

## LEGISLATIVE ASSEMBLY OF ALBERTA

Monday, April 29, 1974

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

## PRAYERS

[Mr. Speaker in the Chair]

## INTRODUCTION OF BILLS

Bill No. 57--The Alberta Heritage Day Act

MR. SCHMID:

Mr. Speaker, I beg leave to introduce a bill being The Alberta Heritage Day Act which would create a special day of the year for the people of Alberta to recognize and celebrate the rich cultural heritage of this province.

[Leave being granted, Bill No. 57 was introduced and read a first time.]

## INTRODUCTION OF VISITORS

DR. HOHOL:

Mr. Speaker, it is my pleasure to introduce to you and through you to the Assembly, 95 Grade 5 students from the Glengarry School. They are accompanied by their instructors Mr. J. Spivak and Mrs. E. Albers. Seventy-five are in the members gallery and 20 are in the public gallery, sir. I would ask them to rise in both galleries and be recognized by the Assembly.

MR. HO LEM:

Mr. Speaker, it is my pleasure to introduce to you and to the members of the Assembly, a group of Girl Guides from the sunshine city of southern Alberta. I understand, Mr. Speaker, that they are here today scouting for a bit of sunshine.

Mr. Speaker, this group, the East Bow Girl Guides, is 39 in number. They are accompanied by their leaders including divisional commander and deputy commander, Mrs. West and Mrs. Martin, and district commissioners, Mrs. Peterson and Mrs. Maudsley. Mr. Speaker, these guides are working on their citizenship badge and one of the requirements is the study of parliamentary procedure. I trust they will find their visit useful this afternoon.

Will the group from East Bow please stand and receive the sunny welcome of this Legislature.

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MINISTERIAL STATEMENTDepartment of Culture, Youth and Recreation

MR. SCHMID:

Mr. Speaker, greatly increased support for preservation and development of heritage resources will be given to organizations by means of grants during the coming year.

The current year's budget for heritage resource grants is \$275,000, compared with \$22,000 for the previous fiscal year.

Under the old museum grants formula, there was a basic grant of \$200 to each museum, plus a supplementary \$1 to match each \$1 raised locally the previous year. Maximum annual grant was \$500 last year, but for many years prior to that only a \$300 maximum one-time grant was available.

This government appreciates the outstanding voluntary efforts of the people of this province in the preservation of our heritage, and therefore is pleased to announce that it will be matching the local fund-raising efforts of all museums.

Under the new museum grants formula, museums operated by organizations will receive annual operating grants. A museum will fall into one of four categories. In each category there is still a \$200 per annum basic grant for all museums but the matching supplementary grant maximum has been substantially raised.

Group A museums are designated regional museums in centres larger than 15,000 outside of the Edmonton and Calgary regions. The maximum supplementary grant here is \$12,000 per annum. Examples of such museums are the Pioneer Museum in Grande Prairie, the Red Deer and District Museum and the Medicine Hat Historical and Museum Foundation.

Group B museums are those with attendance of over 50,000 per year. The maximum supplementary grant here is \$12,000 per year again. Examples are the Drumheller and District Fossil Museum; Heritage Park, Calgary, and possibly Fort Edmonton Park.

Group C museums are specially designated institutions. These will be given a \$12,000 per year maximum supplementary grant. As examples, the Father LaCombe Museum in St. Albert and the Fort Macleod Museum are in this category.

Group D museums are all other museums in the province and the substantially increased maximum supplementary grant here is \$5,000 per year.

A small community museum could obtain a grant of up to \$500 under the old formula, no matter how much money it raised locally. Now, if it raised \$5,000 locally last year, it could obtain a \$5,000 grant from the province this year.

There is no doubt in my mind that this incentive scheme will have a profound effect on strengthening a network of museums around the province, improving the quality of the present 100 museums throughout Alberta, and thereby increasing their importance and services to their communities.

At the same time, it gives me great pleasure to announce that services by the Provincial Museum to small museums will be stepped up, by increasing advisory services, through workshops on museum techniques and management, by providing direct assistance in their display work, and through loan and circulating exhibitions.

## ORAL QUESTION PERIOD

National Petroleum Company

MR. CLARK:

Mr. Speaker, I'd like to direct a question to the Premier and ask if the Government of Alberta has had discussions with the federal government regarding the proposed National Petroleum Company legislation which, I understand, is coming before the House of Commons this week?

MR. LOUGHEED:

Mr. Speaker, there have been discussions in a general way.

MR. CLARK:

A supplementary question to either the Premier or the Minister of Federal and Intergovernmental Affairs who reports for the Alberta office in Ottawa. Has the Alberta office in Ottawa been able to acquire any information from the federal government regarding some of the details of the National Petroleum Company legislation, or the general direction the company is going to take?

MR. LOUGHEED:

Mr. Speaker, I believe their parliamentary procedure on privilege is very close to ours, and advance disclosure of information of that nature would be something that would be very difficult for them to give.

MR. CLARK:

A supplementary question to the Premier, Mr. Speaker. Has the Government of Alberta expressed a very definite point of view to either the Prime Minister or any members of the federal government regarding the proposed National Petroleum Company?

MR. LOUGHEED:

Mr. Speaker, there have been a number of very conflicting reports with regard to the nature of the format which that company might take, and its bearing, if any, upon the Province of Alberta and the petroleum industry in this province. It would seem to us, before responding, it would be much more appropriate to wait until the legislation has actually been introduced, to study it carefully and to see whether or not it has any specific bearing upon our industry and upon the Government of Alberta.

MR. CLAPP:

A final supplementary, Mr. Speaker, to the Premier. Has the Government of Alberta made official representation to the Prime Minister or the Minister of Mines, Mr. Macdonald, expressing the regret of the Government of Alberta that the National Petroleum Company will become involved in exploration and production?

MR. LOUGHEED:

Mr. Speaker, not in the sense of a direct communication, but I believe the Prime Minister and the federal cabinet are well aware of our views with respect to the involvement of government in certain phases of the private sector. We mentioned and described to them The Alberta Energy Act, pointing out to them the very strong merit and clear advantages of The Alberta Energy Act over what is apparently proposed for the National Petroleum Company.

#### AGT---IBEW Contract

MR. CLARK:

Mr. Speaker, a second question, to the Minister of Telephones and Utilities. I'd like to ask the minister at what stage negotiations are between Alberta Government Telephones employees' IBEW Union No. 346, and the Alberta Government Telephones corporation?

MR. FARRAN:

Mr. Speaker, the IBEW, the International Brotherhood of Electrical Workers, and AGT are at a stage of conciliation over a contract which expires on May 1.

MR. CLARK:

Supplementary question to the minister. Has the offer from Alberta Government Telephones to the employees been an increase of 50 cents per hour, and was that offer turned down by the employees?

MR. FARRAN:

No, Mr. Speaker, it wasn't 50 cents an hour.

MR. CLARK:

One more supplementary question to the minister, Mr. Speaker. Do the employees of Alberta Government Telephones, as far as overtime is concerned, work on a basis of overtime if they choose - but the overtime is not built into the contract as a necessity?

MR. FARRAN:

Mr. Speaker, I believe these questions are highly unwise and out of order when delicate wage negotiations are in process.

MR. CLARK:

A further supplementary, Mr. Speaker, to the minister. Is it true that in the Calgary region the number of hours of overtime put in by employees is dwindling and that there has been some representation to the government by large users of Alberta government services ...

MR. SPEAKER:

The hon. Leader of the Opposition seems to be lengthening the question into a speech. Perhaps he might state the question briefly.

MR. CLARK:

No, Mr. Speaker. If the minister doesn't want to answer, I'm satisfied with the speech.

Suffield Block - Pasture

MR. SPEAKER:

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

MR. FRENCH:

Mr. Speaker, my question is to the Minister of Agriculture. Have any arrangements been made to utilize the British block for the pasture of cattle this summer?

DR. HORNER:

Yes, Mr. Speaker. Arrangements have been made through my department and with the efforts of the federal member of parliament in the area to indeed open the Suffield range to community pasture. There was some concern expressed earlier with regard to the carrying capacity of that pasture, having regard to the rainfall that occurred in the area in the past several months. I don't have an up-to-date report with regard to the moisture conditions at Suffield, but that will be a consideration as to the number of cattle that will be pastured there this summer.

MR. FRENCH:

Supplementary question, Mr. Speaker. Will the offices of the district agriculturalist be taking applications for pasturing cattle?

DR. HORNER:

As I understand it, Mr. Speaker, it will be handled through the grazing associations in the area as it was last year in the Medicine Hat area.

MR. SPEAKER:

The hon. Member for Cypress followed by the hon. Member for Drayton Valley.

MR. STROM:

Mr. Speaker, I did not request a question.

MR. SPEAKER:

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

Pembina River Dam

MR. ZANDER:

Thank you, Mr. Speaker. My question is to the hon. Minister of the Environment. Due to the extensive flooding this year of the Pembina and the Sturgeon river valleys, at what planning stage is the proposed dam on the Pembina River?

MR. YURKO:

Mr. Speaker, for flood control purposes the Paddle River and the Pembina River are considered as one total area. When this government took over, it identified three stages of flood control on the Paddle River and has progressed such that two are now virtually complete. The third is being studied this year with the anticipation that it will go forward next year. The Pembina aspect of flood control on the entire system has not, as yet, been considered in detail.

MR. SPEAKER:

The hon. Member for Spirit River followed by the hon. Member for Calgary Bow.

Industrial Delegation to U.S.

MR. NOTLEY:

Mr. Speaker, I'd like to direct this question to the Minister of Federal and Intergovernmental Affairs. Can the hon. minister advise the Assembly whether or not a delegation from Alberta recently visited the United States, at the request of the American State Department, for a tour of Washington and discussion of energy issues with the American government?

MP. GETTY:

Mr. Speaker, representatives of the Government of Alberta did not.

MR. NOTLEY:

Mr. Speaker, can the hon. minister advise the Assembly who did - was there anyone representing the industry at the request of the American State Department?

MR. SPEAKER:

The hon. member may have great difficulty in relating that question to the official duties of the government or its departments.

MR. NOTLEY:

Mr. Speaker, could I rephrase the question? Can the hon. minister advise the House whether he has heard reports that leading members of the industry in Alberta have gone on a tour of Washington to discuss energy matters at the request of the American State Department? By way of explanation, Mr. Speaker ...

[Interjections]

... I'll leave the question.

MR. SPEAKER:

It is true that on occasion members try to get confirmation of reports from hon. ministers, but perhaps that is due to the laxity of the Chair rather than the correctness of the question. There could be unlimited questions asking ministers of the Crown whether certain reports had come to their attention or were true.

MR. NOTLEY:

Mr. Speaker, perhaps I could rephrase the question to elicit some information from the government.

AN HON. MEMBER:

Third try.

MR. NOTLEY:

Can the hon. minister advise the Assembly whether or not he has received reports of concern from the federal government, due to the fact that the State Department did not clear the normal channels before this group visited Washington?

MR. GETTY:

Mr. Speaker, the hon. member's problem is that it is one of those rare occasions, Mr. Speaker, when the media is wrong on a report. He has been led astray by something he read, I believe. In any event, Mr. Speaker, we have not been advised of any discontent in External Affairs in Ottawa.

MR. SPEAKER:

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

#### Election Campaigns

MR. WILSON:

Mr. Speaker, I would like to direct a question to the hon. Minister of Municipal Affairs. Could the hon. minister indicate, in view of the \$40,000 budget to be spent on cultivating public interest in October's province-wide school board elections, if a similar program, or other, is contemplated for the municipal elections?

MR. RUSSELL:

No, it isn't, Mr. Speaker.

MR. WILSON:

Supplementary, Mr. Speaker, to the hon. Minister of Culture, Youth and Recreation. What consideration has the government given to approving STEP funds to students seeking employment on municipal and school board election campaigns?

MR. SCHMID:

Mr. Speaker, many of the hon. members here have participated voluntarily in many, many elections. I think this is a fundamental principle of democracy and we should keep it that way.

MR. SPEAKER:

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

#### Correctional Institutions --- Pay Rates

MR. LUDWIG:

Mr. Speaker, my question is to the hon. Solicitor General. Is the minister going to recommend an increase in pay to wardens and guards of Alberta prisons, correctional institutions, with a view to resolving some of the staffing problems which exist in Alberta today?

MR. SPEAKER:

The hon. member's question, if he will refer to 171 of Beauchesne dealing with a recommendation which a minister may make to the Executive Council, covers a matter which is confidential. But if he wishes to take the question out of that context it might be in order.

MR. LUDWIG:

Mr. Speaker, is the hon. minister prepared to make any recommendations with a view to increasing salaries or wages of wardens and guards to help resolve the staffing problems which exist in this area at the present time?

MISS HUNLEY:

Mr. Speaker, I'm always interested in anything I can do in order to improve the staffing situation at the correctional institutions.

MR. LUDWIG:

Mr. Speaker, is the hon. minister prepared to make any specific recommendation to indicate the sincerity of her interest?

MR. SPEAKER:

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

Capital City Park

MR. STROMBERG:

Thank you, Mr. Speaker. A question to the hon. the Premier. Will the new Capital City Recreation Park slow down planning or expansion of rural parks in Alberta?

MR. LOUGHEED:

Mr. Speaker, the answer to that, in the absence of the Minister of Lands and Forests, is definitely not.

MR. DIXON:

Mr. Speaker, I wonder if I could ask the hon. Premier a supplementary question? Is the Government of Alberta, Mr. Speaker, to the Premier, going to pay Edmonton for the land that Edmonton owns? I see the aldermen are complaining that it's going to cost them \$600 million if they take the land away from them.

MR. LOUGHEED:

Mr. Speaker, I don't think the aldermen are complaining. I think the vast majority of them are just delighted with the proposition that has been presented on behalf of this provincial government. And I think the citizens of Edmonton are just as delighted.

