

LEGISLATIVE ASSEMBLY OF ALBERTA

Wednesday, December 12, 1973

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

PRAYERS

[Mr. Speaker in the Chair]

PRESENTING REPORTS BY STANDING AND SELECT COMMITTEES

MRS. CHICHAK:

Mr. Speaker, I beg leave to table the final report, being Report No. 2 of the Select Committee of the Legislative Assembly established by resolution on April 26, 1972 to review existing Alberta legislation of professions and occupations pertaining to regulations, licensing and the policies and principles underlying such legislation.

Mr. Speaker, regrettably the Queen's Printer will not have the printed report ready for distribution to the members until tomorrow afternoon or 48 hours at the outset.

I wish therefore to advise, Mr. Speaker, that the major recommendations for consideration by the Assembly contained in the report are as follows:

A recommendation for the establishment of a professions and occupations council to act in an advisory capacity to government on matters of granting self-governing statutes and the development and services of professions and occupations.

The report contains, as well, suggestions for the make-up of the council.

It also recommends examination and re-examination of the level of educational entrance standards, licensing and admission procedures into associations to eliminate the possibility of artificial barriers. The examination of complaint and disciplinary mechanisms and procedures, whether there are inadequacies in existing structures and availability of alternate procedures are being recommended in the report.

The report contains some 28 recommendations.

My report to the Assembly would be incomplete without acknowledgment of the performance by the committee members. I feel I was extremely fortunate to have had such members to work with as the hon. members: George Topolnisky, Dick Gruenwald, Graham Harle, Ted Hinman, Cal Lee, Albert Ludwig, Don McCrimmon and Ken Paproski. The dedication, sincerity and approach to master the difficult task assigned to them is beyond reproach. I might also add that our research assistant, Mr. Corneil, and our secretary, Mrs. Alton, were required to meet some of my unyielding demands which were necessary for the committee to bring forth a quality report, and they certainly deserve recognition for their efforts and accomplishments.

Thank you, Mr. Speaker.

MR. LUDWIG:

Mr. Speaker, I beg leave to adjourn debate on this report.

AN HON. MEMBER:

Nonsense.

AN HON. MEMBER:

Order.

INTRODUCTION OF VISITORS

MR. GETTY:

Mr. Speaker, it gives me pleasure to introduce to you and members of the Assembly a group of 70 Grade 10 students from Harry Ainlay High School, Mr. Speaker. The students are accompanied by their teacher, Mr. Tulloch.

MR. MINIELY:

Way to go Don.

MR. FLUKER:

Mr. Speaker, it is my pleasure this afternoon to introduce to you and to the members of this Assembly some 50 Social Studies students from the Racette School in St. Paul. They are very interested in our Alberta energy policies, Mr. Speaker, and have travelled some 130 miles over hazardous roads to be here with us today.

They are accompanied by their teachers, Mrs. Foisey, Mrs. Pyper, Mrs. Trottier and Miss Hebert, and also their drivers, Denis Boychuk and Gerry Barland. I would ask them to stand and be recognized. They are in the public gallery.

FILING RETURNS AND TABLING REPORTS

MR. RUSSELL:

Mr. Speaker, I would like to table a reply to Motion for a Return No. 286.

DR. HOHOL:

Mr. Speaker, I should like to table [a reply to] question No. 280 requested by the hon. Member for Calgary Bow on October 15.

In doing so, sir, I should like to point out that the reply doesn't exactly follow the question. However, the format for the reply was agreed upon by the hon. Member for Calgary Bow and myself, personally, and subsequently through additional discussions by members and officials of my staff with the hon. Member for Calgary Bow.

ORAL QUESTION PERIOD

U.S. Petroleum Export Quotas

MR. CLARK:

Mr. Speaker, I have a question I would like to address to the Premier. Has the government been apprised of the decision of the Government of the United States to impose export quotas on petroleum products, and what effect will this decision have upon the availability of such products in Alberta?

MR. LOUGHEED:

Mr. Speaker, I don't think we, at this stage, have received the report that we have requested or can give the hon. member some useful information. We will take the matter as notice and try to give him a reply tomorrow.

Crude Oil Export

MR. CLARK:

A supplementary question, Mr. Speaker. Has the Government of Alberta given serious consideration to [holding] discussions with the Government of Canada and also with the Government of the United States to, in fact, use the export of Alberta crude oil as some sort of lever to guarantee the availability of petroleum products?

MR. LOUGHEED:

Mr. Speaker, I believe the position that the Government of Alberta has taken is that it would be beneficial to Canada if the Alberta government was involved in an observer status in terms of the negotiations and discussions on trade matters, insofar as the important position energy has in trade matters between the two nations. We would be able to make an effective input if we had such observer status.

The hon. member's question obviously leads to the nature and benefit of the practicality of such an approach. We would hope that in due course the federal government would see the light on that point.

MR. CLARK:

Mr. Speaker, a supplementary question. Has the government of Alberta been in contact with the federal government regarding the possibility of using Alberta crude as a lever to have a guarantee of petroleum products to Canada?

MR. LOUGHEED:

Mr. Speaker, I wouldn't accept it, [that] what we have been involved in is the question of leverage. In terms of this province, I think we have to recognize the importance of the tremendous amount of agricultural products that we ship to the United States, the forest products that we ship to the United States, and the importance of trade negotiations conducted on a sensible and mature basis between the two nations. So one should not be talking about leverage.

I do think there is proper room for sound negotiation and bargaining, and if Alberta were there as part of the bargaining team for Canada it would be beneficial to the whole nation.

National Energy Conference Agenda

MR. CLARK:

Mr. Speaker, a second question to the hon. the Premier. Has the Premier been in contact with the Prime Minister regarding the items on the agenda for the upcoming national energy conference?

MR. LOUGHEED:

Mr. Speaker, we have sent to the Prime Minister a list of suggestions with regard to the agenda. There has been communication between other premiers. I think at this point these are not public documents available to legislatures. In due course, no doubt, they will be.

MR. SPEAKER:

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

Fines to Farmers

MR. WYSE:

Mr. Speaker, to the hon. Minister of Agriculture. Over the past while, the provincial government has received some \$3,500 in fines from Alberta farmers who were fined under the Canadian Wheat Board Act. My question is, Mr. Speaker, is the provincial government considering reimbursing the farmers for these fines in order to save face?

DR. HORNER:

Not at the present time, Mr. Speaker.

MR. WYSE:

A supplementary question, Mr. Speaker. Did the provincial government agree with the levy of these fines, and is it the policy of the Alberta government to continue to try to undermine the Canadian Wheat Board?

MR. SPEAKER:

Order please. The hon. member is asking the hon. minister to comment on the decision of a court which is really not a matter of government policy.

The hon. Member for Calgary Bow followed by the hon. Member for Lethbridge East.

Bribery Allegation

MR. WILSON:

Mr. Speaker, I would like to direct a question to the hon. the Attorney General. Can the Attorney General advise if he instructed the Edmonton city police to investigate an allegation of bribery against a provincial government executive when it was brought to his attention by Mr. Eddie Keen?

MR. LEITCH:

Mr. Speaker, to my knowledge no such instructions were given.

MR. WILSON:

A supplementary, Mr. Speaker. Was there an investigation of a provincial government employee undertaken by the Edmonton city police that has come to the attention of the Attorney General?

MR. LEITCH:

None that I can recall coming to my attention, Mr. Speaker.

MR. WILSON:

Supplementary, Mr. Speaker, to the hon. Minister of Health and Social Development. Have any such allegations come to the attention of the Minister of Health and Social Development?

MR. CRAWFORD:

Mr. Speaker, my information is that about six months ago the City of Edmonton police were involved in inquiries into the conduct of an employee of the department and that, although no charges have been laid, they did conduct an investigation.

MR. WILSON:

Supplementary, Mr. Speaker, to the Minister of Health and Social Development. Is the minister aware of the results of the investigation?

MR. CRAWFORD:

No, Mr. Speaker. I don't want to be in any way unresponsive to the hon. member on such an issue, but the City of Edmonton police do not report to me.

MR. WILSON:

Supplementary, Mr. Speaker, to the Attorney General. Inasmuch as the investigation has been made, would it be the intention of the Attorney General to determine the results of the investigation?

MR. LEITCH:

Mr. Speaker, I didn't catch the middle words of the hon. member's question.

MR. WILSON:

Mr. Speaker, inasmuch as the investigation has been made, would the Attorney General undertake to determine the results of that investigation?

MR. LEITCH:

Mr. Speaker, I'd want to take that matter under advisement before giving a commitment to the hon. gentleman. Certainly we do not, as a department responsible for law enforcement, ask the police as a matter of course for the results of investigations they are undertaking. So I'd like to think about the matter a bit before responding by giving the hon. gentleman an undertaking to inquire about the results of the investigation.

MR. WILSON:

Supplementary, Mr. Speaker. Could ...

MR. SPEAKER:

Might this be the last supplementary on this topic.

MR. WILSON:

Could the hon. the Attorney General advise as to when he might respond to the question?

MR. LEITCH:

Mr. Speaker, I'd expect to be able to give the hon. gentleman an answer within the next day or so.

MR. SPEAKER:

The hon. Member for Lethbridge East followed by the hon. Member for Calgary Mountain View.

University of Lethbridge

MR. ANDERSON:

Mr. Speaker, my question is directed to the Minister of Advanced Education. Have the Minister of Advanced Education and the President of the University of Lethbridge had a face-to-face discussion regarding the financial crisis facing that university?

SOME HON. MEMBERS:

Order. Order.

MR. POSTER:

Well, Mr. Speaker, there are a number of assumptions there, and I will take a moment of the House to go into it.

Let me assure the hon. member, Mr. Speaker, that when the President of the University of Lethbridge and I meet, as we do frequently, we do indeed meet face to face. We did, on that occasion about a week ago, [meet] with several members of the board and members of the administration. We discussed, among other things, an invitation to the Department of Advanced Education to fund the University of Lethbridge over and above the \$5 million that is already being provided for this year by an additional \$650,000 which, in the view of some members of the board at least, perhaps all, will be needed to bring that institution to the level it should be at, in their judgment.

We discussed, as well, the matter of two additional courses that that institution would like to commence forthwith for an additional \$250,000.

In other words, we were talking about a possibility of an additional million dollars to the \$5 million that is already being spent by that institution which houses, as the hon. member must know, about 1,000 students.

I'm well aware of the communication in the Lethbridge media and I keep in pretty close touch with the University of Lethbridge. I've had discussions in the last week with the University of Alberta, as well, on the question of communication and finance. We will be meeting with both the University of Alberta and the University of Calgary, I think, early in January.

I'm delighted to go into the question of funding of universities with the gentlemen from Lethbridge, about their specific institution if they'd like to.

I realize the question period doesn't really afford the opportunity to do it in detail.

MR. NOTLEY:

Mr. Speaker, a supplementary question to the hon. minister. Could the minister advise what is the status of the request from The University of Lethbridge regarding a native studies program which, I understand, would be a pioneering project in Canada? Is the government in favour of it and are they prepared to fund it?

MR. FOSTER:

Mr. Speaker, there are two courses which the University of Lethbridge has asked us to consider approving. One is the Native American Studies course to which the hon. member has referred. The second is Management Arts. Both courses would cost approximately, at least in the estimate of the university, about \$250,000 to commence.

We are and have been working actively in the last two or three months to establish a program approvals procedure in compliance with existing legislation. We hope to have a meeting on December 19 of this month to complete that, to initiate that procedure early in the near year.

I have given a commitment to the officials of The University of Lethbridge that among the early proposals that we will consider will be the two from The University of Lethbridge. We hope to respond to them as positively and as quickly as we can once the new procedure is brought in force.

MR. NOTLEY:

A final supplementary question on this matter. Can the minister advise the Assembly whether any specific time frame has been given yet as to a response to the university on the funding of these two rather important programs?

MR. FOSTER:

Mr. Speaker, first of all, we have to establish the policy for program approvals which has not heretofore existed. Secondly, we have to examine the two courses. Part of our examination will be an examination of the financial implications, should these courses be approved.

I've been careful to state, I think, that the estimate of \$250,000 for these two courses is the estimate put on the programs by the Lethbridge officials. I'm not saying at this time whether we agree or disagree with that cost estimate, but we will do an assessment of it. If, in our judgment, additional costs are attendant upon these two courses and the university does not have the resources with which to meet these costs, then we are perfectly prepared to consider additional funding.

MR. BUCKWELL:

Mr. Speaker, to the hon. minister with regard to the study of the Native people. We've been studying the Native people for 100 years. What are you going to study now?

MR. SPEAKER:

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

Construction Cost Increases

MR. LUDWIG:

Mr. Speaker, my question is to the hon. Minister of Public Works. Is there any appreciable increase in the tenders which the DPW is receiving on construction in light of increased material and labour costs?

DR. BACKUS:

Yes, Mr. Speaker, I think it would be fair to say there is.

MR. LUDWIG:

Mr. Speaker, may I direct a supplementary to the hon. Minister of Municipal Affairs? Is there an increase in housing costs, construction of housing in Alberta, as a result of increased labour and materials costs?

MR. RUSSELL:

Yes, I think that's quite evident, Mr. Speaker.

MR. LUDWIG:

What percentage increase does he estimate the increase to be?

MR. SPEAKER:

You are getting very close to a question that is fit for the Order Paper.

MR. LUDWIG:

He just might know.

MR. RUSSELL:

Mr. Speaker, the tenders that the Alberta Housing Corporation was involved with during the current year indicated an increase of somewhere in the neighbourhood of 15 to 20 per cent, and we're expecting a similar increase in 1974 according to the advice given to us by the construction industry.

