$150 million which will be raised through the sale of shares during 1974. It is important to note that on initial and subsequent offerings of shares, Albertans will be given first preference. Also, in keeping with our desire to provide an opportunity for all Albertans, and, in particular, first-time investors, an instalment purchase plan for a maximum number of shares will be provided. The plan will thus ensure that all Albertans can afford to make an investment in the future of their province. In addition, in order to provide the widest possible distribution of shares and to prevent any one person or group from acquiring a large block of shares in the future, the total share holdings of any one investor will be limited to 1 per cent of the shares issued.

The price of the shares will be determined in the light of market conditions and the value attributed to the company's individual investment components. The price will also be in keeping with the objective of wide distribution of share ownership among the residents of Alberta.

Once the initial offering has been distributed the shares will be allowed to trade freely in Canada. We have provided an interim board of directors to conduct the affairs of the company and are currently searching for qualified Canadians to serve as members of the management team. We feel that the choice of these people is a very important one.

The hon. Member for Calgary Millican requested the details on the names of the existing interim board of directors. I didn't have it in the statement but they are as follows: R.G. McFarlane, T. R. Vant, A. F. Collins, D. M. Ritchie, M. E. Lomas and G. B. Mellon.

Mr. Speaker, all Albertans are familiar with the important Syncrude project to extract crude oil from the Alberta oil sands near Fort McMurray. The Alberta Energy Company will be the means of ensuring the participation of our citizens directly in that development. Specifically, the Alberta Energy Company will participate in the Syncrude project as follows:

First, by holding an 80 per cent interest in the pipeline from Fort McMurray to Edmonton, which will be the common carrier for all synthetic crude oil plants built in the Alberta oil sands;

Secondly, by holding a 50 per cent interest in the related power facility, an integral part of the extraction plant, providing both electrical power and steam necessary in the extraction of bitumen from the oil sands;

Thirdly, by holding an option to acquire up to a 20 per cent interest in the Syncrude extraction plant - exercisable at any time up to the commencement of production.

The fourth immediate investment by the company will be in the Suffield Block natural gas development in southeastern Alberta. The company will acquire the natural gas rights to this 1,000 square mile block of land, located 30 miles north of Medicine Hat. Those rights will be acquired from the Crown. This potentially valuable reservoir of natural gas would then be developed in conjunction with private industry to capitalize on the growing need for such resources.

The company will also be investing in a further development which is being announced for the first time today. This is the newly created Pan-Alberta Gas Ltd., a company that will be active in natural gas and other natural resource areas of our province. This is the second proposed investment related to natural gas and is a unique opportunity since the structure and objectives of Pan-Alberta readily lend themselves to participation by the Alberta Energy Company.

Pan-Alberta is an Alberta company which is presently a wholly-owned subsidiary of Alberta Gas Trunk Line. The Alberta Energy Company will become a major shareholder, albeit not the largest, in this venture along with Alberta Gas Trunk Line. We feel this is an exciting investment for the future, and one that complements the other investments by the Alberta Energy Company.

In other areas of potential investment the Company will be examining related opportunities which have the public interest of the citizens of Alberta as their major consideration and where the government can serve as a catalyst in energy

development while, at the same time, serving as a means of effectively marshalling our financial resources and funnelling them into attractive investments. It is the intention of the government that the Alberta Energy Company will not compete with private industry in the normal exploration and development programs in the energy field. Therefore, Mr. Speaker, from our knowledge of the recently announced national energy petroleum company, there will be a distinctive difference between the Alberta Energy Company and that company. And, of course, the Alberta Energy Company will be owned at least 50 per cent by common share investors outside of the government.

While Pan-Alberta Gas Ltd. is a new and exciting part of the Alberta Energy Company, many Albertans are already looking forward to an opportunity to invest in the four original investments - the Syncrude plant, the power facility, the oil sands pipeline and the Suffield Block.

I think it is necessary to give a little additional detail on the investment characteristics and backgrounds of these individual projects.

The Syncrude plant, the second to be constructed in the Alberta oil sands area, will be the largest capital project in the history of Alberta and will rank with the largest in the entire history of Canada. We believe it will be a precedent for many other successful extraction plants to be built in future years.

However, of the five immediate investments now considered by the Alberta Energy Company, the Syncrude plant itself is viewed as carrying the highest risk. For this reason, an option for up to 20 per cent ownership has been obtained. The option need not be exercised until start up of commercial production, which is presently anticipated to commence in 1978. At that time design and construction costs, crude oil pricing mechanisms and other important factors will be known - like who owns it.

The Syncrude power facility - the Alberta Energy Company investment in the Syncrude power plant - is a low-risk fixed-return venture. It has been agreed that the Alberta Energy Company would hold 50 per cent equity in the power plant.

The total cost of the power installation is presently estimated at approximately \$100 million. The installation is an integral part of the Syncrude extraction plant and provides electrical power for the operation of mining and processing machinery, as well as steam for hydrogenation and extraction of bitumen. The power plant will be connected to the Alberta power grid system and will be completed in time for the start of Syncrude production in 1978.

The Alberta oil sands pipeline is a 272 mile pipeline from Fort McMurray to Edmonton and an integral part of the oil sands development as well. Initially under present planning, the capacity will be 175,000 barrels per day through a 30 inch pipeline. This capacity will be increased in stages through additional pumping capacity plus a 32 inch loop which is presently planned for 1984-85. The pipeline is a low risk venture and should be a major source of profits and funds for further development projects. Construction of the initial line should commence in 1976. Planning is presently under way. The Alberta Energy Company will hold 80 per cent equity in the pipeline, with the remaining 20 per cent being held by the Syncrude partners.

The Suffield Block is a 1,000 square mile block of land just north of Medicine Hat. Preliminary estimates indicate gas reserves in excess of four trillion cubic feet. At the present time, the government has undertaken a 77 well evaluation program designed to be completed early in 1974. Mineral rights in this area are owned in excess of 95 per cent by the Province of Alberta with the balance by Canadian Pacific and the Hudson's Bay Company. The surface rights are owned by the federal government, large portions of which are currently leased to the British army for training purposes.

The Suffield Block program is considered a medium-risk venture since the geology of the area is uniquely predictable and the current drilling program is designed to provide a better estimate of reserves. The Crown portion of the Suffield Block will be purchased by the Alberta Energy Company and developed in conjunction with private industry. It is important to remember that the province will continue to receive lease and royalty payments under this plan of development.

Alberta's future needs will be recognized in framing the proposed agreement for sale of Suffield Block reserves, and the possibility of allocating these

reserves for use as the prime source of lower cost natural gas by Albertans will be fully explored.

If we add to these four investments the Pan-Alberta Gas Ltd. potential in the natural gas export field, then Albertans have the makings of an exciting investment package.

The Alberta Energy Company investments have been selected with a view to acquiring a balance in the portfolio as well as identifying those energy resource projects that have a unique interest and appeal to Albertans. The Syncrude complex, along with its ancillary facilities, represents a \$1 investment, which is too large for any single investor. The Alberta Energy Company represents, then, a unique opportunity for the small investor to participate in a project of this magnitude.