MR. DIXON:

Mr. Speaker, we heard a moment ago that the press never makes any mistakes, but apparently they have in this case.

I would just ask a further supplementary question of the hon. Premier. Can the hon. Premier assure the House that Edmonton will be compensated for the land that it is turning over to the park?

MR. LOUGHEED:

Mr. Speaker, perhaps the hon. member did not understand the way it was presented. The nature of the proposal is to tie together city-owned land with provincially-owned land in a complex that, in part, would be operated by the province when it deals with the matter of water, under a water conservation area. Then when it deals with the area that was shown in green on the map presented in the Legislature on Friday, that would be both, in terms of ownership and in terms of operation, within the ambit of the responsibility of the city. So really the question is redundant.

MR. SORENSON:

A supplementary to the Premier. I believe the Premier said it would make Edmonton one of the most beautiful cities in the world.

MR. LOUGHEED:

Capitals.

MR. SORENSON:

I wonder if the Premier would consider a change of name for the park. Taking the first two letters and the last two of Edmonton would make 'Ed-on'. I could be the 'Garden of Edon'.

[Laughter]

MR. LOUGHEED:

Mr. Speaker, we welcome those among, I am sure, other suggestions.

DR. BUCK:

Could you call it Lake Horner?

MR. SPEAKER:

The suggestion might be equally welcome if it were on the Order Paper.

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

Youth Held

MR. HO LEM:

Mr. Speaker, thank you. My question today is directed to the hon. Attorney General. Has the Attorney General requested an investigation into the case of a 16-year old youth jailed for two days on a charge of being a minor in licensed premises, because a legal request for his release was inconvenient to a particular judge?

MR. LEITCH:

Mr. Speaker, as soon as I heard of that report, which was just a short while ago, I requested that the matter be looked into and information as to the circumstances given to me.

MR. HO LEM:

A supplementary, Mr. Speaker. Would the hon. minister issue a directive to ensure that this unfortunate case does not occur again?

MR. SPEAKER:

The hon. member is making a recommendation.

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

Imperial Oil Refinery - - - Work Week

DR. BUCK:

Mr. Speaker, to the hon. Minister of Labour and Manpower. I would like to know if the hon. minister or his department has reconsidered the decision at the Imperial Oil refinery plant to allow the employees to work four nines and an eight because they are so far behind in construction?

DR. HOHOL:

Mr. Speaker, I would have to respond in this way. There was no formal appeal which is a procedure the employees or the employer can follow. On the other hand, we did discuss the matter because at least two members of the other side brought the matter to my attention. Also, employees visited me personally and discussed it with me. Reviewing the situation informally in that way, we saw no basis for a change in the work week at that particular project.

MR. SPEAKER:

The hon. Member for Macleod followed by the hon. Member for Sedgewick-Coronation.

Fuel Oil Tax

MR. BUCKWELL:

Mr. Speaker, just before I ask my question I might remind the hon. members of the House that the original Garden of Eden was inhabited by two streakers.

[Laughter]

My question, Mr. Speaker, is to the hon. Provincial Treasurer. In regard to the fuel oil tax for agricultural purposes which takes [effect], I understand, on May 1, does this include propane for agricultural purposes?



MR. MINIELY:

The answer is, it does not include propane for agricultural purposes. But I believe my colleague, the Minister of Telephones and Utilities, could comment on the fact that with the bill that was proposed there was, in effect, a control of propane pricing. Perhaps he would like to comment further.

MR. FARRAN:

Mr. Speaker, the whole question of a just and reasonable price for propane is now under the jurisdiction of the Public Utilities Board.

MR. BUCKWELL:

A supplementary, Mr. Speaker, to the hon. Minister of Telephones and Utilities. Could his department issue a directive, say to the propane companies, because I understand it is from this source that they say there is going to be a five cent subsidy on propane?

MR. SPEAKER:

The hon. member has made a representation rather than asking a question.

The hon. Member for Sedgewick-Coronation followed by the hon. Member for Drumheller.

#### Job Discrimination --- Students

MR. SORENSON:

Mr. Speaker, my question is to the hon. Minister of Manpower and Labour. Is it the intention of the hon. minister to ensure that employees are not discriminated against by their student status, that is to say, that they should be paid the same as permanent employees when they have the same training and experience?

DR. HOHOL:

I'm not sure about the implication of the question, Mr. Speaker, but if it refers to the summer temporary employment program, the answer would have to be that there are certain criteria for employment in that program which would pay students less than if they were in that particular trade.

In this program no student would take the regular job of a tradesman, for example. With certain exceptions which are well known to the Legislature or can be reviewed, the answer would have to be yes, there would be no discrimination on the worksite or in the workshop on the basis of a student assuming the same function or performing the same job.

MR. SPEAKER:

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

#### Lamb Processing Plant

MR. TAYLOR:

Thank you, Mr. Speaker. My question is to the hon. Deputy Premier and Minister of Agriculture. Is the lamb and sheep processing plant at Innisfail designed to service the four provinces of western Canada?

DR. HORNER:

Yes, Mr. Speaker. I might say that we've had some real cooperation from the Province of Saskatchewan and the Province of British Columbia. We would see in the future, indeed, some cooperation with the State of Montana as well.

MR. TAYLOR:

A supplementary. Is any money being contributed by the provincial governments of Saskatchewan and British Columbia?

DR. HORNER:

Not as yet, Mr. Speaker, but there has been a major contribution of \$75,000 by the federal sheep and wool commission.

MR. SPEAKER:

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

Capital City Park (Cont.)

MR. LUDWIG:

Mr. Speaker, my question is to the hon. Premier. Can he advise the Assembly whether any study or series of studies has been conducted to determine specifically the estimated cost of the proposed park in Edmonton?

MR. LOUGHEED:

Mr. Speaker, I don't think we could advise [of] more than the rough figures that were given to the House on Friday by the Minister of the Environment, for the very clear reason that we feel we are presenting and proposing a concept to the city council of Edmonton whose cooperation is, of course, vital to the successful operation of the park. We feel that the parameters of \$30 to \$35 million are parameters that should remain as approximations because we're dealing on a concept basis.

Certainly, in due course of time, when we're able to, we will present more specific detailed data, by way of estimates and further to my answer today to the hon. member.

MR. LUDWIG:

Mr. Speaker, is the hon. Premier suggesting that there will be no cost study made, in advance, of the numerous rather extensive projects which were announced in the Assembly?

MR. LOUGHEED:

Well, Mr. Speaker, the hon. member can take it any way he wants. It's a commitment by this government which I believe has been well received, not just by the citizens of Edmonton but throughout the province, because it's the capital city of the province. I really am disappointed to see that the hon. Member for Calgary Mountain View does not share our enthusiasm for the project.

MR. LUDWIG:

Mr. Speaker, with all due respect to the hon. Premier, he should not speculate on my enthusiasm ...

SOME HON. MEMBERS:

Order, order.

MR. SPEAKER:

Order please.

MR. LUDWIG:

To pose another supplementary question, why did the government determine that in this case no study as to the cost of such an enormous project was necessary?

MR. SPEAKER:

Order please. The hon. member is clearly escalating the debate by asking for further debate.

AN HON. MEMBER:

A feasibility study.

MR. LUDWIG:

Mr. Speaker, on a point of privilege, I am clearly asking a legitimate question. It is a question.

MR. SPEAKER:

If the hon. member will look at the precedents in Beauchesne, he will find that a question which leads to debate is not allowed in the question period.

MR. LUDWIG:

Mr. Speaker, I did read Beauchesne rather extensively, and any question could lead to debate, with an answer like the Premier gave me.

MR. SPEAKER:

The hon. Member for Spirit River ...

DR. BUCK:

Mr. Speaker, a supplementary question. Will the Premier be in the position to table a feasibility study on the proposed park?

MR. LOUGHEED:

Mr. Speaker, I believe the feasibility [study] with regard to the weir, which is the essential ingredient, has already been tabled and I think has been very well received by the hon. member's constituents.

DR. BUCK:

A supplementary, Mr. Speaker. I was asking if a feasibility study on the entire park, not just the weir, will be tabled in the Legislature, Mr. Speaker.

MR. LOUGHEED:

Mr. Speaker, I think it's pretty clear that the project as such, because of the feasibility study of the weir, is completely feasible within the economic capacity of this province and very clearly ...

MR. SPEAKER:

Order please. The hon. Premier is debating the topic.

The hon. Member for Spirit River-Fairview.

#### Downey Report

MR. NOTLEY:

Mr. Speaker, I'd like to direct this question to the hon. Minister of Advanced Education. Can the minister advise the Assembly what the position of the department is, with respect to the Downey Report?

MR. FOSTER:

Mr. Speaker, which one?

MR. NOTLEY:

Mr. Speaker, the Downey Report dealing with post-secondary education in the Peace River block.

MR. FOSTER:

Mr. Speaker, we are, at the present time, in the process of getting a response to that report from citizens and others in the region of northeastern Alberta. We will be discussing the report with the B.C. government some time in June. I hope to be discussing it with the staff of Fairview College as well, before making a decision. I have yet to receive any response from the MLAs in the region, their reaction to the report, and I would certainly welcome it from them.

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ORDERS OF THE DAYGOVERNMENT BILLS AND ORDERS  
(Second Reading)Bill No. 32 The Alberta Energy Company Act

MR. GETTY:

Mr. Speaker, I am quite pleased today to move second reading of Bill No. 32, The Alberta Energy Company Act, since I consider this bill to be an important part of the government's resource development policies. I believe it is a policy which will receive enthusiastic support throughout our province. I think, as our energy developments progress in Alberta, that the Alberta Energy Company can be a unique part of that development.

I intend to be very brief today, Mr. Speaker, as the Alberta Energy Company has been explained to the Legislature and the people on at least two other occasions. Members will recall it was first unveiled by the Premier when the Syncrude project was announced last fall. Then the Legislature was supplied with a detailed position paper during the so-called energy session which we held in December of 1973. I draw the hon. members' attention to that position paper. It was supplied to all the members, some 15 pages of detailed description of the energy company, and I don't propose to repeat it at this time.

Also each member has been supplied with copies of the company's articles of association, which may be helpful as we proceed with the debate through the House. I would be very interested in the members' reaction to the package we have presented to them. I'll attempt to respond to questions and comments that are raised either during second reading or in the committee stage.

Mr. Speaker, the House should consider this legislation as an effort to meet a need that probably could not have been met through any existing mechanisms available to the government. Recognizing this, the government had a responsibility to fill that need. Basically we needed an opportunity for individual Albertans to participate in a direct investment in equity ownership in the Alberta oil sands as that tremendous resource developed. I consider the oil sands probably the most exciting energy development that will occur in Canada over the next several decades and the Alberta Energy Company should be the exciting vehicle by which Albertans may experience the potential for profit and the risks that are inherent in the oil sands.

It is true, Mr. Speaker, that the government and therefore the people control the rate of development of the oil sands. They control the environmental guidelines and the royalties from the leases. But it is quite different and challenging, I think, to actually be an equity owner and watch the various projects being built and coming into production. I think it might be an ideal way for many Albertans to get a better understanding of the mix of factors which influence such massive investments in natural resources. This bill provides that opportunity. It provides that Albertans will get that opportunity on a preferential basis followed by all other Canadians. Yet, under our proposal, control of the company will always be retained by Albertans through the government's 50 per cent interest in the company shares.

As I mentioned earlier, Mr. Speaker, this is an integral part of the government's energy policy. It's one that I hope and I believe our citizens will support and enthusiastically invest in.

I also draw to the members' attention that the bill meets one other concern that our citizens have expressed in a variety of ways over the past several years. As future oil sands plants are developed this can be a vehicle to balance the ownership of the plants between Alberta, Canadian and foreign investment, and yet do it in the private enterprise system that we believe in. We all know that foreign investment is an issue alive in Canada today. We have a legislative committee which is studying the matter of foreign investment, studying it very actively. It may even report some day, Mr. Speaker.

AN HON. MEMBER:

Want to bet?

MR. CLARK:

After the election?

MR. GETTY:

No, Mr. Speaker, I know, being a member of that committee, that they are working very actively and the Koziak report will soon be something we can all read and get information from.

AN HON. MEMBER:

When, in 1976?

MR. GETTY:

I trust, Mr. Speaker, that in the years to come Albertans will have not only the existing opportunity which we have provided for in the Alberta Energy Company in Syncrude, but a continual opportunity for oil sands investments. Therefore, the company will have played a major part in the investment decisions of Albertans in the future in our province.

In addition to the actual oil sands plant itself, I would like to make a special point regarding the value of the Alberta oil sands pipeline that the Alberta Energy Company will also own. This pipeline company, as we presently see it, will carry all future oil sands production to markets within the province. I think it will be a very valuable part of the total investment package of the Alberta Energy Company. As members are probably aware, there are many oil pipelines across Alberta. On quick checking, I believe that this is the only one that will be in the ownership control of Alberta citizens. Yet these pipelines have been a basic part of energy development in the province over the years.

I mentioned, Mr. Speaker, that I want to hear the members' views on the bill. They have not had an opportunity to debate it directly and their contribution will be welcomed. On that score I recognize that members on the other side were in the Executive Council, and some in the government, when past investments were offered to Albertans. The Alberta Gas Trunk Line and, to a lesser extent, the GCOS investments come to my mind. Therefore, certainly I am sure the government would recommend any suggestions and assistance as gained by any members from that experience either in debate at second reading, when the bill, as I said, goes to committee or directly with myself.

What we are trying to do with this bill is fill the need, as I pointed out, to develop the best possible investment vehicle. I think we have the right basic concept. There is no question in my mind that Alberta will be in the forefront of exciting energy developments in Canada in the coming years, and I would certainly want the Alberta Energy Company to be a major part of that exciting future.