MR. SPEAKER:

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

Strathcona Legion - Labour Dispute

MR. NOTLEY:

Mr. Speaker, I'd like to direct this question to the hon. Minister of Manpower and Labour. It concerns the labour dispute at the Strathcona Legion.

My question, Mr. Speaker, to the minister is: has the minister had an opportunity to meet with representatives from Local 579 of the hotel and restaurant employees to discuss their side of this dispute with the Strathcona Legion?

DR. HOHOL:

Yes, Mr. Speaker, I've met with the representatives of the union.

MR. NOTLEY:

Mr. Speaker, a supplementary question. Can the hon. minister advise the Assembly whether or not he gave the assurance to the union that he would ask the Board of Industrial Relations to investigate the dispute, to hold a formal hearing on the dispute, and whether or not a hearing has been set?

DR. HOHOL:

I would answer that in two parts. One is that both sides, of course, made the case to the Board of Industrial Relations a considerable time ago.

Subsequent to that, the impasse became a difficult one and I've held many discussions with the bargaining agent in particular for the employees. At the last discussion with them, probably some two or three weeks ago, I indicated to him at his request that I would discuss with the Chairman of the Board of Industrial Relations the feasibility, the practicability and the usefulness of asking the management people to present finally a position which they maintain at the present time.

I indicated to the bargaining agent that I personally felt this would be useful and proper - and likely a necessary kind of procedure. This has not yet taken place. The Board of Industrial Relations has a penalty consideration. I'd expect that a meeting of the kind the bargaining agent and I discussed would be forthcoming some time soon.

MR. SPEAKER:

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

Neighbourhood Improvement Programs

MR. HO LEM:

Thank you, Mr. Speaker, my question today is directed to the Minister of Municipal Affairs. Would the minister indicate to this House if the province has a policy regarding financial participation in neighbourhood improvement programs in conjunction with the federal government?

MR. RUSSELL:

Not at the present time, Mr. Speaker. I think I answered an earlier question in the House which indicated that the board of directors of the Alberta Housing Corporation plus a committee of cabinet are currently studying a variety of alternatives.

However, we were anxious to participate in the enabling federal legislation and, as many hon. members know, Alberta was the first province to sign an operating agreement and two projects are under way within the province.

MR. HO LEM:

A supplementary, Mr. Speaker. When may we expect an announcement as a result of these ongoing meetings you are having?

MR. RUSSELL:

That's very difficult to say, Mr. Speaker, because they have to be considered in the proper context along with many other current considerations under way at the present time.

MR. HO LEM:

A final supplementary, Mr. Speaker. Will consideration be given perhaps to retroactive payments being made to the Calgary Inglewood and the Edmonton Canora projects if the results of your discussions are favourable to participation?

MR. SPEAKER:

The hon. member's question is clearly hypothetical. Perhaps he could ask it again after the results have been favourable.

MR. HO LEM:

Mr. Speaker, I think the minister was willing to get up and answer it.

MR. SPEAKER:

The hon. Member for Clover Bar followed by the hon. Member for Sedgewick-Coronation.

Drivers' Licences - Pictures

DR. BUCK:

Mr. Speaker, I'd like to ask a question of the hon. Minister of Highways.

In light of the fact that we now have to have our pictures on our drivers' licences, will there be more access to having pictures taken? The problem my constituents have is that they feel it's inconvenient to drive, say, 25 or 30 miles. Will there be a greater opportunity to have pictures taken for licences?

MR. COPITHORNE:

Well, Mr. Speaker, we have a pattern of cameras set out throughout the province which appears to be doing a fairly good job, although there are some communities that do have to go quite a distance. Quite often these communities are not very heavily populated, and it's rather uneconomical to carry on a licensing process in those particular communities.

Generally though, we are getting good results with the licensing in the manner in which we are doing it. We have added a few cameras to some areas causing some difficulties. If the hon. member is speaking of a specific area, I would appreciate him giving me a memo about that.

DR. BUCK:

A supplementary, Mr. Speaker. Would the hon. minister consider, say, in an area that it is quite outlying, that if a picture were sent in with an affidavit saying that this is Mr. John Doe this picture then could be sealed-in in your department? Would he consider this?

MR. COPITHORNE:

No, Mr. Speaker, this would not be acceptable because of the process the licence is put through. I'm sure it would be difficult to make them as tamperproofs they are with that kind of a procedure.

DR. BUCK:

Mr. Speaker, would the hon. minister check to see if this could be done? He's just saying that maybe it can't be.

MR. COPITHORNE:

Yes, Mr. Speaker.

MR. SPEAKER:

The hon. Member for Sedgewick-Coronation followed by the hon. Member for Edmonton Kingsway.

PM - Premier Meeting

MR. SORENSON:

Mr. Speaker, my question is to the hon. Premier. Has the Premier had any direct discussion with the Prime Minister since the session started on December 3, and if not, has the Premier any intention of meeting face to face with the Prime Minister before the third week in January?

MR. LOUGHEED:

Mr. Speaker, I believe I dealt with that matter fully and adequately in answer to a question in committee last night by the Member for Calgary Millican. I certainly have been aware of the views that have been expressed by the hon. Prime Minister. But face to face as of yet, no.

MR. SORENSON:

Supplementary to the Premier. Does the Premier not feel that in the interest of statesmanship and the welfare of not only Albertans and Canadians, that such a meeting would be of benefit?

MR. SPEAKER:

Order please, order please. The hon. member is starting a debate.

MR. SORENSON:

Supplementary to the Premier. Would the Premier welcome the assistance of, say, the Leader of the Opposition to act as a third party to arrange such a meeting?

MR. SPEAKER:

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

Child Abuse Legislation

DR. PAPROSKI:

Mr. Speaker, a question to the hon. Minister of Health and Social Development. What progress has been made regarding the child abuse legislation that was recently brought in by this government in special reference to the

reporting procedures, reporting forms, and action programs regarding that reporting?

MR. SPEAKER:

The hon. member is clearly inviting the type of statement - unless the hon. minister can answer it very briefly - which would ordinarily be made on Orders of the Day at which time the Leader of the Opposition would have an opportunity to comment, which he doesn't have now.

MR. CRAWFORD:

Well, Mr. Speaker, I think I could very briefly bring hon. members up to date in about two sentences, following the information I gave the House, in regard to the child battery registry, when we were sitting in October. The program of education is an important part of the overall program; educating the public and those most likely to be involved in reporting of child battery. The Bureau of Public Affairs is now working on a program which will include advertising and publicity for that type of information to get out to the public and to those most interested.

The only other thing that might be mentioned at the present time is that a supervisor of the registry has been appointed. Mr. Ken Jones will be assuming his duties this month and the zenith telephone number should be in use by next month, in any event, by the time the new directories come out.

DR. PAPROSKI:

One supplementary, Mr. Speaker. Are there going to be reporting forms in reference to this child abuse reporting?

MR. CRAWFORD:

Mr. Speaker, I could check into that and let the hon. member know.

MR. SPEAKER:

The hon. Member for Wetaskiwin-Leduc followed by the hon. Member for Calgary Millican.

Consultation with Saskatchewan Premier

MR. HENDERSON:

Mr. Speaker, I would like to ask the Premier if he could advise the House as to whether he has been in any communication with the Premier of Saskatchewan for any further information relative to the announcement that was forthcoming from Saskatchewan yesterday?

MR. LOUGHEED:

Mr. Speaker, no I haven't, with the exception of the correspondence I received, by Telex I believe, from the Premier of Saskatchewan regarding the views on the first ministers conference on energy and a communication I referred to in the House last night with regard to the matter of the Prairie Economic Council meeting. Nothing in addition to that.

We have just now received a copy of the bill that was presented in the Saskatchewan House on Monday. It involves expropriation of private property in a very extensive way and we are having an evaluation of it done.

MR. SPEAKER:

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

Accidental Deaths and Suicides

MR. DIXON:

Mr. Speaker, I would like to direct my question today to the Minister of Health and Social Development. My question relates to a concern that has been expressed to me by a number of Alberta doctors.

I would like to know, has any action been taken by your department to investigate the reasons for the increasing accidental and suicidal deaths that are occurring in our province at the present time?

MR. CRAWFORD:

Mr. Speaker, the hon. member was kind enough to give me notice of his intention to ask that question.

Without taking undue time I will comment that there is indeed a plan that I think hon. members would be interested in today. By way of comparing the statistical data, Alberta is indeed slightly above the Canadian average in motor vehicle deaths and accidental deaths generally, and about at the Canadian average in regard to deaths by suicide.

It is of particular regret that when examining the statistics on suicides, wherever they may be selected from in Canada, large numbers of young people are involved. Indeed of all of the deaths in any given year, between one and two per cent are by way of suicide. Those may be the most preventable of the deaths that occur in a year in our country.

I thought hon. members would be interested in knowing that we do plan to establish a task group. I'm not able to present the full details of its structure to you now. The Deputy Minister of Health, Dr. Cochrane, has been working on a concept related to this problem and indicates that his recommendation, which I would expect to act upon and which will be made very shortly, would include a recommendation that government departments, as well as the Alberta Safety Council, the medical association and perhaps some other non-government organizations, might be involved in a task group to go into both questions - accidental deaths and deaths by suicide.

MR. DIXON:

A supplementary question. I was wondering if the minister, when he is making up his list, would keep in mind that the doctors are most concerned with the young people and the suicide deaths. Would he have a person on that committee who would be investigating that area of concern?

MR. CRAWFORD:

Mr. Speaker, I agree that that is probably the area of greatest concern to which the task group would be directing its attention, and we would certainly expect to have representation that would cover that.

MR. SPEAKER:

The hon. Member for Little Bow followed by the hon. Member for Cypress.

Senior Citizens' Benefits

MR. R. SPEAKER:

Mr. Speaker, my question is to the Minister of Health and Social Development. Has the minister completed negotiations with the organizations responsible for the senior citizen benefit programs in the areas of glasses, hearing aids and dental work?

MR. CRAWFORD:

Not yet, Mr. Speaker. The present situation is - if my memory is correct on the process of negotiations - that the denturists, the dentists and the hearing-aid dealers have agreed to the terms of their arrangement with the government for providing these services, and agreement with the optometrists and the ophthalmic dispensers is, I believe, not far away.

MR. SPEAKER:

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

Prairie Economic Council

MR. STROM:

Thank you, Mr. Speaker. I'd like to address my question to the hon. Premier. Have the prairie premiers decided to abandon the Prairie Economic Council concept and replace it by the Western Premiers' Conference?

MR. LOUGHEED:

Mr. Speaker, definitely not. I thought I had explained that when I returned from the meeting in Winnipeg towards the end of March last year.

What we agreed was that we would have on every occasion, first of all, on the first day a meeting of the Prairie Economic Council as we've known it, being the premiers of the provinces of Manitoba, Saskatchewan and Alberta. Then on the second day it would become a Western Premiers Conference, and that is what is planned for February 27 and 28. We think that is a very valid way of doing it.

We certainly endorse that because there are matters, agricultural matters and transportation matters, where the three provinces have a common interest that doesn't involve to the same degree the Province of British Columbia. So I think that is a useful thing.

Oil Sands -- Saskatchewan Participation

While I'm on my feet, Mr. Speaker, I'd like to just add an additional point of important information to answer the question from the Member for Wetaskiwin-Leduc.

I've been advised by the Minister of Federal and Intergovernmental Affairs that today we've also received correspondence from the Government of Saskatchewan - wanting to discuss the matter of joint participation in terms of oil sands development.

MR. SPEAKER:

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

First Ministers Conference

MR. TAYLOR:

Thank you, Mr. Speaker. My question is to the hon. Premier. Does the hon. Premier expect concrete results to come out of the first ministers conference on energy?

MR. LOUGHEED:

Mr. Speaker, that is a very difficult question. When we judge it in relationship to the Western Economic Opportunities Conference, we certainly can't approach the conference with a feeling of either optimism, or on the other hand, as I mentioned to the House, pessimism.

I think it would be a mistake for the citizens of Alberta to have any false expectations. But we, for our part, will be presenting positive proposals and we hope that from a long-range point of view we can develop national energy policies that will be beneficial for Canada.

MR. TAYLOR:

A supplementary to the hon. Premier. Is there any move afoot of the provinces starting to form sides at this stage?

MR. LOUGHEED:

Mr. Speaker, the answer to that is clearly no, but there is an obvious recognition that every province has a different situation with regard to the amount of energy that it either brings into the province or exports out of the province. That, by its very nature, is going to bring to the table, I think it fair to say, ten different points of view - which is the very nature of Canada.

MR. TAYLOR:

One further supplementary, Mr. Speaker. In the event that the conference is not open to the public, would the hon. Premier look with favour on members of the Legislature being admitted as observers? If he does, would he make representation in that regard to the Prime Minister?

MR. LOUGHEED:

Mr. Speaker, I'll certainly give that consideration. I recall making a similar request to Mr. Manning, when he was Premier and I was on the other side of the House, which he did not feel inclined at the time to accede to.

On the other hand it is certainly a matter we will be prepared to consider. I think it should be looked at in terms of the nature of the agenda. The first matter that has to be resolved is whether the meeting will be open or not.

MR. SPEAKER:

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

Farm Machinery Agents -- Bonding

MR. COOPER:

Mr. Speaker, my question is either for the Attorney General or the Minister of Agriculture. Could the hon. minister inform the House if a change is contemplated under The Farm Implement Amendment Act whereby bonding of farm machinery agents will no longer be required?

DR. HORNER:

Mr. Speaker, if the hon. member will recall, changes were made in The Farm Implement Act at the spring sitting of this Legislature, because of some difficulty in having the dealers properly licensed under the Act that had been previously passed.