Further in-depth discussions and analyses are taking place in an effort to refine these investment proposals to a greater extent. It has been an important principle for us, Mr. Speaker, to ensure that the average Albertan wishing to become a shareholder will be given the right, before any other investors, to exercise his option to purchase shares. Moreover, during the initial preference period, Albertans will be given the right to buy shares under the instalment purchase plan in much the same manner as many Albertans currently purchase Canada Savings Bonds.

We are confident that the financial institutions in the province, including our own Treasury Branches, will enthusiastically cooperate with the government in making this company a success.

As mentioned earlier, we are anticipating the shares will be available for purchase during '74, and work is currently under way towards developing a marketing plan to achieve this objective. This combination of cash and instalment purchasing should make it possible for every Albertan - including many first-time investors - to participate and have a stake in the direct development of the energy resources belonging to them. Every Albertan who applies and qualifies, will get at least a minimum number of shares. Since this company will form a unique part of our Alberta economy the government is particularly pleased that arrangements are now being made to have the primary listing for the company's shares on the existing stock exchange in our province in Calgary.

We believe investors will wish to hold their shares so as to reap the potential benefits available in future years; for many we hope it will be an important way to invest a portion of their earnings. We are confident that with the support of the people of Alberta, this company will serve as a successful example of how government, industry and the citizens together can develop our valuable energy resources in a new and exciting way.

Thank you, Mr. Speaker.

MR. CLARK:

Mr. Speaker, in rising to comment on the announcement made by the Minister of Federal and Intergovernmental Affairs concerning the Alberta Energy Company, let me say at the outset that we welcome the elaboration of the government's intention as far as the Alberta Energy Company is concerned.

We also welcome, Mr. Speaker, the announcement by the government that legislation will be coming forward at the spring session so that there will be an opportunity on behalf of all 75 members of the Legislature to debate the various points of view and various comments on the various sections in the legislation.

Let me make it very clear, also, Mr. Speaker, that those of us on this side of the House support the concept of an opportunity for Albertans to have an equity share in the development of our natural resources in this particular province.

We go one step further, Mr. Speaker, and say we had hoped that included in the government announcement today would have been a plan where a program of government-guaranteed loans would have been available to Albertans so that, in fact, virtually every Albertan would have had the opportunity to pick up his portion of the shares in the Alberta Energy Company.

I would hope between now and the time the legislation comes forward the government would give very serious consideration to the idea of government-guaranteed loans and that these loans, in part, could be repayable from the

dividends of the Alberta Energy Company, in this way making it possible for a large number of Albertans to invest from that particular standpoint.

Mr. Speaker, I believe it is also important, when we are looking at a corporation such as we are today with the Alberta Energy Company, that it be made very clear from the outset that the future and the destiny of the Alberta Energy Company must be removed a very great distance from the political destiny or the political future of governments - this government or future governments.

Mr. Speaker, we believe it to be essential that the directorship and management of the Alberta Energy Company be more than at arm's length from the government. We welcome the comment by the Minister of Federal and Intergovernmental Affairs that the government, at this time, is looking for a number of capable Albertans to make up the board of directors.

Once again let me make the point, we believe that this company be some distance from the government so that in the future, regardless of who the government is, the political favour or disfavour of the government is not directed as a barometer on the stock market, depending upon the shares of the Alberta Energy Company.

I think, Mr. Speaker, that there are just two other comments I should make. We have entered into a situation now for the first time I can recall in this province where the rights, the mineral rights, of a particular area of the province have been unilaterally made available to a particular company, in this case, the Alberta Energy Company. There has been no opportunity for industry to bid on these particular rights.

Second, might I say, Mr. Speaker, that we support once again the concept of public participation and public involvement. At the same time we must be constantly on our guard and aware that despite the fact that the minister said they do not contemplate the Alberta Energy Company becoming involved at this time, I believe he used the terms "in normal exploration in the petroleum industry", that that doesn't become a lever and, in fact, the government, through the Energy Company, does become involved in exploration, production, those aspects. That, in my judgment, Mr. Speaker, would be a very serious mistake.

GOVERNMENT BILLS AND ORDERS
(Second Reading)

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

MR. TAYLOR:

Mr. Speaker, into the industrial field. The ability to pay is recognized in income tax cases and I think taxation, according to the ability to pay, is a very sound concept.

I remember one time a man who was quite wealthy in Drumheller complaining at a public meeting about the amount of taxes he had to pay. A poor chap, who had to struggle with a large family on the wages of a surface man at a mine, stood up and said, I would love to be in the position where I could pay that much income tax.

The ability to pay is recognized. I can't see why this principle can't be passed over into the industrial field where the ability to pay is recognized in taxation or royalty, which is a type of taxation.

If a province is to remain virile and healthy, industry has to make a profit. Men will not invest their money in industry unless they have some chance to get a return on that capital. If the return is going to be only equal to that which a person could get by investing in Canada [Savings] Bonds, then the temptation would be to simply buy Canada bonds and collect that rate of interest on the return without any worry, without any frustrations, without any concerns. Or, if one simply wants to leave the money in a bank and collect bank interest, that can be done. But when a person is going to invest his money, at least those of us who believe in the profit motive, he must have an opportunity to secure a reasonable return and a fair return on that investment. If we don't provide that opportunity, then, of course, the temptation would simply be to buy Canada bonds or a type of investment where there is no risk and no worries.

In bringing this into the oil industry, I believe those who invest their money in the oil industry have a right to expect a reasonable return. If they hit a dry hole, or if for other reasons they can't produce, they may well lose everything they invested. That risk is there. People know that when they invest their money. But if the proposition pays off and is a producing well, then I think, as free enterprisers, we have to say, is there a limit to the windfall or the profit a person can secure from that investment?

I think this is where the government and industry today may well be at - not loggerheads - but where there will be some discussions. The industry, of course, will want to secure, if they are humans, and I believe they are, the largest possible profit they can make, the largest possible return on their investment. And the government, on the other hand, would want to secure the greatest amount of this profit for the people of the Province of Alberta. I think both are legitimate, but is there a place where government can say to industry, you're entitled to a good return, but not an excessive return? When the return reaches a certain point, would the government be wrong in saying, from there on this portion will belong to the people of the Province of Alberta?

I believe royalties could be based - probably involving a lot of work, but surely we're not afraid of work - on an escalating or de-escalating method. Some have used the idea that we have a sliding scale for these royalties. I don't like this word "sliding" because it is pretty hard to slide up but it is very easy to slide down. When I hear industry talking about a sliding scale, it makes me a little nervous because I feel they are expecting the matter to go down.

I stand foursquare on the principle that industry should expect a reasonable profit, and I say that in the interest, I think, of the entire Province of Alberta. If people will not invest their money we will not have any industry. People have to be prepared to take a chance, particularly in an industry like the oil industry.

Then there is the workman. If industry does not make a profit, then who gets the first slice? The labourers, the working people, have to lose part of their wages or no increases. This is the reason why, in some instances at least, we have strikes by working people. Industry can't see its way clear, according to the profit it is making at the time, to increase the amount for labour. And labour can't live in many instances on what they are securing, so there is a strike, with the workmen saying, we have to have more to give our children and our wives a reasonable standard of living. Industry says, we'll go broke, we can't operate if we pay that amount. So I believe there has to be some leeway in that amount of profit.