Therefore, Mr. Speaker, I am very pleased to move second reading of Bill No. 32, The Alberta Energy Company Act.

MR. SPEAKER:

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

MR. NOTLEY:

Mr. Speaker, I welcome the opportunity to take part in second reading of Bill No. 32. May I say at the outset that I'm going to cause all sorts of consternation in the minds of the members across the way when I say I propose to vote for this bill in second reading ...

[Interjections]

... thereby confirming the worst fears of my colleagues on the right.

However, I am not here, Mr. Speaker, to spend the few moments I have just outlining the good things about the bill, because we have all sorts of members on the other side who will do that. I think there are some concerns I would express about the bill. Expressing those concerns, Mr. Speaker, is not, in fact, going to alter my final decision to vote for Bill No. 32.

I would say that when you consider the development of something as large and important as the oil sands, it is clearly obvious that some kind of government mechanism is necessary. As I see it this particular bill, setting up the energy company, is a first step. I would much prefer to see an Alberta development corporation which would be structured in a somewhat different way, but I nevertheless see in the energy company a first step towards that development corporation.

The crucial issue, however, that must be examined, Mr. Speaker, is whether the government is simply going to provide backup funds and services to large multinational

corporations or whether we are going to develop the sands ourselves. It is my view and the view of many groups in this province as well - I notice the Alberta Federation of Labour last week passed a resolution urging the establishment of a Crown corporation to develop the tar sands - that this gives us a tremendous opportunity to completely reverse the strangle hold of foreign control on our economy, if we take the lead not in partnership on a joint-venture basis with multinationals, but through Crown corporations.

But nevertheless, regardless of the route you take, some kind of overall mechanism is necessary. I want to relate that to this bill in a moment. The concern I would raise when we talk about participation by Albertans - and I know a good case can be made for methods to involve individual Albertans in direct participation. Certainly in 1965, I think, almost everybody in the province was surprised at the tremendous response from the citizenry of Alberta to the GCOS guaranteed debentures. I think it was subscribed many times over. The minister pointed out, when he introduced the bill, that Alberta Gas Trunk had a similar vast oversubscription in the mid-fifties when it was set up. So there is a goodly [amount], in funds, which would be available from individual Albertans.

But I think the concern we have to express, Mr. Speaker, is that there is a large number of Albertans who just aren't in a position to invest at all. Now I know, in reading over the position paper that was tabled in this House last December, that an effort is going to be made, through the instalment plan, to make it possible for more people to purchase shares in the Alberta Energy Company. But the fact of the matter is, Mr. Speaker, that regardless of what efforts we make, if a person is working in a nursing home at an annual salary of \$5,000 or \$6,000 a year, at \$2 an hour, they just don't have the disposable funds on hand to purchase shares in any kind of company, whether it's on an instalment purchase basis or what have you. So a very significant number of Albertans are not really going to have a practical opportunity to invest in the Alberta Energy Company. This is important, Mr. Speaker, because it will, by and large, be higher-income Albertans who will have the opportunity to really profit if the Alberta Energy Company does make profits, and I'm convinced ultimately it will.

I suspect that a better approach would be to develop your overall mechanism through public ownership and encourage private investment in the various ancillary industries of a service nature and what have you that will develop as the tar sands move ahead in the years ahead.

I also must express another concern about heavy participation in the vehicle itself. It seems to me, Mr. Speaker, and this we can only surmise at this time, but it seems to me that if we have 45 or 50 or 60 per cent of the people of Alberta investing in the AEC, and certainly that would be a very large number - I think it would surprise us all if we ever reached that level - there would even be a danger in that, because there would be a tremendous basis in the province where you would have a political basis for rapid development. After all, these people are investing in the AEC. They are not investing for the sake of their health. They are investing because they want to make some money. How are they going to make money? They are going to make money by seeing the development proceed at a fairly rapid pace. So you're going to have, if you like, a political base in the province for rapid expansion of the tar sands.

Mr. Speaker, I have no hesitation in saying in this House what I have said outside, that after reading the document prepared by some of our top civil servants and tabled last fall, I think that rapid development of the tar sands could be a disaster. If we are going to proceed, as I'm sure we all favour proceeding, with developing the tar sands, it should be at a very measured pace. One of the problems is that if you get a large number of people tied into an investment vehicle like the Alberta Energy Company, you're going to have the political pressure, the built-in basis if you like, for rapid development, for quick returns, for quick profits.

Mr. Speaker, I want to say a word or two about the danger of minority participation in joint ventures with large multinationals compared to real control through ownership ourselves. I have no concern about joint ventures with an investment vehicle such as the Alberta Energy Company and smaller Canadian concerns or co-operatives. I think, as a matter of fact, this kind of approach can be extremely useful. But when you are dealing with large multinational concerns like Imperial Oil or Gulf or Shell or what have you, you are talking about companies that are infinitely larger than the AEC itself. When you are talking about Imperial Oil you are talking about one part of a world-wide empire which is far larger than the gross budget of the Province of Alberta. So therefore, Mr. Speaker, I have to express some real concern about joint venture arrangements with multinational corporations. If we are going in on a joint venture basis with other provincial Crown corporations, perhaps one possible alternative would be for a co-operative movement in Canada, then fair enough. Let's take a look at that sort of thing. But when we are dealing with the moguls of the oil industry, I think that's a totally different picture.

It also seems to me that if we are talking about joint ventures we should be looking not at 20 per cent, as we have with the Syncrude agreement, but 51 per cent or more. Moreover, if joint venture agreements are concluded, then the marketing should be brought under the Alberta oil marketing board.

We've all heard a great deal of concern expressed about the whole business of transfer pricing. Multinationals aren't particularly concerned about the price of any one level of the operation. Their objective, for very good business reasons, is to maximize the final profit. And that can well mean that they will lose money in particular areas, and lose money for a period of time. It may mean that they will speed up development in one area and slow it down in another, without any regard for the community or the province or the country involved.

Mr. Speaker, there's only one way, as I see it, to stop transfer pricing. That is to make sure that all the oil which is produced in the tar sands goes through our petroleum marketing board. Then I think we're in a position to, at least, partially deal with that problem.

I raise the question of the role of the multinationals, Mr. Speaker, because the other day in the estimates subcommittee, the hon. Minister of Mines and Minerals advised us that the firm of Levy and Company of New York is a consultant to the Alberta government. Now, there's no doubt that Mr. Levy is a very able person. The expertise of that consulting firm is very, very sizeable. But, as probably some of the hon. members opposite know, one of Mr. Levy's employees is now a professor at the University of Alberta.

I had an opportunity to discuss the Levy appointment, or the Levy consulting agreement, with that individual and his point was very clear; that if you see the future of Alberta and the future of the multinationals as being one and the same, then the Levy consulting firm is a wise choice. But if you are not so sure what is good for Exxon is good for Alberta, then perhaps you had better look elsewhere. That doesn't denigrate the Levy firm, but it does, I think, underline the fact that this is a consulting firm which does a good deal of work for the major oil companies in the United States.

I would have to say one of the concerns I feel is that, when you are dealing with multinational participation, you could very well find that for a period of years their interests and your interests will be the same, because when foreign capital comes in and expertise comes in, the fact of the matter is that this does create employment, it does do a lot of good. But we have to look at the balance sheet, and the problem with multinationals is that when they decide to shift the balance, the host country, province or community is frequently left high and dry. I think we saw that, Mr. Speaker, rather vividly a little over a year ago with the rather unfortunate decision of McIntyre Porcupine at Grande Cache.

Now the other point that perhaps should be raised at this time - and it leads in to what the minister has said about building the pipeline and the power plant for Syncrude - is that the large oil companies are now attempting to develop surplus capacity for obvious reasons. It's the only way they can regain some kind of long-term control from the Arab states, or at least strengthen their bargaining power vis-a-vis the Arab states. So we now have a move towards developing surplus capacity. And in that move we will frequently see companies attempting to bring the government in on a partnership basis, often on service measures such as a pipeline or a power plant.

I want to make one final comment, Mr. Speaker, with respect to the specific developments that are reviewed in the statement on the Alberta Energy Company. As far as Syncrude is concerned, my views on that are fairly well known. But with respect to Suffield I would have to say that I really question the wisdom of turning the development of this tremendous field over to the AEC. Because, even at best, only if the money is made there instead of all of the public share coming back to the government so that it can be used for all Albertans as long as it is turned over to the AEC, only 50 per cent will come back to the government. The other 50 per cent will go to those people who are wealthy enough or able enough to invest. That means that a resource which should benefit every Albertan in actual fact is going to benefit higher-income people more. It is going to tend to accentuate the disparity of income in the province rather than reduce it.

Having said those things, Mr. Speaker, let me come back to the major reason I think this legislation is necessary. We are dealing with the development of a resource which, regardless of our political differences, I think we all recognize can alter the economic history of western Canada. Because of that, it is necessary to have some kind of agency - overall umbrella agency. I would sooner that that be an agency which would work with Crown corporations developing individual plants, or joint ventures with exclusively Canadian-owned and controlled operations. But whether you take that route or you decide to go the route of the multinationalists, it is nevertheless necessary for that umbrella legislation to be on the statute books rather than ushering in - as I think some of my friends on this side may worry about - ushering in socialism in Alberta.

I really don't think this particular proposal and the strategy outlined in the position paper is unexpected from a Conservative government. I think - and this is something I said in the Budget debate but I think it's worth repeating - that traditionally Conservatives, whether in Britain or in Canada, have always been prepared to use the power of the state to back up large corporations, whether it was with respect to

the British East India Company, or the Hudson's Bay Company or CPR, for an example which is perhaps somewhat closer to home.

So, in many respects, Mr. Speaker, this is just an 'update' - at least as far as the strategy goes which brings in the multinationals - this is just an 'update' of Tory theory and not something out of the ordinary or out of step at all.

Mr. Speaker, in general conclusion, having made those comments, the one inescapable fact does remain that we do need some kind of vehicle. And regardless of what the course is in the future, whether it's public development or private development - and that is ultimately a decision that is going to have to be made by the people of Alberta - we do need this kind of vehicle. Therefore, despite the fact that I have some concerns and have tried to express them this afternoon, I do intend to vote for the measure.

MR. LEE:

Mr. Speaker, in speaking in support of Bill No. 32, The Alberta Energy Company Act, I want to emphasize the very positive and the very substantial effect that this bill will have on the first-time investor. One of the major impacts of this bill is upon that individual who hasn't, as yet, entered into the common share stock market sphere to any great extent. It will appeal to and meet the needs of many of those people who have largely, to this point, utilized their savings for savings plans, savings bonds and other low-risk types of investments. It is this investor whom we hope to attract to our offering, to these shares of the Alberta Energy Company.

In speaking of the effects of this bill on the first-time investor, I want to address my remarks to three aspects of the Alberta Energy Company and their attraction to this individual.

The first of these is the opportunity that this bill provides, a mechanism for participation and accessibility to the market particularly required for the initial investor. The individual who has not entered into this type of investment is probably not that acquainted with the stock market and, in facing the purchase of common shares, is possibly indecisive in making a choice between one share and another. Having been involved myself as a first-time investor through an investment club, I can still recall sharing this kind of initial ignorance faced by individuals who are looking at the stock market and its various aspects for the first time.

One of the real difficulties in evaluating whether a particular share is of a high or low risk nature is the difficulty in assessing just what the potential returns are from the particular share. The common share appears as such a complex kind of investment to many that very often an individual will turn to the purchase of bonds or to savings plans almost by default, not so much because he doesn't want to enter into this kind of investment, but because he has difficulty in evaluating the various components of investment in this area. In addition to a lack of knowledge regarding the market place there's also a built-in inability to purchase in the stock market, since purchases are usually made through some type of brokerage office. The individual with a small amount of money to invest finds it difficult to purchase blocks of shares and consequently might turn to a savings plan or an instalment kind of purchase where he could invest a small portion of his earnings each week, each month or on a quarterly basis. The stock market itself is ordinarily not conducive to this kind of instalment buying.

So these provisions then of the bill, as reflected in the presentation last December by the Minister of Federal and Intergovernmental Affairs about the Alberta Energy Company, present mechanisms to assure accessibility and participation for the first-time investor: the provision for an instalment purchase in this primary offering of shares in the Alberta Energy Company; preference in the primary offering to Alberta citizens and then Canadian residents will be accompanied by publicity for this initial offering that isn't available in regular offerings of other common shares; and thirdly, the utilization of the treasury branches in this first issue and encouragement of other banking institutions in assisting the individual to purchase shares.

But I believe that this whole process will, in addition to fostering accessibility to the market, also have a kind of educative effect for the first-time investor. Through the purchase of shares and by following the progress of the shares through the stock market or in the financial pages of newspapers, the individual will probably seek further information and explore further investment in this area to other kinds of equity ownership, using the knowledge that he has gained through this first-time investment in the Alberta Energy Company.

A second aspect of the company of appeal to the first-time investor are those provisions regarding ownership and control. I think any of us when we buy into - and even though we may do it in a very small way - a company or an enterprise, will have a very real concern about those individuals, those companies, who will share ownership with us. Who owns the major portion of the shares? What has control of the company? And of



course, with the current emphasis on foreign ownership, the effects of control emanating from outside our own borders is of real concern to the first-time investor.

I'm encouraged by those portions of this bill which respond to this very concern: those aspects relating to the limit regarding the total holdings of 1 per cent by any individual, the fact that only Canadian citizens can hold shares in the Alberta Energy Company, that Alberta citizens are given first opportunity to purchase shares, that all directors must be Canadian citizens and that three-quarters of the board of directors must be Alberta residents.