A small committee headed by Mr. Manderson, an appointee of Unifarm, went into the matter in some depth and recommended that as well as a bonding system for the vendors or distributors, a self-funding mechanism should also be provided for those dealers who could not, or did not, feel they were able to secure bonds under the previous set-up.

We are still looking at that, Mr. Speaker. I would like to meet with the bonding companies because there are a number of matters that need to be resolved.

MR. SPEAKER:

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

Fireworks Regulations

MR. BENOIT:

Mr. Speaker, my question is to the Minister of Manpower and Labour. Is the minister or the office of the fire commissioner planning any changes in the fireworks regulations of Alberta as a result of representations made to the Premier and his council by the industry?

DR. HOHOL:

Mr. Speaker, that is a comprehensive question which I would have to take under advisement.

We have had representations, of course, of developing the content and intent of the regulations pursuant to legislation under The Uniform Building Standards Act. It may be in this context that the hon. member is inquiring. Anyway I will take the question under advisement and give him the information.

MR. SPEAKER:

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

MR. LUDWIG:

Mr. Speaker, I have already asked my question.

MR. SPEAKER:

The hon. Member for Medicine Hat-Redcliff followed by the hon. Member for Clover Bar.

Soft Drink Cans Deposit

MR. WYSE:

I would like to direct my question, Mr. Speaker, to the hon. Minister of the Environment. Is the provincial government considering increasing the deposit on soft drink cans to 5 cents, or at least to increase it at this time?

MR. YURKO:

Mr. Speaker, the provincial government is constantly watching the effectiveness of The Beverage Container Act, but at this time there is no intent to increase the deposit on cans.

MR. WYSE:

A supplementary then. Is the government considering including in the universal depot system cans used for juices and other non-carbonated beverages?

MR. YURKO:

Not at this time, Mr. Speaker.

MR. DIXON:

A supplementary question to the minister, Mr. Speaker. I wonder if the minister could inform the House what is happening to the bottles and glass we are paying for. Are they being dumped, or are they being stored? Just what is the situation?

MR. YURKO:

Mr. Speaker, there is a very substantial demand being generated with respect to the glass. I believe that the Liquor Control Board now has letters of intent or more specific requests with respect to buying every single ton of glass being generated.

With respect to cans, generally these are being recycled. However, there are occasional difficulties in terms of mixing this type of scrap with other scrap in the proper proportion. So there may be periods when, in fact, that material is also being stockpiled.

But generally I think, to sum it up, Mr. Speaker, I would suggest that all materials being collected are being recycled either directly or indirectly.

MR. WYSE:

Supplementary question, Mr. Speaker. Is the government considering any action or compensation for the people at Dominion Glass who were laid off due to The Beverage Container Act?

MR. YURKO:

Well, Mr. Speaker, first of all, I don't accept the fact that anybody was laid off with respect to The Beverage Container Act. In fact, well over 1,000 people found jobs with respect to that Act. The government is not considering compensation for anybody losing employment in the Province of Alberta.

MR. SPEAKER:

The hon. Member for Clover Bar followed by the hon. Member for Wainwright.

Fort Saskatchewan Warden

DR. BUCK:

Mr. Speaker, I would like to ask a question of the hon. Attorney General.

Several days ago I asked if the warden of the Fort Saskatchewan jail resigned. I would like to say the hon. Attorney General informed me by letter that he had.

My question to the hon. Attorney General is: were a shortage of staff and a morale problem factors contributing to his resigning?

MR. LEITCH:

Mr. Speaker, that question really ought to go to the hon. Solicitor General who is absent from the House today attending a conference in Ottawa. But the information I have gotten on the matter - it's in no sense complete, and I will refer the question to the Solicitor General on her return - indicates that that isn't so and those weren't the reasons for the resignation.

MR. SPEAKER:

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

Rural Gas Program

MR. RUSTE:

Mr. Speaker, my question is to the Minister of Telephones and Utilities, dealing with the rural gas program.

Some time ago he indicated to the Assembly that they were negotiating and the price range would be up to, I understood, a maximum of 32 cents.

Is the minister in a position now to tell what has been firmed up on this, if anything?

MR. FARRAN:

Mr. Speaker, no, we still have not arrived at a price at which we think we can enter into long-term contracts. But I repeat that the target range is between 29 cents per MCF and 32 cents per MCF.

MR. RUSTE:

A supplementary question to the minister. In view of the increasing costs of putting in the rural gas systems, is the government considering raising the limit of the \$3,000 at this time?

MR. FARRAN:

Not at the present time, Mr. Speaker.

MR. SPEAKER:

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

Federal Prices Review Board

MR. NOTLEY:

Mr. Speaker, I'd like to direct this question to the hon. Minister of Consumer Affairs. In light of the concern expressed by the president of Unifarm concerning the price spread between the price of cattle and the retail price, my question, Mr. Minister, is: is the government prepared to join with Unifarm in making a submission to the federal Prices Review Board to look into the price spread?

MR. DOWLING:

No, Mr. Speaker, but I can say that we are in contact with Mrs. Plumptre and her committee, and with the hon. minister, Mr. Gray, on our own without any help from Unifarm.

MR. NOTLEY:

Mr. Speaker, a supplementary question. Can the minister advise the Assembly whether the department is doing any research on its own, or whether it is going to delegate this to the federal Prices Review Board?

MR. DOWLING:

No, Mr. Speaker, we are doing our own. We are, through the Department of Agriculture, doing some monitoring on food prices generally. We are expanding this through the Consumer Affairs branch, and over a period of some weeks we will have this sophisticated enough that it will be of some value.

MR. NOTLEY:

Mr. Speaker, one final supplementary question dealing with the federal Prices Review Board. Has the Alberta government had an opportunity yet to assess the effectiveness of Mrs. Plumptre's federal review board?

MR. DOWLING:

Well, I'm certain it is to some degree successful. We have supplied her with a good deal of information from Alberta, Mr. Speaker.

MR. SPEAKER:

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

Grande Cache Coal Report

MR. TAYLOR:

Thank you, Mr. Speaker. A question to the hon. Minister of Mines and Minerals. Will the report on coal in the Grande Cache area be completed prior to the end of this session?

DR. HOHOL:

Mr. Speaker, could I respond to that question? We have just recently received the report referred to. The government is looking at and studying it and we will make it public in due course.

MR. TAYLOR:

Supplementary. Will copies be made available to the members of the Legislature?

DR. HOHOL:

Mr. Speaker, we'll simply have to make a judgment decision on that just a bit later. Under the circumstances in which we meet in this session, recency of receipt of the report, the size of the report in the physical sense and other factors, we'll simply have to make that judgment when we have time.

MR. TAYLOR:

A further supplementary. Since it appears to be a very big report and since probably many members of the Legislature would not be intensely interested in the matter, would a copy be made available in the library or some other place where we could check it?

DR. HOHOL:

Yes, there's no question about that.

MR. SPEAKER:

The hon. Member for Medicine Hat-Redcliff.

Feedlots

MR. WYSE:

A question to the hon. Minister of the Environment. Is the provincial government considering banning feedlot operations in the province that are within five miles of a city, as outlined by the federal Minister of Agriculture last evening?

MR. YURKO:

Mr. Speaker, because of conflict between farmer and farmer, and towns and farmers, the provincial government set together a task force or a committee to investigate this problem in detail and come forth with recommendations. The committee has since then put together a code of practice which has been issued to the industry as well as to everybody interested in it, which includes towns. This code of practice will be followed as closely as possible from here on in.

Alberta Municipal Financing Bonds

MR. MINIELY:

Mr. Speaker, on Monday I undertook to report back to the House on a question raised by the hon. Member for Lethbridge East. The question was whether or not the Treasury Branches would be utilized in the marketing of Alberta Municipal Financing Corporation bonds.

Mr. Speaker, the Alberta Municipal Financing Corporation is a vehicle which, on the one hand, borrows funds under the Canada Pension Plan and, on the other hand, loans these funds to the municipalities throughout the province of Alberta. So there is no debenture or bond of the corporation that is marketable through the Treasury Branches.

Feedlots (Cont.)

MR. WYSE:

A supplementary question to the hon. Minister of the Environment. I don't think he answered my question regarding the banning of feedlots and I'd like to ...

MR. YURKO:

Mr. Speaker, the code of practice that has been put together by this government in cooperation with the industry has been tabled in this House and the guidelines for locating feedlots are very well documented in that code of practice. This government will be using that code of practice in that regard.

MR. WYSE:

Supplementary question then. The government is not considering any action whatsoever on established feedlots in the province that lie within five miles of any city?

Social Assistance Payments

MR. CRAWFORD:

Mr. Speaker, yesterday I was asked a question that, with the leave of the House, I would like to respond to to some extent now. It was a question asked by the hon. Member for Spirit River-Fairview. It dealt with published reports that statements had been made at certain public meetings in the Faust and Driftpile area that discrimination is being shown among families as to the amount of welfare being received by differing families in the same circumstances.

I wanted to let the House know that explaining some of the programs to the residents of some remote communities is a difficult problem which is understood by the officials of the department. They are applying themselves very energetically to trying to improve on the communications and the degree of understanding of the program in some remote communities.

In reference to that, I wanted to say it didn't take the raising of this particular issue to bring about the attempts of the department to solve the problem.

There have been a number of meetings up there. There's one going on today in the community hall at Faust. The meeting today was preceded by a letter that went to all social allowance recipients residing in the Faust, Joussard and Driftpile communities advising them of the meeting and the intention of the meeting.

That followed upon a meeting on November 29 which had been held in respect to the same concerns, and a meeting on November 22, held in respect to the same concerns.

The question that the hon. Member for Spirit River-Fairview raised yesterday was based on a report of the public meeting held on November 22. On that occasion, ten clients of the department did submit formal appeal notices in respect to the amount of assistance received by them and I believe, as is the habit of the workers in such cases, they were assisted in the completion of those appeals in order that they could be heard at the time.

As far as the future ...

MR. SPEAKER:

I wonder if the minister would be able to bring his answer to a fairly early conclusion. We have exceeded the time allotted for the question period and the answer is going on at some considerable length.

MR. CRAWFORD:

Mr. Speaker, I can conclude very briefly I think.

I think the House should know that for the purposes of resolving this type of problem, wherever it may exist in remote communities in the future, the department is undertaking to have an even more effective public communication of information about these programs and the way one can take advantage of them. Through the Bureau of Public Affairs a program is being developed that will possibly involve publication of some information in native languages.

MR. NOTLEY:

Mr. Speaker, may I ask one short supplementary question?

MR. SPEAKER:

We have exceeded the question period. Possibly that question might be asked tomorrow.

ORDERS OF THE DAY

MINISTERIAL ANNOUNCEMENT

Office of the Premier

MR. LOUGHEED:

As hon. members are aware, there was a meeting of significance held this morning between the provincial government and the City of Edmonton. I would like to read to the members of the Assembly a joint statement arising out of the meeting. It was agreed to by Mayor Dent and myself at the conclusion of the meeting.

Premier Lougheed and Mayor Dent jointly stated today that the question of the utilization by Edmonton Power of natural gas and its effect upon the electrical costs of Edmonton residents was discussed today in a preliminary meeting between the Mayor and officials of the City of Edmonton, the Premier and the Resource Development Committee of the Provincial Government. A presentation was made by the City of Edmonton pointing out the impact upon the city of conversion from natural gas to coal on existing and planned facilities and also of the impact upon the city of the anticipated increased cost of natural gas supply in the event such conversion did not occur.

The province noted that it had a responsibility to enter into extensive discussions with the city regarding financial adjustments that might be required by the province as a result of the provincial government's efforts to increase the price for natural gas produced in Alberta. The provincial government however expressed the view that such financial adjustments should be arrived at separately and independently from the Alberta Natural Gas Rebate Plan which has as its objective the protection of Alberta residential consumers primarily from the costs of natural gas in heating their homes.

The meeting concluded on the basis that the provincial government would confirm by letter the various matters that needed to be resolved and the time in which decisions were required.

Both the Mayor and the Premier expressed the view that although the meeting was of a preliminary nature it had been useful and that further meetings of a similar nature because of the magnitude of the problem would no doubt be required.

The Mayor expressed optimism that the problem would be resolved to the satisfaction of both parties.

GOVERNMENT BILLS AND ORDERS
(Second Reading)

Bill No. 95 - The Petroleum Marketing Act

MR. DICKIE:

Mr. Speaker, I beg leave to move, seconded by the hon. Minister of Lands and Forests, Bill No. 95, The Petroleum Marketing Act, for second reading.

Mr. Speaker, this bill is divided into four parts and I would say it would be correct to consider that there are four basic principles to the bill. For the hon. members attention I could perhaps highlight the various parts.

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

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

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

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

Mr. Speaker, my first observations would be on PART 4. On PART 4 the question arises: under the BNA Act who can legislate, the federal government or the provincial government? The difficulty arises in separating federal and provincial aspects of a particular subject matter of legislation.

One solution involves cooperation between the federal government and the provincial government which has received judicial sanction. The procedure is for the federal government, by appropriate legislation, to delegate its regulatory powers to a board already constituted with respect to local matters by the legislature of the province. Although neither the federal government nor the provinces can delegate to each other - since this would constitute an unauthorized enlargement of their respective jurisdictions - it is now well settled that the federal government can validly delegate to a provincially appointed board.

Mr. Speaker, in dealing with PARTS 2 and 3, I could perhaps first advise the hon. members of the groups that may be involved in working with the Alberta Petroleum Marketing Commission and then outline the steps of how the procedures might be followed with the Alberta Petroleum Marketing Commission.

