

## LEGISLATIVE ASSEMBLY OF ALBERTA

Wednesday, January 29, 1975

[The House met at 2:30 p.m.]

## PRAYERS

[Mr. Speaker in the Chair]

## INTRODUCTION OF BILLS

Bill 16 The Department of Culture, Youth and Recreation Amendment Act, 1975

MR. SCHMID:

Mr. Speaker, I beg leave to introduce Bill No. 16, The Department of Culture, Youth and Recreation Amendment Act, 1975.

This being a money bill, His Honour The Honourable the Lieutenant-Governor having been informed of the contents of this bill recommends the same to the Assembly.

Mr. Speaker, the major aim of this bill is the establishment of a self-sufficient publishing industry in western Canada with all the benefits this can bring to the province's cultural and economic life. Our slogan, maybe I can say, has been in this case when we prepared the bill: it is the printed word ...

MR. SPEAKER:

Order please, order please. The hon. minister may wish to make these same remarks when the bill comes up for debate.

[Leave being granted, Bill 16 was introduced and read a first time.]

Bill 213 An Act to amend The Highway Traffic Act

MR. HO LEM:

Mr. Speaker, I beg leave to introduce a bill, being Bill No. 213, An Act to amend The Highway Traffic Act. The purpose of this bill, Mr. Speaker, is to make the wearing of seat belts mandatory on public highways in Alberta.

[Leave being granted, Bill 213 was introduced and read a first time.]

Bill 210 An Act to amend The Alberta Health Care Insurance Act

MR. NOTLEY:

Mr. Speaker, I beg leave to introduce Bill No. 210, being An Act to amend The Alberta Health Care Insurance Act. The purpose of the act, Mr. Speaker, is to ensure that payments from the Alberta Health Care Insurance Commission to physicians constitute payment in full.

[Leave being granted, Bill 210 was introduced and read a first time.]

Bill 209 An Act to amend The Individual's Rights Protection Act (No. 3)

MR. WILSON:

Mr. Speaker, I beg leave to introduce a bill, being Bill 209, An Act to amend The Individual's Rights Protection Act. The main purpose of this bill is to prohibit discrimination against any person because of his or her physical disability.

MR. R. SPEAKER:

Mr. Speaker, before the motion is voted on, I would like to move that Bill 209 be amended. Is this the proper time to move that motion, that [the bill] be amended by adding after the words "physical disability" in Sections 2, 3, 4, 5, 6, 7 and 8 thereof, the words, "pregnancy, birth status".

I would like to move this amendment so that we can consolidate into one bill the three Bills 205, 207 and 209. I believe, Mr. Speaker, that this will save us some time in considering the bills and certainly some cost.

MR. SPEAKER:

It would ordinarily be an amendment that might be moved on second reading, but under the circumstances where it is an amendment to consolidate in effect three bills, would all those in favor please say aye?

[The amendment was carried.]

CLERK:

Bill No. 209 An Act to amend The Individual's Rights Protection Act - originally No. 3, now No. 1 as amended - is now read a first time.

MR. WILSON:

Mr. Speaker, I would move that Bills No. 205 and 207 be removed from the Order Paper.

[The motion was carried.]

INTRODUCTION OF VISITORS

DR. BUCK:

Mr. Speaker, it is my pleasure this afternoon to introduce to you and through you to the members of the Assembly, 58 enthusiastic Grade 6 students from the Ardrossan School. They are accompanied by two of their teachers, Mrs. Cribb and Mr. Elverum, three of their parents, and their bus driver. I would like them to rise and be greeted by the members of the Assembly.

DR. PAPROSKI:

Mr. Speaker, I would like to introduce to you and through you to the members of the Assembly some 11 students from the Northern Alberta Institute of Technology, whose instructor is Mr. R. Durda. Mr. Speaker, they are from the well-known constituency of Edmonton Kingsway. They are also taking a radio and television reporting course, Mr. Speaker. Of interest is that one of the students, Mr. Jim Nichol, a page in this House previously, is a grandson of Mr. Reed, the Sergeant-at-Arms.

Mr. Speaker, today they are doing legislative reporting and I hope they find their experience worth while and profitable. I congratulate them for taking an interest in the Assembly activities. I ask them now to rise and be recognized by the Assembly.

MR. APPLEBY:

Mr. Speaker, it's my pleasure this afternoon to introduce to you and through you to the members of the Assembly, a Grade 8 class from the Westlock Junior High School which is located in the Athabasca constituency. This afternoon they have with them their teacher, Mrs. Hahn and two parent representatives, Mrs. Marquette and Mrs. Fink. I would ask them now to stand, they are in the members gallery, and be recognized by the House.

MR. TAYLOR:

Mr. Speaker, I'm delighted this afternoon to have the opportunity of introducing ten beautiful women and one handsome man. The ten beautiful women are women of Unifarm. They're headed by Mrs. Leda Jensen, who is sitting in Mr. Speaker's gallery. The other nine women are sitting in the members gallery. They have been up here on Unifarm business and we're very happy to have them with us today.

Mrs. Jensen is very active in the Hussar community, as a matter of fact in the big country, and is one of the strongest voices for farm women found anywhere in Canada.

The one handsome man is Mr. Jensen, who is not only handsome but very lucky. He is a farmer in the Hussar district also. I'm sure we're all glad to have Mr. and Mrs. Jensen and the nine women from Unifarm with us today. If they would stand we'd be glad to ...

## TABLING RETURNS AND REPORTS

MR. MINIELY:

Mr. Speaker, I wish to table a further return under The [Government] Emergency Guarantee Act.

MISS HUNLEY:

I wish to table the fiftieth annual report of the Alberta Liquor Control Board, as required by statute.

## MINISTERIAL STATEMENT

## Treasury Department

MR. MINIELY:

Mr. Speaker, in April of 1974 Premier Lougheed announced a significant new direction in the elements of Alberta's policy pertaining to business incentives and taxation.

One of the key components of this policy is to encourage the growth of small Alberta-controlled, Alberta-resident business and agriculture.

Secondly, we intend to encourage diversification of Alberta's industry so that we are not as dependent on production of natural resources. One of the primary means of accomplishing this is to encourage a wider base of industrial expansion within Alberta.

The present known recoverable reserves of conventional crude oil will last for approximately ten years, based upon 1973 production. It is vital that we make use of funds derived from the oil industry to create a more diversified economy within our province. Offering business tax incentives for industry to locate in Alberta is a well-accepted and recognized way of attracting new industry and facilitating industrial expansion.

Business taxation incentives will be used in harmony with other government programs aimed at achieving these goals. Mr. Speaker, we believe that a positive contribution can be made to these economic objectives by a corporate tax system designed for Albertans.

This first paper deals specifically with incentives to: small business; investors in small business; manufacturing and processing, and the oil and natural gas industries.

Other important areas to the Alberta economy, such as agriculture, are under active consideration.

Also discussed are limitations in the existing taxation and collection arrangements which hinder the ability of Alberta to further its legitimate economic aims.

The result, Mr. Speaker, was the appointment, by myself, of a Corporate Tax Advisory Committee to recommend changes to The Alberta Income Tax Act to accomplish the stated government economic objectives.

The recommendations in this paper are a result of the government's assessment of the first of a series of reports to be presented by this committee. We intend, Mr. Speaker, that this serve as a basis for communication between government and the business community. Taxpayers, whether individually or through business and labor associations, are invited to make written submissions to the office and my office.

The redefinition first, Mr. Speaker. I'd like to deal with the redefinition of corporate taxable income.

Corporate taxation is used as a technique to achieve economic policy. It is one of a variety of government programs designed to provide tax incentives and expenditure programs, the combined impact of which can provide substantial economic benefit to Alberta-based industry.

The government views corporate taxation as an instrument which can be adjusted to encourage within Alberta:

1. Diversity of business and industry;
2. Location of business activity;
3. Encouragement of new business activity;
4. Timing and magnitude of business investment decisions;
5. Injection of new capital in Alberta-based industries;
6. A viable agriculture and agricultural processing industry, and
7. Providing a dynamic general business climate in the Province of Alberta.

In redefining corporate taxable income for Alberta, the government feels that a preferred approach would be to retain the current federal definition of taxable income embodied in the federal act and regulations as the starting point for the Alberta definition and building Alberta incentives on that base. The federal treatment of income and expenses has wide general understanding and usage within the corporate business community. Minimizing deviations from the federal definition of taxable income will avoid unnecessary complications and increased costs of administration and enforcement for both the taxpayer and the government.

The definitions of what constitute a small business are as wide and varied as regional interests and types of business organizations can make them. We propose, after a careful review of the alternatives, that the small business definition be initially based on the concept as found in the federal Income Tax Act. Once the federal taxable income of a corporation is arrived at, the incentive provisions of The Alberta Income Tax Act can be applied.

All incorporated companies, Mr. Speaker, will be considered as small business until they have earned taxable income of \$500,000 after institution of the Alberta amendments.

The corporations operating in Alberta will be classified in the following categories:

1. Alberta-controlled and Alberta-resident;
2. Canadian-controlled and Alberta-resident,
3. Foreign-controlled.

The definition of "control" would be directly or indirectly owning 51 per cent or more of the outstanding voting stock of a corporation.

The criteria for qualifying as a resident of Alberta would include:

1. The corporation must be registered with the Companies Branch in Alberta,
2. The head office and the administrative offices of the corporation must be located in Alberta.

Mr. Speaker, based on these general objectives and definitions, I am pleased to outline to Albertans a five-point proposal for general discussion:

1. General small business incentives for Albertans;
2. Specific new and existing small business expansion in Alberta;
3. Encouragement of investment by existing successful business people in Alberta to help finance new small business and oil and gas exploration in our province;
4. Diversification incentives for expansion of manufacturing and processing in Alberta, and
5. Encouragement of research and development activity in our province.

First, Alberta proposes to provide incentives to small incorporated business in our province by creating additional internal funds to finance growth of the small business and by providing additional sources of capital financing on reasonable terms to Canadian and particularly Alberta residents wanting to engage in and expand small business enterprises in Alberta.

Once taxable income is defined, a tax reduction will be given to qualifying Alberta or Canadian-controlled Alberta-resident corporations. The income tax treatment of foreign-controlled corporations doing business in our province will remain as is presently in effect.

In addition to general business tax rate reduction to encourage growth and expansion, we propose, for new small Alberta-controlled and Alberta-resident corporations, once the Alberta act is instituted, there will be a tax holiday for a three-year period from date of incorporation or \$500,000 of taxable income, whichever is reached first.

In the case of existing small Alberta-controlled Alberta-resident corporations, whose cumulative taxable income, subsequent to the enactment of this legislation, has not reached \$500,000, this tax-free exemption will effectively apply to give tax-free status to the growth portion or expansion portion of earnings, based on a formula outlined in the detailed paper.

For all of Canadian-owned, Alberta-resident small business corporations we propose a reduction, Mr. Speaker, to 6 per cent from 11 per cent of the rate of provincial tax applied to taxable income allocated to the Province of Alberta.

Following the definition of a small business, once the chosen plateau of \$500,000 taxable income under the Alberta act is attained by a corporation, it will no longer be eligible for tax-rate incentives from Alberta. Mr. Speaker, this will have the effect of precluding benefits to any large corporations in Alberta.

Smaller oil and gas exploration companies: The continuance of the oil and gas industry in Alberta is vital to the ultimate development of our province, and we believe that this objective can be achieved through the encouragement of the industry to stay and expand. We intend to expand the small business benefits to qualifying Canadian-owned resource industry corporations which are resident in Alberta by increasing the cumulative deduction limit from \$500,000 to \$750,000.

Mr. Speaker, in order to encourage corporations which have available cash reserves to make these moneys available for the purpose of investment in small business in Alberta and in oil and gas exploration in Alberta, it is proposed to offer such corporations a significant corporate tax reduction if they invest in an Alberta Investment Incentive Corporation which helps finance a small business.

Corporations taxable in Alberta which invest in an IIC will be permitted an immediate 250 per cent deduction of such an investment in computing their taxable income for Alberta corporate tax purposes. The technical skills of these experienced businessmen would then be available to the small businesses being financed by the IIC.

IIC's may invest in both incorporated and unincorporated eligible businesses defined in terms of: Canadian control, carrying on an active business in our province, and it must be a small business.

Due to the particular nature, Mr. Speaker, of the oil and gas industry in Alberta, we propose that the small business qualifications enumerated shall not apply to a corporation whose principal business is the drilling, exploration or development of oil and gas. The result of this, Mr. Speaker, is that all Canadian-controlled oil and gas drilling, exploration and development corporations actively carrying on business in Alberta will qualify as an eligible business.

Manufacturing and processing incentives: The intent, Mr. Speaker, of these proposals is to focus specifically on the special needs and circumstance of manufacturing activity in Alberta - present and future. The secondary manufacture and process industries are of central importance to the attainment of further gains to be made in the sophistication and diversification of the industrial structure of our province.

In the natural resource industries including agriculture, their potential for change is in large measure controlled by the quality, extent and location of the underlying natural resource. The growth prospects and location of the innumerable service industries in this province are depending upon the extent, location and diversity of primary and secondary industries.

Secondary manufacturing and process industries on the other hand are far less hemmed-in, either by the location within the province of raw material sources or by the location of their potential market. The option to transport the firm's raw materials or fabricated products provides management in secondary industry with a wider spectrum of choice regarding the location of new or expanded operations.

In short, Mr. Speaker, such decisions are likely to be more sensitive and more responsive in the secondary industries than in other groups of industries to economic changes or incentives. The level and structure of business taxation is one important element in the financial environment of any enterprise, but we can expect manufacturing or process enterprises as a group to react more readily to changes in the tax system.

Based on this premise, the following group of provincial incentives is proposed for application to Alberta corporate income derived from manufacturing or processing activities in our province.

The first is that any corporation taxable in Alberta, and which has also qualified for the reduced federal rate on any part of its taxable income deemed to arise out of manufacturing or processing activities, should be entitled to apply a reduced provincial corporate tax rate against the taxable income allocated to Alberta. The provincial rate applicable to such manufacturing or processing portion of Alberta taxable income would be one-half of the standard rate applicable from time to time.