These are the kinds of provisions which assure the individual that control and ownership of the Alberta Energy Company will remain within Canadian jurisdiction and, more specifically, within Alberta control. These are the kinds of assurances we need after the observation of events with the Alberta Gas Trunk Line issuance of shares. Although it started out as an Alberta - a Canadian - enterprise, soon, because of lack of limitations on ownership, this enterprise now has a minority participation by Albertans.

A final positive aspect of the Alberta Energy Company for the first-time investor is the manner of the public-private partnership between the government and the citizens of Alberta, a unique kind of partnership provided for in this bill. It also provides assurances that we need in dealing with our natural resources. I believe that it's encouraging to the citizen investing in this particular company that the Alberta government is involved as a majority shareholder. There is an assurance that with the kinds of restraints that the government must face in the investment of its resources, these kinds of restraints will also reflect a good investment for the average citizen.

I remember last year the Minister of Mines and Minerals on one occasion described our energy resources as Alberta's crown jewels, and when we look at the development of the Alberta Energy Company, we're looking at the management of Alberta's crown jewels. It's important that there be a public and a private kind of involvement in this process of the development of our Alberta resources.

The idea that the Alberta Energy Company is basically a holding company, that the purpose of the company is not to compete in the market place but to provide a mechanism, a catalyst by which not only the individual can invest, but by which our resources can be developed in a maximum manner, is of some encouragement to those who view with alarm government encroachment into the private sector. I am encouraged by the discussions on the possibility of a second holding kind of company for the industrial development of our resources.

These are the kinds of involvements that are necessary by the Alberta government if, in fact, we are to initiate those kinds of effective resource developments, effective stewardship of our energy resources which are necessary to this province and its economic growth, not only today but in the decades ahead. These stimulative kinds of effects are essential in a landlocked province like Alberta with the difficulties that we encounter with national tariffs, with transportation rates, for in order to get industrial and resource development growth under way which will, in actual fact, benefit the province, we need this kind of governmental participation that perhaps wouldn't be necessary in another province.

So in closing, Mr. Speaker, I urge hon. members to support the principles outlined for the Alberta Energy Company as reflected in this bill. With the current difficulties, the restraints that the individual first-time investor faces in the market place, I am encouraged by the kinds of stimulative, the kinds of educative, the kinds of catalytic effects that the Government of Alberta has initiated in this bill. And with the current emphasis on ownership, the Alberta Energy Company will stand out as a beacon for other jurisdictions in Canada in the development of effective, public-private partnerships in the development of both energy and industrial resources.

MR. HINMAN:

Mr. Speaker, I think this bill does mark a first in Alberta and perhaps a first in Canada. It's one more step in the evolution of a process which has been going on for a very long time.

I think people have always hoped that some day there would be a state in which there were no poor and in which nobody exploited anybody else. If you wanted that, it seems there were only two alternatives. One of those was the direct communist approach which said that the government shall control all means of production, all means of transportation, in fact, shall manage all the economic affairs of a nation and in return shall look after the well-being of all its citizens. That has an appeal. If it worked, it would be perfect. But it has its dangers.

The other was to say that if we can sell the Christian concept, and then if we can leave people free to exploit their own ideas, that would be the ideal. Unfortunately that

system is not perfect because charity does not look after the people well enough. It may keep them from starving, but history tells us that was not good enough.

Now the government incursions into this kind of thing evolved quite naturally. There was a time when the laissez faire people said to the king, give us a charter to do this or that in your colony. The king, being a little bit selfish, said, yes, for a fee I'll do that. Sometimes it wasn't a fee. It was like the beginnings of the bank of Great Britain. It wasn't a fee. It was a promise to support the king or the monarch in a financial way. At any rate, it carried with it all the powers of benefits which a monarch could bestow on his subjects.

Now it probably wasn't too bad in the days when the king was supreme. But when this carried over to elective governments it was not free from evil in that there were many people pressing the government to give the privilege here, to give it there, particularly in monopolistic things. At any rate, there was an evolution, until finally governments became very much involved. In Canada, as the hon. Member for Spirit River-Fairview mentioned, our first attempts at this were when we had the necessity for a transcontinental railway. The government could have got into the business, but it wasn't to be thought of in those days. Governments were to stay out of business. So they followed the evolutionary pattern of granting a monopoly to somebody giving them extensive grants of land and giving them support.

Now we have come around to what we have today and I think it was going to come. I think our governments and the opposition would agree that it's an admirable objective to make sure that out of the development of our resources the people of Alberta get the maximum benefits, and if there are any spillovers, probably the Canadians get them.

Now I am just going to touch a few aspects of this. The objective seems to have been, first, to make sure that all Albertans had a right to invest in what is a sure thing. And it is a sure thing. It can't be anything else.

There were two ways to do it of course. One was for the government to own all the shares and say, if we make some money here we can reduce the taxes and spread the benefits. Well, Mr. Speaker, you can't spread the benefits evenly. Taxes don't spread them evenly. When the people in our senior citizens homes do pay taxes which build highways, they get very little use. The benefits are never equal. So this was a new way of doing it - profit-sharing. If the government got the profit, they could do what I have just talked about. They could provide more hospitals, more this, more that, less taxes, and in a way spread the benefits. But I think they were wise. I give them credit for saying there is a better way, and that way is to give our own people some advantages as investors.

Now I think I have to say at this point that there were other motives, whether they were recognized or not. Perhaps those who framed this bill weren't thinking about them too much. But this is, to give the government a very powerful tool for control. In the first place they own 50 per cent of the shares, and we're quite aware that as many as 15 per cent of the shares in big companies often turn out to be the controlling interest. The next benefit, of course, is that they have behind them the legislative and the regulative powers. If, for any reason, this company isn't doing well, all they need to do is change the regulations and the profits can begin to flow.

Now I think the kind of investments that are wisely envisaged in this bill are those which are sure to prosper. I'm not afraid of that aspect. But I want to say that this will be tremendously popular. I can conceive, because I've been through it, that the financial advisers will be telling the government, you had better be careful with this, you can only sell so many. You have to be sure you have a back-up. Well, that's a lot of rubbish. I don't know whether you people are aware that we invest perhaps a million dollars a week from little people in stocks and bonds all over Canada. We can finance this whole thing in Alberta just as sure and just as easy as can be, and I don't care what the financial wizards tell you.

The second is that there is only one way to have equality of opportunity. That isn't satisfied by saying that an investor can have only 1 per cent. The next thing we are going to be asked for, and I think we have to go along with it, is to declare that investment in this company, the bonds of this company or the shares, can be held by trust companies and insurance companies as reserve assets. That's going to lead the companies to seek these shares, whether they be common shares or preferred shares, and put them in portfolios where they know they serve the demands of government, and where they know that, inflation or no inflation, there will be a constant rise.

Now it won't happen immediately. I have just been trying to review the holdings of shares in Alberta Gas Trunk. There is an evolution. Slowly but surely they are winding up in the hands of big investors because they are always on the market. As the hon. Member for Calgary McKnight, Mr. Lee, pointed out, the little guy isn't watching this. He doesn't know just when it happens. Well that is something to worry about. But there are

ways of doing it. I would suggest that the one per cent needs to be reduced to perhaps one thousandth of one per cent. There are other ways of doing it too.

The next worry is the secondary market. Because of the popularity of this, if we turn the selling of shares when somebody finds it necessary or desirable to sell them - if we leave it to the stock market there will perpetually be offers, and you can be sure the big companies, the big brokers, will do it the easy way. They've got customers who buy every day, every week, and these customers expect some attention. When these shares are available they are going to be notified first and their accounts are going to be charged. You will find people leaving perpetual orders there. All the broker needs to do is issue the shares or have them issued in his name. So I am very concerned that before this is over we make a few changes in it, and I'm sure the government is anxious to consider all the possibilities.

Now I wasn't very concerned about joint ventures. Joint ventures can be good or they can be bad. The hon. Member for Spirit River-Fairview pointed out to you what can happen. But on the other hand, if we own 20 per cent of a company it almost assures us of a directorship, and at least we know what the company is planning. I don't think we have to worry about that if it's necessary. The only place that comes into this act is because we're setting up a company which may very well in the future want to buy minority positions in the companies concerned with our ventures.

Now when it comes to foreign capital, I'm not very worried either. But let's get it by preferred shares or bonds. I can't conceive of going to the New York market with an issue of \$.5 billion of either preferred shares or bonds on this company and having the slightest difficulty selling them. I'm not one who worries about it. I think it's a fact of life, that very few people in this House have ever thought that there is no such thing as foreign money coming into our country. The only money you can spend in Canada is Canadian money. When a foreign investor wants to invest here, he simply buys Canadian money which is on the world market and spends it here. We have within our own authority the means of making sure that it doesn't matter whose money this is as long as we make the rules.

Now what is going to be the effect? I think you are going to find the trust companies, the insurance companies and the banks a little unhappy, because you are going to have all kinds of money withdrawn from these deposits to invest in this company. In the end it won't make very much difference, but there will be some resistance along that way.

Now when we look at the future, what is it? Well, I think one of the weaknesses of this bill as it now is, is that we have not provided that every qualifying Albertan, right along the line forever, will have priority in buying new issues or secondary issues which come on the market. I would like to see it so arranged that when secondary issues are offered there is an agency through which they have to go; that every qualifying Albertan who has an application in shall have a chance at the new issue or the secondary issue. I'd like to see the limitations set at perhaps 1,000 shares which anybody can hold at one time. I can see only one objection, and that is that you may have a little difficulty in getting some really good, experienced businessmen as directors when they have so little at stake. However, I don't think we have to worry about that.

The time for amendments will come. I only want to review three or four points. This will be tremendously popular. Nobody has any idea how quickly your first issue will be sold to Albertans.

Secondly, I think we have to define an Albertan - not just somebody who is resident here, but somebody who has been resident for a period of time and who is of a certain age. And then there will be a perpetual group of newly-qualified Albertans. These we need to protect by saying that there will be stock available for these people, at least on a preference basis. If we can do that, then perhaps this incursion of government into business is justified, and Alberta can become that province in which the resources, the management and the profits can be used to make sure that there are no poor among us, whatever that standard may be, and that there are opportunities for health services, educational services, recreation and all the other things which go with it.

As I said, the time for amendments will come. I have reason to believe that the government is anxious to consider amendments which may be useful, and perhaps they will be prepared to make some themselves. But if we can accomplish those three main things we can keep that control in Alberta. If we can make sure there is a continuing opportunity for new Albertans to invest in this fund and if we can keep the direction of our resources aimed at Alberta, we will have done a tremendous service, and this incursion of government into private business - the next step, of course, in the flow toward what might be communism - may be turned away from communism to just good common sense management of the resources of a province in the interests of the people.

Thank you, Mr. Speaker.

DR. MCCRIMMON:

Mr. Speaker, I welcome this opportunity to speak on Bill No. 32. I feel this is a historic bill in that it is the first time in history that the province and the people of the province have jointly and in partnership moved into a strictly business enterprise, each putting up its share of the assets and capital of the company.

According to the terms of this act, the company is an Alberta-controlled company in that more than 50 per cent of the voting shares are always held by the Government of Alberta. Three-quarters of the members of the board of directors must be residents of Alberta, and all directors must be Canadian, with four directors appointed by the government. This should adequately guarantee, and more than guarantee, that the acts of management and decision-making of the company remain at all times within the borders of Alberta.

Now the hon. Member for Spirit River-Fairview brought out several concerns in his remarks. The first of those was that only high-income people would be able to take advantage of this opportunity. I don't think this is so because for the past 40 years that I can remember - ever since the start of the last war there have been salary deduction plans, savings plans for government bonds, and I think if you read over this act, within the framework of this act the same principles and policies can be evolved.

The second concern he expressed was that he wanted slow development of the tar sands. This is quite an interesting procedure. We go slow, the United States goes fast in its shale deposits. New sources of energy come in, solar energy, tidal energy. We end up with a great pile of tar sands in the north, not in a competitive position to use them - perhaps we will be able to use them to tar our roads for the next 1,000 years, but we are going to be economically on the short end of the stick.

The third thing, he doesn't want the province involved in any joint ventures with multinational corporations. And yet if we look back at Great Canadian Oil Sands, would this venture ever have been developed if Sun Oil hadn't ventured several hundred million dollars on a very, very high-risk venture, from which they haven't, as a matter of fact, drawn anything to this date? What government or what concept of government would advocate or risk such a thing, knowing the financial risk [taken by] Great Canadian Oil Sands which has not received one cent in the last 10 years? And yet to expect somebody else to do it and then, when success is assured, take over the results of that risk and success, is a most unusual way to look at a new province in a new country and expect development to continue in the future.

I like Sections 4 and 7 of this act particularly. Section 4 states - and I mention these two sections because I do feel they involve the principles of the act itself, "The Company may, on any offering of any of its shares, offer shares in preference or priority to residents of Alberta."

Mr. Speaker, I feel this is of the utmost concern for several reasons because, as the hon. member has already mentioned, there is great fear within the general public because of ignorance of the stock market. A great many people, particularly in rural Alberta, have really never bought shares in any company, or if they have, they probably had an unfortunate experience in the past. You will find, if this is properly advertised and laid out to the people - and I am sure it will be - that this is a government joint venture with the public, the public will have faith and move their savings into this type of venture.

If you stop to think about it, this last year in particular - we will take southern Alberta. There has been a good crop down in southern Alberta. There has been some money, particularly for the grain farmers in that area. There are two directions the average farmer will go: he will buy new machinery - we've noticed it already, there is a shortage of machinery; or he will buy more land - and we've noticed that already, land has doubled and tripled in the last two or three years. This way he can take the money he saved and yet wants to be careful of, and share it for the future and invest it in the assets of Alberta in a company owned by himself and the government.

In Section 7:

- (1) No person other than a Canadian citizen or a person who is a resident of Canada is eligible to purchase, own or hold voting shares of the Company.
- (2) No person may hold shares of the Company unless he is eligible to be a shareholder under the charter of the Company.