First I would say that the Alberta Petroleum Marketing Commission would be working in close cooperation and close liaison with three groups.

The first is what I would describe as the crude oil purchasers. They are an important and informal group of some 20 to 24 individuals. They have in the past established the practice and method to market crude oil. They are involved in the buying, the selling, the swapping, making the arrangements, the blending of the crude oil to get [it] in the pipeline.

Mr. Speaker, we would anticipate that the Alberta Petroleum Marketing Commission would work with the existing crude oil purchasers and it has been suggested that some of them could form an advisory board to the Alberta Petroleum Marketing Commission. And when the hon. members are really considering this bill, they perhaps would like to pass on their views as to whether the Alberta Marketing Board would work well with an advisory group. We would welcome hearing their observations on having an advisory group from industry to work with the Alberta Petroleum Marketing Commission.

The second group I would classify as being one that the Alberta Petroleum Marketing Commission would work with, would be the Energy Resources Conservation Board.

The energy Resources Conservation Board would, as they are presently doing, determine the maximum conventional crude oil production rates by individual pools compatible with good conservation, good engineering practice and optimum recovery.

The third group with which the Alberta Petroleum Marketing Commission would be working would be the Department of Mines and Minerals.

I believe I have mentioned to the hon. members that we have now set up in the department an executive director of energy resources. His prime responsibility would be to determine and monitor the international prices of crude oil.

I have already confirmed to the hon. members that we have requested that the refineries in the provinces of Ontario and Quebec make available to us, on a confidential basis, the prices of the crude oils as they arrive in the various refineries. The response to date has been excellent. We have been receiving that information so we will be in a position, as a department, to furnish information to the Alberta Petroleum Marketing Commission on the international price of crude oil coming into Canada.

At the same time, as I mentioned last night in the debate, we are monitoring the international prices of crude oil. From that point of view, keeping in touch with what is really happening with the OPEC nations, watching their particular meetings in December, how they might proceed, watching their suggestions on participation and so forth, we can get as accurate a picture as possible on the price of crude oil in the international field.

So, Mr. Speaker, with those three organizations working with the Alberta Petroleum Marketing Commission, I might now, step by step, take you through the procedure that might be followed for the marketing of a barrel of crude oil from the Crown's royalty share. I will list them in steps and, Mr. Speaker, I think all hon. members will appreciate that perhaps the Alberta Co-op Petroleum Marketing Commission may change this procedure somewhat. But to give the hon. members some idea of the steps that will be involved, we visualize this is how it may operate.

1. First, as in the present time and case, an agent for a purchaser makes an application to the National Energy Board for a licence setting forth the amount of crude oil they require.
2. The applications are submitted before the end of the month to apply for the month following the succeeding month. That is, the applications will be made before the end of December for nominations for the month of February.
3. Approximately ten days after the application is received, the NEB would telex the agent the amount it will allow. That is the present practice. After the agents receive that information they then proceed to step four.
4. They then meet with the representatives of Interprovincial Pipeline to arrange for the blending of the crude oils that go into the interprovincial pipeline.
- I might also advise the hon. members that we did meet with the representatives of Interprovincial Pipeline to arrange for the blending of the crude oils that go into the interprovincial pipeline. I might also advise the hon. members that we did meet with representatives of Interprovincial Pipeline and we did discuss with them the principles that would be involved in The Petroleum Marketing Act. We asked them for their comments and if they had any objections as to how this might operate. We were pleased to note that they would give us their full cooperation and support and that they didn't see that there would be any difficulty in the operations of the Alberta Petroleum Marketing Commission as we outlined them.
5. Following the meeting with Interprovincial Pipeline, the next step would involve the Energy Resources Conservation Board.
6. The Energy Resources Conservation Board would determine the market demand for Alberta oil. This is done through regularly scheduled hearings about the 20th of each month. They have been called Market Demand Hearings. They establish the actual oil demand of Canadian refineries, and the portion of oil demanded of U.S. refineries which is approved under the NEB licence.

7. The NEB [ERCB] would then set production rates for all crude oil producing wells in Alberta. This would be on a monthly order, essentially as is now done in the board's view. They call these MD Orders.

8. The Alberta Petroleum Marketing Commission would sell in Alberta by executing contracts for the sale of Alberta crude in Alberta.

9. The present intention is that the Alberta Petroleum Marketing Commission would sell all crude oil in Alberta at one and the same price.

10. In the event cooperation was obtained from the federal government, then the commission could obtain the opportunity price in the United States. There then, in fact, would be two prices. It has been suggested that in the event of a two-price system for crude oil, there could still be room for an export tax or a tax export charge of some 30 cents. This would cover transportation differential and quality differences.

11. As to the price of crude oil, the commission would set par crude at Edmonton. As I mentioned yesterday in the Legislature, par crude at Edmonton is presently \$4.11, that is for 42 gravity crude oil, and for par crude would be fixed the posted prices of the various 209 fields in the Province of Alberta.

Mr. Speaker, in concluding, in dealing with PART 1, I would draw to the attention of the hon. members the powers and objects of the commission, and you will note quite clearly that it does not have the power and the object to get in the oil and gas business.

In my final remarks, Mr. Speaker, I would like to say that the government is considering the question of natural gas, sulphur, coal and this perhaps could be incorporated by amendments later into this act, or by other acts.

Thank you, Mr. Speaker.

MR. CLARK:

... [Not Recorded] ... 95, let me say at the outset that I'm pleased that the Minister of Mines and Minerals, on this particular occasion, has taken some time to outline the possible way that the commission will be operating. I would say, Mr. Speaker, that that is a pleasant switch from the approach that was used earlier with The Mines and Minerals Amendment Act.

Mr. Speaker, I'd like to deal basically with four concerns we have as far as the bill is concerned.

The first concern I would like to raise deals with the recognition that we on this side of the House realize that the government needs a great degree of flexibility in dealing with the particular situation at this time.

I think we recognize, Mr. Speaker, that the circumstances are certainly unanticipated and still very indefinite, and it is definite that the government needs this kind of flexibility so that it can get along with the job that this legislation basically set out to do.

We rather see the government's purpose at this time, first to maintain control of the resources within the province; secondly to see that our people in Alberta, through the government, get an equitable share of the additional revenues made available as a result of the world energy crisis; and thirdly, to do all possible to alleviate the shortage of energy, particularly oil and gas, in those areas of Canada outside the jurisdiction of Alberta.

I think, Mr. Speaker, we also recognize that circumstances make it necessary, as I've indicated, for a large amount of flexibility in authority provided by the legislation for the government to use in decision-making and administration with regard to the oil and gas energy, which will make it unnecessary for the government to bring the Legislature back together in a very short period of time, thinking in terms of a period of weeks.

But let me also say, Mr. Speaker, that we on this side are determined to do all that we can, as an opposition, to assure that the amount of flexibility provided in this legislation, and other legislation we are dealing with, shall not be so generous that the government action can become arrogant or bound up in a great deal of administrative bureaucracy, without certainly the desirable kind of consultation that we think is necessary, not only with industry, but also with other jurisdictions across Canada.

I made the point earlier, Mr. Speaker, that I'm pleased the minister has given to the Assembly considerably more information, as far as the marketing commission is concerned, than he did at the outset when we dealt with Bill No. 94.

I've also made the point, Mr. Speaker, that we feel the government needs a considerable amount of flexibility.

I think, Mr. Speaker, we must recognize that we are dealing with this legislation today and, in fact, the legislation that we have dealt with during this session, basically because of the breakdown in negotiations between the federal government, which I believe deserves the greatest amount of the blame for this breakdown, and the Government of Alberta. And we are at this situation, Mr. Speaker, of having the government come forward and say that we need this legislation to deal with the problems that have developed as a result of the lack of ability to sit down and reason this matter out with the federal government and the provincial government.

I think it is incumbent upon all members, Mr. Speaker, in dealing with this particular piece of legislation, that this legislation is now before the House because of this lack of ability to get together between the federal and the provincial government.

I think, Mr. Speaker, it's fair to say that on the question of negotiations, a great deal has been said about the break-off of discussions; a great deal has been said about lack of communications and lack of consultation. It seems to me that should be behind us now, Mr. Speaker, and we are dealing with this marketing commission legislation - legislation Mr. Speaker, which goes some distance toward making it possible, perhaps necessary, for the government to become involved in an area that until this date has been left to an area of non-government involvement.

I indicated earlier that we had a number of concerns with regard to the legislation. I am hopeful that either on the conclusion of second reading or in committee, the minister will touch on the question of storage facilities. In fact does the government see this as a possibility that they may well become involved in?

I would also like to have the minister elaborate, Mr. Speaker, on the question of the pipelines, as a result of this legislation, becoming public carriers and in fact the rates being set for these public carriers by the Public Utilities Board so that the pipelines in the province, to quite a degree, become public utilities.

I think also, Mr. Speaker, that we must be concerned about the question: is the marketing commission to become a revenue-generating agency, or is it in fact to be an administrative agency and not involved in revenue generation as far as the province is concerned?

It seems to me also, Mr. Speaker, that an important question is: how far is the marketing commission or the marketing board going to be removed from the government? In recent years, we have had this government looking at the question of phasing out commissions. On this particular occasion we are now establishing another board, or another agency or another commission. It is important, Mr. Speaker, I believe, that this commission be some distance from the government. I would hope it has the same kind of independence from the government that perhaps the Energy Resources Conservation Board has.

Another legitimate concern, Mr. Speaker, deals with Section 21(1)(d) of the act. In that particular section it says, and I quote: "shall make payments under clause (c) within 60 days after the sale of the petroleum." To the individuals I have spoken with, Mr. Speaker, this appears to be an area that can cause considerable concern, once again, for the small Alberta and small Canadian companies. We would certainly like some more explanation from the minister in this particular area.

Also dealing with Section 21(2), and I quote: "The lessee's share of petroleum shall not, prior to its sale by the Commission, be exchanged for any other petroleum." I think one of the very fair questions to ask in that area is: how in fact is this to be done?

I would also like to ask the minister, in the course of his remarks during this debate, to deal with the question of definition of "petroleum product". Are we in fact using the definition here that is in The Mines and Minerals Act? In my recollection there is no inclusion in this legislation dealing with petroleum product, and it's one of the legitimate concerns.

As far as the commission itself, Mr. Speaker, I am not pleased that here is another area the government is becoming involved in. I am very hopeful that we will get a statement from the government indicating that the government does not see itself becoming involved in an ever-increasing number of ventures such as this.

My colleague, the Member for Cardston, will, in the course of this debate, be proposing what I consider to be a reasonable alternative to the marketing legislation. I think it is an alternative which certainly takes into consideration the question of government involvement here. I think his proposal also makes it possible that the expertise of people in the petroleum industry will have an opportunity to be influential on the direction taken, and a suggestion which will also make it possible to encourage the involvement of both the federal and provincial governments in this particular area.

So, Mr. Speaker, to conclude the first portion of my remarks, let me say that we have a number of concerns in this particular area. The minister has gone some distance to deal with some of these concerns. However, I hope that he will elaborate somewhat more in the areas I have indicated.

The second comment I would like to make, Mr. Speaker, deals with the question of the constitutionality of the legislation involved. I certainly don't propose to be an expert in this particular area at all. Let me re-emphasize the point that we are at this position today as a result of the failure of negotiations - the failure or the unwillingness of the federal government to cooperate in this particular area. I would certainly hope that neither the federal government nor the provincial government uses this situation we are involved in now as the staging ground for a federal or provincial election.

Let me say that if we continue along the course we now appear to be headed on, the end result could be a collision course which may well develop around the magic day of the end of winter which, to my recollection, is March 21.

Let me simply say this. I am sure all members in the Assembly are familiar with a game referred to as "chicken". If I might use the comparison here between the federal government and the provincial government, let both governments remember that the passengers involved in this rather mammoth game of chicken are the citizens of Canada and the citizens of Alberta. I think we have to recognize that in the very end - if we do go to the very end and have this head-on course - whether we like to admit it or not, under the constitution and especially Section 92 the federal government has a bit more horsepower than we have.

Let me also point out, Mr. Speaker, that if we get to this position where we are absolutely unable to resolve the situation and the federal government chooses to move in under Section 92 of the BNA Act, the great losers in the long run will be the people of Alberta and the people of Canada. And we in this Legislature, in giving approval to the legislation which the minister has brought forward this afternoon, in my judgment, Mr. Speaker, are making it possible for this constitutional collision to develop.

As long as the government clearly recognizes this, Mr. Speaker, as long as all members in the Assembly clearly recognize that virtually to a man they are prepared to support the position that the people of Alberta must continue to control the development of their resources, then, in fact, it seems to me that we should virtually go the extra mile and attempt, yes, to continue to control our resources, but at the same time not to do that in such a manner that we end up in a situation where the federal government is able, under the national interest clause of our constitution, to move in and take over the resources, be it the tar sands or the industry.

In conclusion, Mr. Speaker, let me say this. There is no question that the large majority of members in this particular Assembly support the concept that the people of Alberta must continue to control the development of our resources. I assume from the comments made by the Minister of Mines and Minerals that in his opinion this legislation makes this possible. I commend him for that.

Secondly, let me say that I am very hopeful that the government will indicate to us this afternoon, or tomorrow when we conclude this debate, that it is not the intention of the government to become involved, through the marketing commission approach, in a tremendous number of other areas of involvement. The whole question of government involvement, government intrusion and government operation in private sector areas is not black and it's not white. In this province today we are involved with Alberta Government Telephones, the Alberta

Housing Corporation, the Alberta Liquor Control Board, the Alberta Resources Railroad, Medicare and one could go on with a number of other areas.