In spite of what many people have said in the province, I like the idea of the Syncrude plant where the total expenses are being calculated and then the profits are going to be noted, after the expenses, providing the government keeps a very close pencil and observance of what is being put into that expense account. As long as they are legitimate expenses, and as long as they are going towards the continuance of the expansion of that industry, then I think they should be allowed. And when that total expense and total revenue are put side by side, if there is no profit then there is no revenue for the people of Alberta.

But look at it the other way. If there was a slice being taken out of that company when there was no profit, what are we doing? We are discouraging investment. We are discouraging people from taking part in the development of the province because they may lose everything. They may lose everything because the government has to have its pound of flesh, even though it destroys the industry in exacting that.

No wonder over the years we have based income tax on the ability to pay. The more we make, whether as an industry or corporation or an individual, the more we make, the more we pay. That is sound. At least you have the wherewithal to pay. I have no use for those who make the large amounts and then find loopholes to avoid their proper share of the taxes of this country or any other country. This doesn't help any development; it doesn't help any country. It's monopolistic and it's greedy. But most people are honest and most corporations are honest. The more they make, the greater amount they are required to pay, and properly so. Still, that profit is what they are paying their taxation on, the part that would belong to them. When everything is taken out of that profit, if the whole profit disappeared, it would not be good. People would be discouraged from investing money. Those who invested their money would not be very happy, and so you don't have a happy thriving industry in the province.

But as long as government makes sure that from that profit amount there is a reasonable portion left for the company or the individual or the corporation, then I think we are on very sound ground.

In the Syncrude project, if there is a small profit, then the government is going to take 50 per cent for the people of the Province of Alberta. What is wrong with that? The resource belongs to the people of Alberta, and 50 per cent, I don't think, is an unreasonable amount at all of the profit, and the other 50 per cent is a pretty fair share of profit after expenses are concerned.

Now if governments jointly - municipal, provincial and federal - were going to take the entire portion of that profit, then I think it would be unfair and would not be good for the country. But surely there is no difficulty in the three levels of government of Canada making sure that from that profit there is going to be something left for the industry itself. Otherwise we simply destroy free enterprise.

Now should we hit good times and there is a windfall of profits, a very high amount of profits, again the people of the province get their 50 per cent. And that is the only place, Mr. Speaker, where I feel a little uneasy about the 50 per cent share. In my view, we might well then go up to 60 or 75 per cent as the profits go up, if there is a tremendous windfall. I don't think the contract allows for that. Maybe that will never happen, but if it does happen, then I think the people are entitled to a greater share than even the 50 per cent.

Now bringing this back to the idea of royalty. In my view the royalty being set by the cabinet could well consider an escalating and de-escalating type of royalty. In wells where there is no profit there would be no royalty. We are not going to destroy that business by making them pay a royalty on something they didn't achieve. The ability to pay comes in.

There are companies in this province that are having a difficult time. They are not all wealthy millionaires. Many of them are ordinary people who have invested everything, except the shirts on their backs, in their industry. And if it goes down the well in an empty hole they lose everything. Is it right for the government to say, we'll have our pound of flesh whether you lose even the shirt on your back or not? I don't think so.

That is why I am suggesting that this section be amended in 142.1 to provide for lowering the royalty to where that is warranted, where there is no profit. We shouldn't try to step on the face of a man because he happens to be down by exacting something else from him - the last jot of blood when there is no blood left. It doesn't do the government any good and it doesn't do the country any good because it helps to destroy people and industry.

Industry is essential if we are going to have a buoyant economy in this country. The more people we can get to invest their money with a reasonable chance - even though there is some risk - of getting a return the happier people we are going to have, the more buoyant economy we are going to have and the more jobs we are going to have. We don't make more jobs by exacting the last pound of flesh or the last ounce of blood out of an industry that is having a difficult time to get by.

So I am spending some time in emphasizing that where there is no profit there should not be any royalty - where there is no profit whatsoever, where the industry is going under. That is why I again say that I support the idea of the 50 per cent profit for the people on the profit that is made on the Syncrude project, after a careful check is made of the expenses and we know there are only legitimate expenses.

Now, alternatively, where there is a windfall - a very large profit - why should we stop at 22 per cent or 16 and two-thirds per cent? This is a ridiculously low amount of a huge amount of profit that came about not because of anything the industry did particularly, but came about from conditions over which none of us had any control; a world situation. Consequently should they expect to get - let's use a figure - \$3 million of profit when they normally only expected \$1 million? I use these figures simply for illustrative purposes. Should the people only get 16 and two-thirds or 20 some per cent of that even though the profit is excessive? Well, again, I don't think that would be fair.

Certainly the company, the industry, is entitled to some portion of that vastly increased profit, but surely we can't argue that it is entitled to the whole thing. I argue that the people of the province are entitled to a reasonable share of that windfall profit. If that is so, the industry is not going to suffer. It is going to have the normal profit plus some of the excess

profit and the people of the province are going to secure a bigger return from the industry that they own.

Mr. Speaker, I have spent some time on this matter of escalating and de-escalating royalties. I think if we are going to get a fair amount of the return from the oil of this province for the people of Alberta then a de-escalating and an escalating clause in the royalty agreements is going to be essential.

If we are going to be fair to industry, to make sure that industry continues to get a fair return so they can look after such things as further investment, proper wages for their workmen, the increased cost of equipment, then they have to have a portion of that money too. Any government that takes the entire sum is simply destroying free enterprise. But surely it can't be argued that we are hurting free enterprise when we take a reasonable share of windfall profit from an industry owned by the people of the province for the people of the province.

This is my big objection to the freeze put on by the Canadian government. The Canadian government is saying, we will put a freeze on the price so there can be no increase in the price. Now what does that mean? Well, it means that the people who have invested their money may well find that they lose their entire investment or portions of that investment. There is no freeze on wages - nor should there be - unless you are going to freeze everything. There is no freeze on the price of equipment. There is no freeze on taxation. The only thing we freeze is one thing.

Consequently, Mr. Speaker, it is utterly unfair to those who have invested their money in the industry of this country to find that everything else is going up and they are suddenly, by government mandate, held to a price that doesn't meet the expenses, the operating costs, the increased costs, et cetera.

What are the workmen going to do as the price of living continues? Are they going to say, the price of oil is frozen and so we will not ask for increased prices? They have wives and children to support. Their costs of sending their children to university and high school continue to increase. Their food costs continue to increase and they almost have to ask for increased wages if they are going to continue to live. So the freeze by the Canadian government is hurting free enterprise in this country and may well destroy free enterprise if it is continued too long.

The only thing that can be said at this time is that possibly increased profits will enable the companies to keep their heads above water so that they can absorb the increased costs. If they can't, then of course, it is going to be pretty bad on industry and it is going to be bad, of course, on those who own the resource as well, such as the Province of Alberta.

In concluding these remarks on royalties I would again urge the hon. minister to give some consideration to amending this section so that it's possible to lower the royalty when conditions so warrant and then also give thought to a de-escalating and escalating clause of royalty so that the principle of ability to pay is recognized in our royalty. In my view, this would be a tremendous boost to industry and to private investment, where people will say, the government is being fair; if we make a huge amount they are going to take a share of it, and properly so; if we don't make anything we are not going to be kicked in the face after we are down.

The next point I would like to mention, and possibly tie it in with research, is this matter of recovery. I am somewhat amazed when I find that the average recovery from oil wells in the Province of Alberta is under 40 per cent. It goes down to 8 per cent in some instances. That means there is a lot of oil being left in the ground. What will happen to that oil in the future? One thing is, it will be much more expensive to secure that oil, irrespective of whatever method is used.