With this in mind, surely there is no way that even of the 50 per cent which will be outstanding only a portion of that should flow on the open market to other areas of Canada, because it keeps it within the confines of the nation, allays the worry that some people have about the foreign investor - I don't have too big a worry about this

particular item - but there is no way the foreign investor can buy these shares unless he buys them under some other guise than as a citizen of Canada.

Although it does not come directly within the act as to how the shares will be sold, common and voting shares, nor does it state the amount of capital to be raised from the general public through the share sales, I assume that several hundred million dollars will be required for the scale of operation as designed in this act. It's obvious this must be so. But whether or not this comes out in a first issue, a second issue or a series of issues, I predict that each of the issues which come out will be oversubscribed many, many times.

I think Albertans are probably the first to have this option. I think the confirmation of the government's judgment in bringing out this type of option can be judged by the first subscription of shares and the faith the people of the province put in this type of venture. So I feel there should be some discussion on this bill, perhaps, particularly in committee stage. But the principles outlined in Bill No. 32 I think deserve the support of all members of the House.

Thank you, Mr. Speaker.

MR. SPEAKER:

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

DR. PAPROSKI:

Thank you, Mr. Speaker. As I take part in this debate on The Alberta Energy Company Act, Mr. Speaker, from the outset I'd like to congratulate the Minister of Federal and Intergovernmental Affairs and the government for bringing in this act because it is obvious, from what has been said here today from this side of the House especially, and from what is contained in the act, that it provides for the people of Alberta and for the government a new direction in line with this particular government's direction. Mr. Speaker, I suggest it provides an equity for citizens in our resources. It allows government to participate and assure that such equity for our citizens is, in fact, maintained. It allows, of course, for business to proceed on a free enterprise basis, on an initiative basis and yet not on a cold, detached, international monopoly basis. So, Mr. Speaker, what I am saying here is that we have a new equation as this act comes about. It's an equation of people, free enterprise and government. It's an equation which indicates that there is a partnership between people, free enterprise and government. Yes, Mr. Speaker, The Alberta Energy Company Act applies this equation unequivocally.

Now, Mr. Speaker, there are many questions that could be asked regarding this act as government takes a position of partnership with citizens and free enterprise. The question which is very contemporary and certainly has been asked many times is, is government getting too big? Is it getting involved in free enterprise? I suggest, Mr. Speaker, it's a very contemporary question. Well, if one asked oneself what this party said during the last campaign or in 1967 - establishing and stating very clearly that its aim and one of its guideposts is to establish a society which maximizes opportunity for personal resourcefulness and initiative and where a person is able to determine his own destiny in society without undue government interference. So there is a challenge, Mr. Speaker.

Another question that could be asked very quickly is, is government giving up this responsibility? Or are we taking up the responsibility, in fact, with citizen, free enterprise and government participation. Well, Mr. Speaker, I think this act unequivocally demonstrates the latter, that in fact we are taking up the responsibility, acting with citizens and with free enterprise in truly a new direction that is contemporary for the '70s and I suggest the '80s, the '90s and the 2000s and on. Yes, Mr. Speaker, this has been this government's policy over the past two and a half years. It's a fresh new trend for a population, Mr. Speaker, as we all know, of 1.6 million people - half of the people are under 25 years of age - for a province, Mr. Speaker, I suggest, that the income has not been in proportion to the other provinces until the past two years since we have taken office.

And Mr. Speaker, again to remind the members of the Assembly, this was a province whose base industry has been and still is, as a matter of fact, agriculture. But this is shifting very carefully and quickly to other industries and, of course, to the energy area specifically. Mr. Speaker, I suggest this bill demonstrates that this province, this government, on behalf of the people, will not tolerate being set aside on a gradual backward step [toward becoming] a welfare province. Rather it will be a progressive, dynamic province as exemplified in this bill, in this equation again of free enterprise, people, government partnership.

Mr. Speaker, the question that could be asked, of course, is, why does government have to take this position? Well, it's very simple, Mr. Speaker, as far as I'm concerned as a

representative from an average constituency. We know on a world-wide basis there has been great shortage of agricultural needs and oil needs and there has been a great demand. These changes have been radical to say the least. Mr. Speaker, there has been unemployment in our province. Quick responses were necessary. Inflation is a constant problem. So, Mr. Speaker, these types of things and this vast resource, which is, I suggest, now well known around the world, required a new direction, a new equation, which is contemporary and probably hasn't been used to the great degree it should have been in previous years.

Mr. Speaker, I know that the criticism has been stated that government interferes with free enterprise. This criticism comes up from time to time, and I'm not suggesting that it has come up this afternoon particularly, but people do wonder and think. Well I suggest that if they consider the international monopolies and the depersonalized and inhuman approach that some of them have demonstrated over the years, they can also recognize very quickly why this kind of equation is necessary. When governments diversify their economic base and desire to do so because their dependency on natural resources cannot be in that direction alone but [must be] on a diversified basis, I suggest the equation is necessary again.

Mr. Speaker, having said that this government is taking this economy job diversification of industry via this act as a pacesetter, I suggest a trendsetter. There are many examples, Mr. Speaker. Members of the Assembly will recall over the past few months what happened regarding the application of this type of equation when it was first applied in The Alberta Energy Company Act. I suggest, Mr. Speaker, just to quickly refresh the memories of some of the members, there is of course, the Alberta Opportunity Company which is promoting, in fact, free enterprise and economic growth, where? Not just for resources, but for tourism, for processing of agricultural and petroleum products, for manufacturing in small towns and for small business. Mr. Speaker, what does this mean to people? What is the gain to our citizens? This is diversification. It's decentralization. It's jobs. It's quality of life. It's opportunity. It's better opportunity for small business. It's application of that new equation.

Mr. Speaker, another point: the Agricultural Development Fund - some \$100 million has been announced for 1974. Again, what does this mean? It means jobs. It means support for the most important base industry of this province. It means processing plants, decentralization. It means security, a standard of living and lower cost of food for people in Alberta and across Canada. Mr. Speaker, the lumber mill investment has been announced, some \$31.5 million in the forest product industry at Fox Creek and Whitecourt, a population of 3,200 people. Mr. Speaker, we know that this is another example of the application of that equation - free enterprise, citizen participation, government participation. What does this gain for the people of Alberta? Mr. Speaker, an increased standard of living, of course, jobs, dollars and security again. Most recently, Mr. Speaker, there is the steel industry consideration with regard to IPSCO.

MR. SPEAKER:

Order please. There is some doubt as to whether the hon. member - in fact, more than a doubt as to whether the hon. member is now dealing with the subject matter of Bill No. 32.

DR. PAPROSKI:

Thank you, Mr. Speaker. Then I will just cite this one last very brief example, one sentence, which ...

SOME HON. MEMBERS:

No. No.

MR. SPEAKER:

If the hon. member would kindly come back to the bill and perhaps use the example on a more appropriate occasion, we might stick to the rule of relevance.

DR. PAPROSKI:

Sorry, Mr. Speaker. I'll leave that example of the steel industry as an example of that equation and proceed with the bill then, Mr. Speaker.

The Alberta Energy Company then, as I stated initially to the members of the Assembly, is the foremost pacesetter and trendsetter in that new equation. Here, Mr. Speaker, the involvement of Syncrude in a more than one billion dollar project which will provide some 1,600 jobs, 8,000 indirect jobs, 3,000 construction jobs, which will diversify our industry - three-quarters of the directors in the company will be shareholders at large, and therefore, Mr. Speaker, this is not direct government control. It's participation. It is not a Crown agency, because in a Crown agency, Mr. Speaker, I suggest, the majority

of the directors are appointed by the Lieutenant Governor in Council and this is not so [here]. So, Mr. Speaker, this last example or this trendsetter, The Alberta Energy Company Act, of course, will also provide profit for our citizens, it will provide secondary industry, maintain free enterprise and establish a standard of living second to none anywhere in Canada.

Mr. Speaker, the voting shares will be owned by Albertans first, then by Canadian citizens and residents of Canada, a very important item to remember. Mr. Speaker, holding 80 per cent interest in the pipeline is not a risk, and holding 50 per cent interest in the related power facilities is again not a risk. I suggest, Mr. Speaker, it's an excellent investment for our citizens. Holding an option of up to 20 per cent of the plant is a risk, indeed, but this risk doesn't have to be exercised until the commencement of the project. There are other items in the bill, Mr. Speaker, which I will not elaborate on at this time because it has been done so well previously by the minister.

But lastly, Mr. Speaker, I conclude that if during the adoption of this particular equation, which is so well adopted in this particular bill, there are stresses and strains and a feeling of discomfort regarding free enterprise, government-citizen participation, I suggest that this government is in tune and hears well and will be able to adapt on a flexible basis, if necessary. The question can be asked, how will this happen? Well I suggest, Mr. Speaker, as we have been doing over the past two and a half years, by consultation and resolving these misunderstandings, by redoing the equation, balancing the equation if necessary, by redesigning the equation if necessary.

So, Mr. Speaker, the conclusion is this: there is no place, I suggest, in our modern society or in any society for isolationism or a monopoly of any part of this particular equation of free enterprise, business or government. There should be an interplay and a carefully in-tune balance at all times so we can set a goal and work together to maintain that individual initiative, security for society at large and a quality of life.

I urge support of this bill.

MR. HENDERSON:

Mr. Speaker, I want to make just a few brief comments on the bill and possibly mention one or two items that haven't come up in the debate.

I rather suspect first, Mr. Speaker, that if it were a case of the government going out and having to borrow substantial sums and risk capital to put into this company, I wouldn't be too enthusiastic about it. But since I assume it is a vehicle through which the government will be reinvesting, hopefully, a substantial portion of revenue from oil - the sale of a depleting natural resource otherwise known as the oil in our province - particularly that from conventional crude over the next four or five years, I think the bill deserves the support of the members of the House.

As I stated earlier in the House in other debates, certainly the government has a responsibility to see that the revenue the province will acquire at a fairly significant rate over the next three or four years from the sale of depleting crude oil resources is reinvested and will provide returns on a long-term basis for many years to come, not only to present but to future generations of the people of the province of Alberta. And I think that some of this money, a substantial part of it, even if there is some risk element attached to it, is better invested than squandered on a great number of foolish projects which might have some degree of social merit one way or the other, but nobody in his right mind would get into them if he didn't have the money, or consider borrowing money to promote.

I think another reason for considering it a favourable piece of legislation is, as the Minister of Federal and Intergovernmental Affairs stated, the fact that there is a sentiment amongst the public and the voters which favours not only control over the resources - and as far as I'm concerned there never has been any question about the province controlling the resource - but favours ownership which, I think, has to be recognized.

Coming back to the question of control, I certainly am not surprised at the viewpoint of the Member for Spirit River-Fairview who envisions socialism as the answer to all our social ills. In that regard the government shouldn't have anything to do with the private enterprise system. I think even the Province of Saskatchewan, whose policies he supports, has learned a little bit about the realities of business life in the past few weeks and has had to back off a bit of their socialism and inject an element of reality into their oil policies. Certainly, I don't think there is any legitimate concern over the government taking a minority interest in any substantial resource industry in the province, and let's specifically talk about the tar sands.

It's absolutely incomprehensible to me how anybody could argue, for example in the tar sands, that the province's taking a minor interest is jeopardizing the interests of the people of Alberta when the province controls and owns the resource in the first place.

That question is fundamental to start with. The province owns and controls the resource and indirectly they are going to control the industry. So I can't follow the argument of saying 100 per cent ownership in a tar sands plant is a good deal but a 49 per cent one in a tar sands plant is a poor deal, by virtue of the fact that we own the resource in the first place. So arguments along that line, of minor versus major interest, basically don't hold water for anybody who wants to deal in terms of the realities of the situation.

If I have any concern about what the government is going to do with this company, it's how far they are going to go to get into the operating business. Because while I favour government taking an equity position in these industries as a vehicle for reinvesting substantial short-term oil profits, I do have strong reservations about the government getting directly into the operating business. Because I think it's been established time and time again across this country that governments are not very intelligent when it comes to running competitive enterprises. They don't compete with private enterprise.

Our sister province in the west found this out in the car insurance business. That now famous Tory leader in Ottawa named Stanfield found out that private enterprise worked well for underwear, but he got into the heavy water business through his Nova Scotia Development Corporation and a few other things such as Clairtone Corporation and I think it probably was a good thing that he moved on to Ottawa. And the CCF government of 20 and 30 years ago found they couldn't even build apple boxes competitive with private enterprise in Saskatchewan. I think Mr. Barrett in B.C. is going to find out, in spite of the fact that he thinks running a big business is just like falling off a tree in B.C. - he can't do anything but make money out of it - he's going to learn the hard way too, that getting into the operating business in competition with private enterprise has a lot of pitfalls. Because there just isn't the incentive in a government-operated corporation to run it as efficiently and as tightly as private enterprise does.

One of the outstanding examples always, in my mind, is the comparison of the Saskatchewan Power Corporation and Calgary Power. If one looked at them - I haven't checked in the last three or four years, but the last time I looked at them they both did approximately the same amount of business in terms of power and this type of thing in the two provinces. Yet Saskatchewan Power had more people in its head office in Regina than Calgary Power had in all of the province of Alberta. The power corporation in Saskatchewan was a real pork barrel to accomplish some government objectives without having to take the responsibility of whether it made a profit or loss. How can they lose when they have a monopoly?

So I want to suggest to the government if they are thinking about getting into the operating business, while I oppose it, if they are going to get into it, they had better get into it in a monopoly position. Because they will lose their shirt, even if it is the Alberta Energy Company, if they try competing with major industry in direct ownership and operation of things such as tar sands plants. I hope the government is not going to be getting directly into the operating business.