It seems desirable to me, Mr. Speaker, that we reduce that government involvement or do not accelerate that government involvement - in fact stop government involvement - in those particular areas.

The third concern, Mr. Speaker, in conclusion, is that we recognize this legislation for what it is. Yes, [it is] an opportunity to continue to control our resources. But let us also recognize, Mr. Speaker, that if we go all the way, we are in the end, in my judgment, making it possible for this constitutional crash that I think all of us must recognize.

The last concern I wanted to raise, Mr. Speaker, I dealt with initially. And that is that we are pleased the minister has given some considerable additional information on this particular bill.

If I as an individual can be satisfied, Mr. Speaker, that the government has given the kinds of reassurances dealing with the four concerns I have raised, then it seems, Mr. Speaker, that this is part of the government policy, and it would be difficult for me not to support this legislation if, in the opinion of the individual members, Mr. Speaker, we get that kind of information. Really, Mr. Speaker, that is the approach I am going to take in voting on this particular bill.

If, in fact, the government is prepared to comment on a number of the areas that have been mentioned and seriously consider the proposition to be put forward by my colleague from Cardston, then, Mr. Speaker, it seems to me that this legislation may well be in the best interest of Albertans. Certainly I would hope that members on both sides of the House would look at it from that standpoint.

MR. NOTLEY:

Mr. Speaker, I rise to take part in this debate before my honourable friend from Wetaskiwin-Leduc to give him an opportunity to rebut. Because during the last debate on Bill No. 94 he felt rather unhappy that he got up first and therefore didn't have an opportunity to get wound up in saving Alberta from the socialist hordes.

MR. HENDERSON:

... [Inaudible] ... today, but I am going to try to follow him.

MR. NOTLEY:

Mr. Speaker, there are four major principles in the bill, the first dealing with the establishment of the commission and the fact that it's going to be operated by a three man board. The second concerns the marketing of the Crown's share of royalty in kind. The third, the marketing of the lessee's share and the fourth is the so-called PART 4.

Mr. Speaker, I really have no comment on the establishment of the marketing board as it relates to the mechanism, or the size of the commission, but I would like to make some observations on the other three main principles in Bill No. 95.

I mentioned last night during the discussion in the committee stage of Bill No. 94 that one of the merits of the proposition of taking royalty in kind is that we will be in a position to secure supply for refineries. I used the example last night of the Imperial Oil refinery in Calgary. As many of the hon. members know, Imperial Oil has decided to phase out the refineries in Calgary, Regina and Winnipeg as they build a new refinery in Edmonton. Quite a number of Albertans in the city of Calgary face the loss of their employment at that refinery.

As they attempted to deal with the situation, one of the options was the establishment of a co-op, but there really wasn't much opportunity of getting to first base on that score unless the question of security of supply of oil was guaranteed. One of the clear-cut advantages of marketing the Crown's share of the oil through a marketing board is that we would be able to make it possible for situations like the Imperial Oil refinery in Calgary to continue in operation.

I'd like to suggest that perhaps we might just go one step beyond that, Mr. Speaker, and encourage the co-operative movement to get into the field of

refining petroleum products. Members will know that in the Province of Saskatchewan the consumers' co-op has been in operation for a number of years, since, I believe, 1932, and has been one of the major reasons why the wholesale price of gasoline in Saskatchewan is, according to the Canadian Press story several weeks ago, the lowest in Canada. I think that kind of price competition that can be generated by a co-operative refinery is worth the fostering.

But I would say in passing, before I go on to the next principle of this bill, that we aren't likely to protect the consumer in Alberta to the largest extent with simply the encouragement of a co-operative refinery, however good a step that may be. I suggest that the government will have to seriously consider wholesale price controls on gasoline and fuel oil products in this province as the Government of Saskatchewan has announced several days ago.

I noticed several of the rural members not being too enthused at that possibility. Might I just point out to them that any effort to cushion the impact of rising energy prices on the consumer that is tied to reducing the gasoline tax is going to be a small comfort to rural Albertans, because as the hon. members across the way know, the farmer doesn't pay a gasoline tax on the purple gas he consumes. In my judgment when you consider the very substantial consumption of energy products by rural people, the only way that consumers in the country are going to be protected adequately is some form of wholesale price control in the Province of Alberta.

The second point I'd like to deal with, Mr. Speaker, is the question of the marketing of the lessee's share of the oil. There has been a good deal of discussion in the Legislative Assembly about the question of windfall profits which directly relate to the question of marketing the lessee's share of the oil. Last night, the hon. Member for Drumheller raised the question of windfall profits again, and I think, asked some pretty searching questions as to what does constitute a windfall profit.

I suggest, Mr. Speaker, that the price increase that we have seen in the last year, more specifically the price increase which occurred from November of 1972 until August of 1973, constitutes a windfall which the industry did not expect, a windfall substantially larger than any demonstrable increase in the costs of their production.

I think it's worth it, Mr. Speaker, when we review this legislation, to look back on the oil hearings that took place in May of 1972 and examine the submission made to this Legislative Assembly by the Canadian Petroleum Association in May of 1972. They refer to the projected price increase on page 9 of the report and I quote: "For the purpose of projecting industry results, we have assumed that crude oil prices will increase an average of 10 cents per barrel per year through to 1981." Ten cents a barrel per year. Well, Mr. Speaker, already in the short period of nine or ten months, we've reached the year 1982 as far as the projection of the Canadian Petroleum Association was concerned.

I just don't think there is any doubt that the price increase from approximately \$3 a barrel to approximately \$4 a barrel is in excess of demonstrated cost increases. Quite clearly, the largest portion of that increase is going to the companies themselves. Now I know I've said that for a long time, Mr. Speaker, and other people in Canada have said that. The hon. Prime Minister made that charge the other day and premiers in other provinces, especially the other western provinces, have also made that particular allegation.

But Mr. Speaker, the same general statement has been made by the Premier of Ontario, speaking in the Ontario Legislative Assembly. He was quoted on June 7, 1973 of Ontario Hansard as saying, in discussion on the question of price increases, and I quote:

Production costs, however, Mr. Speaker, have not risen in proportion to the proposed price increase. In insisting on building the anticipated prices of a decade from now into the prices of today, Alberta is driving up the cost of gas and petroleum to all Canadian consumers. The small fraction of the proposed increase goes to the people of Alberta and the big fraction passes as a windfall profit to the international petroleum companies.

Surely, Mr. Speaker, there is an Alice-in-Wonderland quality in all of this!

This is a statement from the Premier of Ontario on June 7, 1973. In case some of the hon. members are going to seize on the fact that I quoted from a Tory premier in an eastern province, I could point out that the hon. Premier in

the province to the west of us has said the same thing, only in a somewhat less flattering way.

The fact of the matter is, Mr. Speaker, that until this point in time anyway, the major portion of the price increase that occurred in November of 1972, January of 1973, April of 1973 and in August of 1973 has gone to an industry, and that that increase is above the costs which they have experienced.

That really brings me to the question of how we are going to operate this marketing commission. It's quite clear, from reading Bill No. 95, that the marketing commission is simply going to act as a broker and will pass on whatever price increase occurs to the producing oil company. I heard the hon. Minister of Federal and Intergovernmental Affairs on the CBC Sunday morning broadcast suggesting that at some point this may be changed. But at this stage of the game it's pretty clear that the marketing commission is simply going to be a broker to pass on the price increase to the producing company.

It can be argued, and will no doubt be argued in the course of debate, that that doesn't make any difference because the government has the power, under Bill No. 94, to increase the royalty rates. That may be true. But I think the significant difference that must be underlined between the export tax and this new marketing commission is that with the export tax, all of the increase over the \$4 a barrel is going to public coffers. Under the marketing commission, no matter what kind of royalty structure we bring in, unless it's a 100 per cent structure that the Government of Saskatchewan announced the other day - but assuming that that isn't the government's intention the industry is going to be in for a very healthy slice of the increase.

Mr. Speaker, I think that is wrong. I'm not arguing that the price to the industry shouldn't go up. But in my judgment, that price increase should only go up if the industry can demonstrate increased costs. That, in my judgment, should be the test. Once we go beyond demonstrated increased costs, then all we are doing is passing on windfall profits to the industry.

Mr. Speaker, I want to move on from the discussion of the mechanism of the marketing board with respect to the lessee's share, and discuss for a moment the implications of PART 4, the implications for this province and the implications for the country as a whole.

MR. FARRAN:

Would the hon. member permit a question?

MR. NOTLEY:

Mr. Speaker, I'd be delighted to permit a question at the end of my remarks - but at the end of my remarks. It may take me close to 40 minutes. If the hon. minister would be patient I'll certainly entertain his questions then.

Mr. Speaker, going on to the question of PART 4. The government has rather prudently recognized that they are trespassing on an area of federal jurisdiction because, under the BNA Act, while the province owns the resource, the federal government has the control over trade and commerce, and that means clear-cut constitutional control over interprovincial trade and external trade.

I don't think there can really be much doubt about the constitutionality of the export tax. Had there been even the slightest doubt, if the Government of Alberta hadn't undertaken legal action, I'm sure one of the oil corporations would have. You can't lose the amount of money that some of these companies are losing and not fight back if there were any legal grounds whatsoever for challenging the export tax. So that when one looks at the BNA Act and applies its provisions in a very literal sense, the export tax was constitutionally sound.

What I'm saying, Mr. Speaker, is that if we are to arrive at a sensible energy policy in this country, it seems to me that we have to recognize a duality of jurisdiction. Yes, as the owners of the resource in the province, we clearly have a right to develop the industry within the Province of Alberta. That means the setting of permits, the setting of conservation legislation, the levying of royalties, and what have you.

But once that oil is produced and flows beyond the borders of Alberta, then it enters interprovincial trade and external trade and it clearly comes under federal jurisdiction. Now the government has recognized that implicitly by making it clear that PART 4 of this bill is really permissive legislation which will only go into effect if the Government of Canada agrees with it.

Mr. Speaker, I know that when the hon. minister was introducing the legislation he was suggesting that there is a precedent for the federal government, in effect, vacating the area of control of interprovincial trade and allowing provincial marketing boards to move into this area. He no doubt is referring to the question of the egg marketing boards under Bill No. 276.

But Mr. Speaker, I think there is a very distinct difference between the carving up of the Canadian market among all producers, wherever they live in whatever province in Canada, and you have a voluntary agreement of all Canadians to do one thing on one hand - that's one option - and what we're asking for on the other.

What we're asking the federal government to accede to is for the Province of Alberta to have not only the right to set one price, but the right to set an export price too. We are clearly asking Ottawa, not just to apply the present BNA Act literally, but in effect to rewrite a very basic part of the British North America Act.

When you're dealing with an energy crisis, I think you have to recognize that while there may not be a shortage of gasoline in western Canada, the bill that the federal House of Commons is now debating is a bill dealing with the mandatory allocation of oil supplies, a bill that anticipates the possibility of consumer rationing in three or four months. Whether that's the fault of past government policies or not is totally irrelevant. The fact of the matter is that this is a major problem confronting Canada today.

I just can't see any government under those circumstances acceding to the request of one province to, in effect, rewrite the BNA Act. I can't see that being done if Mr. Stanfield were Prime Minister in Canada. As a matter of fact I think it might even be less likely than if Mr. Trudeau is Prime Minister of Canada. Although I suggest that Mr. Stanfield being Prime Minister of Canada is a very hypothetical question when one looks at the latest Gallup poll.

Nevertheless, I can't understand any person in the province, any member of this Legislature, assuming or even holding out any real hope that Ottawa is going to agree to PART 4. If Ottawa did, it's my view that they would be seriously negating some of the powers which a federal government - regardless of where that federal government is - must have in a federated state.

Mr. Speaker, you don't need to be a political science major to review federations around the world. In any federal state there are certain powers the national government must possess, whether that federal state is Canada, the United States, Australia, South Africa, West Germany or whatever it may be.

MR. ZANDER:

Soviet Union.

MR. NOTLEY:

Yes, the Soviet Union too.

Those powers that the federal state must possess include control over interprovincial trade and external trade.

While I can see agreement on a matter which perhaps producers in an agricultural product from one end of the country to the other, I can't imagine any government at a time of an energy crisis, agreeing to surrender unilateral power to one province in this area of jurisdiction.

Mr. Speaker, that doesn't mean that taking the argument that the federal government has a right to control interprovincial trade and external trade is somehow an anti-Albertan position. I believe that we have a valid claim on the proceeds from any export tax. I made that statement before, but I make it again, because during the last debate one of the hon. members apparently had misinterpreted what I said. As I see it, when the export tax was levied in September of this year, the position that the Alberta government should have taken was that because the export tax was levied on oil produced in Alberta, the proceeds on that export from the oil produced in this province should be rebated to the Alberta government. That was the position the Premier of Saskatchewan took. It was the position the Premier of Manitoba took as well.

I note that yesterday, Mr. Speaker, the Premier of Saskatchewan reiterated that position. And it is a position consistent with a literal construction of the BNA Act. As the owners of the resource, we clearly have a right to the

proceeds from that tax. It's on a non-renewable resource. No one in Alberta is arguing that point.

But Mr. Speaker, by the same token, in a federal state it is not some sort of deep conspiracy that Ottawa is finally moving into the area of controlling the interprovincial and external trade of oil. Indeed they have been doing that through the National Energy Board for some time now. So the imposition of a tax is really not the greatest disaster that ever hurt Alberta. What we should have done from day one, was zero in on the vitally more important question of who got the proceeds from the export tax?