It recalls to me what happened in our coal mines for many years in this province. Companies were permitted to go in and take out the coal that was easiest to get at and to make their profit on the high price of coal at that time, and it was relatively high at that time. So they made good profit on the coal they could get out easily and then tore down the tibble and abandoned the mine. Five or eight or ten years later, somebody else would come in and would have to build another tibble, dig another shaft, do the whole thing all over again, and then go deeper into the bowels of the earth in order to extract the coal that wasn't there. They would go a little further and then would abandon it when they met their cost. The price of this type of thing goes on to the consumer and helps to destroy industry.

When we are only securing up to 40 per cent and in some cases as low as 8 per cent of the oil in the ground under the present method, in my view we need to spend some time on research and some money on research in order to increase that percentage of recovery. The greatest possible amount of recovery we can get at the time the first operation is in progress is the cheapest way we will ever get it, because we don't duplicate the costs further on.

Perhaps it is in the interests - and I think it is in the interests - of industry to do some research on this, and I'm a little surprised at the majors who operate in this province for not having carried out much more extensive research than they have in regard to recovery. If they have carried it out, they have not put it into operation. But I also think there is some responsibility on the part of the government of the province who owns the resource to get the greatest percentage of recovery possible. Consequently, I don't object to public money being spent on research, particularly in regard to how we can secure a greater amount of recovery than we are getting today.

In connection with a pipeline, I would like to commend the government, if I understood the statement read by the hon. Minister of Federal and Intergovernmental Affairs, on having a pipeline a minimum of 30 inches. Again, we have seen too often in this province and across the country that there has been no vision in regard to pipelines, consequently it's a case of putting pipeline beside pipeline or tearing up one to put in another relatively few years apart. In my view, the Government of Alberta now has an excellent opportunity, and it appears they are seizing that opportunity, to make sure there will be one pipeline built from the Fort McMurray area.

We are in an advantageous position in knowing the volume of oil that will come from that area over the years, and it would be far better, in my view, and far more justifiable to the people of the Province of Alberta, to err in building a pipeline too large at this stage than in building one too small. If one is built that is too small to handle the capacity required in the future, then the government will be open to very serious condemnation and very serious criticism. If they build it too big I can see no criticism, because they are at least showing vision on what is possible from that field. I don't mean it should be made ridiculously large, but it should be large enough to carry a very heavy capacity and volume of oil based on that field.

I had other things to say in connection with that pipeline, but when the hon. Minister of Federal and Intergovernmental Affairs stated today that it would be a minimum of 30 inches and further studies are being carried out in connection with its size, I think this is showing vision and I think this is in the interests of the people of the province, not only in regard to cost, but in regard to environmental problems. You have them once this way. In the destruction of good farmlands, you have them once this way - not twice, not putting them in and digging them up. Too much of that is done in connection with water and sewer lines in every province of Canada. I hope we will not have a mistake made in this particular pipeline.

Mr. Speaker, I'd like to recap the various points I tried to make in this particular debate, and I will do it quickly. Number one, I would again ask the minister if he would review the possibility of amending Section 142.1 so that it would be possible to lower the royalties as well as raise them at the cabinet level.

Secondly, I would ask the hon. minister to consider a clause permitting escalating and de-escalating royalties, based on ability to pay.

In connection with the incentive program, I suggested there should be some consideration given to investment by the people of the province as well as by the pipeline company. As the Premier has pointed out, the industry would probably like to have no incentive program and a very low royalty. I can't go along with that. On the other hand, if we say there will be some incentive paid, and high royalties are taken, that may be unfair too. I believe the profit motive is the greatest incentive. If the people are able to get a fair return on their money - and I would think the method used there would be based on the ability to pay, the amount of royalties that is taken, the amount of margin that is left for the companies - and if we can leave enough margin so the companies can then, of their own inducement, continue to invest that money in the province, well and good.

There is one danger that I see, and I think it has happened in the case of the majors of this province. Where that margin is left large enough to permit some further exploratory drilling in the province, and the majors then take that and instead of drilling in the province, drill in other parts of the world, it may well be okay or satisfactory from a world point of view, but I don't think

it's fair to the people of the Province of Alberta. I don't think you can tell a company how it's going to spend its profit. I think that's going too far on the part of government. So it may well be that when the government is taking its royalty it should require enough so that the exploratory drilling can be provided out of that money if the industry doesn't do it out of its own inducement. It would be a combination of the two that may be the more satisfactory.

In connection with recovery, I would like to see further research carried out in order to get a greater percentage of recovery than what we are getting today. Surely an average of under 40 per cent recovery from our oil wells is not satisfactory and it should certainly be raised much higher than that.

In connection with a pipeline, let's build our pipeline large enough so that we put it in only once in order to serve the needs of our period of history.

Thank you, Mr. Speaker.

MR. DRAIN:

Mr. Speaker, in addressing myself to Bill No. 94, the thought crossed my mind that had the number of words thus far spoken on the subject been turned into drilling footage, the Province of Alberta at this time would probably look like a hound dog that had been hit by the tail of a porcupine.

However, I see this particular piece of legislation as a response or a cause-and-effect piece of legislation resulting from the extraordinary changes in circumstances that we now find in the oil business.

I have in front of me a copy of Business Week, which is a reputable and quite prestigious journal in the United States, and has on its staff many learned economists. They said on October 13, in relation to the oil situation in Saudi Arabia, that unquestionably because of the pro-American bias of the Saudi Arabian government, it would be inconceivable that production from this particular area would be interrupted. However, we know that in the seven weeks since, this situation had certainly changed very much.

I mention that there have been a lot of remarks on this particular bill and for obvious reasons; this is very much an important piece of legislation. It changes the ground rules on royalties. It throws the sanctity of business contracts out the window and establishes an oil marketing board. So in one fell swoop these things are all accomplished, all in one little bill. I must congratulate the minister.

Certainly this is not in the thinking of the Government of Alberta's position paper on the natural resource revenue plan. I refer, Mr. Speaker, to page 6, clause 3:

The Plan honours the maximum royalty provisions of 16 2/3 per cent imposed by the previous Alberta government and which involve the leases relating to about 75 per cent of estimated 1973 Alberta production.

How did this situation come about? Well, it's quite obvious. This, of course, is a result of the price freeze, whereby the oil products of the Province of Alberta were not permitted to rise to conform with the market price. Of course, this was a political decision of the federal government, egged on by that great and sophisticated statesman, the Rt. Hon. Robert Stanfield, a man of many talents, but, like myself, one with whom you have to delve quite deeply to discover.

So then, where does this leave the oil industry? A hamburger with two bows right after it!

I appreciate, as an Albertan, the positive reaction that the Premier took. After all, they've stepped into our 'billwack' ...

[Laughter]

... certainly, our back yard is being infringed upon. No longer have we got our own priority to the rain barrel, because the federal government is sliding down it right at the present time.

However, there are certain concerns in my mind ...

[Interjections]

... that is one.