In addition, for manufacturing and processing, it is proposed that a special schedule of accelerated capital cost allowances be provided on new acquisitions of machinery and equipment used for the purpose of manufacturing or processing goods in Alberta. Provision for such fast write-offs for tax purposes will ordinarily involve a postponement of tax. The cash-flow position of the enterprise may be considerably eased during a period of new activity or of rapid expansion or modernization of manufacturing facilities in Alberta.

In an effort, Mr. Speaker, to concentrate the stimulus of a tax incentive and the direction of new product or process development for application in our province, it is proposed that a special deduction from Alberta taxable income be made available of 250 per cent of corporate research and development costs undertaken in Alberta in approved programs of particular interest to this province. This would include such projects as oil sands processing, gas recovery projects, coal gasification and tertiary oil recovery.

Mr. Speaker, I have attempted to highlight the detailed position paper which I now table for the information of all hon. members and which provides greater details.

Mr. Speaker, I am confident and we believe that the proposals outlined in this first position paper on business incentives for Alberta are unique within Canada and will contribute to a leading and dynamic business climate in our province.

[Applause]

MR. CLARK:

Mr. Speaker, in rising to respond to the announcement made by the Provincial Treasurer, at the outset let me say that we look forward to having an opportunity to look at the statement in considerable detail and perhaps responding some more at that particular time.

Our hopes were indeed high when the Provincial Treasurer rose in his place that today would be the day that should have taken place almost a year ago and that personal income tax would be reduced in the Province of Alberta.

AN HON. MEMBER:

Hear, hear.

MR. CLARK:

Hopefully we won't have much longer for that situation to develop.

I would have to say, Mr. Speaker, that on the surface many of the proposals put forward by the Provincial Treasurer appear attractive. I would have to say, Mr. Speaker, that I would have hoped there would have been some indication in the announcement made today by the Provincial Treasurer as to what period of review we are looking at, whether we are looking at four months, six months or whether the government's target for these kinds of incentives is one, two or three years down the road. I would hope in future announcements we would have some indication of when in fact these incentives for small business would come into effect. Because we know from experience in the last three and a half years that there is a great difference between announcement and action in this particular situation.

The last point I'd like to make, Mr. Speaker, is that I would hope the government would give some consideration, at least to the first group the hon. minister referred to, of making at least a portion of these incentives retroactive to, in fact, the day on which

the announcement was made. That's on the assumption, Mr. Speaker, that these announcements, especially in the field of small business, seem as good as they do on the surface in light of what the Provincial Treasurer has said today.

#### ORAL QUESTION PERIOD

#### Bail Legislation

MR. CLARK:

I'd like to direct a question to the Attorney General and ask the Attorney General if he has had the opportunity to review the report requested by his department of the city police in the City of Edmonton, having regard for the effects of change in the bail that has been ...

MR. LEITCH:

No, Mr. Speaker, I haven't. I assume the report the hon. Leader of the Opposition refers to is one mentioned in recent newspaper stories.

Mr. Speaker, a request for information in that area came from a member of the judiciary to the Crown Prosecutor's office in the City of Edmonton and was passed from that office, as I understand it, to the Edmonton city police force to obtain information. So far as I am aware, it has not yet arrived back in the Crown Prosecutor's office.

MR. CLARK:

Supplementary question, Mr. Speaker, to the Attorney General. Has the Attorney General had the opportunity to discuss the effects of the new bail arrangements with the police forces in Edmonton and Calgary? And at the same time might I ask, have the police forces in Edmonton and Calgary expressed concern to the Attorney General as to the effects?

MR. LEITCH:

Mr. Speaker, there has been no formal expression of concern that I can recall from any of the police forces. Certainly during the past years, in informal discussions I've had with members of the Police Commission and various members of the police forces there has been a concern raised in that area.

There have been a number of discussions, of course, between the departmental personnel and the police forces at the time they knew bail laws were put into effect by the federal government. But those discussions, Mr. Speaker, were more of an informative nature relating to the procedure to be followed. But apart from that kind of discussion, Mr. Speaker, there hasn't been one.

MR. CLARK:

A further supplementary question, Mr. Speaker, to the Attorney General. Has the Attorney General had any discussions with his federal counterpart concerning the effects of the new bail laws?

MR. LEITCH:

Again, Mr. Speaker, not in a formal way although there are some studies, as I understand it, under way with respect to the operation of the new bail laws. At the present moment, I don't have any further detail on those studies.

MR. LUDWIG:

Supplementary to the hon. Attorney General. Has he made any recommendation to his counterpart in Ottawa with a view to perhaps making the granting of bail a little more difficult than it is at the present time?

MR. LEITCH:

No, Mr. Speaker, we haven't. As the hon. member knows, the federal government passed - I think it would be about two years ago, perhaps a little less - the new bail legislation. I know that all the attorneys general in Canada were interested in having a period of time during which it was in operation before forming opinions on the advantages and disadvantages, the weaknesses and strengths of the new legislation.

MR. LUDWIG:

A supplementary. Is the hon. Attorney General of the opinion that the present manner and the ease of granting bail has caused some concern to the police in this province?

MR. SPEAKER:

Order please. The hon. member knows that a direct request for an expression of opinion is not a proper matter to be raised in the question period.

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Alberta Automobile Insurance Board

MR. CLARK:

Mr. Speaker, I'd like to direct a question to the Minister of Consumer Affairs and ask the Minister of Consumer Affairs if it's the government's intention to carry on with the operation of the automobile insurance review board?

MR. DOWLING:

Mr. Speaker, it is the Alberta Automobile Insurance Board and we have every intention of continuing with its operation.

MR. CLARK:

A supplementary question to the minister. Has the insurance review board recently approved requests for additional increases in automobile insurance in the province?

MR. DOWLING:

Yes, Mr. Speaker, they have approved a 10 per cent increase for that portion of the automobile insurance which is compulsory. That 10 per cent is an interesting statistic when you consider the fact that there have been increases in premium in Manitoba just recently from 20 to 75 per cent.

MR. CLARK:

A further supplementary question to the minister. Was the 10 per cent approved by the board the amount which the industry asked for?

MR. DOWLING:

No, Mr. Speaker. I understand in some cases they asked for considerably more but the board felt that with the information presented to them the 10 per cent was in fact justified.

MR. CLARK:

A supplementary question to the minister. Would the minister be in a position to table in the Assembly the information presented to the board that in fact allowed them to come to the decision that 10 per cent was reasonable?

MR. DOWLING:

No, Mr. Speaker. The Automobile Insurance Board is of course an autonomous body which deals with the insurance industry without any particular reference to government directly. That information I would suspect is confidential to the Automobile Insurance Board and it will remain there.

MR. GRUENWALD:

A supplementary to the minister. He mentioned that the portion that was mandatory - the liability portion - was subject to the 10 per cent increase. Does that include the accidental death benefit, Mr. Minister?

MR. DOWLING:

It includes a \$50,000 provision, Mr. Speaker, plus another provision. I'm sure the death benefit is part of that.

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Highway Hazards

MR. RUSTE:

Mr. Speaker, my question is directed to the Minister of Highways, and just a word of explanation. At this time of year there is a considerable amount of stockpiling done in which large trucks are travelling on some of our highways in large numbers.

My question is: what recourse has a motorist when his or her vehicle is damaged by flying objects, such as gravel, when meeting these trucks?

MR. SPEAKER:

With great respect the hon. member is clearly asking for some legal advice which might be sought in another way.

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Coal Royalties Study

MR. SORENSON:

Mr. Speaker, my question is to the hon. Minister of Mines and Minerals. During the spring session of 1974 the hon. minister indicated that the whole area of coal royalties was being reviewed. Is the government now in receipt of that study?

MR. DICKIE:

Mr. Speaker, we are presently working on a 1975 Alberta coal policy. There is a steering committee that is working on that and one of the questions being dealt with is the revision of royalties.

However, I should mention to the hon. member that there is some difficulty in the question of royalties, inasmuch as the whole question of taxation of royalties is presently before the federal government. That of course deals with the economic impact and the viability of some of the projects, so until that question of royalties is resolved by the federal tax department, we don't anticipate that they would be in a position to include that aspect of the report.

#### Early Childhood Training Program

MR. DRAIN:

Mr. Speaker, this question is to the hon. Minister of Education. In view of the large measure of support given early childhood training, is it the intention of the Department of Education to incorporate early childhood training into the school system at this time or in the foreseeable future?

MR. HYNDMAN:

Mr. Speaker, there are no plans for doing that at this time. The early childhood program, which is unique, was designed to incorporate not only educational aspects but also those of health and recreation. The success of that unique, but we think balanced, approach has drawn interest from other parts of Canada, the United States and indeed even as far as France and Britain. Because we feel it is important, the development of a child is looked at in all the dimensions that a young person of four, five or six may have.

For the moment there would be no plan to make those changes. We would like to continue the many-dimensional kinds of approach of early childhood services and it will continue that way at the moment.

#### Rat Control

MR. TAYLOR:

Thank you, Mr. Speaker. My question is to the hon. Minister of Agriculture. What success did we have in 1974 in keeping Alberta free of rats? I mean Norway rats.

DR. HORNER:

For those particular kinds of rats, Mr. Speaker, I'd have to get an updating from the department. But it is my understanding that Alberta remains Norway rat free. We hope to continue it and have made an adjustment in assistance to the municipalities that are looking after that particular job for us so well.

MR. TAYLOR:

A supplementary. I wonder if the hon. minister could also secure the information on how far back from the Alberta border the rats have now been driven into Saskatchewan, also eventually the plan to drive them right into Manitoba.

DR. HORNER:

Well, Mr. Speaker, one of the things I haven't been able to do is to convince the Government of Saskatchewan that it would be a worth-while program for them to undertake. Indeed I have even offered them some technical assistance if they would like to do so, because it would be a major improvement in our patrolling if we could in fact get Saskatchewan to take on the program.

#### Dairy Cattle Purchases

MR. BUCKWELL:

Mr. Speaker, my question is to the Minister of Agriculture. Is the Dairy Branch of the Department of Agriculture purchasing dairy cattle or calves?

DR. HORNER:

On occasion they have, Mr. Speaker, in the past, in an effort to upgrade the quality of dairy cattle in the province. This is not done to any great extent and is a minimum program.



## Syncrude - Deadline

MR. DIXON:

Mr. Speaker, I'd like to direct my question today to the hon. the Premier. It's regarding the announcement by the federal energy minister, Mr. Macdonald, that no interim financing would be given to the Syncrude project.

I wonder if the hon. Premier could outline to the House where the negotiations stand as of today's date in view of the federal government announcement and the deadline that Syncrude would like to put on decisions?

MR. LOUGHEED:

Well, Mr. Speaker, I think to a degree I'd be repeating my answer of yesterday, but I will attempt to do that.

The situation is, as we understand it, that the remaining participants of Syncrude are having discussions today in Toronto, later this afternoon, with the federal Minister of Energy and that they will be discussing alternate ways in which this project may continue and be economically feasible. They will be having similar discussions with us tomorrow afternoon.

Again, we wouldn't expect, except perhaps on a time basis, to be able to give the House any greater clarification of the position we've generally taken. We will await the various studies and reports we have ordered before we start to make any in-depth assessment. It will take us some time to make that assessment, to consider the various alternates, to consider the various ways in which we might go that might be both satisfactory to the public interest of Alberta, Canadian public interest and to the participants. As I said yesterday, we of course will keep all our options open.

MR. DIXON:

Mr. Speaker, in view of the hon. Premier's answer and with the government negotiating very closely with Syncrude, is there any indication that the thing will proceed? In other words, you are not discouraged at this time?

MR. LOUGHEED:

Mr. Speaker, I don't think I'd say I was either encouraged or discouraged. We are not really negotiating in that sense. The meeting tomorrow is to discuss the time pressures that are on the Syncrude partners. We made it abundantly clear to them that it would be some sixty to ninety days before we would be in any position to be affirmative about any of the various options we would be looking at. So I wouldn't want to categorize the position at this time.

MR. NOTLEY:

Mr. Speaker, a supplementary question and this is for clarification purposes. Can the hon. Premier advise the Assembly whether any consideration is being given to interim assistance for this period of sixty to ninety days by the provincial government? I know it has been discussed vis-a-vis the federal government, but is there any consideration as one of the immediate options in the next few days?

MR. LOUGHEED:

Mr. Speaker, I would again only be repeating myself. We will be looking at all the various options, both in the interim and in the final arrangements that we might be able to look at.

## Hail and Crop Insurance

MR. WYSE:

My question, Mr. Speaker, is to the hon. Minister of Agriculture. Is the Alberta crop insurance corporation setting up its own network of insurance offices across the province to sell crop insurance?

DR. HORNER:

The [Alberta] Hail and Crop Insurance Corporation is setting up service offices throughout the province in an effort to expand the coverage of crop insurance throughout Alberta, and is primarily using those who have acted as agents in the past in this effort.

MR. WYSE:

Supplementary question then, Mr. Speaker. How many new offices will be established across the province?

DR. HORNER:

Well, I can't give the hon. member an accurate figure as to how many new offices, Mr. Speaker. That will depend indeed upon the proportion of grain farming in the area - that kind of thing - and the requirements of the corporation for a service office.

MR. WYSE:

Supplementary question, Mr. Speaker. What types of agriculture insurance will be sold besides crop insurance through these government offices?

DR. HORNER:

None, Mr. Speaker.

MR. WYSE:

Supplementary question. So it's strictly crop insurance?

DR. HORNER:

Yes, Mr. Speaker, it's strictly hail and crop insurance. It might be worth while for hon. members to appreciate that at the present time the federal government pays 50 per cent of the premium and the provincial government pays the administration costs as our agreement with Ottawa outlines.

MR. R. SPEAKER:

Supplementary to the minister for clarification. It is my understanding that the present private insurance agents that operated in 1974 will be able to carry crop insurance in 1975.

DR. HORNER:

That's correct, Mr. Speaker. After a discussion with the agents and with the crop insurance commission, amendments were made to the original plan so that all agents who wish to do so could continue to act.