Now, Mr. Speaker, while I'm dealing with the issue of the constitutionality of this question, I don't think it can be divorced from the tactics used by this government, especially with respect to the upcoming energy conference in Ottawa. And I say this very sincerely. I submit to my hon. friends across the way, that it would be a very grave mistake if Alberta doesn't make a commitment to respect the extension of the price freeze at least until March 21.

You don't have to be a great tactician to know that if we decide to break the price freeze in the middle of winter, any semblance of support for our position elsewhere in the country would evaporate. We would be made the bad guys of Confederation. We would, in effect, be perpetrating a showdown which, as the hon. Leader of the Opposition pointed out, only the people of Alberta can ultimately lose.

And I would hope that if not in the Legislature, at least in the next several days the Premier will make a statement to Albertans and to Canadians that this government is prepared to respect the price freeze until at least March 21. I believe if he were to do that he would go a long way towards re-establishing some good will among Canadians outside of the boundaries of this province.

The final comment I wish to make on this bill, Mr. Speaker, is with respect to a quid quo pro. It also relates to the upcoming energy conference.

The Premier, during the question period, suggested that we would be prepared to stage in price increases and that somehow the staging of price increases should constitute the basis of a quid quo pro.

Frankly, I just don't think that is a very plausible or tenable argument. All we are saying is that our "quid" for the "pro quo" of freight rate reduction and tariff reduction is going to be a delay in increasing the prices. Nobody in the rest of Canada is going to swallow that. Nobody is going to take that seriously at all.

If we're going to arrive at a meaningful quid quo pro in this country, Mr. Speaker, we have to be prepared to say we will shelter energy costs in Canada but, in return, we think it's high time that something was done about the freight rate inequities and the tariff inequities which have hindered the development of Alberta's industrial sector for all too many years.

I mentioned on Bill No. 94 - but I think bears repeating - that everyone in this province supports the general position that we should use the umbrella of our resources, while those resources are still there, to begin developing secondary industries which will live after the resources are gone. That's hardly a position which is a sole prerogative of the Tory party. Every political party in this province supports it and every group in Alberta supports it from the Maoists on the left to the Ku Klux Klan on the right. So when the Premier suggests that somehow, you know, Albertans are not fully in accord with that point of view, it just isn't true.

But having recognized that as an objective, the question then is: how do we take a general objective and move towards reaching some accord with the federal government where we can trade off sheltered energy costs on one hand as opposed to tariff and freight rate reductions on the other?

I want to underline the importance of the tariff and freight rate reductions. One of the areas that in my view is critical for us to develop in the years ahead, is the whole question of agricultural processing. Yes, perhaps we don't have huge billion-dollar Syncrude plants. But we have the potential to put thousands of people to work in a highly organized, sophisticated agricultural processing sector.

But one of our problems when we look at agricultural processing is the freight rate structure, which makes it almost impossible to get to first base in this province, which makes it easier to ship out the rapeseed or what have you,

and have it processed someplace other than right here in the Province of Alberta. And while there have been one or two small breakthroughs on the freight rates question, I don't think we're going to get to first base on this issue until we are able to make the very strong position known that we have something to trade off. And in my judgment sheltered energy costs constitutes that something.

When I say sheltered energy costs, I mean sheltered from the machinations of the OPEC countries in Arabia and Venezuela, and sheltered from the machinations of the multinational oil corporations in the United States.

But I think as we look at a pricing mechanism, we probably have to gear that to the replacement costs so that as we consume oil today, we have a price system which permits the replacement of that oil.

But, in any event, Mr. Speaker, getting back to the *quid quo pro*, here is a wonderful opportunity for Alberta to move from the position of isolation, splendid isolation we occupy all by ourselves today, to a position where we would have some allies and friends at the energy conference. There's no doubt that Manitoba and Saskatchewan in particular, and probably the Province of British Columbia as well, would be prepared to support us on the kind of proposition I have placed before the Assembly today.

But I don't see that anybody is going to take seriously the suggestion that a *quid quo pro* should merely be based on staging-in price increases or delaying price increases. That just isn't enough. In this rather complicated world of ours, it's just not possible to have our cake and eat it too. And I think that's what the Premier is trying to achieve, if he's tying the *quid quo pro* to simply a staging of price increases.

Mr. Speaker, Bill No. 95 contains a number of points with which I certainly agree in principle. For a long time I have advocated a petroleum marketing commission. So in that respect, I'm pleased to see the government move in this direction. But I have to underline my concern that rather than being a profit-making agency, like the Liquor Control Board, it appears to be essentially a broker.

Now, it may well be that you don't want to go the route of making the board itself the profit-making agency. I'm not quite sure what the constitutionality of that would be. But if that's a problem, then the government can make the same commitment the Government of Saskatchewan did the other day, that the windfall over and above a certain price would go to the public treasury. And then if the industry can justify a price increase with facts and figures, they can get a price increase but not unless they can justify it. I don't think that that's an unreasonable position to take.

The caution I would utter in closing my comments, Mr. Speaker, is that it would be extremely unfortunate if we continue this game of confrontation with Ottawa. I have to say that, while I criticize many of the things the Premier has said in this province - some of the comments he has made about potential political friends - as being unworthy of him, I don't think any of us can be other than a little disappointed that the Prime Minister of Canada launched an attack on the Premier, which is excessive.

I don't think that any of us can be anything but disappointed that it appears at this stage that the Prime Minister may be setting Alberta up as the fall guy to justify an election campaign. I don't think, regardless of where we sit politically, that we can look at that sort of eventuality with anything other than regret.

But, Mr. Speaker, because that appears to be the route the federal Liberal party is taking at this stage, we are going to have start scrambling for allies. That is why I think that by moving away from this blind opposition to the export tax to concentrate instead on the question of where the proceeds go, we would be able to find allies, we would be able to immeasurably strengthen the position of the province in its confrontation with Ottawa and we would not be isolated when the energy conference takes place.

[Interjections]

I know some of the members across the way get a little up tight whenever they think of having socialists as allies ...

[Interjections]

... but as Bismarck showed years ago, a good leader takes advantage of allies wherever he finds them and doesn't let dogma stand in the way ...

[Interjections]

... and I suggest that in many respects part of our problem is that our friends across the way have been so blindly anti-socialist that they fail to recognize that there is a common ground on at least some issues...

[Interjections]

...at least some issues, which could go a long way toward making sure that the residents of Alberta - I don't say the citizens of Alberta - but the residents of Alberta because we live in Canada and we are citizens of Canada - the residents of Alberta receive a fair shake from any tax which is levied from oil produced in this province.

So I conclude, Mr. Speaker, by saying that the confrontation of the last three or four months has been unfortunate and I regret it. I hope that it can be replaced with a spirit of cooperation, a recognition that while we as a producing province have clear-cut rights, at the same time we are part of Canada and the Canadian government also has rights; that it is not some sort of nefarious plot simply because they exercise their powers under the BNA Act.

I think if we recognize that as Albertans we are part of a greater whole, and that whole is Canada, if we recognize that then we will be going a long way toward, I think, undoing some of the damage which has been done by that tiny minority of Albertans who in their blind prejudice had bumper stickers, saying "Let the eastern bastards freeze in the dark". I don't think that kind of attitude, Mr. Speaker, characterizes the people of Alberta at all. But in many cases I am afraid that elsewhere in Canada too many Canadians see those bumper stickers and say, aha, you know that is just another indication of the Alberta mentality.

Well, frankly, we as legislators have to make it clear that we are Canadians first. I suggest that we have been doing that for the last few months and I trust that in the next few months we will.

MRS. CHICHAK:

...[Inaudible]...entertain a question?

MR. NOTLEY:

Of course.

MRS. CHICHAK:

Is the hon. member representing in the House the views of the citizens of Alberta who reside in the constituency of Spirit River, that natural resources in this province should be under the jurisdiction and control of the federal government?

MR. NOTLEY:

Mr. Speaker, the question is out of order, but ...

[Interjections]

...in any event I didn't say that.

I didn't say that. I think if the hon. member had listened to my remarks she would have learned from my remarks that as far as the ownership of the resources is concerned, I think the ownership of the resources quite clearly rests with the province. I think there is a duality of jurisdiction. We own the resources, yes, but the federal government has control over interprovincial trade and external trade.

MR. SPEAKER:

The hon. Member for Wetaskiwin-Leduc followed by the hon. Member for Calgary Buffalo.

MR. HENDERSON:

Thank you, Mr. Speaker. Mr. Speaker, I have been cautioning myself all the time I was sitting here and waiting to get up to keep it cool.

AN HON. MEMBER:

Hear, hear.

MR. HENDERSON:

I must confess that my hon. friend, the Member for Spirit River-Fairview, really hasn't upset me too badly today. But I must also open by saying that I would indeed be surprised if he did other than endorse the policy of the federal government since it has been primarily dictated by the national New Democratic Party. So, you know, I say, so what? Beyond that there is not too much to comment on or it is rethreshing a bunch of old straw.

I have to suggest, Mr. Speaker, that the rhetoric the Member for Spirit River delivered concerning the question of whether we should go along with the federal government's proposition on the export tax, that we should take whatever the federal government agrees to give us as opposed to what we think we are entitled to is somewhat academic of course.

All the arguing on the part of the Member for Spirit River and other members, that the federal government should give us 100 per cent of the export tax is just whistling wind with the federal government. They are not prepared to do it and they have clearly indicated that they are not prepared to do it. In my mind, we are well past the point in this exercise dealing with the federal government where discussion on that subject is relevant. If there were going to be any discussion on that subject it should have been back sometime between September 4 and September 13, before the federal government did what it did by virtue of imposing the export tax. I would like to come back to that a little later.

I would like to comment on the suggestion by the Leader of the Opposition that the marketing board should really be an arm's-length transaction. As I listened to what the Minister of Mines and Minerals said, Mr. Speaker, about the marketing board, all I can see is that the marketing board is one more step imposed upon the crude oil handling purchasing system that has existed in this province for many years. Up to step number six from what he said it sounds to me just like what has gone on basically for a long time. The government is now stepping in with the marketing board as a broker.

I really have to question any hypothesis as to how much of an arm's-length proposition this should be. Clearly the objective of the marketing board is to carry out the government's policy of getting the best return on those resources by whatever means it has as its disposal. When I look at the problem we have with the TransCanada gas contracts that policy was an arm's-length exercise, and now we are paying the price of that arm's-length exercise. Because we don't have the statutory power to deal with the problem.

It was an arm's-length exercise in leaving the issue of the marketing of gas in the province to industry and private enterprise which produced the problem we have today where gas is being undersold. Alberta gas is going on the market at considerably below what it is worth because of arm's-length transactions adopted as a policy a number of years ago. At that time I think the policy was sound. But very clearly when one talks about the same proposition now, and one could say it is the same type of proposition that has existed with crude oil, that has got us into this present predicament. But the federal government has chosen to intervene in the matter and it no longer is an arm's-length transaction.

The whole oil industry worldwide has got down to a proposition of dealing government to government. I read in the newspaper that the international oil companies in the Middle East and so on dealing with the OPEC countries, are really messenger boys from the OPEC countries back to their parent country, whether it is the United States, Great Britain or Holland. Because with the development taking place on the international scene oil has become a political weapon used by various countries of the world to achieve their political objectives. Very clearly it has had its spill over on Canada.

Alberta as the energy nation obviously cannot stand back and say, let the situation rest with private enterprise, because that isn't the way the game is being played in the international oil community today. There may be other approaches in dealing with the matter other than having an energy marketing board. But I suggest it has been an arm's-length transaction that has existed

thus far. So if we want to maintain an arm's-length transaction we will obviously throw out the energy board, the present situation stand and see the oil resources of the province be undersold on the world market just as the gas resources of the province are being undersold on the world market.

So I really have to look with a jaundiced eye at the hypothesis that we should set up a marketing board and keep it at arm's length. This doesn't mean to suggest, Mr. Speaker, that the marketing board is going to play favorites within the industry and so on and so forth. Very obviously I don't think it has the prerogative or it would dare to do it. Very obviously the function of the board is to get the best price for the crude oil resources that belong to the people of Alberta.

I'd like to touch, Mr. Speaker, on comments that have been made in the House by various members which, I think, probably create a false impression relative to the manner in which the board will function. It's referred to as price-setting, that the government of Alberta is going to set the price.

I think saying that the Government of Alberta, through various legislation of the marketing board, wants to see that we get the best possible price for our resources is one thing. But to try to leave the impression that the board is going to set prices and try to dictate prices across the country, I don't interpret the comments that are made thus far as being the case. Very obviously, Alberta has a responsibility to the rest of Canada and I think we all recognize it. In fulfilling that responsibility, there are obviously going to have to be some negotiations. But there is no question in my mind, if we are going to fulfill every responsibility to our citizens we have to negotiate from a position of strength.

If I am wrong in interpreting that the board isn't going to set prices, then I'd like the minister, in his closing remarks, to comment on them. They may have set some basic upset prices or something like they've tried to go with gas - I don't know - but I think it would be a mistake to let the people of Canada get the impression that we're going to be trying to dictate entirely to the rest of the country what we think our crude oil resources are worth.

Mr. Speaker, it has been suggested that it's unwise to think of Alberta trying to propose a two-price system for crude oil, that we sell domestically at one price and in the export market at another price. I quite frankly, notwithstanding the constitutional implications of it, if there are any, can't understand and see how the federal government could possibly object.

If the Crown share of crude from Crown leases is less than the export market, I can't see how the federal government, under the policies it has established now, could oppose the Province of Alberta going out into the American market and getting the highest possible price for that crude oil - that's crude oil that belongs to the government - as long as it is in excess of the National Energy Board domestic requirements. There would be export permits forthcoming because it is in excess of it and the federal government couldn't object on that ground. Their export tax policy is clearly aimed at seeing that Alberta oil isn't going on the American market at fire sale prices - that Canada and Alberta are getting the best price for that crude oil.