Evaluating these particular concerns, I want to possibly analyse the position that the oil companies have taken in Canada in their exploration ventures. It would appear to me that they have opted not for cash inputs, they adapt for growth and for capital gains. They have arrived in a plus situation insofar as revenue is concerned. But, like the storekeeper in the village of Frank, let's say, or the village of Calgary - which probably would be more appropriate to these circumstances - they find that they're selling the stocks off their shelves. These stocks have to be replaced. And in order to replace these particular stocks, it can be foreseen that it will require a tremendous amount of money. So where does this money come from?

Assuming that the oil companies were dealing with the cash flow, a positive cash flow, it would appear to me that a considerable amount of this money would be by nature of the business - that is the expansion of the company, the direction that it has taken in the past which was to replenish the supplies that they had - I believe would be the direction that they would have considered taking.

However, now, we say in our wisdom that a large proportion of this particular cash flow belongs to us, the owners of the resources - and I find not too much wrong with this position. The amount of money that is withdrawn from the source of the industry as such appears to be money that will not, obviously, be directed to exploration and development.

Anyone who has looked at the energy situation, even in Canada and in Alberta, and looking at our ultimate resources which are the heavy crude oils and the tar sands, must be aware that what is required is vast amounts of capital in the future.

The regrettable situation, as I see it, is the unrealistic belief that state controls can effectively determine the market price of any product without the natural repercussions that do occur. In this case we have the repercussions from the Province of Alberta. The end result, a cloud of obscurity that hangs over the decisions of the oil companies. On one hand, they have the Alberta government saying that we are changing the rules of the game. On the other side, we have the federal government saying that we are determining what your product shall be sold for. Having regard for those circumstances, it would appear to me that it would be very difficult for any board member to make decisions that would result in expansion to any degree in Canada or in the Province of Alberta.

The best way that secure energy supplies can be achieved for the future is to allow the price of the product to float up to the free market price and allow the supply and demand rule to function. This would result in voluntary rationing, it would result in the acceptance by the industry that the opportunities to make a dollar, if they get out and work for it, are there.

However, my opinion is that there should be just and reasonable royalty arrangements made, and I believe industry would accept the type of arrangements that would go along with realism.

These particular factors would have to have, of course, a certain amount of flexibility and should not, in my view, come under the purview of the marketing board.

I would think though, Mr. Speaker, that this legislation that this session has been called to deal with, Bill No. 94 and Bill No. 95, should not be regarded by the government as a weapon to use, but an ultimate weapon to have in hand to use if circumstances so require. Renegotiation of the royalty agreement should take into consideration the fact that there is such a thing as corporate income tax, there is employee tax and there is such a thing as a reasonable profit for a risk.

No matter what way you assess the oil industry, in relation to risk, you become aware that this is the type of endeavour that fits no standard, that no basic rules apply. Where you can use the most sophisticated exploration and interpreting equipment available today, and you can have the best geophysicists and the best geologists that are available and you can come up after the expenditure of a million or a million three or a million four with a dry hole - and I worked on three of them that had - and the people who drilled this hole, the particular company was so addicted to talent that I believe even the office boy was a Rhodes Scholar.

AN HON. MEMBER:

... [Inaudible] ... it was a dry hole.

MR. DRAIN:

So what did they do? There were five people to work for but they never did find any oil.

[Interjections]

AN HON. MEMBER:

Right.

MR. DRAIN:

Whether it had to do with me working for them, I never did discover.

So here you have a situation. What do you do with a hole in the ground?

[Laughter]

MR. DRAIN:

Sixteen thousand five hundred feet.

AN HON. MEMBER:

You fall in it.

[Laughter]

MR. DRAIN:

You can't cut it up, eat it for supper. It won't keep you warm at night. It has no aesthetic value, it's of no interest to the Minister of the Environment, other than that he wants you to pour something down it.

[Laughter]

MR. DRAIN:

So these are part of the risks, Mr. Speaker, that are involved in the business of drilling for oil.

There are other things, runaway wells ...

AN HON. MEMBER:

Miles of roads.

MR. DRAIN:

Right. Miles and miles of roads. Moose trails.

MR. BARTON:

Free roads.

MR. DRAIN:

Yes. Cats stuck in muskegs. Jackrabbits packing their lunch across the prairies.

[Laughter]

All of these particular things. I don't know whether I'm being too facetious to get my point across. But anyway ... state controls. I think one particular point I want to make in my own particular philosophy, if I live by one, is that a deal is a deal - and a crooked stick up a straight man's ...

[Laughter]

That's not business.

[Laughter]

But the oil business is a costly and expensive business ...

AN HON. MEMBER:

Sit down.

MR. DRAIN:

The less state control in the direction of business, the better. Marketing boards? I'm against them. Drilling incentives? Forget about Santa Claus!

I do not believe that the incentive program which cost this government from \$18 to \$20 million accomplished anything, except a pat on the back for the minister - he patted himself; and watch yourself, you'll break an arm on that - because the reason, Mr. Speaker, that there was an acceleration in the drilling program in the Province of Alberta was not because of the incentive program, it was because of the realization that the market was hot and the oil industry was out there to make a buck.

DR. BUCK:

You wasted another 18 million, Bill.

MR. DRAIN:

Yes.

So if the drilling incentive accomplished anything, the only particular thing that I can see that it did accomplish was it salvaged the conscience of the government when they booted the original agreement out the window.

AN HON. MEMBER:

Right.

MR. DRAIN:

Yes.

Now we come to the situation where we get the Montreal pipeline coming into being. No one talks about what's going to run through it afterwards.

SOME HON. MEMBERS:

Hear, hear.

MR. DRAIN:

I suggest that they equip it with two-way valves, they might be able to run lobster up from Nova Scotia, at least we get a proper price freeze on it.

We're talking about 1974, we're talking about the scarcity of materials, we're talking about the simple fact it's going to take about two years, and we're talking about the oil industry production in Alberta peaking in 1976 or 1977 - possibly in 1976 because we're accelerating the extraction of oil from our reservoirs at this particular time.

So, if I had my druthers I would say to Bill No. 94 and Bill No. 95, I would say to Mr. Trudeau and company, forget it, do what you are good at, that is the development of words. Stay out of the oil business, watch the kind of money these fellas make, tell them to get with it because we'll club you if you don't. And I believe that private industry can solve the impending shortages of the future, at least in Canada.

If we do have an oil shortage situation in Canada, it will only be as a result of company loss of confidence. The raw material is here.

Now we can then well say, possibly we can look at it. I look at it either way. We can take two directions. We can say that we'll maximize the take from the oil companies and we will then do it alone. Possibly the oil sands would be conducive to this type of operation. There is a certain amount of continuity and supply. It is quite easy to project the dirt-moving costs - they're reasonably constant give or take an inflation factor. The refining and

distribution costs of your end product would be constant, and possibly this might be the direction.

I can foresee a tremendous cash input to the Province of Alberta, and I'm not convinced, Mr. Speaker, that in reality government has shown any great ability to look after money, either provincially, federally or locally.

AN HON. MEMBER:

Hear, hear.

MR. DRAIN:

There has never been a situation, to my knowledge, in the Dominion of Canada where there were not more demands on government for money than government had money to supply.

So if, as a result of the depletion of our resources, as a result of the discouragement of the oil industry, we arrive at a position where we have in hand, or not in hand, this first, a vast sum of money with no viable physical assets, I would call this a tragedy in management.