MR. GRUENWALD:

Supplementary, Mr. Speaker.

MR. SPEAKER:

Could this be the last supplementary and then if there's time we can come back to this topic.

MR. GRUENWALD:

I wonder if the minister could indicate whether the premiums accumulated for crop insurance are sufficient to cover the losses in the past year? Could you give us just a general idea.

DR. HORNER:

Having regard to what I said earlier, Mr. Speaker, with the federal Crop Insurance Act and our agreement with the federal government in that regard, the premiums then do carry the claims that are made. But I would point out again that it's not insurance in the ordinary actuarial sense when the senior government pays half the premium and we pick up the administration costs.

MR. WYSE:

Last supplementary question ...

MR. SPEAKER:

Order please. Perhaps we could come back to this topic.

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

#### Crime Rate

MR. HO LEM:

Thank you Mr. Speaker. My question today is directed to the hon. Solicitor General. Would the hon. minister advise whether or not the Solicitor General's office intends to initiate any major new programs to deal with the sharp increase in crime activities in Alberta, as reported recently coming out of Calgary and Edmonton?

MISS HUNLEY:

Mr. Speaker, of course it is always a matter of concern to most citizens, law-abiding citizens of Alberta, and certainly it's of great concern to this government.

Every possible action will be taken, but we do have certain restrictions and the hon. member is well aware that the Calgary police commission, who are I think very capable individuals and very concerned, are looking at any angle that they might approach. I'm sure the Edmonton police commission is also doing the same.

I recently met with the chiefs of police and the RCMP on a general discussion of procedures they would be following, and I know that they will be taking as drastic and as strong action as they can, within the limits of the legislation as it now stands.

MR. HO LEM:

Supplementary, Mr. Speaker. Would the hon. minister give consideration to a province-wide summit or conference on crime to be attended by police officers and law enforcement officers as well as elected officials and other interested groups?

MISS HUNLEY:

Mr. Speaker, that matter has been more or less tentatively discussed by me with the Solicitor General of Canada. He has some concerns about it. Of course, the matter of the Criminal Code is always one of those areas that is a federal and not a provincial matter.

So other than to say that it has been discussed as a possibility, I will be discussing it with him again, perhaps the first part of next week, although I'm not positive whether we'll have time for that on our agenda. But it is a matter that is not being dismissed lightly.

#### Drug Trafficking in Institutions

MR. HO LEM:

Supplementary, Mr. Speaker, to the hon. minister, and this is within your jurisdiction. Is it the minister's intention to crack down on the trafficking of drugs in Alberta jails?

MISS HUNLEY:

Mr. Speaker, the matter of contraband in any of the correctional institutions is a constant source of concern. Saying that we are going to crack down on it implies that it is prevalent and I'm not convinced that it is. We do have a system which we feel is as foolproof as possible. It's constantly under review. We're very conscious of the dangers of contraband and the ingenious methods which can be used to bring contraband into the institutions.

Also I might add, Mr. Speaker, that the guards and the officials of the institutions are for ever alert to any signs that contraband has indeed got into the institutions and if there has been an indication. I might add also, for the benefit of information of this House, that we do not have information at all that there has been a great increase. In fact, we have had no incidents recently.

There was an incident reported which caused a great flap in one of the institutions where they thought someone was smoking pot, but when they investigated it fully they found that the inmate was indeed smoking chips and scraps from leather from the hobbycraft room. I'm not sure what that is intended to do, but anyway it was a good attempt.

#### RCMP - Traffic Accident Reports

MR. R. SPEAKER:

Mr. Speaker, my question is to the Solicitor General and is a follow-up to yesterday's question. Does the RCMP report all accident locations to the Department of Highways?

MISS HUNLEY:

Mr. Speaker, yes. The RCMP does advise the Department of Highways for accidents by form, and for accidents over \$200. If there is a fatality, they telephone the regional officer of the Department of Highways to report the location.

MR. R. SPEAKER:

Mr. Speaker, supplementary to the Minister of Highways. Does the Department of Highways have personnel assigned to review these files to determine high-density accident areas on secondary and primary roads?

MR. COPITHORNE:

Yes, Mr. Speaker, they are under constant monitoring. We have a safety officer who determines areas which are high accident-prone areas. As you may have noticed on your way up from your constituency, we are building an interchange at Didsbury which was a very high accident-prone area; another one is being constructed at Carstairs, another very high accident-prone area, and one at Bowden which also is a high accident-prone area. There are several more in the province, Mr. Speaker, including the one at Okotoks-De Winton. We're constantly doing this sort of work, trying to make our highways safer.

I might also mention, Mr. Speaker, that we are straightening a very dangerous piece of road on Highway 16 between Edson and Carrot Creek. That's under way at a very considerable ... [inaudible] ...

MR. R. SPEAKER:

Mr. Speaker, supplementary to the minister. How do you define high-density, and how many accidents occur before you really make the change?

MR. SPEAKER:

Would the hon. member and the hon. minister please address their remarks to the Chair.

MR. R. SPEAKER:

Oh, I did say "Mr. Speaker".

MR. COPITHORNE:

Well, Mr. Speaker, we get reports from Dr. Cantor who does the research work on the cause of the accidents, and we move on them fairly suddenly. But we try to determine in a sensible way why the accidents are happening. Quite often a good number of accidents happen with very little explanation why they should be happening, but we're monitoring this all the time.

#### CSA - Bargaining Rights

MR. NOTLEY:

Mr. Speaker, I'd like to direct this question to the hon. Minister of Manpower and Labour. It concerns the meeting today with the Alberta Federation of Labour. I ask the minister whether he can advise the Assembly whether the government is prepared to extend full collective bargaining rights to those government employees not covered by The Alberta Labour Act?

DR. HOHOL:

I have made reference, Mr. Speaker, to a task force upon which the Civil Service Association - we have reached agreement, and matters including legislation with respect to collective bargaining will be a subject for that group to recommend to its principals. But the issue questioned by the hon. member has been clearly stated in this House. That is the position.

MR. NOTLEY:

Mr. Speaker, a supplementary question to the hon. minister, again concerning the brief this morning. Has the government made any decision with respect to the 1973 request of the Alberta Federation of Labour for a \$3-an-hour minimum wage?

DR. HOHOL:

Mr. Speaker, this would take some time to comment on. I should like to say there are two schools of thought, one which feels that marginal businesses may put employees out of work if the minimum wage were too high. The other school of thought is that the minimum wage should go a good deal higher, regardless of what happens to any marginal businesses that might be successful otherwise.

We've asked the [Alberta] Federation of Labour to work with us, and separately, on the matter of definitive and informed data that we can get on the whole matter of what the minimum wage might be in Alberta.

MR. NOTLEY:

Mr. Speaker, a further supplementary question. Can the hon. minister advise the Assembly whether there is a specific time frame for increasing the minimum wage and, in addition to that, reducing the work week from 44 to 40 hours?

DR. HOHOL:

Well, we announced some months ago that the minimum wage would go up 25 cents on January 1 of this year and that it would go up a further 25 cents to \$2.50 on July 1 of the same year.

The matter of looking at hours of work, minimum wage, and other elements that go into the environment of the working men, is in process and will continually get the assessment of the government. The kinds of representations that the federation makes are most helpful to us in making certain determinations on these matters.

#### Health and Safety Legislation

MR. NOTLEY:

Mr. Speaker, a further supplementary question. Has the government made any decision yet with respect to legislation concerning the question of labor-management health and safety committees, as was discussed during the changes in The Workers' Compensation Act?

DR. HOHOL:

Mr. Speaker, I anticipate very shortly, in a matter of days I'm certain, the report of the Industrial Health and Safety Commission. It's clear that the commission will address itself to many matters with respect to safety, one of which would be the subject of commissions or committees composed of management and employees having to do with the safety of the work site and the workshop.

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Grazing Land Study

MR. FRENCH:

Mr. Speaker, I would like to direct my question to the Minister of Agriculture. Has the government received a copy of the study which was initiated by the Western Stock Growers' Association and the Alberta Cattle Commission with respect to the ratio assessment between arable land and grazing land?

DR. HORNER:

Yes, Mr. Speaker, we have. I might say to the hon. member that I have no hesitation in making that particular study public. I would just like to check with the Western Stock Growers' and get their concurrence. If they concur we will make it available to the hon. member.

MR. FRENCH:

Mr. Speaker, could I ask the minister if a copy has been referred to the municipal finance committee of the government for their consideration?

DR. HORNER:

Well if it hasn't, Mr. Speaker, it certainly should be. I would have to follow up and find out. There was some ongoing work being done in my department, that of Lands and Forests, and Municipal Affairs. I'm sure that it will be coming to the [Provincial] Municipal Finance Council.

## Canadian Urban Demonstration Projects

MR. WILSON:

Mr. Speaker, I would like to direct a question to the hon. Minister of Federal and Intergovernmental Affairs. Would the hon. minister advise if the Alberta government has made a submission to the federal Minister of [State for] Urban Affairs on the Canadian Urban Demonstration Projects?

MR. GETTY:

No, Mr. Speaker, we have not.

MR. WILSON:

A supplementary, Mr. Speaker. Would the minister advise what the Alberta government's position is in regard to participating in Canada's official submission to the United Nations Secretariat for HABITAT, the United Nations Conference on Human Settlements to be held in Vancouver in 1976?

MR. GETTY:

Mr. Speaker, the federal government has invited the Government of Alberta to have a representative in the preparation and at the conference. The government has been considering this matter. I'm not certain which representative of our government will actually participate, but there are ongoing discussions with the federal government on the matter.

MR. WILSON:

A supplementary, Mr. Speaker. Will the Alberta government be joining other Canadian provinces in supporting the Canadian government in its responsibilities as the host country for this major United Nations conference?

MR. GETTY:

Mr. Speaker, should those responsibilities appear to be ones that should be supported, then we probably will.

MR. WILSON:

A supplementary, Mr. Speaker. Does the Alberta government subscribe to the objectives and theme of HABITAT?

MR. GETTY:

Mr. Speaker, it's a very general subject that is being discussed, human habitats. On some matters the government finds itself in accord with the federal government and on others in less accord.

MR. WILSON:

A supplementary ...

MR. SPEAKER:

Might this be the final supplementary on this topic.

MR. WILSON:

Would the minister advise what the Alberta government will be doing to stimulate response from Alberta industry, educational and professional institutions, government agencies and/or municipalities to make submissions to the Canadian urban demonstration projects?

MR. GETTY:

Mr. Speaker, I would have to check to see the amount of discussion that is being stimulated, either from the federal position or from the provincial government, and let the hon. member know. These matters have been discussed generally with the Department of Municipal Affairs and the Department of the Environment which normally have ongoing discussions with those segments of our Alberta society interested in these matters.

#### Hail and Crop Insurance (continued)

MR. STROM:

Mr. Speaker, I would like to direct my question to the hon. Minister of Agriculture and it is on crop insurance. The statement was made by the minister that agents would be handling it, some of the agents who handled it last year. My question is: will it be on a commission basis or a per diem basis?

DR. HORNER:

Mr. Speaker, as a matter of fact it will be on a combination of both. I don't know whether you would call it a per diem basis when there is incentive built into it on the basis of the number of new contracts and/or the number of contracts that are renewed as well as other specifics in there as an incentive to sell the package.

MR. STROM:

Mr. Speaker, a supplementary question. Will the agents who handled it last year be phased out this year on a commission basis, or is this going to be a continuing arrangement with them?

DR. HORNER:

Mr. Speaker, the arrangement we have with the agents is that they will continue to be paid by commission for their hail sales and per diem plus incentive on the straight crop insurance. In fact it will mean that most agents will either be better off or at the same level as they were a year ago in ...

MR. STROM:

Will it be continuing?

DR. HENNER:

No, it's a continuing thing, Mr. Speaker, but there is a grandfather clause, so-called, in the arrangement for the present agents so they can continue to sell hail on commission as well.

#### Energy Export Controls

MR. HENDERSON:

Mr. Speaker, I wonder if the Minister of Mines and Minerals could advise the House as to whether the government is contemplating the introduction of legislation dealing with the issue of export controls on oil and/or coal?

MR. DICKIE:

There will be no such legislation introduced at this session, Mr. Speaker.

MR. HENDERSON:

As a supplemental, Mr. Speaker, could I then ask the minister when the House could expect that the government will be making the report mentioned in the Throne Speech relative to progress on the question of the energy reserve position within the province?

MR. DICKIE:

Mr. Speaker, we're just working on that at the present time. Perhaps I will be referring to it in some comments today. It may be later that we'll expand on those comments.

#### Speed Limit Reduction

MR. HO LEM:

Mr. Speaker, my question is directed to the hon. Minister of Highways and Transport.

Does the hon. minister intend to bring in legislation during this session to lower the speed limit in Alberta? Or is this still under consideration?

MR. COPITHORNE:

No, we are not intending to bring in any legislation this session, and it's still under consideration, Mr. Speaker.

MR. HO LEM:

A supplementary, Mr. Speaker. Can the hon. minister advise when consideration will cease and action be taken?

[Interjections]

Supplementary, Mr. Speaker. Does the minister wish to answer that question, Mr. Speaker?

DR. WARRACK:

What's your question?

MR. COPITHORNE:

Well, Mr. Speaker, I thought I adequately answered the hon. member by saying that it was under consideration.

AN HON. MEMBER:

Agreed.

MR. HO LEM:

A supplementary, Mr. Speaker, to the hon. minister. What is being done to remove unsafe vehicles from the highways at the present time?

MR. COPITHORNE:

Well, Mr. Speaker, they are being towed away and ...

[Laughter]

... removed and hauled to the recycle depot.

MR. HO LEM:

A supplementary, Mr. Speaker. I wonder if the minister can advise this House who is doing the towing away?

MR. SPEAKER:

It would seem that the hon. member is perhaps getting into a matter of detail that he might seek on the Order Paper.

MR. NOTLEY:

Mr. Speaker, I'd like to direct a supplementary to the hon. Minister of Highways and ask the minister whether or not his department has a special study now in place to examine the results in the United States as to the reduction of highway fatalities due to their lowering of speed limits; whether there is a special study now being conducted by our department?