I don't know what they intend to do with the Suffield gas reserves, but I hope we don't see the government setting up, through this company, a corporation to operate gas wells in Suffield. Because I think private enterprise in a joint exercise can operate as well or more efficiently than the government can. I'm always amazed at people who figure that government can run something big better and more efficiently than private enterprise can. You ask the average farmer who favours public power over private power and you say, do you think the government raises hogs as cheaply as you can, good Lord no. But then they turn around and say, but they should raise and generate and sell electric power cheaper than a private corporation can. There's not much difference between running a hog business efficiently and running a power generation set-up efficiently. There just isn't the incentive in it for government to operate as efficiently. So again while I support the concept of the bill, I do hope that we are not going to see the government getting directly into the operational end of these businesses.

One other reason I think the bill should be supported is that I think the government of Alberta and the people of Alberta have to have a tool, the capability to respond to federal government initiatives. While the federal government is, I believe, completely unpredictable in this whole question of energy and a lot of other things, but particularly energy, they have not come up with a long-term energy policy and there doesn't seem to be any sign of them coming up with one. As I have said before, it's not in the best interests of the people of Alberta to see the federal government becoming directly involved in any significant equity position through a national energy company in the development of these resources in the province. I think they would be in a state of conflict of interest. To talk about the provinces of Ontario, B.C., or Quebec having an equity in it is fine. I think that's not necessarily unacceptable because there isn't a challenge over the basic question of control over the resource. While the question of control has not been an issue in the past, the Province of Alberta and this Legislature, I think, have a responsibility to see that the interests of the citizens of Alberta are adequately protected and fortified. Far better, I think, to see the Province of Alberta have to become involved in these exercises and directly involved in the investment field, as opposed to having the federal government involved in them.



The federal government, I think, has a very serious conflict of interest question facing it in this whole area of energy resources with its interest in Panarctic, with its proposed or offered interest in the Alberta tar sands. This is coming. You are going to see, once this federal energy corporation is set up, that they are going to want to get into the conventional oil exploration business in the province of Alberta. I have real questions whether the government should issue many exploration permits to get into the business at all.

So, speaking as an Alberta separatist on the question of national resources, I think the Province of Alberta has to have available to it every tool that it can contemplate in order to deal with the question of federal politics in this whole area.

Having said all those things, Mr. Speaker, I do think that while there is going to be no difficulty in having the issue of shares subscribed to, the government has to be realistic about cautioning investors that these investments are not without risk. Everyone likes to think that because the oil industry is making some pretty good money right now, there is no risk attached to it. I come back again to the fact that there is not a worldwide supply of crude oil. There is a distribution problem, and there is a problem of political control on it. But there is no question that there are supplies of crude oil in the world today. It has been the action of the OPEC countries that produced the price situation which the industry and the Government of Alberta now enjoy.

I think one would have to be extremely foolish not to consider the possibility that the OPEC countries and the cartel they have for marketing crude oil could fall apart without too much prior notice and the price situation of crude oil could deteriorate again. I don't think it will go down to as bad as it was before, but I think it would be unwise for the government to go out on a selling campaign encouraging people to invest in the Alberta Energy Company without also emphasizing that there is some risk aspect attached to investment in the energy company. I don't think there is too much doubt about this at all. We are hoping it won't be a losing proposition. I think it should be a good one. But let's not put ourselves behind the eight ball of having irrevocably guaranteed the people of Alberta that it was a gilt-edged investment, that it's the same thing as buying guaranteed investment certificates in Great Canadian Oil Sands, because it isn't. The government, through the Alberta Energy Company, is going to - whatever the extent, the industry has a risk factor in it - become a direct participant in that risk factor, and those who invest in the company are going to share in that risk.

Thank you, Mr. Speaker.

MR. WILSON:

Mr. Speaker, Bill No. 32, The Alberta Energy Company Act, isn't people's capitalism or anything similar, even though some of the earlier propaganda which was distributed and printed by the Department of Federal and Intergovernmental Affairs in January of this year said, in part, "An opportunity will be presented to every man, woman and child in Alberta to participate directly in the development and ownership of resources in our province ... and so on and so forth.

Mr. Speaker, this bill does not do that. Further, Mr. Speaker, this document, which was produced in January, said, "As a result of our analysis, it is our judgment that a corporate entity should be established." Mr. Speaker, I was disappointed that the minister, in introducing this bill and speaking to the bill, did not give any indication of what that analysis consisted of, whether it was something done in depth or whether it was something done in caucus or in cabinet. So, Mr. Speaker, we would invite the minister sponsoring this bill to give some further indication as to, first of all, why the bill does not provide or live up to the things that it was touted and promoted as going to do earlier on.

Mr. Speaker, there certainly is no assurance in this bill that all Albertans can participate. Those with a bank line of credit or with cash can participate. But how many widows and orphans will be given an opportunity? How many poor people will be given an opportunity to share in the goodies that this company is supposed to yield? Mr. Speaker, I think it is wrong to extend the benefits, which are indirectly now owned by all Albertans, to a privileged group, that privileged group being the group which can afford to buy the shares in this energy company. What about the people who can't afford - even on a buy-now-pay-later plan, even those who won't be accepted at the bank for a line of credit in order to buy these shares? Those individuals, Mr. Speaker, now have, indirectly, an investment in the assets that will be turned over to this company. It's wrong that they should lose their indirect benefits from those assets simply because they haven't got the money or cannot afford to participate in the program.

Mr. Speaker, in speaking to second reading on this bill, the minister made reference to meeting a need. But I found the conviction of the need woefully lacking. I would invite the minister to elaborate much more extensively, in closing the debate on second reading, on the need that allegedly exists at this time for this piece of legislation,

because the need hasn't been adequately sold. At least I certainly am not convinced at this stage, Mr. Speaker, and I don't see that the bill meets any existing need.

The kindest thing I can say for this bill, Mr. Speaker, is that it's a highly saleable political gimmick. It's a political gimmick that is going to go over very well with the majority of the populace, but that is not good enough reason for me to support it when I don't think it's right. I don't think it's a proper piece of legislation on basic principles, Mr. Speaker. In its present form, for sure, I have no intentions of supporting this bill because the principle of it is wrong, Mr. Speaker. Nevertheless I am satisfied that it will certainly be a politically saleable package. But I don't think that Albertans really should have to or want to rely on a government that resorts to political gimmickery with their resources, to buy their votes.

I can see that in every likelihood there will be a short, quick-buck turnover in this investment opportunity, Mr. Speaker, for the few who can afford it. But in its present form, in the long term, the bulk of those shares not held by the provincial government will find their way into the hands of the large financial institutions and the very wealthy, and the average Albertan will have long been bypassed in the scheme of things.

Mr. Speaker, the errors in documentation that has been submitted to us to date indicate a hasty half-baked approach to this whole thing. There are enough errors in the documentation that has been tabled in this House on this bill, Mr. Speaker, to warrant voting against the whole thing. This thing smacks of incompetence, Mr. Speaker. Take for example the three objects that are listed in the memorandum. This bill is promoted as dealing with energy resources, but in the very first memorandum it just refers to resources, period. It doesn't say energy resources. The gamut is wide open. It could take in any and all resources. So there is a conflict between the way the bill is being promoted and what the very first object states.

Then, in the second object, Mr. Speaker, it says, "... to purchase, lease or otherwise acquire and to hold for investment only." Now why say "for investment only?" What is that supposed to mean? For example, the Toronto Stock Exchange generally regards investment only as being a term of six months. What term does the government have in regard to this? And are we talking about this particular phrase as an object in the first place? Is this a restriction or isn't it? I would invite the minister in closing debate to comment on this, Mr. Speaker - or is it just carelessness in the preparation of the memorandum of association?

In the third item in the memorandum of association, Mr. Speaker, it talks about taking part in the management, supervision or control of the business or operation of any company. Now we're not only talking about resource companies, or just resources, we're talking about any company. We can see the government using this vehicle just for anything they jolly well want to use it for, Mr. Speaker, even though the advance publicity, propaganda, et cetera, has been geared to leading us to believe that it's geared up to deal in natural resources.

Now then, Mr. Speaker, perhaps the one area that gave me the greatest concern and consternation - and I have to be careful in my choice of words - but on page 2 of the articles of association, Mr. Speaker, when this very highly vaunted and programmed piece of legislation, The Alberta Energy Company Act is being sold as being the greatest saviour for the people of Alberta, what are they going to do? They're going to pay a 25 per cent commission to sell the shares of this company and it doesn't even exclude the shares that are being subscribed by the provincial government, Mr. Speaker - a \$500 million vehicle where they are going to pay \$125 million commission to anyone, that's the only restriction, to anyone.

Now, Mr. Speaker, it seems to me this certainly needs some major amendment. It certainly needs some major attention. If this government thinks the people of Alberta are going to be stupid enough to sit back and watch them pay out \$125 million in commissions to anyone of their choice or any group of their choice, that seems absolutely ridiculous. If this Alberta Energy Company, Mr. Speaker, is anywhere near as good as it's being promoted, there's certainly no need to pay a 25 per cent commission, particularly on the shares being subscribed by the provincial government. It should very clearly spell out, Mr. Speaker, I suggest, that no commission will be paid on the shares subscribed by the provincial government and there need be nothing more than an administrative charge on the shares subscribed by the general public.

It seems to me, Mr. Speaker, that this has been very, very hastily prepared. It has not been thought through. It looks amateurish in the whole approach, Mr. Speaker, to the documentation that's been tabled so far.

You know, Mr. Speaker, this legislation gives the board of directors of this company more authority and gives them more power than anyone you can conceivably think of outside of a dictatorship. In many ways - you know, this 25 per cent commission business, why that's more power than the President of the United States has, Mr. Speaker. The thing just does not ring true at all.

And now, Mr. Speaker, there are errors of conflict. A while ago some wag was kibitzing and heckling across the way and saying to name some of the errors. I'll bet he's wishing now that I wasn't naming some of the errors, Mr. Speaker.

AN HON. MEMBER:

Carry on.

MR. WILSON:

Article 8 of the articles of association, Mr. Speaker, in reference to trusts, uses a standard trust clause that says you do not look behind the trust, but then in the bill the directors have the authority to look behind the trust. So you see, Mr. Speaker, there's a conflict between the articles and the bill. It's completely inconsistent and presumably in the event of a conflict the act would prevail. But why does there need to be a conflict in instructions between the documents, Mr. Speaker? It seems to me that this is ...

MR. SPEAKER:

With great respect to the hon. member, it would appear that he is getting into matters of detail which would be more appropriately dealt with when the bill reaches the committee stage. Perhaps he might deal with the principle of the bill at this stage.

I recognize that the bill and the articles and memorandum of the company and any regulations made under the bill are all of a piece, but strictly speaking what is before the House now is the principle of Bill No. 32.

MR. WILSON:

Well, Mr. Speaker, I'll try to keep my comments geared to the principle. The minister, in introduction of the bill, did refer to the articles and the memorandum that were tabled along with the bill. And some of the principles that are contained therein certainly are not very palatable I can assure you.

Mr. Speaker, why is this particular bill made not subject to The Companies Act of Alberta? What is it that the government envisions it wants to do with this vehicle, or have this vehicle do, that other companies cannot do? And why is it that they haven't disclosed it if that is the situation? There certainly needs to be some pretty extensive elaboration on the reason this bill is being exempted from The Companies Act regulations, Mr. Speaker. We can tie-in with that, why is this bill under the Minister of Federal and Intergovernmental Affairs when all other companies are regulated by the office of the Registrar of Companies, which comes under the Attorney General's department? It would be interesting to have a government explanation of why this particular bill should come under the Department of Federal and Intergovernmental Affairs, Mr. Speaker.

We need further explanation, Mr. Speaker, why it's necessary for the government to compete with the private enterprise sector, only under different rules. Already before the government even gets rolling on this one, they are assuring that they are not going to have to abide by the rules that the private sector has to abide by. It seems to me that that is not a desirable situation at all, Mr. Speaker.

Mr. Speaker, through encouraging the private enterprise system, Alberta became one of the best places in the world to live and to work and to play, but with continuous government intrusion into the affairs of the private sector or the entrepreneurial role, Mr. Speaker, I can see that we'll quickly drive out the private capital and ruin the many favourable situations that we have grown to enjoy in Alberta.

It seems to me, Mr. Speaker, that this government has an attitude that prevails along the line that they know best how to do everything and that other people don't count. They're not only going to legislate but regulate, compete with and invite themselves in as partners in everything that's worth while. And because they know best on everything, this know-it-all attitude, this attitude of superiority and that they need to crawl into bed with everybody to participate, just doesn't hold water, Mr. Speaker.

It certainly concerns me that the government not only performs the role which they are supposed to, to legislate, but they add all the other items as well. Now we find that they're not only going to compete but they're going to get into partnership and they want separate rules. They don't even want to follow the rules that they impose on others, and that to me, Mr. Speaker, is not a healthy or a desirable situation. So we find that the government is in a conflict of interest position on this bill even before they get off the ground. They are trying to ride the fence as entrepreneurs and as regulators at the same time.

Now, Mr. Speaker, under this bill the board of directors is given unusually wide powers. For example, their authority to request information about shareholders is

unusually wide. The part where they have the right to veto any resolution passed by shareholders at an annual meeting, Mr. Speaker, if one single vote is exercised, or the voting right is exercised by a single shareholder with one vote in contravention, well that share is in contravention of the articles of the company.

Because of the wide powers of guilt by association and the 60 days to record the beneficial ownership of shares, Mr. Speaker, many shares may be held in contravention without the owners even realizing it themselves, or the board of directors could plant a person at each annual shareholders' meeting who owns one share that was held in contravention and void every single resolution passed by the shareholders at an annual meeting. So, Mr. Speaker, that certainly is a strange way to set up a highly stage-managed and promoted Alberta Energy Company.