So then let's talk about secondary industry and secondary industrial development. And let us now use a word which the Premier has printed indelibly in my mind, and the word is "priorities". Let us look at the potential possibilities for the expansion of the energy supply in the Province of Alberta. If we have our priorities right, now at this time and into the next five or six years, all of the physical plant and physical capacity of the Province of Alberta can be utilized in developing the resources that are essential for the good of Canada without going too far in the direction of secondary industry. In saying that I feel that certainly secondary industry is very, very essential and very, very good and it will arise as a result of the development of your primary industry under this particular system of economics. Demand creates supply; it has always worked that way.

So the key to unlocking the secondary industry base to me is an accelerating process of developing the natural resources for which the world is now crying. Most assuredly we can have a petrochemical industry. There is no question about that. We have the power, through the control of exports of gas, to determine where this gas is going to be processed. But the energy and resources that are going to be utilized for that will not then be utilized in the interim on the development of the primary industries which, in fact, will ensure the future of the other. It may well be that costs, as an ingredient, will of necessity bring a very rapid development in this direction. I think probably everyone in the Legislature can agree with me when I say that demand creates supply.

I was certainly astonished at the \$50 million that Mr. Trudeau has allocated for energy research, the amount of money over five years. And if this is supposed to represent the foundation of a federal oil company, he certainly has things to learn ...

AN HON. MEMBER:

Forty million.

MR. DRAIN:

Forty, is it? Right. A set of first-class instruments for a recording truck in 1973 is around \$1.25 million, up from \$110,000 when I first started working in the oil patch, so that's only in a matter of 15 or 18 years. Moreover therein is the matter of more sophisticated equipment for the interpretation of the records, and so on.

So I would like to see in Bill No. 94, Mr. Speaker, probably a little more information on what the objectives are. I see this as a response to the position of the federal government, a proper response on the part of the Province of Alberta. If there had been no response it would have been irresponsible and the government could very much be criticized. It is regrettable that the federal government has put the situation of the oil companies in such an unfortunate position in relation to royalties.

It is my sincere hope, through the representations of the Premier of the Province of Alberta, that he can make the federal people see the light and the end result will be that the law of the market will be permitted to prevail within reason. I would not endorse the idea that we in Alberta do have in any

way the rights and privileges to hold up the rest of Canada for our own personal self-aggrandizement.

That's it.

AN HON. MEMBER:

Very good.

DR. McCRIMMON:

Mr. Speaker, I appreciate this opportunity to speak on this most important bill.

Mr. Speaker, there is no question that in light of the events in the past 18 months in the world energy situation, the timing of these bills for the protection of Albertans and Canadians is essential. And with the rapidity and speed of change that has taken place, due to factors beyond the control of the citizens or the Government of Alberta, some flexibility of action must be allowed to government to cope with this shifting scene.

We must keep in mind that in the energy area of oil, what is current is in the past two weeks. What is history is in the past six months, and beyond that it's ancient history. Eighteen months ago, after the oil hearings, it appeared to the oil industry and to this government that reasonable stability had been established but, of course, intervening events have proved otherwise.

There is no question that the main reserves of the world of oil and the main production capacity of the world is located in the OPEC nations. This leaves Europe, Japan, eastern Canada and the United States subject to import restrictions and not price pressures over which they, of course, have little control.

Unfortunately, the history of stability of the governments of these OPEC nations leaves much to be desired. The Arab nations have lost two wars in the last six years and they appear to be using their oil production as a club by which to use economic and political pressures to gain their ends. What they could not win on the battlefield they hope to win by these measures, and some nations have bowed already to these pressures. What this taste of power will do to these OPEC nations or cause them to do in the future, we, nor anyone else of course, knows.

Now with this dominance of the world oil scene by OPEC, what can Canada and Alberta do? Of course, the answer is obvious. Make themselves independent by increasing their own reserves and production. This can only be done by stepped-up exploration and as rapid a development of the Alberta tar sands as is humanly possible.

Alberta has been following this course consistently, both during the past administration and the present administration, and in Alberta we have over 25 years of experience and background to back the judgments and decisions made here in this House.

When you compare Alberta and the decisions made by Alberta on oil and oil policy with the desperate energy policy floundering of the Trudeau administration over the past years, I think you will agree that Alberta has and has had a sound policy and a real good oil policy, where the federal government has had none.

If the federal government had any real conception of the world energy situation, they would not have left the Northwest Territories, the off-shore shelves of Canada, and the Arctic islands with no policy for exploration, production, transportation or development, or left the decision to build a Toronto-Montreal pipeline until yesterday.

Instead, they have reverted to the basic NDP policy, which of course has always been, "what's yours is mine, what's mine is my own." To find new reserves and replacement reserves of oil is absolutely essential to the future of Canada. Major oil companies should be commended for the efforts they have made and the risks they have taken when the federal government has no oil or energy policy in the area where these risks are greatest.

When the federal government, with their company, start getting into Resolute Bay, off the shores of eastern Canada, deep sea drilling, the Arctic Delta, the Mackenzie Delta, winter conditions where only experience can cope, I think they'll have second thoughts perhaps in their new exploration company. Because

it takes years and years of experience. It will be years before this company is of any practical use to anybody, if it ever actually gets off the ground in the first place.

Therefore, with the history of stability of the oil policy in Alberta and the history of instability of energy policy, lack of experience and hasty judgments from political experience by the Trudeau government and the fluctuation of price and supply from sources outside of Canada, the presentation of these bills for your consideration at this time is both timely and right.

I ask the support of these bills from every member on both sides of the House.

Alberta must be in a position of managing control of the natural resources that is the birthright of its citizens. The bills before you will assist in that management and control.

Thank you.

MR. STROM:

Mr. Speaker, I realize there has been much said on Bill No. 94 and it is with some hesitation that I get to my feet to take part in this debate.

I want to say first of all that, in my view, this is maybe one of the most important subjects that has been before this Legislature since I took office, and that is a good many years. I think every member in the Legislature today recognizes the importance of the subject we are discussing. I would like to say, too, Mr. Speaker, that I appreciate very much the remarks made by members in speaking to this debate. I am sure every member has had to do considerable soul-searching before rising to his feet to speak on this subject.

I note the hon. Member for Stettler - and I see he is out of his place - took exception to the joke told by the hon. Leader of the Opposition. I guess he hadn't reckoned with the fact that one of his hon. members would be telling a joke later on that maybe fell in the same category. I always hesitate, Mr. Speaker, to tell jokes because I recognize that there are no new jokes under the sun, as someone said, other than the jokes that Adam and Eve told each other. Therefore I avoid trying to tell them.

However, Mr. Speaker, as I said earlier, this is a subject that is most important and it requires very serious consideration. In my view, there is no room for narrow, partisan politics when dealing with the bill before us, and related bills. I do not believe there is any room for personal ego trips and empire building as a result of it. I think it is much too important for that.

Mr. Speaker, I'd have to say I was a little disappointed in the opening remarks of the hon. Minister of Mines and Minerals when speaking on second reading of Bill No. 94. I had expected that he would cover it in much more detail. I do not know the reasons for being as brief as he was. All I can say is I had hoped we might have had more elaboration of the reasons for the government taking the action they are proposing.