MR. COPITHORNE:

Mr. Speaker, we have been looking at the results in the United States. We are not in a position to agree with the hon. Member for Spirit River-Fairview that the lowering of speed limits has been entirely due to the saving of lives.

MR. NOTLEY:

Mr. Speaker, a further supplementary question. Can the minister advise the House whether he is prepared to table the findings of that study so that members can make up their own minds on it?

MR. HO LEM:

Mr. Speaker, a supplementary to the Minister of Consumer Affairs. Mr. Minister, in the interest of saving fuel, is the minister in favor of reducing the speed limit in Alberta?

MR. DOWLING:

Mr. Speaker, he's asking for my opinion.

MR. HO LEM:

The question to the hon. minister is: will the minister introduce legislation to lower the speed limit in Alberta?

MR. DOWLING:

No, Mr. Speaker, we will not. We have not been satisfied that lowering the speed limit does in fact reduce accidents and reduce the number of fatalities. There is some question, Mr. Speaker, in the results of the study that was referred to by another hon. member that this is a fact. In fact, there are some conclusions being drawn by some circles that the energy crisis and the fewer number of vehicles on the highway contributed a great deal more to the fewer number of accidents than did the speed limit reduction.

MR. SPEAKER:

Might this be the final supplementary on this topic.

MR. NOTLEY:

A final supplementary question to the hon. Minister of Highways to ask him whether or not the government is prepared to table all studies which have been conducted on the situation in the United States as a result of their lowered speed limits?

MR. COPITHORNE:

Well, Mr. Speaker, we certainly are not gathering all the information that is coming out of the United States in the studies they're having down there. But we are looking at the information that is being given by them. Certainly we could table it I think, for what there is of it. It might help you in your debate. When you come up with it you'll need some help.

#### AEC Shares

MR. LUDWIG:

Mr. Speaker, my question is to the hon. Minister of Federal and Intergovernmental Affairs. Will the government determine the date of issue of Alberta Energy Company shares to the public?

MR. GETTY:

I was replying to essentially the same subject yesterday, Mr. Speaker, and essentially it was that it would be the business decision of the board of directors of the Alberta Energy Company.

MR. LUDWIG:

Has any government minister made any recommendation to the Alberta Energy Company with reference to the timing of the issue of shares to the public?

MR. GETTY:

No I haven't, Mr. Speaker, other than to say that they should use their best business judgment.

MR. LUDWIG:

A supplementary. What assurances can the minister give us that the public interest will be served by the decision of the company when he admits that he has no influence over the decision?

MR. GETTY:

Well, Mr. Speaker, we would certainly have a great deal of faith in the Albertans, the highly respected Albertans, who are members of the board of the Alberta Energy Company. Then, of course, there is the government's record of protecting the public interest of the people of Alberta.

MR. LUDWIG:

Mr. Speaker, one last supplementary. How much money, how much of public funds, has the Alberta Energy Company received to date and how much more is committed to be paid over from the revenues of the province?

MR. SPEAKER:

Order please. The hon. member well knows that that type of question goes onto the Order Paper.

MR. LUDWIG:

Mr. Speaker, the hon. minister could ask that that question be given as notice also. He should know the figures, if he doesn't.

MR. SPEAKER:

The hon. minister's options do not change the duty of the Chair in this regard.

MR. LUDWIG:

He should know ...



MR. CLARK:

Mr. Speaker, I'd like to ask a supplementary question of the Minister of Federal and Intergovernmental Affairs. Were there discussions between him or other cabinet ministers and the Alberta Energy Company president, or officials of the energy company, prior to the \$75 million special warrant passed in the last two weeks?

MR. GETTY:

I'm not quite sure I understand the question, Mr. Speaker. Perhaps the hon. member might amplify on what he is talking about.

MR. CLARK:

Were there discussions between the Alberta Energy Company officials and the Government of Alberta prior to the passing of the \$75 million special warrant last week?

MR. GETTY:

Mr. Speaker ...

MR. CLARK:

Pardon me - the time that the shares would go on sale.

MR. GETTY:

Mr. Speaker, we didn't surprise them with the money.

[Laughter]

However, I did not discuss with them at the time a specific date of the issuance of shares to the public.

#### Timber Royalties

MR. RUSTE:

Mr. Speaker, my question is to the Minister of Lands and Forests. Is the government considering changes in the method of collecting royalties in the timber industry which at the present time are basically timber dues and some other charges?

DR. WARRACK:

Mr. Speaker, if the member has been watching he knows that we did make changes in October and then further changes again in January: first, with respect to the stumpage rate following the current market rather than a lagged-market application; secondly, with respect to the interest fee deferral of stumpage due and payable, and thirdly, through the Alberta Opportunity Company with respect to inventory financing for those that are operating in this current season.

MR. RUSTE:

Mr. Speaker, a supplementary question to the minister. I was aware of that but as to a method? I understand there has been some talk of a profit-sharing method of getting income for the government from the timber industry.

DR. WARRACK:

I have had no such conversations.

#### Premier-PM Meeting

MR. DIXON:

Mr. Speaker, I would like to direct my question to the hon. the Premier. It's regarding the meeting with the Prime Minister proposed for Lethbridge during the opening of the Games there. I was wondering what major concerns the hon. Premier plans to discuss with the Prime Minister other than the energy and Syncrude problem?

MR. LOUGHEED:

Mr. Speaker, it would be difficult for me to respond briefly in a question period to a question of that nature. I'd be pleased to do so later in debate in the House.

MR. DIXON:

A supplementary question then, Mr. Speaker. Has the Premier any intention of discussing the housing situation with the Prime Minister?

MR. LOUGHEED:

Mr. Speaker, I think that certainly housing would be discussed, as would be transportation, but I think that in elaborating upon the nature of that I'd prefer to wait to debate.

## O'Chiese Indian Reserve Deaths

MR. LEITCH:

I wonder if I might take this opportunity to answer a question asked of me yesterday by the hon. Member for Highwood regarding whether there would be an inquest into the death of two Native persons in the Rocky Mountain House hospital. I have been able, since yesterday's question period, to make enquiries and the answer to his question is yes, there will be.

## ORDERS OF THE DAY

## CONSIDERATION OF HIS HONOUR THE LIEUTENANT-GOVERNOR'S SPEECH

Mr. Koziak proposed the following motion to the Assembly:

That an humble address be presented to His Honour the Honourable the Lieutenant-Governor of Alberta as follows:

To His Honour the Honourable Ralph G. Steinhauer, Lieutenant-Governor of the Province of Alberta:

We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly, now assembled, beg leave to thank Your Honour for the gracious speech Your Honour has been pleased to address to us at the opening of the present session.

To which the following amendment was moved by Mr. Clark:

But this Assembly regrets that the Speech from the Throne contained no indication of proposed actions or legislation in the following five areas:

1. The control and limitation of the amount of expenditure that may be authorized by special warrant;
2. The reorganization of municipal financing;
3. Steps to restore confidence of investors in Albertan industry and commerce;
4. The reduction of or restraint on the growth of the Province's bureaucracy;
5. The reduction of personal income taxes.

MR. BENOIT:

Mr. Speaker, I address myself at this time to the amendment that has been made to the Speech from the Throne. I would rather have made my first comments on the Speech itself before making them on the amendment because I would like to have congratulated His Honour and [to] have pointed out some of the favorable things about the Speech. But I know I cannot do that because I would probably be called to order for addressing myself to the Speech rather than to the amendment. Therefore I will proceed with the amendment at this time and hope there will be opportunity later on for me to address myself to the Speech itself.

I would like to begin by expressing a personal opinion if I might, Mr. Speaker, with regard to the fact that I often deplore the way some hon. members twist what other hon. members say in the Legislature. This is a human trait that probably is brought out stronger in the Legislature than anywhere else I know because of the circumstances that arise. Nobody is free from it. I think that when some things are very evident, we ought to accept them rather than try to make them say something they weren't intended to say or [that] we know very well they weren't intended to say.

I can't help but think of how this goes on so much in the courts as lawyers seek to persuade juries, judges and others of things that are quite evident. The way it is carried on seems to me a sad commentary on the way human nature is allowed to crop up and destroy integrity that could otherwise exist. What a different society we could have if we would accept these facts when we know what they are intended to be.

This amendment, Mr. Speaker, is not really a negation of the entire Speech from the Throne. It is a regret, an expressed regret of certain important omissions which I think

need to be considered. Also there are other omissions probably equally important, but these five mentioned in the amendment are examples of what we have to deal with before us.

As a result of course of the debate on the amendment, members on this side of the House, and I think members on the back bench on the other side of the House, have received some information that might have been included in the Speech from the Throne, and it has made it easier for us to cope with the oncoming debate on the Speech from the Throne and also in this session. And so I support the amendment and would like to see it pressed a little farther.

The first point in the amendment, Mr. Speaker, makes reference to control and limitation of the amounts of expenditures that may be authorized by special warrant. Certainly in a day of inflation like we find ourselves in today, this is one thing that a provincial government could do as well as others.

Every once in a while I hear somebody say, well we're now in a cycle of inflation, or we're in a critical situation in the energy field that nobody can do anything about. I don't think that is at all true, Mr. Speaker. Somebody has to take a stand somewhere, sometime, and I can't think [of] a better place or better group of people or a better government to take a stand than that in Alberta, whether it be the people, the province as a whole, the government, the Legislature or whatever it might be. Somebody has to set an example. If we're going to have any change in world conditions, let us start with us, so that some changes can be made.

What concerns me about the unlimited expenditures - no, I won't say unlimited, but almost unlimited expenditures - by special warrant, Mr. Speaker, is the fact that about nine months ago we approved a budget of estimates that called for almost \$2 billion in income and capital expenditures which amounted to more than \$1,000 for every man, woman and child in the province of Alberta. If we add the \$300 million or more of expenditures that have since come by special warrant, and I don't know how many more we can anticipate before the end of the fiscal year, we have at least another burden of \$200 per person for the whole province added to the \$1,000 already on the books.

To me it seems this is a great amount of money to saddle the people of Alberta with - even though they are getting it back, Mr. Speaker; it is their money in the first place - when we have such inflation and when our business is to try to set an example to curtail expenditures in a time of inflation.

It also concerns me a great deal because not only are we doing a lot of governing in this province by regulations and by orders in council, which we were told would not be the case when some of the personnel in the present government were on the opposition side, we have also added to these large expenditures by special warrant. If you compound the problem that can be created and is being created now by orders in council, regulations and special warrants, you can see there is a real danger of losing the supremacy of the Legislature and turning it over into the hands of the government.

I don't think we have a right to let this go by the board without pointing it out and doing something about it, Mr. Speaker. For that reason, I strongly support the idea that something in the Throne Speech should have or could have indicated to us an inclination on the part of the government to reduce the number of special warrants and probably also regulations, as circumstances permitted, having once been settled in after nearly four years of governing in this province.

I can understand that when they were new in the government, they may have felt the need for some of this in order to get settled some things they weren't satisfied with. But surely there would come an end to it, and they would be able to turn back the government to the people of Alberta and to the Legislature which was appointed by the people of Alberta.

Going next, Mr. Speaker, to the third point: "Steps to restore confidence of investors in Albertan industry and commerce."

I think the best way I could illustrate this, Mr. Speaker, would be to mention to the hon. members of the Legislature the fact that last weekend I was travelling with a man who had been involved in the oil business for some twenty-five years. He was telling how he had gone out of business as a result of the changes that had been made in the Alberta Legislature and the pressures that were being added by the federal government in the new taxation system and so on. When he finished he said, I'd like to know, Ed, what the people of your constituency are interested in.

I sensed that he wanted to change the subject from oil to something else. So while we have the Turner Valley oil fields, which were the first oil fields in the province of Alberta, I said yes, I would be glad to tell you that probably the people of this constituency are more interested in what takes place on the top 12 inches of the ground than all the other things under the ground put together, because in the constituency of Highwood, while the people are concerned a great deal about oil and what's happening in that area, they are far more concerned about what takes place on the top of the ground.

We can't eat the oil, we can't drink the oil, we can't wear it. It's a hard thing to hang on to. But everything we eat, everything we wear and everything we use for our shelter comes off the top of the ground. And the people are very concerned, not only with the people of Alberta but with the people from all over the rest of the world who are going hungry.

We need to do something about the conservation of our land. They are interested, very interested and concerned, about land use. They are interested and concerned about the great spread between what the producer gets and what the consumer has to pay. They are concerned not only because they are producers but also because there are so many consumers who have to pay so much more.

They are concerned very much about the government controls and capitalistic monopolies that interfere and interrupt the competition in the market place and the free working of the law of supply and demand.

They are interested in the business of government in a democratic free country. They would like to see governments content themselves with keeping law and creating a climate for business, and staying out of business in order that the freedom that made the North American countries the greatest countries in the world, might be able to continue to exist and responsibility be left upon the shoulders of the individuals and corporate groups who want to work in a free market.

Like the things not even mentioned in the Throne Speech which are mentioned in the amendment about which we are talking today, governments could do much more with regard to land use. I don't think I need to emphasize that any more; it would be like a broken record so far as I am concerned. But, Mr. Speaker, it's one of the most important things we have to deal with in the province in which we are living today.

People of Highwood have so many uses for land, they're innumerable. Living on the edge of a city like we do, we've got people using land from all sizes, from a lot to hundreds of thousands of acres. We have all kinds of subdivisions where people are not using the land they are being forced by planning conditions to purchase.

We are using land in high-density and low-density agriculture. We raise large fields of grain or concentrate on a small acreage, three or four acres, where in industry we raise thousands and thousands of chickens and pigs and things of that sort. We have turf ranching where they raise sods. Mr. Speaker, we even have fish ranching in Highwood, where they raise fish for the market commercially, and attempt to supply the markets of Alberta that have been supplied in other places at other times from other countries in the world.

I think it's important that land-use legislation come into effect soon because of the pressures that are being put on by foreign investors, by people from the cities to come out and live in the country, by people in the country who want larger farms and more economic units, by hundreds of people who want to start farming and have no opportunity to do so because of the high cost of land.