Then, Mr. Speaker, the board of directors has other strange powers in relation to the redemption of shares that have been held in contravention. A person could very well hold shares in contravention for several years without even knowing it or realizing it, and the shares could multiply in value many times, but the board of directors could go back and redeem those shares at the original price even though the government certainly suffers no such risk the way it's prepared, Mr. Speaker.

Then, Mr. Speaker, there's no way that the public, through their elected representatives, have any say in the operation of this company. Once this Alberta Energy Company is passed, it's off and running. The minister, through the cabinet and so on, can appoint the initial board of directors, and from then on a goodly portion of them and the elected members have no say whatsoever in the operation of this company.

So, Mr. Speaker, the government, I think, is duty bound to show or prove why it is deemed necessary to take \$250 million of assets out of control of the public's hands and put it into this company, and in effect to steal or take away from those who cannot afford to buy shares in the company, or even those who may not want to buy shares in the company, their indirect interests in those assets.

So, Mr. Speaker, I think Bill No. 32 in its present form at least is an underhanded attempt to buy votes. It just doesn't ring true in so many ways, Mr. Speaker, that I, in conscience, cannot support it. The government has not proven why it is necessary to go this route. I would like to see the government introduce a vehicle whereby we could debate the best way to allow Albertans participation first of all, rather than trying to ram through something of this nature.

So, Mr. Speaker, we can see that down the road in the future, if this bill is carried through, the bulk of the shares allowed for individuals will certainly find their way out of Alberta and into the hands of the wealthy, large financial institutions, and the average Albertan will have long since lost any right to participation. Then, of course, there are those who will not be given the opportunity in the first instance to participate at all.

So, Mr. Speaker, we would invite the government to assure us that through this vehicle they can see that they are not going to kill the people's incentive, that they are not going to kill the incentive to do business in Alberta and to carry on in the fashion to which Albertans have become accustomed and from which they have been able to reap the benefits. It seems to me that the government is treading on dangerous ground. We would listen with much interest, Mr. Speaker, to the participation of some of the members of the cabinet in this debate in selling the concept that allegedly lies behind this bill, because it certainly isn't evident at this stage, Mr. Speaker.

What is the need for this bill? This is one of the primary things we would like to hear from some members of the cabinet across the way. It seems as if it has great political expediency but that is not sufficient, in the final analysis, Mr. Speaker, to prove need. We would like to know what goals, really, they think this bill will achieve. It doesn't seem evident, Mr. Speaker, at this stage that it's needed or required at all. It seems that there are better ways to achieve the many things that are shown in this bill, Mr. Speaker.

So in the final analysis we would perhaps reserve judgment on this bill, Mr. Speaker, until we get into committee and see what considerations the government may give to amendments, or what they may voluntarily come forward with, to see if there is any way that this can be improved upon to the extent where it would be acceptable. I will watch with interest the government try to make a silk purse out of a sow's ear.

MR. SPEAKER:

Before recognizing the hon. Member for Drayton Valley, I would ask the House not to take as an acceptable precedent an accusation by an hon. member that someone introduced a bill which might be an underhanded method of trying to buy votes. I should have intervened sooner than I did, and I would ask the hon. members not to accept that expression as a precedent for the Assembly.

MR. STROM:

Mr. Speaker, while we're getting clarification on points that we should deal with, I note, for example, that the hon. Member for Ponoka referred to sections. Will you be ruling that no member can refer to sections in the debate, because I think in some areas of dealing with policy, it would be helpful if one could refer to sections. But I would like to know prior to getting into debate, if I get into it, whether this might be permissible.

MR. SPEAKER:

I would certainly agree with the hon. Member for Cypress that sometimes in discussing the principles of a bill it's essential to refer to sections, because these sections may very well embody those very principles.

The hon. Member for Drayton Valley.

MR. ZANDER:

Thank you, Mr. Speaker. I had not intended to speak on the bill. I thought it was self-explanatory, but since we've heard, as we normally say, the tempest in the teapot, we've heard the hurricane in a vacuum from the hon. Member for Calgary Bow.

Mr. Speaker, I would say that this is one of the most interesting bills that has ever come before this House. As the hon. Member for Wetaskiwin-Leduc has said many times, to invest part of the resource money that will be coming to the province and not entirely develop by government the resources of the province, shows good and common sense.

I cannot agree with the hon. Member for Spirit River-Fairview when he says he was disappointed that the government was not going to wholly operate or develop the oil sands. And I think the hon. Member for Wetaskiwin-Leduc certainly injected some humour into his remarks when he said the former Saskatchewan government, under the CCF, entered into the resource development of the province. I can recall the lumber mills, the shoe factories and so on, and they have all reverted to private ownership.

I think history has shown in the past, Mr. Speaker, that government cannot, as a government, run industry. And I think the former government simply had the same experience. I can recall many years ago when the member opposite was running his own highway crews, he had three men running one cat. And they, in their wisdom at that time, found that it was much better to let private enterprise develop and control the industry.

I think, Mr. Speaker, when we looked at the development of the GCOS plant some years ago when the government offered the shares to the public, in the interest of the people of Alberta, I believe some \$12 million was allocated and at that time the total oversubscription on that one issue was in excess of \$112 million. Many of the people at that time were disappointed because their cheques were returned, issued by the Bank of Montreal. Most of us hadn't got a Bank of Montreal and we found it inconvenient to pay a 15 per cent charge in cashing our cheques. I think the former government moved in that direction, perhaps not to such an extent as we're moving now by 50 per cent, but I think the people indicated at that time that they were willing to risk their own capital, their own savings, in the development of the resources.

It's true that the hon. Member for Wetaskiwin-Leduc said that we will not be borrowing this money as we did when we built a railroad which we shouldn't have built. We cannot, as a province, take the resource money that we will reap from the development of our resources and fully develop the oil sands, for the simple reason that even though we have the billions of dollars that we are going to get, it is risk capital. We, as a government, cannot and should not risk all the capital in a venture that we do not know will be successful.

The hon. Member for Spirit River-Fairview said, or intended to say, that to invest in the Alberta Energy Company - he agrees to go along with the bill in part because it will have some maximum benefits. Well, if he said maximum, if I understood him correctly, maximum benefits mean the most we could expect as Alberta citizens.

The hon. Member for Cardston stated, and I have to agree, you can't expect to spread the benefits equally. No matter what government, no matter what angel wings it has, it hasn't got the capability to do it. I think it can only be expected, as the hon. Member for Ponoka has said, that certainly shares will be available to all Albertans, even though they have to purchase them over a long period of time. And the control of the interest of the government is 50 per cent of the ownership. It has the direction. It also has the ownership of the minerals.

It was also mentioned, can we as Albertans finance, without foreign capital, the amounts of money that will be needed? Mr. Speaker, I can only say that some years ago if \$112 million was oversubscribed in the issue at that time on the GCOS plant, I am fully

convinced that the people of Alberta can raise the other 50 per cent of the funds needed. If we cannot, then I certainly hope, as is stated in the bill, that we will be able to finance it from other provinces in the Dominion of Canada.

The hon. Member for Cardston in his statement also said that he was not worried about foreign capital, and he stated it quite clearly. Personally, Mr. Speaker, I am not worried about foreign capital. I'm not worried about foreign ownership as long as the governments of Canada and of this province can control it and will control it.

The other remark, Mr. Speaker, that was made by the hon. Member for Cardston - and I have a little bit of a problem and I think I have to agree - and that is the definition of an Albertan on the first issue, the second issue. I hope this definition can be done by regulation. If it can't it should definitely be in the statutes because I believe it doesn't mention it in the second issue or the third issue or future issues. I can only say, Mr. Speaker, that I hope that part of the bill will be clarified; that the minister either now or in committee stage will assure that regulations or amendments will be coming forth for the definition of an Alberta citizen. Because we certainly could have the problem where anybody could come in, although he could be a British subject or a Canadian from another province, and could merely come here for a period of six months or a year, purchase the shares from the company and then return. When we define Albertans, I think we should have a definition which clearly defines Albertans in the first issue and also in the second issue.

Mr. Speaker, I am really enthused about the bill because this is the first time in the history of this province, and in the history probably of Canada, that the people of Alberta will be able to invest in ownership with the provincial government in the development of their natural resources. This is one step forward that I believe is acceptable in my constituency. As soon as the announcement was made last December, the question then arose, where can we buy a share interest in the company? This is the enthusiasm that is shown by the people in my constituency and in others.

I hope all hon. members will support the bill even though the hon. Member for Calgary Bow, who has created a tempest in a teapot, and decides that he is a member of the bar and can really go into the bill - I am fully convinced, and have every ...

[Interjections]

... well, I'm sorry, Mr. Speaker, but if he were my lawyer my payment would be very minimal. In fact, I think I might have second thoughts about hiring him.

Thank you, Mr. Speaker.

MR. BENOIT:

Mr. Speaker, if in the course of discussion this afternoon I should repeat two or three things that have been said, I will do so only briefly but for the sake of emphasis.

The hon. Member for Drayton Valley just completed his first remarks by suggesting that the bill was self-explanatory. Then he proceeded to point out toward the end of his remarks that he agreed with the hon. Member for Cardston that there were some things that were lacking in it ...

MR. ZANDER:

One.

MR. BENOIT:

... and made mention particularly of one, and said he thought that ought to be rectified by regulations. Now, Mr. Speaker, this is the heart and core of the comments that I wanted to make, that the bill lacks much in explanation and detail. There is room in the bill for all kinds of regulations and orders in council, which makes it another one of those open-ended bills which leaves so much to be desired, leaves so much power in the hands of the Executive Council and takes away so much from the Legislature.

The hon. Minister of Federal and Intergovernmental Affairs in introducing his remarks made the comment that Albertans couldn't participate in Syncrude without the Alberta Energy Company. That is one of the kinds of remarks I would like clarified. Why couldn't Albertans participate in Syncrude without the Alberta Energy Company? These are statements made. There may be a principle involved, but we need more explanation about it.

The hon. Member for Calgary Bow was right on target on several of the comments he made in regard to this matter, and this is the thing that I would like to emphasize again.

Now the hon. Member for Spirit River-Fairview seems always to agree with government intervention. He doesn't mind if the government intervenes in a lot of things. I think, Mr. Speaker, there are times and circumstances and a variety of ways and means by which governments are required to intervene in the affairs of the country. That is why they were elected in the first instance, to deal with things that can't be dealt with by individuals or even in some cases, groups of individuals. But there are ways and ways by which such intervention can be interjected and there certainly should be no intervention interjected in the private affairs of the citizens by way of governing or operating those affairs if it can be done by regulation or by legislation. It would be a very good question to raise as to why we really needed the Alberta Energy Company if the things that are purported to be done by the Alberta Energy Company could be done in some other way without government intervention. Now I'm not speaking against the general principle of the bill if I have enough details, Mr. Speaker, to know what the bill is really going to do and how it's going to do it. We really have something here that says, we're going to do something that sounds good, but we don't know how it's going to be done, when it's going to be done, and in some instances, even by whom it's going to be done.

The hon. Member for Calgary McKnight said that the company won't compete in the market place. Now I don't quite understand what he meant by that. I would like to have questions like this explained. How would he explain a standard contract that is being used here which is used by companies that are competing on the open market?

When I see, on page 4, it says, for instance "... Albertans will be given first preference." on those offerings which will be made, then I have to raise the question, what happens if they don't take all the offerings? Who gets the next preference? When do they get the next preference? Under what circumstances? Will they be the same circumstances as are first used or will they be different circumstances? I am reading from the policy statement made concerning the bill, not the bill itself, because there is nothing in the bill which indicates these details.

And then again on page 5 it says "Once the initial offering has been distributed the shares will be allowed to trade freely in Canada." To whom will they be allowed to [trade] and will the only limitation be 1 per cent, which is a million shares? While 1 per cent doesn't sound like very much, a million shares sounds to me like a very large amount. How long after the first offerings have been made will they be allowed to be taken up before they are put on the open market for others? These are the questions which are not outlined in the bill - nor are they in the articles of association as far as I can see, Mr. Speaker; I may have overlooked something. I think these are things we have to know before we can possibly - I was going to say vote on the bill - even vote on the principle of the bill because it makes it very awkward to vote for something you don't know the details of. And if all the details are going to be put in by regulation and orders in council and things of that sort, what is the Legislature voting for, except to say, go ahead boys, and do it your own way?

The Alberta Energy Company - it speaks about "the profits and risks" on page 1 of the memorandum and after that it never mentions the risks. From that time on it only mentions the benefits. But the fact of the matter is that the risks will always be there if it is going to operate as a company, as has been proposed, because it is dealing, like so many companies, in a commodity that does fluctuate, that has many unknown quantities about it. Nobody knows better than the people of the whole world today how many unknown quantities there are about an energy commodity.

One of my primary concerns is, how does "every man, woman and child", to use the wording of the memorandum, have an opportunity to directly participate in the development of ownership [of our] resources? It doesn't say anywhere in the bill how this is going to be worked out. This has been brought up, so I'll not dwell upon it, except to ask some of the questions. Is he to be given the money, if he doesn't have it, so he can participate? Can he borrow it from somewhere and be assured he is going to get it if he borrows it? And if he does, in what quantities? Will he be made a gift of the first share or shares so that he may participate? How will he know about the opportunities and how will he be able to be prepared to buy or sell when circumstances are right? There are a lot of questions as to the 'how' of "every man, woman and child" participating.

I heartily agree, 100 per cent, with the principle of "every man, woman and child" being able to participate in the Alberta Energy Company when it is established. But, Mr. Speaker, they must know how. I must know how. I don't know much about these business affairs, but I have been exposed to them a great deal more than thousands and thousands of people in the province of Alberta who know absolutely nothing about business affairs. And yet there is no way for me to find out from this bill or from the articles of association how "every man, woman and child" can participate.