I did not even feel that he answered my question to the extent I had expected, which he suggested he was going to do when he made his opening remarks. Also, I was a little surprised that he wanted to take the Member for Lethbridge East to task for asking the question in regard to the incentive program and suggesting that it may have been instrumental in the drilling of more shallow wells than deep wells. When I asked whether or not he knew how many shallow wells had been drilled, whether there was a greater percentage of shallow wells, he demonstrated in his reply to me that he certainly wasn't aware how many there were that fell into this category.

Mr. Speaker, I would like to say in dealing with the matter of incentives, that in my view the greatest incentive for development is increased price and markets. I don't think anybody can really dispute that. To me, this is the greatest single factor - anticipation of profit. I'm afraid that profit has almost become a nasty word in our society. This bothers me a little bit. I don't think it should be. The fact that the industry is making a profit is an advantage to us and we should look upon it as such.

I think this matter of incentives and the way they work is a little bit like buying a car. A lot of people think that in buying a car the purchase price is a very big factor. But in comparing it with the total operation over a period of time, it is indeed a very small factor in determining whether one ought to be the owner of a car or not. I think we can say the same with regard to this

incentive program. It is a very small factor, Mr. Minister, in my opinion, in determining whether or not a company is going to drill.

I appreciate that you suggested to us the other day that there had been a find - a very good find, you suggested - and you suggested that it had been found because of the incentive program. Mr. Minister, through you, Mr. Speaker, I cannot really accept it because I've yet to find a company which has stated to me that they drilled a single well because of the incentive program. If you can advise me of some who have specifically told you that they drilled a well or wells because of this incentive program, I would like to hear about it, because I have yet to find one.

Mr. Speaker, it seems to me that there are four very important ingredients in the development of the industry, as have been pointed out by the industry. Number one is an examination of the geology. Number two is looking at the financing of their operation. Thirdly, is trying to determine what their market potential is going to be for their product, if they are successful in getting a producing well. I don't know in which order we ought to place these, Mr. Speaker, but fourthly, I suggest the matter of political stability is also something the industry is very concerned about.

It is not enough for them to know that the democratic process will continue. They need to feel confident, whichever government is elected, that they will respect stability of rules and sanctity of contract. I know the hon. Member for Calgary Bow placed the greatest emphasis on this. Maybe he did it with a little bit of dramatics. I'm not going to attempt it, Mr. Speaker. All I'm going to say is that surely to goodness, within the operation of our society, this is a point that I would hate to think we are ignoring. To me, it is very important in the future development of this industry that has meant so much to our province.

Now, Mr. Speaker, in dealing with the matter of royalties, I know that as Albertans we are most interested in getting everything we can for the people of our province. I think that was the objective of the previous government, and of course of previous governments, as far as the development of mineral resources is concerned.

Mr. Premier, through you, Mr. Speaker, I was a little disturbed to read - and I certainly don't attach total correctness to the report, but I would just like to give it to you for your consideration. The two paragraphs are these:

Rapidly-changing world prices, complex energy politics and the fact cabinet has had less than three months to prepare its legislation makes details impossible, Mr. Lougheed says.

Royalties have traditionally been set by cabinet and the Conservative-dominated Legislature will be asked only to approve the enabling legislation for the new plans.

Mr. Premier, I suggest that the statement is only partly true. It is misleading to the people of our province in that it failed to state that this was only true within the parameters of the legislation which set the ceiling. I suggest that really at this point in time it is a mistake to suggest that the action taken by this government is just in tune with what was done previously, because this isn't quite correct. The industry, in their operations within this province, were fully aware as to what the limits of the royalties were going to be. Of course I'm not suggesting, Mr. Speaker, for a minute that the situation we are facing today is identical to the one we were facing three, six or ten years ago, but I am saying, let's not try to suggest that what is being done now is really in keeping with what was done before. It isn't - it is different.

It is now being suggested that royalties, in fact, should be under a system whereby there will be no ceilings established whatsoever. I can appreciate the desirability for flexibility under the present circumstances. As I said in the previous debate, Mr. Speaker, the situation we are facing today is not the result of industry demanding more money for their product; it is the result of governments - and not ours, but those in other producing countries of the world - insisting they should have a greater percentage than what they are presently getting.

This does create a different situation, but I think it is most unfortunate, most unfortunate, that the companies were directed just a few short months ago to indicate whether they were prepared to open up their royalty agreements and have them changed, or to go the mineral taxation route. Certainly within the mineral taxation route it provided an opportunity for the government to have some flexibility. I think it had problems. I'm not going to try to suggest for

a moment that it didn't. But I am aware that companies have spent considerable time and have had many of their employees who were involved in that kind of work, but for a different purpose, spend hours and large sums of money to try to determine which route was the best one for them to follow, only to find that almost upon the day on which they made their decision it had been a wasted effort.

I think they respected the hon. Premier's statement which was made again by the hon. Member for Calgary Bcw, that the government could not and would not interfere with the established contracts, and I recognize the sanctity of contracts. This has created some real problems, and again I can only say that I would hope the government would not be unaware of the problems they have placed to the companies, and that every consideration be given to [them].

Now what is the problem facing Albertans today? In my view, if I were to state it as simply as I can, it is twofold. First, it is to ensure a greater return for Albertans in the development and sale of oil and gas. I don't disagree with that at all; it is a very good objective. It is one that governments must always keep in mind and should try to carry out to the best of their abilities.

Secondly, I believe that the government is most anxious to ensure that Albertans maintain control of the development of natural resources, and more particularly, as it applies to maintaining control of the wellhead pricing of oil and gas. I'm sure, Mr. Speaker, to you Mr. Minister, that this has been a matter of concern to Albertans for a long time, because while we were in office we were conscious that if we did not follow certain procedures in the operation of the industry we were providing an open invitation for the federal government to move into that area. I say quite frankly that in my view we do not want it. In the best interests of Albertans it is important, very important, that we maintain control of wellhead pricing.

Mr. Speaker, having said that, is it not fair to suggest that this is a twofold objective we are striving for, stated in its simplest forms without trying to fringe it with any other statements.

Mr. Speaker, I do not appreciate the action that was taken, and the manner in which it was taken, by the federal government. I've said that before and I want to say it again as clearly as I can. But again I would like to attempt just as clearly and plainly as I can to place it in its proper perspective. Mr. Speaker, I have given a great deal of thought to the action of the federal government. I have given a great deal of thought to the - I can refer to them as counter-measures to which our government has given consideration to ensure that Alberta maintains control over the development of its resources. Let me say this. It is my view that Canadians, through the federal government, have been able to pick up the people's fair share of an unanticipated windfall.

I do not feel, Mr. Speaker, there is any other way in which this would have been accomplished. I said earlier that I didn't appreciate the method and the approach, but let's be honest. Let's look at it from as clear a perspective as we can.

Third, I believe that the action has protected Canadians price-wise and we might even say, as far as possible, supply-wise. This, Mr. Speaker, and to you Mr. Premier, is going to place Albertans in a very, very difficult position. Let me say this. In my view the export tax has not raised the price of gas or oil to Canadians. I think everyone should recognize that. Unless I am missing something, and I would appreciate knowing if I am going astray, I cannot see where it has raised the price to Canadians.

Fourth, I would say this. While at first examination these are very desirable benefits, we must not overlook the problems which have been created. First of all - and this is a key my honourable colleague from Pincher Creek-Crowsnest very, very ably put forth - it certainly has created an inability for the industry to get additional capital that will be required for the development of the industry within our province.