Mr. Speaker, in spite of all the problems and the concerns that we have in the constituency, and the great diversity of opinion because of the backgrounds of the people and the nature of their work, they still get along together but they want the governments to keep from interfering in places where they ought not to.

We have oil fields. One of the things the people in the oil fields often say is: we're the first people to produce oil in the province of Alberta. It was the start of the petroleum industry in the province of Alberta and today it has become one of the neglected areas, even though oil and gas are still coming forth in considerable abundance from that old field.

People wanted a senior citizens home. Of about nine hundred people in the area who are over 65 years old, nearly one hundred of them indicated they would go into a home as soon as it was built. They had hoped they would have one this year. Mr. Speaker, we still live in hopes that we might have it next year, now that it's been rejected this year.

If we're going to have investor confidence in our province, we have to be able to provide the people with some assurance that they will be able to invest and get some reasonable return. I can't help but think of the number of situations that have arisen which have broken investor confidence in the province.

I noted that one of the MLAs recently made a statement, according to a quotation in a paper, to the effect that if Syncrude decides not to continue its development, Alberta should sue Syncrude. Well, Mr. Speaker, Alberta is not really in a position to sue anybody for breaking a contract with the Province because it's what I was going to say before; it's the old golden rule just coming back on us. If we break contracts and we are fortunate enough not to be sued, let us hope we wouldn't be suing in return. I don't know that anything could be gained by suing. I myself don't think it's the route to take.

A whole chain of events have transpired - and, Mr. Speaker, they're not just here in Alberta, they're in the whole world - which has created a lack of confidence on the part of investors, particularly in the oil industry but in other industries as well. They all result from too much greed and too much avarice on the part of individuals and we have right here in the Legislature ... I'd like to use another example, Mr. Speaker, that I think most legislators here today will be familiar with.

Once we had no subsistence allowance. Then as the years went on and members had to stay away from home for a long time, it was decided that a subsistence allowance should be granted. It gradually crawled up to \$15 a day, and on the subsistence allowance the federal government gave a tax exemption. Then we decided not long ago - two years ago to be exact - that it should be increased to \$30 a day. About the same time, the federal government made a change in its laws with regard to income tax so the subsistence allowance was not tax exempt. So last fall, after desiring to get all the exemptions we could, and to beat the income tax out, we passed a piece of legislation ...

MR. SPEAKER:

Order please. I must respectfully draw to the hon. member's attention that it is out of order to reflect on a previous resolution or decision of the Assembly, and as I understand what the hon. member is saying, he is saying that this Assembly has been attempting to avoid income tax or to act in a greedy fashion in relation to a per diem allowance.

Such a reflection on an order or a decision of the Assembly or a statute passed by the Assembly is out of order for the hon. member unless he wishes in the proper way to introduce an amendment.

MR. BENOIT:

Thank you, Mr. Speaker. I stand corrected. I was going to use this as an illustration of the individual members, but I shall refrain from so doing.

I think I will use another illustration that will be familiar and won't be with regard to the Legislature, Mr. Speaker, but will be a matter of government outside the Legislature that will give us an idea of the same thing with regard to the greed and hunger that we have for money being our undoing in regards to seeking more and more when we already have some.

Three years ago, a sudden change was made in the royalties situation insofar as the gas and oil in Alberta were concerned. When that change was made, where the royalties were increased, the companies thought the increase was too great and the federal government decided that it was taking too much away from the federal government. This started a sort of chain reaction. So the government offered to give back some of the money in drilling and exploratory incentives. The companies accepted some, but the federal government so arranged that they could take enough money from the industry so that they could sort of get even with the provincial government.

Mr. Speaker, I'm not flying any flags for what the federal government did - I don't approve of it - and I don't fly any particular flags for the oil companies who have done very well. But what I am saying is that in our desire to get more and more money, we often do things that create more problems than we can solve or handle. That is what I see happening in the province of Alberta today. Our desire to get more money has brought us to the place where we find out that we are going to be strapped and not have as much.

I have it on good authority, and I'm inclined to believe it, Mr. Speaker, that if we had never changed the royalty pattern - a situation that was contracted for - if we had never handed back any drilling incentives or anything of that sort to the companies, we might find ourselves today, with the increase in prices that have accrued through the past two or three years, in a position where we would have as much money today ...

AN HON. MEMBER:

More.

MR. BENOIT:

... or more if we had stayed the same, and we wouldn't have had any problem with investor confidence. We wouldn't have had any problem with the oil industry and we wouldn't have had any problems with the federal government. So I think what we need to do is to trace back what the problem is when we make some of these decisions. In many cases it is simply a matter of greed.

I'm not blaming just this government. As I said a few moments ago, this is a situation which prevails throughout the world. The Middle East nations which joined together to increase the price of petroleum products in the world thought they had the world by the tail and that they were really going to go places and do things. They now have billions of dollars that they don't know what to do with.

They have tried to use it in other countries and suddenly find themselves closed off by laws that have been made prohibiting the purchase by foreign investors of land or other things they wanted. In putting themselves in this position, they find now that they are faced with myriads of hungry people all over the world who have asked them to meet together with the oil consumers and see if something cannot be done. Because at the present rate of accumulation of money by people who temporarily hold the reins and satisfy their greed, the world is coming close to a chaotic condition. We have created not only a second and a third world, but we now have a fourth world.

Mr. Speaker, all of this I say points out that investor confidence is broken because of greed, a desire to get more. Now it's bad enough when we seek to get it for ourselves. But when we seek to get it, we claim, in the name of the people of the province, get something to their best interests, I'm afraid it's a cover-up. What we want to do is satisfy our own desires and we are not actually seeking to do a service for the people of the province. Now maybe the immediate motivation, the immediate incentive is that. But in the long run it does the people a disservice rather than help them.

Mr. Speaker, in regard to the fourth point in the amendment, a reduction or restraint on the growth of the Province's bureaucracy, some hon. members have suggested that we were saying we have to cut out some of the civil servants and asking which of the civil servants would be cut out first. That is not at all what the amendment is saying. The amendment is suggesting the reduction or restraint. The idea is a restraint on the growth, the very thing that some of the government members now on the front bench were crying so much for when they sat in the opposition. It has been just the opposite way. It has been going the other way.

Mr. Speaker, in conclusion I simply mention the fifth point, the reduction in personal income taxes. I want to say again what I said at the beginning: our problem is that what we are giving to the people of Alberta is not something the government or the Legislature is giving to the people of Alberta; it is something that is theirs in the first place. It belongs to them. When we incur debts or spend money lavishly, we increase inflation, we increase all kinds of problems and we do it at the expense of the people we say we are seeking to serve, help and assist. So if the people of Alberta are going to receive many

gifts from government, they ought to be made constantly aware of the fact that these are a return of their own blessings which have been bestowed upon them by the Maker in the first place.

Thank you.

MR. HO LEM:

Mr. Speaker, I wish to take this opportunity to direct a few remarks to the amendment to Motion No. 1 as moved by the hon. Member for Olds-Lidsbury.

I would presume, Mr. Speaker, that the underlying motive which prompted the hon. member to make this amendment is the lack of substantial content of the Throne Speech itself. But even so, Mr. Speaker, I feel that I am compelled to offer humble congratulations to our government. I find that after nearly four years of continuous striving for perfection in the art of ambiguity, they have finally managed to produce a document that not only says nothing but actually takes away from the sum total of human knowledge and understanding.

In my humble opinion, such dedication to proving themselves completely deficient of perception of the priorities of this province certainly should not go unrecognized. Therefore, Mr. Speaker, I offer sincere compliments on this obscure and vague document that has been presented to the people of Alberta and to this House, disguised as the traditional statement of program priorities. Mr. Speaker, to be perfectly honest, I along with many others, found it most difficult to conceal my disappointment on hearing the little content contained in the Throne Speech.

And now, Mr. Speaker, on the issue of bureaucracy and red tape. With all due respect, Mr. Speaker, we should probably be accustomed to the kind of make-believe by now. I can recall, for instance, a quote from the 1972 Throne Speech, and I quote: "It is a major goal of my government to reduce bureaucratic routine and red tape." This statement, I recall, received endorsement from all sides of the House.

I would suggest, Mr. Speaker, when considering what has happened in the area of bureaucracy since then, this famous line is an excellent example of the government deliberately misleading the people. It seems to me now it must be one of the goals referred to in the 1975 Throne Speech as still receiving study.

At no time in the history of Alberta have citizens been subjected to more bureaucratic routine and red tape than today. We are drowning in the sea of bureaucratic red tape. It is getting worse day by day until now it has reached the proportions of a scandal. To be perfectly truthful, I interpret the bureaucracy in this province as a millstone around the people's neck. Let me say, Mr. Speaker, that if this government cannot be remembered for anything else, it will be forever enshrined in the minds of the citizens of this province as a government that programmed a systematic strangulation of personal initiative for bureaucracy and red tape.

SOME HON. MEMBERS:

Agreed.

AN HON. MEMBER:

What did Miniely do?

AN HON. MEMBER:

You're reading a speech.

MR. SPEAKER:

Order please.

MR. HO LEM:

Did some speaker wish to comment, Mr. Speaker?

MR. SPEAKER:

I think the hon. member was raising a point of order on the possibility of the hon. member who was speaking, reading his speech.

DR. BUCK:

Mr. Speaker, on that point of order I think if the hon. member was going to raise a point of order, he should have gotten up and raised the point of order.

MR. SCHMID:

Aw, sit down ... [inaudible] ...

DR. BUCK:

He was reading the ... [inaudible] ...

[Interjections]

Mr. Speaker, the hon. minister ... [not recorded] ... Would you like to shut up.

MR. SPEAKER:

Order please!

MR. COOKSON:

Point of order, Mr. Speaker. I would like to raise the point that I thought the member from Calgary was reading his speech, and this is contrary, I think, to some of the rules and regulations of the House.

MR. HENDERSON:

Mr. Speaker, when I hear such remarks, I don't really think it's fair play in this House. All members of this House are aware of this ruling, and certain members of this House on both sides have long practised and still practise the reading of speeches in the House. I think that unless the rule is going to be enforced, the hon. member should be allowed to present this speech in the manner in which he has been presenting speeches in this House for four years or longer, regardless of who the member is.

AN HON. MEMBER:

Agreed.

MR. HENDERSON:

There is such a rule, but it has not been enforced and I think it either should be enforced unilaterally for everybody, but certainly not used to interfere with the rights of one individual member.

MR. WILSON:

Mr. Speaker, on the point of order, I don't think the rules say anything about the use of copious notes.

MR. COOKSON:

Mr. Speaker, I would agree that he should continue to read his speeches or present them in the way that he has done for the last four years.

MR. HO LEM:

Thank you, Mr. Speaker. If it is to be admitted that I am reading the speech ... [interjection] ... and if it is to be interpreted by some that I'm reading the speech, it would only follow, Mr. Speaker, that I read better than the members across the way.

SOME HON. MEMBERS:

Hear, hear.

MR. HO LEM:

And in particular, to the member opposite who has raised the point, I read better than perhaps he does now and ever hope to be.

Mr. Speaker, on the point of restoration of investors' confidence, our government for nearly four years of inept and sometimes absurd leadership has brought us to a point of appearing to be the laughing stock in Canadian confederation. In 1972 we were told, and I quote: "... the Alberta government's relationships with the federal government and with other provincial governments are improved and are effectively coordinated ..."

The following year, on the subject of federal-provincial relations, it was: "... unique opportunities are now available to alter long-entrenched national policies which have tended to thwart the full growth and potential of this province ... ." I'm wondering, Mr. Speaker, just what it is we did with these unique opportunities.

Last year we were subjected to the following, and again I quote:

... to protect the ownership interest of Alberta citizens in the natural resources belonging to them in accordance with the spirit and intent of our Canadian Constitution and The Natural Resources Transfer Act of 1930.

All Albertans, Mr. Speaker, are now wondering just what our provincial government is doing to protect what is ours and to utilize our natural resources to our best interest. The position of Alberta has been subjected to continuous erosion within the past few years. Now, Mr. Speaker, by the time we have reached 1975, the Throne Speech read: "... determination has resulted in predictable stresses and strains within our federal state ... ."

Mr. Speaker, what we have seen here over a period of four short years is a simple history lesson of deteriorating relations with the senior government and with other provincial governments. We have gone from a point of "improving relations" in 1972 to "stresses and strains" in 1975. I must say that this province cannot stand much more of this kind of progress in the field of federal-provincial relations. To me it has been a study of taking one step forward and ten steps backwards.

You will recall four years ago that the new Department of Federal and Intergovernmental Affairs was launched amid much fanfare and publicity. We were told that the hon. Minister, Mr. Getty, one of the shining stars of the cabinet, was named to head up this important portfolio. And at that time, expectation was as high as I have ever seen in this House by the Premier and his colleagues. I would suggest that if we are now seeing the results of that expectation, each Albertan would be much better off if it had died a timely death during birth. The type of action by the government has created an atmosphere of suspicion and mistrust, and it is imperative, Mr. Speaker, that investor confidence be restored as quickly as possible.

And now, Mr. Speaker, I wish to direct a few remarks on the subject of municipal affairs with particular reference to municipal finance. The hon. Minister of Municipal Affairs, Mr. Russell, in his debate on the amendment mentioned many many of the programs which were in effect. I think he did a credible job in defence of his portfolio, and so he should. After all, he's responsible; he's the man responsible for that portfolio.

I do not think at this time I would like to fan the fires between the hon. Minister of Municipal Affairs and the Mayor of Calgary, be that as it may, but I feel the city of Calgary and the citizens of Calgary have good justification for their concerns.

Back in 1972 we heard that an attempt to offset some of the problems and difficulties apparent in the metropolitan centres - this was noted in the Throne Speech - and next year it was: "Municipal government will be strengthened by increased municipal assistance ... ." By 1974, Mr. Speaker, we heard from the Throne Speech: "... emphasis on urban programs with special attention to the metropolitan areas ... ." And in 1975 we hear: "... increased funding to strengthen municipal governments." All this, Mr. Speaker, I suppose is very beautiful to hear and wonderful to the ear. It must be comforting to those people who have infinite faith.