So I can't see how on earth, under the present policy, the federal government could possibly object in principle to Alberta going out into the export market with Alberta oil, not industry oil, but oil that belongs to the Province of Alberta, and getting the highest possible price on the export market, as long as the Canadian needs are met, and as long as we are not selling it too cheaply - because those seem to be the two requirements of the National Energy Board. Canadian requirements are met first and the crude goes at the best possible price.

An hypothesis to the effect that the federal government would oppose that on constitutional grounds boils down to absolute nonsense from a constitutional standpoint because if the federal government does that, it's only because they say the revenue from those resources that belong to the people of the Province of Alberta should go in the federal treasury.

Under their existing policy there is no way they could object to it on any other grounds, other than they say, we want that money in the federal treasury; the taxpayers of Alberta shouldn't have it.

So I, quite frankly, am not concerned at all. I'm not saying that I'm not concerned about it, because lord knows what the federal government is going to do - but they'd have to throw another baby out with the dishwater if they were

to oppose Alberta's efforts to sell its share of the oil from Crown leases at the best price on the American market.

That doesn't mean there isn't going to be some crude that belongs to industry that may go on the American market that might have a federal export tax attached to it. I don't know, there may be constitutional ramifications to that. But I can't see under their policy, in the game they've played thus far with the Province of Alberta, how they could complain about Alberta getting the best price possible for our oil in the export market, so long as it meets the National Energy Board requirements.

Mr. Speaker, one of the things that has bothered me and I think has really shaped my whole attitude on this particular subject is the manner in which the game has been played. As I said at another time in this House, it has bothered me considerably. It has left me with a real bitterness so far as the manner in which the federal government seems to view its constitutional responsibilities to the citizens of this province.

While the government, in the final analysis politically, is going to be quite capable of defending itself within the Province of Alberta, I do think something should be said about these claims and suggestions that the Government of Alberta has overreacted in this matter. If I've tried to piece together the development of this situation, I think maybe it can be argued from my standpoint that they've acted with remarkable constraint.

I have to go back and look at the Western Economic Opportunities Conference, what the federal government was going to do to try to rectify some of the complaints of the West. As I said earlier, the federal government - the Prime Minister - said they couldn't do anything with price controls without provincial cooperation.

Then on September 4, the Prime Minister of Canada, in the House of Commons, got up and made a statement to the effect that the oil industry - and I'm quoting from Hansard, [House of Commons Debates]:

The oil industry will be asked to refrain from making further price increases affecting Canadian consumers before January 30, 1974. This price restraint would apply except where, to the satisfaction of the Minister of Energy, Mines and Resources, the increase in the cost of imported crude oil warrants a Canadian price increase.

He goes on,

The government intends to seek a control mechanism whereby higher prices in the U.S. market would not automatically increase prices at home in Canada.

An export tax or a national oil marketing board are two possible control mechanisms.

And here is the statement that I think is of real significance as to the matter in which the federal government has carried out this exercise:

Discussions will be held as soon as possible with provinces and industry prior to the introduction of legislation.

"Discussions will be held as soon as possible with provinces and industry prior to the introduction of legislation." I would like to think, Mr. Speaker, if that had been done, we would not have been faced with the dilemma we're in today.

I sent the Minister of Mines and Minerals here a note a little earlier this afternoon asking what consultation he had prior to the announcement. The announcement came out of Ottawa somewhere around September 13, some nine days after the Prime Minister's statement, and I think the Minister of Mines and Minerals and the Minister of Federal and Intergovernmental Affairs were in Ottawa at the time - and I don't know whether it was one-half hour before they adjourned or one-half hour after they adjourned - I couldn't quite make out from the minister's note, that the federal government came out with its export tax.

Here's a statement from Hansard in Ottawa, September 17, quoting the national Minister of Energy, his speech in the House of September 17, and referring to the discussions that took place with the Minister of Mines and Minerals on September 13. And after unloading the whole wagonload as to why they had to put the export tax on, the speech says,

The immediate imposition of the export tax was required. I told Mr. Dickie I regretted that a circumstance had arisen where we had to act immediately.

Now I have to conclude from that, Mr. Speaker, that there was absolutely nothing done, from the time the Prime Minister made his statement September 4 until they announced the export tax, to consult with the Province of Alberta or industry, or the Province of Saskatchewan in any way, shape or form. They simply said, "I told Mr. Dickie I regretted that a circumstance had arisen where we had to act immediately."

The circumstance that arose, Mr. Speaker, I suggest, has to be a real masterpiece of sophistry, and here is what the minister had to say were the circumstances that justified it - the federal minister.

At the same time, on September 13, I explained to Mr. Dickie the sudden situation placed upon us by the decision of the National Energy Board that it could not grant licences for October oil exports because it could not, as required by the Act, satisfy itself that the price for Canadian oil being sold to the U.S. was just and reasonable.

So here we have a government, the Prime Minister of Canada, on September 4, making a statement that consultation would take place. No consultation took place. The federal government was fully aware of the requirements of the National Energy Board when the statement was made by the Prime Minister, and the responsibility of the National Energy Board. They used the excuse of the actions of one of their agencies as the basis for renegeing on their commitment to have any discussions.

I like to think, Mr. Speaker, that the government of this province and the members of this Legislature would have been reasonable enough if the federal government had come along and said something had to be done about it. There could have been arrangements made to avoid the rather open public confrontation that has developed. But the federal government didn't do it.

Then, Mr. Speaker, I find another statement in Mr. Macdonald's speech which I think is relevant to the whole exercise, where he has taken exception with the Premier of Alberta in the same speech. Mr. Macdonald says,

The whole point of the federal policy announced by the Prime Minister on September 4 is not to deprive the Government of Alberta of revenues. Indeed, the division of these revenues was left for specific response and discussion on October 3 in Edmonton.

Now, Mr. Speaker, to my mind that is a deliberate exercise in deception. It stands as a fact that when the royalties are set and have been set in the past, they are set in anticipation of some very specific economic conditions - conditions such as the one quoted by the Member for Spirit River-Fairview in the CPA presentation of projecting a 10 cent a barrel increase to 1981. That's the basis on which the royalty commitment is made. Because the royalty sharing has been a profit sharing with industry where the public has put up the resources and the industry puts up the capital, the know-how, produced the oil and Alberta shared in the profits.

The magnitude of the profit sharing on the part of the province naturally is in proportion to the profit margin the industry enjoys. Any government which didn't recognize that would be simply negligent in its responsibilities. There has been a matter of judgment to take as big a bite and still leave the industry in a viable position and hopefully in a position to continue exploring and developing.

But the royalty decisions were made less than a year and a half ago and were made on the basis of reasonable projections for cost increase in the sale of crude oil and that decision, in my mind, can only apply, relative to the royalty level, as long as those economic conditions apply.

Very clearly, when the federal government, because of new circumstances, takes the action it has taken, it is depriving the people of the Province of Alberta of that to which are legitimately entitled, and would be entitled to, and would have collected in cooperation with the federal government without a confrontation, if the federal government had chosen to play the game fairly and squarely with the Province of Alberta. I think the suspicion of partisan politics was there at the outset. Then the Prime Minister of Canada certainly confirmed it very nicely on Friday in Vancouver with the remarks he made at that time.

One can only conclude, Mr. Speaker, that the federal government, in the interest of promoting its own partisan political position, deliberately chose to trade-off any semblance of responsibilities it has for the Province of Alberta and the people of Alberta in the interest of improving its partisan political position in other parts of Canada.

That conclusion after the Prime Minister's remark on Friday is, in my mind, Mr. Speaker, inescapable. Regardless of what they felt were real or imaginary provocations from the Premier or other citizens of this province - [it was a] very deliberately planned, premeditated, partisan, political exercise at the expense of Alberta.

I find it particularly galling to hear it suggested now we should run back, bat in hand, to Ottawa and say, well fellows you know we are sorry we overreacted. Let's talk about how much of our provincial inheritance you are going to give us. Mr. Speaker, I think I would rather forego any of it than get it under those circumstances.

Then I heard a statement on the news last night and this morning, emanating from the national Minister of Energy, he has reacted to the statements being made by the Premier of Saskatchewan who basically he is saying they want the profits from the Saskatchewan oil industry in the provincial coffers. He is saying they want 100 per cent of the tax. So be it. But basically the objective is the same. What does the federal Minister of Energy describe it as? Blackmail. That's what the press report him on. It's blackmail. The minister of Saskatchewan also has the unmitigated gall to suggest that he wants the benefits from the oil resources that belong to the people of Saskatchewan to accrue to the citizens of Saskatchewan. It's blackmail.

I ask you, Mr. Speaker, how in hell can anybody hope to negotiate openly and honestly with a government that has that mentality? I can only conclude, Mr. Speaker, that in the minds of the federal Liberal government, and in the minds, as far as I can see, of the national New Democratic Party, by their definition Canada consists of Quebec and Ontario, and that western Canada is an economic colony for the benefit of Central Canada. They have absolutely the same attitude toward the western provinces. Alberta is in the forefront of the fray at the moment, and others are going to get into it, if they don't wake up to it like Saskatchewan has. But they have exactly the same attitude toward the western provinces as they have towards the Yukon, the Northwest Territories and the Arctic, that they exist for the benefit of Central Canada.

I have to come back to the analogy I used before, the proposition that we are blackmailing the federal government; we're being unreasonable in expecting a reasonable price for oil and compare it to the topsoil proposition. If we stripped off the topsoil of Alberta on which our agricultural economy depends, and shipped it by the carload to Quebec and Ontario because it was in the national interest to do it - and that meant in their interest - and gave it away at fire sale prices because it was in the national interest to do so, when it's gone we would have absolutely nothing left. Because the people can't see the oil - I am sure, Mr. Speaker, without exaggeration, if the province started doing that, the people of the province would literally rise up in arms. But because it's oil, they don't see it. They don't even realize it's oil when it gets into their gas tanks in the car - a good number of them. They think that it isn't a parallel situation.

We have the federal government, we have the Premier of Ontario, we have the national leader of the New Democratic Party, we have the Member for Spirit River-Fairview trying to disguise this whole issue and say, it isn't that. It was the case of the big oil companies making all those profits.

Mr. Speaker, regardless of whether the federal government had done anything, there is no way that this government and this Legislature could have sat back and lived by the previous royalty commitments because they were drawn up for a different era - no relationship to the present circumstances. This mythology that the federal government is protecting us from all these big windfall profits going into the pockets of the national or international oil companies, I suggest, Mr. Speaker, once again, is a masterpiece of sophistry. It sounds reasonable, but when one looks at it, it's got completely invalid conclusions.

I have to arrive at the conclusion that the federal government selected this issue on which to make some partisan political hay because picking on the big foreign-owned oil companies is a pretty popular issue these days. I am all prepared to see us get the last pound of flesh that we can get out of them too, as long as it is in the best interests of the people of the Province of Alberta.

Mr. Speaker, in conclusion, I have to come back to the same statement I made before. The whole issue, in my view, we have a federal government which has chosen, deliberately opted, to play the game with the Province of Alberta in the manner in which they have, I say, Mr. Speaker, if they continue the game in the same way and play out the hand in the extreme position - which they certainly have paraded that they could - it's going to have disastrous consequences for Canada, all of Canada.

None of this is to say that Alberta oil should not be used first to meet national energy requirements. I can't see anybody quarreling with that. But when, under disguise of this argument about international oil company profits and export tax, they argue that the citizens of Alberta should be called upon to pay the price for a low-priced energy policy for all of Canada, I suggest that's a financial burden that no federal government in its right mind, if it had any degree of responsibility to all the provinces, could expect a province to accept. Nonetheless, we have the federal Minister of Energy calling it blackmail.

On the wheat situation: we have a two-price wheat system in Canada - I think it's sold domestically inside Canada for \$2 a bushel and it's sold on the international market at \$4 a bushel - but the farmers of Alberta and Saskatchewan aren't paying the full cost of that two-price system. The national treasury pays for it.

DR. HORNER:

Not all of it.

MR. HENDERSON:

Well, Alberta pays its share, and I think Alberta would be more than willing to pay its share and maybe a little more than its share on a low-cost energy policy for Canada.

But, under the disguise of making some partisan political mileage and under the popular exercise of beating the large oil companies over the head, and under the front of economic nationalism, to try to avoid the conclusion that the federal government is simply trying to use the people of the Province of Alberta for the benefit of central Canada is inescapable.

It makes me think of the old Latin saying, Mr. Speaker, "res non persona", and I think this must be the attitude of Ottawa in this exercise, that we're things, not people.

MR. GHITTER:

Mr. Speaker, in rising to address a few comments with respect to Bill No. 95, I think one can honestly [ask] at the outset: why is it necessary that such a piece of legislation should be brought before this Legislature in, of all places, the Province of Alberta? But I think as one listens to the incredible sequence of events just described by the hon. Member for Wetaskiwin-Ieduc, it becomes very obvious what this bill is concerned with.

In the narrowest terms, Mr. Speaker, I think it could be said that the bill, quite obviously, as we are all aware, deals in terms of the creation of a petroleum marketing board or commission. [It] also gives certain powers to this commission relative, not only to the royalty which the province takes in kind - or is entitled to take in kind - but also with respect to the lessee's rights, from the point of view of the marketing of petroleum products. That, Mr. Speaker, in my view, is dealing with the bill in its narrowest concept.