The hon. Member for Calgary Bow said the board has wide powers. I suppose they are wider and greater powers than most boards have. But, Mr. Speaker, I have some questions concerning the board. Once again, I may not have read carefully enough or know enough about this, but I don't read anything in the bill that I can see which says who appoints the directors. They talk about a provisional board which has been appointed, presumably

by the cabinet. But how does it go in the future? How are the board members elected, or are they appointed? And if so, in either case, by whom? Who determines the policies governing the board of directors? Who sets the policies? Is it the board of directors or is it the government which holds the major share in the company? Is the board only a board in an advisory capacity? These details we need to know, if we are going to vote intelligently even on the principle of the bill, let alone on the details when we come to committee.

I am very much like the hon. Member for Wetaskiwin-Leduc. I am not as confident as some members on either side of this House that these shares will be subscribed or oversubscribed. When I look at past experience, I have nothing to assure me of that. Once again the hon. Member for Drayton Valley made reference to GCOS shares, the \$12 million of preferred shares which were protected or guaranteed by the government. He said they were oversubscribed 10 times, and he was right. But there were millions of dollars worth of regular shares of GCOS which anybody could have purchased at any time on the open market. And if what they were looking for was GCOS shares, they could have transferred their money to the other shares. But all the Albertans were primarily interested in, that is those who oversubscribed, were those shares which were guaranteed not to lose, because they recognized there was a risk in that thing.

There is a risk in this one, too. And if we advertise or inform the people of the risk in this company, the same risk as there is in any other company, then, Mr. Speaker, there is a very good chance that these shares will not all be subscribed and that we will have some problems.

As the hon. Member for Wetaskiwin-Leduc pointed out, we think the oil is going to keep going up and up and out and out and everything is going to be hunky-dory in the petroleum business. But I don't have any assurance that if the regular shares in this company are sold, the people have got to take a risk. What happens to the tar sands oil? What happens to the residual recovery of conventional oil if the OPEC prices drop? And there is no reason in this world why they can't or won't drop. And if they begin to drop, nobody knows to what extent they will drop in order to compete with the oil in our country.

Once again we would be in the same position as we were before, trying to compete for a market which was much more easily satisfied financially than ours, where they can get their oil for a fraction of the price we can [and] in quantities so much larger. So the people who do buy these shares must be made aware of what it says on the first page, not only profits but risks are involved. And if they are, we may not sell those shares. If we don't, then we come to the other part of the bill which says that after a certain length of time they will be thrown on the open market to be dealt with freely. Then who gets them and how are they controlled?

Mr. Speaker, there may be easier ways for the government to handle the situation of controlling the petroleum products of our province than by setting up this type of company. I don't know because I don't have enough information in the bill to assure me that this is the only way. The principle of the bill sounds good. Every Albertan taking part - that is 100 per cent correct, that's the way it should be. But so far as I am concerned the main problem is not what the bill says, but what the bill does not say, and its weakness in this respect almost overshadows its strength because of the lack of available information. Now I hope that before we are finished the debate on second reading we will get a lot of this information and some more in the Committee of the Whole as we discuss the bill. But if we don't, Mr. Speaker, it means that we're again giving carte blanche to the government to do whatever it wants, whenever it wants. This is a principle which I am opposed to. To me, it is unfair to ask approval for a bill that lacks details, that is open-ended, that leaves the majority of the policy details to regulations and orders in council.

So, Mr. Speaker, while I am tacitly in favour of the principle of the bill [because of] its lack of detail, I will find it very difficult to vote in favour of even the principle of the bill, and yet I'll have to vote in favour of the principle ...

[Laughter]

... but without details the bill leaves me cold. So it's possible that we could vote in favour of the principle on second reading and then knock it out on third reading if nothing is done in between. That's where I stand.

MR. BUCKWELL:

Mr. Speaker, it's a great pleasure to speak on second reading of Bill No. 32. I'm rather disappointed, not in the bill itself so much as [in the fact] that the companion bill, the growth company bill, didn't come in at the same time because, Mr. Speaker, I feel that these two bills, the one on growth and the one on energy, give an investment package to Albertans that probably no other province or no other group of people has ever had the opportunity to have before.



We're concerned particularly, Mr. Speaker, in this bill - and I think most of the speakers this afternoon have tried to convey this message - that we have an equal share for all Albertans. I'm rather amused this afternoon, Mr. Speaker, that the members on the government side of the House, realizing that this is partly socialism, are rationalizing to themselves that this is all right because they thought it up. Yet, the true socialist in the House said, yes, I will vote for this, I can go along with it.

AN HON. MEMBER:

Who is that, by the way?

MR. BUCKWELL:

Well, the true socialist is on the other end. By the time I'm finished, Mr. Speaker, they'll wonder who the socialist in the House is.

To start with, there are two things, Mr. Speaker, that we talk about - equity and equality. Equity, to me, is if a man puts in \$50,000 he's entitled to his share, and if a man only has \$500 he gets his equity also.

But equality is a different matter altogether. This could be limiting the number of shares that a person can buy and giving an opportunity for every Albertan to be able to buy a fair number of shares. So we ask ourselves, either in equity or in equality, [it] is an opportunity for whom?

When we look at the history of the oil industry - and this energy bill particularly deals with our oil - what percentage of the present investment now held by Albertans, what percentage of those people who are left today really have the shares that they originally bought? Because for the last 20 years, Mr. Speaker, as has already been mentioned, all Albertans could have bought into any of the majors and could have bought into any of the independents and made a great deal of money. In fact, many of them did. So to say that until the energy company came along we never had an opportunity to invest in the energy sources in Alberta is really not quite according to the facts.

What I am concerned with, Mr. Speaker, this afternoon - and these are mere concerns - is that one-third of Albertans are unable to purchase any amount to make any great difference in their economic future. We're talking today about equity and equality. This bill, to me, if it is to give equality - we're talking now about the little people of Alberta. These are the people the hon. Member for Ponoka talked about who, if they have made an investment in the past, it was a bad one, and they're not used to laying their money out on things that they don't know a great deal about. This third of Albertans are just as important, whether they are ditch diggers, whether they're truck drivers or whether they're millionaires. To me, every Albertan, as far as our energy and the money we receive from it are concerned, is equal and should be equal. We should try to make legislation that gives everyone an equal opportunity, not just the opportunity to buy, because the opportunity may not be taken at that particular time.

There are many parts of Alberta, particularly last year when we had so much grain under snow, where people are not in any position to buy shares in an energy company. They have much more immediate needs.

One of the things I am concerned about when we talk about \$250 million [to be] put in by the government and another \$250 million to be raised through public sale primarily to Albertans is, what effect this is going to have on, say, the deposits and the savings in the Treasury Branch? If people decide, well, this is a sure thing, let's take them all out of the Treasury Branch and invest them in the energy company. Maybe this is a good thing. Maybe it is not. But I'm concerned that if this is going to be oversubscribed or nearly subscribed, if Albertans themselves are not going to be interested in investing in them to the full amount, then what funds are we going to have for the future for our growth company? Are we going to rely then on outside capital to develop our secondary industry within the province? We only have a certain number of people and we only have a certain amount of money.

Mr. Speaker, I'm concerned in this respect, that we own the resource. It has been fully stated, we know, that through royalties, through taxes, through leases and through control of the rate of profit, up to now we have been able almost to dictate to private industry, giving it a fair share, but retaining for Albertans a fair and just share of our royalties. At the present time, with the new price of oil, we have been able to take in some \$900 million over and above our present budget. This could continue for several years. We don't know how long. None of us can look into the future.

But, Mr. Speaker, if 50 per cent of control in the energy company is good for the province of Alberta, then we share half the profits and naturally we share half the risk. But what does the government do with its share of the profits? Where does this go? Does it go into general revenue? Is it reinvested within the province? No shareholder can hold more than 1 per cent of the shares. So ostensibly, with the government owning 50 per

cent of control, 50 other big-shots could own the other 50 per cent in time and it's taken out of the hands of Albertans altogether, other than through their government.

But why limit the control in the name of the people? We have the money at the present time. Why do we have to take the money out of the hands of the people? This is the part that is not going to be too popular. This is the concern I would like to explore at the present time. If you go to the people today and say, you're not going to be able to invest, the government is going to put up the whole \$500 million and, in the name of the people, is going to take 100 per cent of the risk and 100 per cent of the profit, what is wrong with that? Why do people today suddenly realize that here is something that, because the government has invested heavily in it, is no risk to them and is no risk to the government? If there is no risk to the government then let the government have the whole 100 per cent of the profit and plough it back in, in the name of the people. This 100 per cent profit goes back into our heritage funds to supply the needs of our people for the future.

I'm surprised at the hon. minister when he introduced the bill for second reading. He mentioned pipelines and I wholly agree with him that we, as an energy company, should own the pipelines out of the Alberta tar sands, or the Alberta oil sands as we're going to call them. I think this is a very logical type of investment. I think we should also own the power plants.

He particularly talked about the oil sands. What about the Suffield block? Nothing whatsoever was mentioned about the Suffield block. What about other ventures which the government may be considering? The small investor, whether he owns 1,000 shares or whether he owns 100, has no more say in what we are going to invest in the energy company than he would if, say, he bought 100 shares of Imperial Oil. Imperial Oil is not particularly concerned with him, whether they are going to ask him for his permission for what they are going to invest.

I have no doubt that the initial offerings will be snapped up within a matter of days, a matter of hours. There are those who are going to get into it thinking that it is something like the TransCanada Pipeline. They hang onto the shares for a year or so and then sell them for a good profit, make a fast buck. But who buys the shares? Who, in turn, if we are merely looking at the short term and saying, well let's invest today. If we put \$100 in these shares, two years down the road we might sell them for \$250. We've made \$150 profit. This is fine. But who gets those shares when they are sold?

In the long term let us look at the energy company ten years from now and try to envision who is going to own the shares. This scares me, Mr. Speaker, when we talk about taking in the Dominion of Canada, the other provinces, insurance companies, investment companies, even Crown corporations. I'd imagine from my reading of the ad that the employees of AGT could buy a block of shares; there's no reason they shouldn't. But who is going to own the energy company? The people of the province and those who are wealthy, are they the only ones who are going to get any money out of the Alberta Energy Company ten years from now? Is the little fellow squeezed out against the wall with nothing? I think we ought to take a look at where we're going. I think we ought to take a look at [the fact] that we have the money now. We are going to take in \$900 million. If we want someplace to invest it, what better place to invest it than in a resource that we own with money we have generated from the sale of that resource, and invest it for the future in the name of all Albertans?

Mr. Speaker, the growth company, to me a companion bill with the Alberta Energy Company, is going to need money - thousands and thousands and millions of dollars - if we are going to do the job that the hon. Minister of Industry and Commerce and the hon. Minister of Federal and Intergovernmental Affairs have outlined for us. We are going to need money, not just in the energy company. Why do we have to put all our eggs into the one basket, the energy company? We don't have to worry about the Alberta Energy Company not getting enough money. We haven't asked private industry, well how much will you put up? If they said, no, we're not going to put up any more, then we could say, well the energy company should get in and develop energy up to the hilt. But we are sort of excluding private industry. And we need money. Private industry is not going to give us money, from my long point of view, in the development of our secondary growth industries within the province.

This is a tremendous opportunity for Albertans to help themselves. Leave the government in the energy business. Let them get the profits in the name of all of us and leave this great need for development capital for secondary industries within the province. Leave that for the people to invest their money in. There are many opportunities, Mr. Speaker, for investment in other fields of endeavour within the province of Alberta. This money, if invested in secondary growth industries, has a spin-off for all people, including the poor, the workers, and any of those who can't afford the industry growth within the province.

Mr. Speaker, in conclusion, I'd like to say that we seem to be sitting on the crest of a wave. It's like what do you call this ...

AN HON. MEMBER:

Surfing.

MR. BUCKWELL:

... surfing. We are up at a high advantage. One of these days - we are acting as if recessions are over, we are never going to see anything bad happen again. Everything is on the up and up. Inflation is killing us. We talked about this earlier in the session. And inflation is going to kill us if we're not careful. If nothing else I can try to give my warning in this House, this society cannot forever support its own appetite for the good life. We are never going to be able to support the type of society we want through taxation alone. What we are generating here with our energy company, with 100 per cent ownership and 100 per cent profit coming back through the government to the people, will give us, through taxation - we can't do it alone - we can cushion any recession for the next 25 years by the government controlling the profits of the development of our resources. We would then have funds to pay at an equal share for all. If you wanted to know what you would use the money for, if you wanted to use it for something, you could get free medicare for all people. One of the greatest heritages we could give to the people of the future is a healthy group of people.

I suggest, Mr. Speaker, in conclusion, that we have a hard look at where we are going and where we share the profits; that it's not just going to end up in the hands of a few wealthy people with the government, the rest of the province and the rest of the people on the short end of the stick. I think we should have a look at equality for all.

MR. DRAIN:

Mr. Speaker, I beg leave to adjourn the debate.

MR. SPEAKER:

May the hon. member adjourn the debate?

HON. MEMBERS:

Agreed.

MR. FOSTER:

Mr. Speaker, by way of advising the House as to the business of the House tonight: Subcommittee A will be meeting to review the estimates of one of the health commissions. The remaining subcommittees have concluded their work and will not be sitting.

Tomorrow night we will be continuing with second reading of bills on the Order Paper beginning, of course, with Bill No. 32 and moving to Bills No. 55 and 47.

Mr. Speaker, I move that this House do now adjourn until tomorrow afternoon at 2:30 o'clock.

MR. SPEAKER:

Having heard the motion for adjournment by the hon. Deputy House Leader, do you all agree?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

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

[The House rose at 5:30 o'clock.]