I would suggest Mr. Speaker, that after nearly four years of waiting, hat in hand, the municipal governments could probably use some of this "increased funding" that we heard promised so often. The help and relief provided over the previous four years has been so dismal that it was instrumental in bringing our municipal governments to their knees ... [interjections] ... and on the brink of bankruptcy.

AN HON. MEMBER:

You exaggerate that last bit.

MR. HO LEM:

If our record of assistance follows the same pattern it has in past years, all our municipal governments will be flat broke.

AN HON. MEMBER:

You wrote that speech five years ago.

MR. HO LEM:

Your memory isn't as good; it doesn't go back to five years, probably to yesterday at best.

AN HON. MEMBER:

Doesn't even remember round the corner.

MR. HO LEM:

The policy we have been implementing to date is like one of throwing an iron anvil to a drowning man.

AN HON. MEMBER:

Help, help.

MR. HO LEM:

All I can say now, Mr. Speaker, is that the municipalities can no longer stand the kind of progress our government has been initiating. After all, Mr. Speaker, the people in municipal governments are still naive enough to think that progress means going forward.

In the area of special warrants, Mr. Speaker, any Speech from the Throne would be grossly remiss in not quoting that famous hollow statement of a few years ago when the government stated, and I quote: "The 'open government' concept ...

AN HON. MEMBER:

Hear, hear.

MR. HO LEM:

... will make my government more frequently accountable to the people for its decisions and policy."

MR. APPLEBY:

Right.

MR. HO LEM:

I would suppose, Mr. Speaker, that this is in direct reference to the unprecedented consultation that took place with the Legislature and the people of this province prior to the purchase at an inflated price of Pacific Western Airlines.

AN HON. MEMBER:

Hear.

MR. HO LEM:

This "open government concept" I suppose also applies to such proud moments in our history as when we tore up the contract with private oil companies, when we reneged on our



promise of letting the people of Alberta buy shares in the Alberta Energy Company, and to such things as when we were promised full consultation with our municipal governments in the area of reforms.

If we continue to be subjected to this type of policy of "open government", the whole population, including the elected representatives of the people, will be completely buried by the arbitrary and dictatorial actions of the select group of intellectually bankrupt ministers that made up the Premier's patio party.

SOME HON. MEMBERS:

Hear, hear.

[Interjections]

MR. HO LEM:

We beg, Mr. Speaker, that we no longer be subjected to this type of "open government" that has been inflicted upon us. We all have suffered enough. This type of "open government" will relegate all of us to the position of voiceless slaves.

[Interjections]

Mr. Speaker, in this debate we have heard many comments by government members about the various programs for senior citizens, civil servants, farmers and others. I have also given some thought, Mr. Speaker, as to why the government has made so many promises of improvements in the field of mental health.

In 1972 we were promised some "... overdue ... reforms in [the field of] mental health ... ." The next year it was, "... development and improvement of mental health services ... ." In 1974 it was an improved delivery system for mental health for Albertans. This year we were promised, "... new and improved services for the [mentally] handicapped and ... retarded." I have been wondering just when some of these improvements and reforms are going to come about.

If we have the kind of progress in this field that we have had for the past four years, all the inhabitants of the province of Alberta will become senile enough to swallow the kind of deception and maladministration that this government has attempted to thrust upon them. These empty promises in the field of mental health have been completely devoid of any serious anxiety on the part of the government. I believe it is time to stop promising, Mr. Speaker, stop talking and start delivering the goods.

Some of the hon. members across the way mentioned in this debate what they were doing for senior citizens. Yes, Mr. Speaker, we might also take a serious look at the plight of our senior citizens. In 1972 an immediate priority was an easing of "the difficult circumstances of our senior citizens." The following year it was: "... an entirely new policy ... for our senior citizens." By 1974 we were promised this reform would help to lower the cost of living for our senior citizens.

All of us are aware, Mr. Speaker, how much the cost of living has been helped by our government programs and policies. This year we were told that our senior citizens: "... deserve satisfying and secure later years." I couldn't agree more. I must say, however, that if the present progress of government policies continues, our senior citizens will not have any later years, much less satisfying and secure ones.

If the government is honest, and I don't think it would hurt to have a bit of honesty on this subject, they will have to admit that our senior citizens are worse off today than they were four years ago. They have been victimized by a lot of empty promises by a government without a firm constructive policy toward them. Mr. Speaker, I contend, the citizens of Alberta contend, and the senior citizens themselves contend there is absolutely no need for them to be in the situation they are in today.

In the past year, Mr. Speaker, our government made a promise "to be responsible, [to] seek reform; to be contemporary and progressive ... combined with compassion for the unfortunate ... ." These are admirable goals. They are, however, the kind of promises that are hard to redeem at the grocery store, the corner store, the supermarket, the drugstore or the recreation facility. We need something more. We need concrete help. These people are deserving of a better deal from our government.

This year again we were promised a better deal. But if the pattern of progress and the promises of previous years are any indication of the kind of concern we should expect, I hold little hope for improved conditions and standards for our elderly.

Now, Mr. Speaker, speaking again on the point of restoring investor confidence, last year as I recall a policy was announced in regard to the Alberta oil sands that said: "It will ensure that this valuable and unique resource does not lose its competitive advantage over other world energy supply sources". This year, strangely enough, the Throne Speech was somewhat conspicuous by its omission of any reference to this "competitive advantage". The "competitive advantage" is now translated as disadvantage.

Is it possible perhaps that the government overplayed its hand just a little? In view of the desperate situation that now exists in these same Alberta oil sands, is it not perhaps possible that the government goofed just a little bit in its assessment and appraisal of the situation in the oil sands? Has the government an ace in the hole? Or is it that in true Conservative fashion the government is sitting back, hoping the problem will resolve itself or, better yet, disappear completely?

Mr. Speaker, if this is their hope, the government is in for the shock of their lives because the days of the Lougheed charisma are gone. People do not take statements as the gospel truth, and so they shouldn't. They have been fooled too often.

Mr. Speaker, it would take much more time than is available to compile a summary of the folly of trying to institute a policy of government by promises. There are many areas, such as our serious breakdown of law and order, the wild uncontrolled inflation being helped along by our government's indiscriminate spending, the "don't care" attitude of our government bureaucrats, the labor unrest in the area of health and education systems, the rapidly deteriorating morale in the civil service, the taking away of autonomy from municipal governments. Yes indeed, it is a sad record for our government that only three and a half short years ago said, "... it is in the best interests of the people of Alberta to have a clear understanding of its various policy positions ... ."

Mr. Speaker, the people of Alberta are beginning to have a clear understanding. They clearly understand that the government does not have a policy position but instead is attempting to formulate policies from crisis to crisis in a vain attempt to save the leaky ship. They clearly understand that the government cares little about the rightful expectations of the citizens of this prosperous province of Alberta.

Mr. Speaker, the aforementioned remarks are given in the sincerest way I know and as an endorsement of the amendment to Motion No. 1.

MR. DICKIE:

Mr. Speaker, I must confess I've been really anxiously waiting to participate in this part of the debate. I would like to direct my remarks to the amendment dealing with the question of investor confidence in Alberta. I would like to set the record straight.

[Interjections]

I hope the facts I can introduce will put the members of Her Majesty's Loyal Opposition on the right track.

Mr. Speaker, my initial remarks will deal with drilling in Alberta. I'd like to preface them by stating that there is no question that in the petroleum industry in 1974, there was a cloud over the industry.

MR. LUDWIG:

A dark cloud.

MR. DICKIE:

They had to bear a cross. The cross still remains.

There is no question about it, when one analyses it, that the key problem is the nondeductibility of royalties by the federal government. I mention that, Mr. Speaker, because I think all members should keep that in mind when considering the information I will be presenting. I'd like to say in that regard that, of course, that announcement hit like a lightning bolt on May 6 with the announcement of the budget. Following that, there were considerable discussions, considerable representations on that question of nondeductibility of royalties. Hon. members will recall that the Premier read to the members of the House the resolution that was passed unanimously by all the first ministers in Canada dealing [with] and condoning that feature of the federal budget. In spite of that, the federal government went ahead on May 18 and still introduced the nondeductibility feature. Subsequently, at the mines ministers' conference, it was introduced. With the exception of one province in Canada, again that aspect of it had the unanimous support of the provinces of Canada. I understand too, following the mines ministers' conference, at the conference of provincial treasurers it was discussed and again the same results: all but one of the provinces indicated there should be deductibility of royalties.

Dealing with that and having that in mind, Mr. Speaker, I'd like to say for openers that 1974 was a record year in Alberta for drilling. There was more footage drilled in Alberta last year than in any other year in the history of Alberta. The preliminary total we have, Mr. Speaker, is 11,902,580 feet.

Mr. Speaker, for the benefit of all the members I will be asking the page [to] pass to all hon. members the drilling statistics I have prepared. The information on the drilling statistics in Alberta comes from the Energy Resources Conservation Board. The items shown under 1974 are still preliminary. Additional information could be coming in before the figures are finalized.

I would like to draw to the hon. members' attention certain of the features of these drilling statistics. The first of course is the one I've just mentioned, the drilling footage. I would also draw to the hon. members' attention the number of wells that were drilled last year in total, both exploratory and development. They total some 3,461. That number was slightly under the number drilled in 1973, but substantially in excess of those that were drilled in 1970, 1971 and 1972. I would also draw to the members' attention that when they are looking at the wells drilled for 1974, they observe that there were more development wells drilled in 1974 than 1973, but less exploratory wells than in 1973 over '74.

However, if one observes the exploratory wells, one should also look at the foot per well shown and you will observe there that in 1974 there were 3,731 as compared with 3,524 in 1973. I also draw the hon. members' attention to the success ratio. Again there was

an improvement shown: only 1 per cent in 1974 over '73, but a significant 1 per cent. In the development wells, the percentage increased some 10 per cent.

Having observed those figures, Mr. Speaker, I would also ask the members to observe drilling statistics we have compiled from Saskatchewan, British Columbia, Manitoba, the Northwest Territories and the Arctic. The source of these figures is Oilweek.

I'll ask the hon. members first to observe what happened in the province of Saskatchewan. You'll observe there was a 56 per cent decrease. Mr. Speaker, when I look at those figures, I almost wonder if the hon. members in the opposition didn't get in the wrong legislative assembly when they started to speak the way they have. They're talking about confidence in Alberta. We have a record year in Alberta, but look what happened in the province of Saskatchewan, a 56 per cent decrease; in the province of British Columbia, a 9 per cent decrease. Now it's true, I think, when you look at Manitoba, Manitoba did increase. But if you observe the number of wells and the footage, it's really a very small amount. I think we could all express pleasure at seeing that happen in Manitoba.

MR. LUDWIG:

Would the hon. minister permit a question?

SOME HON. MEMBERS:

Sit down, sit down.

MR. LUDWIG:

Let him speak for himself. He's free of you fellows. Now he can use his own tongue.

MR. DICKIE:

Mr. Speaker, I will always permit a question at the end of my comments.

MR. LUDWIG:

Would the hon. minister ...

MR. SPEAKER:

The hon. minister answered the request by saying that he would be glad to deal with the question at the end of his remarks.

MR. DICKIE:

I think, Mr. Speaker, it is also significant if one observes the decrease in drilling in the Northwest Territories and the Arctic. Of course this has to be of concern not only to our province here, because Alberta does benefit by drilling in the Arctic and the Northwest Territories, but in the rest of Canada.

Now, Mr. Speaker, having introduced those figures and considering a comment by the hon. Member for Calgary Mountain View the other day that the ministers, and some of the programs they are announcing, seem to be on the defensive, I'd like to review one today that I know all members on both sides of the House can embrace enthusiastically. I'd like to review it and highlight the whole program for him so that he does get the impression correctly on it - what has actually happened. Again this deals with drilling. When I read you those figures, and keeping in mind the nondeductibility of the feature by the federal government, I think the program is one certainly that he would have to say he could endorse and embrace enthusiastically.

Mr. Speaker, I refer to our successful and important drilling incentive system. As members may recall, the government introduced this program on August 1, 1972 to stimulate increased drilling activity at a time when rank wildcatting drilling was declining. You may also recall that the government committed itself to the program to the end of 1977.

The Alberta public interest objectives relating to the program were twofold: first, to accelerate the discovery of additional reserves of crude oil and natural gas within the province; and secondly, to stimulate the economy in the rural areas of Alberta where most of the exploration activity takes place. The overall objective of the program was to assist those companies that were operating in Alberta and wanted to continue drilling in Alberta. In my comments, I will refer to two separate stages of the program. The first stage took place from August 1, 1972 to December 31, 1973. The second stage, which incorporated a number of technical and administrative modifications, began on January 1, 1974.

During the first stage of the program, only the most remote type of exploratory well, known as new field wildcats by the industry, qualified for incentive credits. The credit earned by such a well was then determined from one formula adopted for the entire province. The credit so determined was designated to equal roughly 30 per cent of the expense incurred by the operator in drilling the well. The recipients of the credit were permitted to use the credits in a number of ways, the most important being to defray payment due to the Crown for crude oil or natural gas royalties, to offset the mineral tax associated with producing properties and to satisfy rentals payable on Crown-issued petroleum and natural gas rights.

To provide industry with an incentive, to discover new oil fields, the program granted a five-year exemption on royalty otherwise payable to the Crown for crude oil produced by the incentive well.

Now I'll provide a few statistics relative to the 17-month stage of the program. A total of 550 wildcat wells earned over \$16 million in credits. As a result of this drilling, there were 18 crude oil discoveries and 86 natural gas discoveries. Most of the

remaining 446 wells were abandoned but some are standing waiting for improved market opportunities before being more thoroughly evaluated.

The second stage of the program came into force on January 1, 1974. The most significant features of the program were:

1. The proportion of total exploratory wells that qualified under the program was somewhat increased. Using mechanical distant rules the program added to the new field wildcats previously included, the most risky quarter of the wells, known by the industry as new pool wildcats; and added the deep exploratory footage drilled beneath known crude oil and natural gas pools.