But dealing with the bill in a broader concept, Mr. Speaker, I would suggest for a moment that this bill signifies a constitutional hallmark which constitutional historians and legal academics will point to in generations to come as an endeavour by the government of the Province of Alberta in 1973 to maintain a constitutional and evolutionary pattern that has developed in Canada since 1945; a constitutional, evolutionary pattern that now, apparently, is threatened by a highly centralized federal government which apparently endeavours to take over the resources of this province, or for that matter any other province, under the realm of national interest, under the guise of dealing for the good of Canada.

In fact, the legislation is suggested, and I would suggest, Mr. Speaker, that the strength, the development and, indeed, the future of this immense and diverse nation we call Canada is dependent upon the provinces being allowed to achieve their maximum potential within the framework of Confederation in which

regional differences and regional disparities are recognized and allowed to evolve within the localized areas of this land.

As I have listened to the numerous members of this Assembly, the last few days and last week, who have expressed their points of view, I have really concluded that there is little that separates the members of this Legislature - at least the credible members of this Legislature, and I say credible just in passing. As I listened to the alien, anti-Alberta approach of one of the members this afternoon, I think I'll just pass on and ignore those comments any further from this point of view.

In fact, I think we are all saying the same thing in different words. But to me, the frustrating aspect of the whole issue, Mr. Speaker, is the feeling we have that the remainder of Canada does not understand. The remainder of Canada does not care to understand, possibly, the very basic, constitutional issues which have come to light during the past few months as a result of the apparent centralized political decisions which have emanated from Ottawa during these very important days.

The hon. Premier, in his explanation in The Ottawa Journal on Friday, November 23, endeavoured, I think honourably, to explain to the rest of Canada the misunderstandings that seem to exist today within this country. Aside from the issue of our desire to cooperate with the rest of Canada to create new energy policies for the benefit of all Canada, as well as our belief that we are entitled to receive fair value, there is, as a result, an additional issue which we must place our minds to and bring into focus. That is the constitutional issue, an issue where we must, as legislators, express our concerns and our point of view to the remainder of Canada. It is to this issue that I think we must now project our thoughts, and it is to this issue that we must come to the remainder of Canada and explain to them what, in our judgment, is really happening today in this land of ours.

No one, I am sure, will argue against the proposition that in Canada today, since Confederation, we have highly regionalized attitudes, aspirations and human resources. In many ways the inhabitants of Calgary Buffalo have little in common with the eastern townships of Quebec, just as the fisherman in British Columbia has little in common with the prairie farmer of Saskatchewan. But it is in these very basic differences, Mr. Speaker, that exist within the people of this diverse nation of ours that we find the basic roots of the strengths and the energies and the imagination that may - and I say "may" now; prior I may have said "shall" - result in this nation becoming one of the greatest in the world.

But it is also within these basic differences that one must, as a Canadian, decide whether or not a highly centralized federal government can provide the scope, can provide the understanding required to contain these diverse regions under the all-encompassing umbrella of Confederation.

Mr. Speaker, the Canada view of Sir John A. Macdonald bears little resemblance to the Canada of today. Whereas Sir John A. Macdonald held the view that provinces were little more than mere municipalities catering to local needs, the provinces of today, for a number of very valid, evolutionary reasons, have assumed, and I believe rightly so, a much greater degree of influence upon the aspirations of their citizens than has ever before been experienced in Canadian history.

Now there are many reasons why Confederation has experienced a swing of the pendulum towards the provincial capitals from Ottawa. There are both provincial and federal factors.

I would suggest, from the federal factor point of view, that for at least a decade we have had a series of minority governments in Ottawa, the result of which at least reveals that there is no great degree of popular attachment to any federal party and there is no consensus of Canadian opinion coming to bear in Ottawa.

I believe in the last seven federal elections in 16 years we have seen five minority governments. Now this does not necessarily mean that these governments are bad. But what it does mean is that Canadians, when they go to the federal polls, due to their great differences in attitudes and aspirations, have not really achieved a popular consensus on the nature of the government that they wish to administer the affairs of this nation. This lack of consensus I've described, Mr. Speaker, arises from the regionalism which has developed within the federal political parties themselves. An examination of recent federal elections will clearly show that the Conservative party has become primarily a western and rural party and one of the Maritimes to a certain extent, and that

they have done extremely badly in the urban centres of Toronto, Vancouver and Montreal. Whereas the Liberals, by comparison on the other side, have become just as regionalized in that they seemingly represent urban ridings, especially in Ontario and Quebec. The Liberals are apparently becoming the Canadian equivalent of the Democrats in the United States, appealing to large, urban, cosmopolitan populations. The New Democratic Party is even more regionalized and the regionalization of Social Credit is almost too obvious to bother noting.

[Interjections]

Federally.

A final factor, Mr. Speaker, in weakening Ottawa's impact has been the instability within the federal parties themselves. We are all aware of the confrontations of the Liberal caucus, the Gordon versus Winters clamour relating to U.S. investment, the English caucus versus the French caucus and the bilingualism issue. Today there still is a schism which exists within the federal party, I believe, with respect to their energy policies.

Yet the Conservative party has really in the past number of years been little better from the point of view of the party divisions which have existed within that party.

Against this backdrop of federal instability in Canada over the last number of years, there are a number of strong provincial factors which have had the effect of filling this vacuum of power in Ottawa and swinging the pendulum in the direction of the provinces, where I believe they are rightly placed.

First we're all cognizant of the nationalist revolution in Quebec in the early 60s, the result of which made all provinces aware of their position vis-a-vis Ottawa. Also the longevity of the provincial premiers over the years and their very obvious majority governments has resulted in a highly extraordinarily large number of capable, strong premiers who have dealt with Ottawa. The politicians [were] really quite potent men like the Robarts', the Bennetts, the Thatchers, the Roblins, the Mannings and the Stanfields of the past. Today Canada experiences the same situation of strong provincial premiers representing majority governments and clearly defining the interests of the particular region they represent.

Lastly and very significantly, Mr. Speaker, is the dramatic upsurge in the significance of the function of the provincial governments under the rights assigned to them by the British North America Act. Three in particular are ultimately significant, that of education, highways and social assistance. An examination of Alberta budgetary spending, for example, will show that in 1944-45, some \$50 million was the actual expenditure budget of this province. In 1966-67 it was \$532 million. We're all aware of what the budgetary expenditures of this province are today.

The tremendous growth within these provinces, particularly in these three spheres of influence, has somewhat, maybe to the dislike of certain liberal points of view, eroded a power base which previously had existed in a federal sense. Now we find that the provinces in the representation of their particular regions across this land are becoming the strong voices. They deal not on the junior-senior government level that we used to hear in Alberta, but on equal levels representing equal areas of Canada on an equal basis dealing with responsibilities they enjoy under the British North America Act.

As a result of this natural and evolutionary pattern, Mr. Speaker, which I believe has been proper and in the best keeping of the interests of the maintenance of the confederation in which we believe, we find a situation now where the provinces are able to work within the framework of Confederation in the hope that they can achieve the aspirations of the citizens. I believe it is only on this basis that Confederation can survive.

Past federal governments have well come to understand that a jealous retention of their powers under the BNA Act is not possible under Confederation since 1945. Other federal governments have understood that the future of the continuation of Confederation depends upon the normal evolution of each region of Canada, which must be dealt with with fairness, with understanding, within the broader concept of the national interest.

Against this backdrop, unfortunately, Mr. Speaker, when one analyses the recent moves and actions of our federal government, one must conclude that the danger signals are everywhere and that our very Confederation is being threatened.

What we as legislators and as Canadians must bring to eastern Canada is the understanding that what is happening at the present time in Canada is not merely an airing of western grievances as we heard at the Western Economic Opportunities Conference.

This is not merely a province yelling, rape, as its resources are stolen from it without fair compensation. This is not merely an expression of our deep concern for the viability of a basic industry whose success is paramount to the continued prosperity of this province. What we must bring to eastern Canada is the understanding that what we are trying to express in a Canadian concept is that the very fact of Confederation, of the perpetuation of the strength and the development of Canada, is threatened in such a perverse and subtle way that our Confederation may inevitably tumble around us without us knowing that it has really happened.

As Canadians we must explain to the rest of Canada that if we tolerate and accept these discriminatory federal interventions into the affairs of our province, the inevitable result of such actions will be a complete centralization and control by Ottawa of the diverse regions of this country which, in my view, is not possible; which in my view would cause irreparable harm to Confederation.

Those in the east, Mr. Speaker, who sit back complacently and critically degrade the position our province has taken within the past few months, should sit a little longer and examine what has really developed. I wonder how those individuals will feel, Mr. Speaker, when the federal government or Mr. Lewis or the two of them decide that it is in the national interest to expand the power of the proposed national petroleum company to include, for example, the power of the James Bay project and lump the revenues into the federal coffers.

I wonder how those same people will react, Mr. Speaker, in the province of Ontario when the same government in Ottawa decides, under the guise of national interest, that possibly the petroleum marketing company should be expanded to include exploration, purchase and marketing of copper, nickel, gold and other scarce resources that abound in the province of Ontario. And the same, of course, applies right throughout this land of ours.

Lastly, I wonder and I fear, Mr. Speaker, how the citizens of our country will react when one morning we turn around and find the all-encumbering impersonal arm of the federal government is in every facet of business enterprise, controlling every resource, controlling every basic approach and sapping our individual enterprise, energies and incentives, all under the so-called guise of national interest.

As one Canadian, Mr. Speaker, I find the total concept repulsive and one that often I refer to even discuss. But, in fact, is this not what is really happening today in Canada and is this not what we are really facing? Is what is happening in Canada today really in the best interests of a very delicate, loosely-knit, finely-tuned Confederation that must survive? I'm sure that all members of this Legislature hope that it will survive.

It's thoughts like these, I think, that must be expressed to eastern Canada in addition to those expressed particularly relating to the oil industry by our hon. Premier. For Canadians must come to understand that this is what is happening in this land of ours.

Within Bill No. 95, Mr. Speaker, The Petroleum Marketing Act, you will find either the seeds of the growth of the continued evolutionary pattern of Confederation, or you may find the dynamite that could explode and irrevocably change the pattern of Confederation forever in this country.

This bill as it sits before you today may well be examined by the Supreme Court of Canada, which will then be obliged to decide the constitutional direction by which Canada may develop for future generations.

From this very bill may be generated in a judicial way a decision which will determine whether or not Canada shall evolve into a highly centralized government as seen during the war years, or whether our provinces will be allowed to develop within their particular regions as has been the case since 1945.

I personally hope, Mr. Speaker, that this bill will never see the desk tops of the judiciary of the Supreme Court of Canada. But indeed it might. And if one is to believe the incredible address made by our Prime Minister on Friday, December 7, 1973 in the city of Vancouver, one can only conclude that the days of cooperative federalism are now at an end, and have been replaced by petty personal attacks dealing with the showing of lack of integrity and at times, I

believe, even dishonesty by a leader of our nation who seemingly has a desire for political power, which has overcome any judgment or understanding whatsoever of what is necessary to maintain a strong and viable confederation.

Mr. Premier, through the Speaker to you and the other members of your cabinet who have had the frustration of dealing with the federal government over the past number of months, may I say that many of us in Alberta, in fact, Albertans as a whole, I believe, are totally supportive of the position of the government in this regard.

It has been said and suggested by the leaders in Ottawa that this province has refused to cooperate with the federal government. Yet when I examine what has occurred during the last few months I can only ask, what more can a province do in the spirit of cooperation? When I examine our undertaking to recognize the priority of supply in energy on a Canada-first basis, when I examine our undertaking to proceed on a phasing in of prices, when I examine our undertaking to assist in whatever manner possible the development of the oil sands in a Canadian concept, in a concept which could conceivably bring in the Province of Quebec and the Province of Ontario, when I see our desire to provide as much supply as we can to eastern Canada, how can it possibly be suggested with any credibility, Mr. Speaker, that this government is not Canadian and that this government does not intend to cooperate with the rest of Canada for the good of this confederation?

Mr. Speaker, basically, I can only say that I am appalled by the remarks of our Prime Minister and the attitude of our federal government.

Let me say then, in conclusion, Mr. Speaker, and through you to the hon. Premier and those who are destined to speak for the citizens of this province, that your actions today are not merely actions which are necessary for the continued development of the Province of Alberta. Your actions are necessary for the very survival of the confederation in which we all live.

So, hon. Premier, when you travel to eastern Canada in the latter part of January for first ministers conference, I think I express the view of all Albertans when I say to you, for the sake of Confederation and for the sake of this nation, do not waiver, do not forego your principles. Bring to the rest of Canada in the strongest manner that you can possibly convey, the attitude that this government is committed to policies which must be maintained, not only for the good of this province, but for the good of Canada at large and for the very maintenance of the confederation in which we all believe.

[Applause]

MR. HINMAN:

Mr. Speaker, in view of the time and the fact that it is difficult to develop a theme when you break it up, I wonder if I might have the privilege of adjourning the debate.

SOME HON. MEMBERS:

Agreed.

MR. HYNDMAN:

Mr. Speaker, concerning business tomorrow, the House will of course sit for government business in the evening. I have an indication from the opposition that they are prepared to give up Thursday afternoon for government business. I believe that would be satisfactory to government members.

A suggestion has been made that we start at 1:00 p.m. tomorrow but the government, by reason of caucus commitments would not be able to accede to that request. However, late tomorrow afternoon, members may wish to consider starting the evening session earlier tomorrow night, depending upon developments.

So we would proceed then tomorrow afternoon with government business, and the same tomorrow evening.

MR. SPEAKER:

I take it the House sees the clock as having reached 5:30 o'clock.

December 12, 1973

ALBERTA HANSARD

81-4469

SOME HON. MEMBERS:

Agreed.

MR. SPEAKER:

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

[The House rose at 5:18 c'clock.]