I don't think it takes any imagination at all to recognize that industry would not have been able to pick up immediately the additional price available to them. It is for this reason I suggest what has in fact happened. Now by what they have done, this in turn, I believe, will reflect in a lack of secondary benefits to our province such as our share of the corporation income tax, our share of personal income tax, the providing of a stable employment climate within the province - this to a lesser degree because of the economic situation prevailing at the present time, but nevertheless it is a factor. More important, a lowering of consumer confidence and assurance of supply in the long

run - I don't think you can overlook that one. Then, of course, there are related spin-off benefits that are too numerous to mention.

So I am aware of the problems that will result from the action that has been taken.

Now again, Mr. Speaker, let's take a look at the federal action. Maybe some are going to be critical of me for making these statements. But, Mr. Speaker, I am one of those who likes to place a total picture in proper perspective so that we might understand what we are dealing with. In my view the federal government, in the action it has taken, has not broken any legislative or federal acts. Again, if they have, I guess I have overlooked it.

I am not aware of any regulation that is broken at the present time. I am not aware, Mr. Speaker, of any contravention of any section of The British North America Act. I am extremely concerned though, Mr. Speaker, with the trend I see happening as a result of the situation facing us today because I am convinced that more and more we are moving toward a planned economy. I don't particularly like it. I think that in the short haul it maybe has some direct benefits and some very quick benefits, but in the long run I am one of those who believes that it will catch up to us and we are going to suffer as a result. Again, only time can tell. Maybe part of our problem today is that we are more inclined to look at short-term actions.

This is why I suggested, Mr. Speaker, at the beginning of my talk that in my view this is the most serious situation we have been facing for many, many years in that we are looking at long-term effects of the actions going to be taken. Certainly politicians have to face the problem of being elected every three, four or five years and this certainly has some influence on their thinking. It had on mine; I am going to be totally candid about it. And I am sure it has on every member who sits in the House.

There are decisions we must make that relate to a much longer period than just the life of maybe individual politicians or parties, as such. I hope we are big enough to recognize it and to do something about it when the time comes and the responsibilities are ours.

In my view I have always held to the principle that it is the responsibility of government to provide a minimum of regulation and involvement. I used to be very pleased to hear the hon. Premier when he was sitting on this side of the House, make those statements. Of course, I can remember him, Mr. Speaker, saying too that in Alberta we have the highest per capita civil service of any province in Canada. I am sure the hon. Premier remembers making that statement. I couldn't disagree. I sometimes disagreed with the method in which this observation was made, but nevertheless it is a fact of life that governments, no matter where they are located, have been moving more and more into the private lives of individuals. I am not convinced, at this point in time, that it is in the best interests of our country, our province and society as a whole.

I am sure my honourable friend to the left, if he were here today - and I see he is out of his place - would certainly take strong exception to what I am saying. But what really bothers me is that he doesn't even have to be in office and we are providing him with all of the necessary tools to carry out the principles they have stated, and stated clearly, for such a long time. I say it with no bitterness or idea of trying to be dramatic about it, but simply trying to make what I think is a realistic observation of events as they are taking place.

I accept some responsibility, Mr. Speaker, for even having brought us to that position. But I say now that if I do not stand up and speak out I am not fulfilling my responsibilities as a member of this Legislature.

Now I would like to make some observations, Mr. Speaker. What makes our government think that a marketing board can find new markets or achieve a better price? Secondly, what makes the government think that it is necessary or wise to supplant the marketing expertise of our companies which has been built up over a long period of time?

What makes the government think that by establishing a marketing board it can force the hand of the federal government in the present confrontation? I've tried to give this some thought and I have arrived at the conclusion that the only weapon which the marketing board can effectively use is to withhold the product from the marketplace.

I believe, if my memory serves me correctly, that I have heard the hon. Premier suggest that this approach would be followed in natural gas. Unless a

fair price were established we wouldn't provide an export license. Again, I don't take too great an exception to it. I agree that there are some steps that need to be taken.

Let's take a look at this matter of withholding product at a time of a serious shortage. It is my view that this would only pave the way for the federal government to move in with greater controls under The British North America Act. I believe that this is one of the fears that we have at the present time. It is something that we do not want.

Mr. Speaker, I had the opportunity last night, because we didn't have a night session, and I ordinarily don't take advantage of it, to watch TV, but I watched TV and I heard the statement that the Prime Minister made. After listening very, very closely to him I became concerned, because I feel that the route he will follow is to suggest to the people of Canada that Alberta has placed him in the position of having to move in under The British North America Act and do something about the critical shortage. And I say this is something that we do not want.

If there ever was a conscious plan, or ever was to be a conscious plan, to encourage the federal government to adopt the philosophy of its deliverers, the socialists, then confrontation, I suggest, is the surest way.

Mr. Speaker, more and more, as I consider the proposed legislation that has been placed before us, I am convinced that nothing can be accomplished by the procedures and the legislation that this government has set in motion that could not have been better accomplished by the mature negotiation route which is implicit in democracy. I say that very carefully. I've stated it previously, and certainly it is my view that even though we have disagreements, it is important that we continue negotiations.

I was rather surprised to hear the federal - pardon me, I'm getting my "federal" in a little too early, Mr. Speaker. I was very surprised to hear our Minister of Federal and Intergovernmental Affairs suggest the breaking-off of negotiations had made a point. I'd hate to tell him what point I thought it had made because, Mr. Speaker, I do not think it made the point that he thought it did. I just cannot think so.

Having had some experience in the field of negotiations with the federal government, I think I can appreciate some of the problems faced by our present government. I do believe, however, and I've said this before but I want to say it again, that when we reach a point such as we have at the present time, then it becomes very important that the heads of government get together and discuss the problem that they are facing.

Let me hasten to say that this, in my view, takes nothing away from the ministers who have been involved. I know a lot of people I meet from time to time tell me they never stop short of meeting with the head of a company if they have a problem, and they sort of pride themselves in the fact that this is the approach that they are taking. All I can say is that whether or not that becomes effective in those areas, I am convinced that in this particular situation it is most important that our Premier should have sought direct dialogue with the Prime Minister.

Mr. Speaker, I listened very carefully when a question was raised the other day in regard to the upcoming conference that was going to be held. The question was, will this be an open conference? The Premier has replied that he wasn't sure, but he hoped that it would be.

Mr. Speaker, I would like to say this. I am not really concerned whether it is open or closed. That to me is not an issue. Interesting as it may be for the public to follow it on our modern communications system, I still feel that there is a point in time when it is more important to think in terms of the ultimate results of that kind of meeting, the results which can be made known to the public by various means afterwards.

I've been one of those who have stated repeatedly that I'm not sure that it is the public's right to hear the musings of my mind while I am trying to make up my mind, which sometimes I have done when sitting in confrontation over various matters - and I shouldn't use the word "confrontation", but in conferences. I recall my earliest days in municipal work, and I can recall some of the kinds of discussions that we had. But I say this, the public are entitled to know my decision, and they are entitled to know my reasons for making it. This, to me, is very, very important.

December 7, 1973

ALBERTA HANSARD

78-4267

Mr. Speaker, I do not have time to sum up. I would like to adjourn the debate, if I may, at this time.

Thank you.

MR. SPEAKER:

May the hon. member adjourn the debate?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

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

[The House rose at 3:59 o'clock.]