2. Separate and representative well-cost schedules were adopted for the plains, northern and foothill regions of the province, each of which were demonstrated by a detailed study to have characteristic drilling costs.

And here I might add, Mr. Speaker, that in the first stage it covered all Alberta, and we subsequently divided it into three areas in Alberta.

3. The credits earned by the drilling to qualify footage was designed to represent 40 per cent, or 30 per cent of the total recognized drilling costs for the well, depending on the proximity of the incentive exploratory well to a dry hole.

4. A two-year exemption was adopted for royalty otherwise payable to the Crown on natural gas produced from qualifying footage.

5. Bonus payments tendered for Crown lands became eligible for redemption by credits.

The statistics relating to the 1974 stage of the program are impressive. Almost 600 incentive exploratory wells were drilled during the year. To date, credits totalling \$14 million have been calculated for 480 of these wells. Credits for the remaining wells cannot be determined until the relevant drilling data is obtained and processed. Of the 480 wells processed to date, roughly one quarter are expected to constitute natural gas discoveries, but a negligible proportion, about 1 per cent, was completed as oil wells. Additional modifications to the program will be implemented effective January 1, 1975.

You may recall that in December the government announced its petroleum exploration plan to cushion the unfavorable impact of the federal budget. One feature of this plan is to recognize the increased drilling costs that have occurred due to inflation, and to increase the percentage of total drilling costs that constitute credits. Specifically the plan announced that effective January 1, 1975, the percentage support would be increased to 50 per cent where it had been 40 per cent and to 37.5 per cent where it had been 30 per cent. In the near future, when the government concludes its investigation of the current drilling costs, the schedules attached to the exploratory drilling incentive regulations will be appropriately amended.

Mr. Speaker, I suggest to all hon. members, it's certainly a program that no one has to be on the defensive on; it's an exciting one that has developed and has achieved the results hoped for by the program.

Now, Mr. Speaker, I'd like to deal with another program and that is the Alberta Petroleum Exploration Plan of December 1974. In the industry that is referred to as the ALPEP program. I think if one is considering this program, one should appreciate the situation that existed at the time it was introduced in the House on December 12.

I could just highlight the year 1974 for you, because hon. members will recall we started out with a national energy conference. At that conference the Premier put the position for the Province of Alberta, the rest of Canada, talked about fair value for our natural resources. That was subsequently followed up with important meetings with the other first ministers as well as the Prime Minister. You will recall that in this House on March 28, I announced that starting April 1, the price of crude oil would be \$6.50. That was a significant announcement, a significant time, April 1.

I think if I could reflect and advise hon. members of some of the feelings that I felt or which were conveyed to me, of the industry at that stage after the announcement on April 1, it was one of great enthusiasm by the industry. They were contemplating drilling programs, everything was ready to go and to move ahead with exciting drilling programs, not only in Alberta, but all of Canada. I think that enthusiasm and drive continued until that day that I have referred to before, May 6, when the federal government introduced their budget and the nondeductibility tax feature of it.

Now I think, Mr. Speaker, it's important to note that when we talked about drilling rigs, we drew to the attention to try and get the difference prior to May 6 and after May 6, because I think it is a significant date to keep in mind. The next significant day of course was May 18, when the federal government reintroduced their budget and reintroduced their double taxation provision of nondeductibility of the royalties. Here I have a real problem because during the early part of November we received a report from the National Energy Board talking about the supply that the hon. Premier previously mentioned, of supply for Canada and demand, and the period of time where the two crossed was 7.3 years. But it's also significant to note that that report by the National Energy Board made two important statements. The federal government had that report, had those statements before they introduced the budget. And I'd like to read from that report because I think they are material statements and it's difficult to understand how one department could have

received that report and another department have gone in a direction that would be completely opposite to those recommendations. In that report on page 6-7 the board states:

The Board considers that, in the long run, the protection of Canadian requirements can best be achieved by a healthy and vigorous industry finding and developing the necessary crude oil.

Again on page 4-3 of that document:

On the other hand, it recognizes such a measure would only be effective for a short period and that the best protection ...

And I emphasize "the best protection ..."

... in the long run is obtained from an active, and economically healthy industry, continually increasing the available energy materials. The cost of finding and producing new reserves will be significantly higher than the cost of reserves added during the last two decades.

Again, Mr. Speaker, it is significant that that report came down and those statements were made in that report by a board of the federal government before the federal government had introduced its budget.

So we did have a situation developing in Alberta after the November 18 budget that did create considerable concern to the confidence of drilling in Alberta and Canada. As a result of that, Mr. Speaker, the government recognized that. It's fair to say that we didn't wait until the November 18 budget. We had been working on a contingency plan prior to that time. We started almost immediately after the May 6 budget and continued to work on it right until the November 18 budget, and we continued to work after we made our assessment and evaluation of the November 18 budget. As a result of that, our hon. Premier announced our Alberta Petroleum Exploration Plan of December 1974 on December 12.

I don't propose to go into details, Mr. Speaker, but I would like to again highlight that report for the hon. members. There were six points and I'd just like to comment briefly on them.

Number one was a refund on royalties, the Alberta portion. That was a program to return to the petroleum industry all amounts that the Province would receive as a result of the inclusion of royalties or other payments in computing taxable income under the new federal budget provisions.

Number two was increasing the select price. Hon. members will recall they had the select price in the province of Alberta at \$4.11 - that's par crude in Alberta - and that was increased to \$4.71. That's where the increased royalty started from. The net result of that was a position designed to take into consideration the increased cost due to inflation.

Then the next part of the program, number three, a tax credit plan for small explorers. A maximum of \$1 million was allowed as a credit to the small operators, and other operators.

The next, number four, was a modification of the natural gas royalties. Here again the supplementary royalty rate for sales above the price of 72 cents per MCF was reduced from 65 per cent to 50 per cent, effective January 1, 1975. When I mention that as a royalty rate, that was on 'old gas'. On 'new gas' the royalty rate wasn't changed as the effective supplementary royalty rate was 35 per cent above 36 cents per MCF.

Number 5 dealt with the drilling incentive system which I previously have mentioned.

Item number six - I'm going to comment a little later on item number six. Before commenting on number six I would like to deal with one or two of the comments that have been made because there have been some discussions in the House about what actually happened to the western oils. Mr. Speaker, I'd like to tell you what happened to the western oils right after the plan was announced on December 12. I've got the figures here for the western oils. On December 12, the average was 118. What was it on January 27? It was 155, an increase of 38 per cent. I'd suggest to hon. members - an effective program.

Now hon. members may say, the rest of the market may have been going up, and I think that's quite true. So I did bring along the figures for the industrial average. I noticed on December 12 that it was 155. On January 27 it increased to 179, an increase of 17 per cent. Again I suggest to you, a significant difference between an increase of 38 per cent and an increase of 17 per cent.

Yes, Mr. Speaker, when the hon. members in this House stood and talked about the western oils average, surely they weren't aware of those figures, and now that they have the correct figures, I'm sure that will change their thinking.

[Mr. Dixon in the Chair]

Mr. Speaker, again when they're talking about confidence, I have just received a market letter from one of the important investment houses. I might just read their comments in respect to this, and this is dated December 23:

On December 12, 1974, Alberta announced its contingency plan for the Industry and the above negative outlook was reversed. We can NOW take a positive [stance] towards Western Oil issues ... we predict the start of a bull market for Canadian oil and gas stocks in early 1975.

Now, Mr. Speaker, I think that clears a lot of the questions that have been raised in this House on the question of confidence in the industry.

[Mr. Diachuk in the Chair]

Now I'd like to comment too, because I think it was an important time after the federal government brought down their budget on November 18. I couldn't help but recall what the members of the opposition did, and the steps that they had taken. They have, unfortunately, a party with two heads but we did hear from one of them.

AN HON. MEMBER:  
Or none, none.

MR. DICKIE:  
I think the Leader of the Opposition in the House isn't in today. It's unfortunate because if I reflect his attitude, what happened after November 18 was he got excited, he got panicky. What did he do? He called for a revision of the royalty.

AN HON. MEMBER:  
Shame, shame.

AN HON. MEMBER:  
... [inaudible] ... the Premier ...

MR. DICKIE:  
Well, Mr. Speaker, I think there is one of the members of Her Majesty's Opposition who is referred to in the press as a party oil and gas policy critic. He followed his leader's position and what did he do? He called for a royalty revision and he called for a royalty of 25 per cent on crude oil.

AN HON. MEMBER:  
What?

MR. DICKIE:  
Now, Mr. Speaker, let's take a look and see what the effect is of a royalty of 25 per cent. In our plan we reduced our royalty, on crude oil I'm talking about, from an effective rate of 40 per cent to approximately 36 per cent. What we have designed to do is have a fair and reasonable royalty that would return to the people of Alberta from their depleting assets. However, I did ask if we could take a look and say, what is the difference, and what would that mean to the province of Alberta. We have taken the figures on the calendar year basis so it won't affect the Provincial Treasurer's budget. We have worked out the difference between what the Social Credit party has set as a royalty and what we implemented as a royalty. I'd like to advise the hon. members today the difference is \$264 million.

Mr. Speaker, I have listened in this House, with the remarks from the hon. members from rural Alberta - looking at the programs, can he point the dollar programs that could be spent.

MR. LUDWIG:  
Just for clarification; the hon. minister mentioned the royalty rate. Did he deduct the amount they are spending on incentives now?

SOME HON. MEMBERS:  
Sit down, sit down.

AN HON. MEMBER:  
What is this? A speech?

MR. LUDWIG:  
Did the minister take into account the amount of money they're throwing back into the industry for incentives?

AN HON. MEMBER:  
Is this question period?

MR. DICKIE:  
Mr. Speaker, I was dealing with the question of what amount would be determined of some \$264 million and what programs - if they're talking about a Speech from the Throne that was tame - what programs would have been taken out of those. What programs would have been denied rural Alberta if they had followed Social Credit thought or policy? We can add them up, Mr. Speaker. I'm sure my colleagues from rural Alberta would like to add

them up. And they can point to you and say, this program would have been denied rural Alberta if they had followed the thinking of the Social Credit government.

So again when you go through the budget in the days ahead, keep in mind \$264 million that was and will be spent by the Province of Alberta for the people of Alberta on programs that will benefit all of Alberta, by a stand on royalty that still restored the investor confidence in Alberta and at the same time gave a fair and reasonable return to the people of Alberta.

[Interjections]

Mr. Speaker, I also observe some comments by the hon. Member for Spirit River-Fairview. There was one headline that "Notley raps incentive plan." He used some figures about the payments that would be made to the companies. I'll just refer to them briefly. He suggested that, under his calculations, the following companies would receive benefits in the following amounts: Imperial Oil, \$66 million; AMOCC, \$31 million; Shell, \$25 million; Gulf, \$24 million; Texaco, \$20 million; Mobil Oil, \$20 million; Pacific Petroleum, \$9 million; Home Oil, \$7 million.

Mr. Speaker, we have checked these figures and I can advise all hon. members of the House today they're inaccurate. I can perhaps reveal one and give you some indication of the inaccuracy. I can give you the figure on AMOCO, which is referred to as \$31 million. There will actually be a benefit of some \$18 million. That was only a 42 per cent error by the hon. member for Spirit River-Fairview.

AN HON. MEMBER:

Closer than usual.

MR. DICKIE:

I think if we look at it and how did that come about - I think the hon. member received certain figures which would indicate that he was looking at what we referred to as an operator royalty income. Again I perhaps can use AMOCO. When AMOCO file the royalty and pay the royalty to the Alberta Government, they pay it as an operator. That means that when they distribute that money from the wells, it goes to a number of other companies. So that isn't really a true amount paid by AMOCO for just AMOCO. It does cover other companies. So the figures used in that calculation, if they were used in that way in trying to determine what AMOCO was receiving, would be in error. I might say, under the system that has been followed by the Department of Mines and Minerals, operators are entitled to pay the royalty in that way for a number of other people who are obligated to pay the royalty. I can also say that that system now will be revised, not by the Department of Mines and Minerals but by the Alberta Petroleum Marketing [Commission] under the new procedure that they have, so that in future years we will be in a position to say exactly what royalty will be received by each of the companies. I say that advisedly, because it won't be in an actual form of a royalty as the procedure outlined by the Alberta Petroleum Marketing Commission.

MR. DEPUTY SPEAKER:

Is the hon. minister just about ready to conclude?

MR. DICKIE:

Yes, I just have a few additional comments.

One I'd like to make, Mr. Speaker, also dealt with the comment that was made during the debate by the hon. Member for Calgary Millican. He was talking about a gas processing company that had difficulty getting money and that the whole industry was being jeopardized, and I think he used the word the government had "wrecked" the economy. I'd just like to refer him to the January 20 issue of Oilweek. The headline is "\$100 million construction by gas processing industry":

The Canadian gas processing industry is coming to life with a vigorous revival and \$100 million construction program for 1975.

Confidence in the Province of Alberta?

MR. DIXON:

Mr. Speaker, I wonder if I could ask the hon. minister a question now or later?

AN HON. MEMBER:

Later.

MR. DEPUTY SPEAKER:

It would be improper because the hon. minister's time has expired now anyway.

MR. DICKIE:

Mr. Speaker, I should also draw to the hon. member's attention when he was belaboring this conversation about the difficulty ...

SOME HON. MEMBERS:

Order. A point of order.

- MR. LUDWIG:  
The minister's time has expired. He has to have the leave of the House to continue.
- AN HON. MEMBER:  
Yes.
- MR. LUDWIG:  
He did promise to answer me a question.
- MR. DEPUTY SPEAKER:  
Would the hon. members give leave ...
- AN HON. MEMBER:  
... [inaudible] ... wouldn't have time to answer the question.
- MR. DEPUTY SPEAKER:  
Would the hon. members give leave so that the hon. minister may conclude for a few more moments?
- SOME HON. MEMBERS:  
Agreed.
- MR. LUDWIG:  
No.
- MR. DICKIE:  
Mr. Speaker, I have to conclude ...
- MR. LUDWIG:  
Permission for the hon. minister to continue has to be unanimous.
- MISS HUNLEY:  
What's the matter Albert? Can't you stand the ... [inaudible] ...
- MR. LUDWIG:  
Yes I can stand ... [inaudible] ...
- MR. DEPUTY SPEAKER:  
Order, order.  
The hon. Member for Wetaskiwin-Leduc.
- MR. DICKIE:  
Mr. Speaker, before you proceed, I appreciate my time is up and I will abide by the decision of the Legislature but I did suggest that I would entertain any questions after I was through. Now I don't know whether that would encroach on the time or not, but if they would like to address them later, I'd certainly be pleased to entertain them anytime.
- MR. HENDERSON:  
On a point of order, Mr. Speaker, I think the hon. Member for Calgary Mountain View, by having taken his position, has really denied himself the right to get an answer to the question.
- SOME HON. MEMBERS:  
Hear, hear.
- MR. HENDERSON:  
Personally, Mr. Speaker, I'd have to go on record, I'm in favor of it because I don't want them arguing on my speaking time.  
With that, Mr. Speaker, I'd like to make a few comments on two subjects I had intended to deal with briefly on the Throne Speech proper, but seeing they are part of the amendment it would be appropriate to comment on them now.  
Before I do though, I'm always amused when I hear comments across the floor about the question of politicians having short memories. All I can say when I read Hansard, and I include myself in this particular category, is thank God, because a lot of what they say should be forgotten. I said, Mr. Speaker, I certainly have to include myself in this particular category. I probably arrived at that conclusion from reading my own speeches, which I do very seldom. Also I was amused at the remarks about reading speeches. I think there's something to be said for it, Mr. Speaker. At least it demonstrates that the member has thought about what he is going to say before he says it ...
- SOME HON. MEMBERS:  
Hear, hear.
- MR. HENDERSON:  
... and I suggest maybe it would be something that would commend itself to a lot of the other members, again including me.



SOME HON. MEMBERS:

Hear, hear.

MR. HENDERSON:

The first item I would like to touch on, Mr. Speaker, is the question of the general motion of nonconfidence as it relates to the Throne Speech in general. I say this with a view to leading up to some comments about the rules of the House. And I say it quite sincerely to members on both sides of the House.

When the new government came into office, one of its big pitches was that it was going to add to or upgrade the importance of the proceedings in this Legislature.

AN HON. MEMBER:

Hear, hear.

MR. HENDERSON:

I think the first Throne Speech the government brought in was unquestionably an excellent one. Certainly for its first year in office, if they were going to have one, that's the year it should be there. But I think also it's become abundantly clear over the last three years that the general style of the Throne Speech certainly contradicts the original understanding or hope that was expressed by the government that they were going to upgrade the importance and significance of the Legislature.

I think it is a matter of style, and it is the government's prerogative. They can do it this way if they want to. But basically over the last three years, I have to say very sincerely, the Throne Speech has mainly degenerated into a rehash of yesterday's, last week's and last month's press releases.

This is the prerogative the government has if it chooses to do its business that way. It's accountable to the public for it. I address these comments primarily to the members of the House because I think it is the members of the House, probably, who are more concerned about the Throne Speech and its style than the public.

But there is no question about it, the style of the Throne Speech being made up of yesterday's news certainly doesn't add anything to the stature that this House enjoys in the eyes of the public. I think that there are probably 10 days to 2 weeks, a large percentage of which is really wasted debating yesterday's news.

I can't think of anything less productive than debating history. I think the purpose of the Throne Speech really is to debate what is going to be done as a new measure. While some may view this as a criticism and may take it as such, I'm not too sure in my own mind that maybe there isn't something to be said on the other side of the coin.

I make these remarks because it is my last year in this Assembly. While I've given a lot of government members a lot of advice over the years, on both sides of the House, I'm sorry to say they have accepted very little of it, so they probably won't accept this. But these remarks are addressed to members on both sides of the House, particularly those who are returning, because I really wonder at this point in time whether the rules of the House should not be re-examined as to the time that's devoted to the Throne Speech.

I think it is almost natural and automatic that the real meat of any government program is embodied in the Budget, and increasingly so. I really wonder if the time of the members and the taxpayers' dollars that it takes to run this institution wouldn't be better spent if the time that's made available for debate on the Throne Speech were reduced. I'm sure the press gets tired of listening to all of us in general, but when they hear us debating yesterday's and last week's press releases and so on, it must be even more boring.

I don't think the style of the Throne Speech in the last three years has done anything to upgrade the image that the House enjoys in the public eye. I think this is something that everybody has to be concerned about, because the public, no doubt about it, look to the members of Legislature and the members of their Parliament to maintain the dignity and uphold the traditions of the democratic political process. I think that anything that undermines the public's confidence or the public view or the stature of the House in the final analysis weakens the democratic process within the House.

I sincerely suggest that there might be much to be said, from the standpoint of the opposition too, for reducing the length of time devoted to debating the Throne Speech. I have to say that I am of the opinion that if the government chooses to go about the style of Throne Speech the same way it has in the past, I can't really see why government [or] opposition members want to waste a lot of time debating what they have already done. Because once it is done, it is quite apparent governments aren't going to be prepared to accept any advice on what is already history.

Hopefully, when members get up to speak in the House it is about something the government is yet to do, and there is an opportunity to influence it in those decisions. Debating what has already happened, while it makes interesting politics - and no question about it, it's a relevant issue particularly at election time - the rest of the time it's an awful lot of time wasted. That is all I would like to say on that particular issue, but it brings me to the question of investor confidence in Alberta.

I think it's again debating what's happened in the past. It is to be expected and it's probably fair game that the opposition should belabor the government about the question of investor confidence to some extent. While I'm not convinced it's a productive exercise, in an election year I'd be surprised if one didn't hear the issue.

But I have to repeat what I said in earlier debates. As far as the government's action in raising royalty rates and the second go-around, I don't see how any member

fundamentally had any choice but to support it, and I think all members of the House did support it.

[Mr. Speaker resumed the Chair.]

That's not the exercise that did the damage of course. It's taken in conjunction with the first exercise. The government stood up and took quite a holier-than-thou proposition, saying, look at that stupid previous administration. They made commitments for 10 years on royalty rates. The market situation has changed, and my God, didn't they have enough brains to see what was going to happen 10 years down the road.

They went through a cute public relations exercise calling the industry before the House to ask them to justify why their taxes shouldn't go up. Well who on earth, in their right mind, would appear before any public body and urge having their taxes put up?

That had to be, in my mind, one of the stupidest public relations games the government could play, because immediately they created an adversary position with the industry. They could have accomplished the same thing without taking the lumps that went with it subsequently. They chose to go about doing the business that way because it was a nice little deal to give the previous administration some lumps for their stupidity in not being able to see five years ahead.

We went through this cute game of coming up with an in situ tax on reserves. [Instead of] taking the straightforward approach on it, dealing with the basic royalty issue in a manner that would not have significantly affected industry confidence in the government, the government chose this other route. They made a commitment for five years. Then within the year the government had to come back and say, we made a mistake, we've got to tear up that deal and start on a new one.

In my view it isn't the last exercise that affected the confidence of the industry in the investment climate in Alberta, it was the first exercise. That was where the major error, tactically, was committed on the part of the government. I would hope that the government has learned a lesson from it. These cute public relations games played to the public may have their place in election time, but they have no place in a responsible administration.

AN HON. MEMBER:

Right.

MR. HENDERSON:

I think the lesson that comes through to me on it, and it should hopefully come through to the government, is that there comes a time in all these exercises when the government has to make decisions and then go before the public and take the responsibility for them. You can't get by through placing the other party in the role of an adversary, playing games with them publicly, then trying to read the public's mind as to what they think should be the right thing or the wrong thing to do, and then making decisions on that basis.

This isn't a case of underestimating the intelligence of the public. It's just a fact of the matter that there are a lot of issues, as particularly cabinet ministers know, when there's no way of getting the information across to the public in a manner in which the public can really objectively assess the merits of it.

I'm sure, within the caucus of the gentlemen seated opposite there are many issues that are thrashed out about which there's even difficulty in getting the message across to the members of caucus who are not part of cabinet.

So it was the first exercise where the government played this game: we'll call these idiots before us, we'll make them justify publicly why their taxes shouldn't go up, and then we'll be big fellows in the eyes of the public. We'll read the public's mind, and we'll be real heroes. And it backfired.

That's where the damage was done, as I say, Mr. Speaker. Nonetheless - I have to be the first to admit by going through an exercise that really doesn't deal with the problem that is the reality - I don't think any member of the House can really criticize the government for taking the action it did the second time around. Very clearly, it's what it should have done the first time. That having been said, I don't think any member of the House can honestly also say that the really major problem with industry confidence and investment in the oil and gas industry is a Canadian problem created by the federal government. The lack of confidence or concern that's expressed in many areas in the industry is going to remain so long as the federal government has a policy of double taxation. I think personally the government did the right thing in reducing the royalty agreements and so on in order to leave some hope that the private enterprise aspect of the oil and gas industry would remain viable within the Dominion of Canada.

The uncertainty is going to remain because once the federal government has adopted its position of double taxation, the temptation is going to be there every time they need another dollar in the federal treasury to take another bite out of the provincial royalty picture. If the province backed off once, it backed off twice, it will back off again. I'm not too certain in the final analysis, in the long run, that by taking the step back more harm than good could result from it. I have personally the opinion that the very fundamental nature of the issue is such that the question of investor confidence is not going to be restored until that fundamental conflict is resolved. I don't think compromise can resolve it because, as sure as I'm sitting here, the next time the federal treasury gets tight they are not going to worry too much about what the tax deal was they

already came up with. The province backed [off] once, take another bite and they will back off the second time.

So the Province of Alberta, as a result of the action of the federal government, is extremely limited in what it can do relative to restoring investor confidence. As I think I have stated other times and places, when the federal government sets up a Crown energy corporation, it's going to go into the development of oil and gas resources. It sets up a new double taxation scheme and cancels some years back all their royalty lease proposals in the Arctic and so on. The real issue is whether the federal government itself has retained a basic commitment toward the utilization of private enterprise as a means to developing oil and gas resources in Canada. One has to be extremely cautious as to how far you back off provincially, because all you are doing in the final analysis is putting money into the federal treasury.

This in turn, Mr. Speaker, brings me to the question of investor confidence in Syncrude. I don't think there is too much that the Province of Alberta can do to restore the basic question of confidence in investment of Syncrude. I spoke briefly on the subject yesterday. There is the issue [of] inflation which is very limited as to what the province can do. I don't think the question of what the royalty agreement is, is an issue in Syncrude. Because there is the option there of which way to go, 20 per cent one way as an interest in the company or 7.5 per cent royalty, and that is not that big a factor. So you can wipe the royalty out and it wouldn't change a thing. Similarly, you could turn around and put a substantial amount of provincial money into it, which I oppose because I don't think that would really restore confidence in that particular project.

The only way that any confidence in the Syncrude project is going to be restored is with the federal government enunciating some sort of long-term energy policy. All that has been forthcoming out of the federal government on energy policy in the last few years is negative actions. The only positive thing I can think of is the commitment to build the pipeline from Sarnia to Montreal. It's a certainty with their absence of a national energy policy, they won't have sufficient oil to put in the thing four or five years from now. I think that has to be a demonstration of the literal bankruptcy on the part of the federal government in coming up with a long-term national energy policy. I have to say personally that I think the investors in Syncrude would be foolish to continue with the project in the absence of a national energy policy which makes it plain that the project will maintain viability.

I think one of the ironical things, Mr. Speaker, is that there is a very definite connection, in my view, between the industry's option to try to drop the Syncrude project and look at investments elsewhere as it relates to the royalty reduction program. Because I think the industry, as I said yesterday, for some very practical reasons is going to use the money that is coming out of Alberta to finance the development of gas resources in the Mackenzie Delta. From an investor standpoint, and an industry standpoint, the decision makes sense. By so doing, the issue of inflation is common to both projects. As I said yesterday, in dealing in the Mackenzie Delta they only have one government to deal with, so they don't get caught between two levels of government fighting over the taxation level.

The other issue is that the marketing of the gas that's going to come out of the Mackenzie Delta is not subject to international political implications. If the OPEC countries cut the price of crude in half, it isn't going to undercut the price of natural gas on this continent because the price of natural gas, if anything, is going to go up. So the economics of that investment are isolated from international implications of the prices of oil, whereas with the price of crude, if the OPEC countries had a falling-out, if the price of crude dropped 50 per cent, came back down to what it was less than a year ago to \$6.50 a barrel, there goes the economics of the Syncrude project, particularly if the federal government is going to allow the importation of lower cost offshore crude.

So when one looks at the choice of the investment opportunities one against the other, I don't think any investor in his right mind, all other things being equal, would choose to go for the tar sands project. I think it's also a fact of life that by proceeding with the Mackenzie Delta gas project it will probably - ... while it's going to cost more money, two or three times as much as the Syncrude project - it's going to be easier to finance. Undoubtedly if the project goes ahead it's going to become a carrier for North Slope gas from Alaska, which would be marketed in the United States.

So all these implications go in it. One is forced to arrive at the conclusion - at least I have in my own mind - it will be absolute foolishness for the Government of Alberta, all circumstances viewed, to think that we should use provincial taxpayers' dollars to bail the Syncrude project out. They could do it but it would be absolute ...

MR. SPEAKER:

I regret interrupting the hon. member, but would he like to call it 5.30?

MR. HENDERSON:

I'd just like about ten more words, Mr. Speaker, and then adjourn the debate.

HON. MEMBERS:

Agreed.

MR. HENDERSON:

I just wanted to say, Mr. Speaker, before I adjourn, that I think for the government to make such a commitment in the absence of a firm national policy as to what the long-

term picture is for energy self-sufficiency in Canada, would probably prove to be a waste of the taxpayers' money as far as the province, the people of Alberta are concerned.

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

MR. SPEAKER:

The House stands adjourned until tomorrow afternoon at 2.30 o'clock.

[The House rose at 5.31 p.m.]