

LEGISLATIVE ASSEMBLY OF ALBERTA

Tuesday, February 4, 1975

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

PRAYERS

[Mr. Speaker in the Chair]

INTRODUCTION OF BILLS

Bill 211 The Flood Control Commission Act

DR. BUCK:

Mr. Speaker, I beg leave to introduce a bill, being Bill No. 211, The Flood Control Commission Act.

Mr. Speaker, the purpose of the bill is to tie up several government departments into one group to make flood control more effective.

[Leave being granted, Bill 211 was introduced and read a first time.]

Bill 218 The Tips and Gratuities Act, 1975

MR. WILSON:

Mr. Speaker, I beg leave to introduce a bill, being Bill 218, The Tips and Gratuities Act.

Bill 218 stipulates that no employer can keep employee tips or deduct them from pay cheques. However, a group of employees can share tips or gratuities amongst themselves in accordance with a scheme of distribution of which the majority of such employees approve.

[Leave being granted, Bill 218 was introduced and read a first time.]

Bill 214 An Act to amend The Municipal Government Act

MR. HO LEM:

Mr. Speaker, I beg leave to introduce a bill, being Bill No. 214, An Act to amend The Municipal [Government] Act.

The purpose of this bill, Mr. Speaker, is to provide and extend parliamentary immunity, now enjoyed by members of the House of Commons and of this Legislature, to elected municipal officials during debates and discussions at duly convened council meetings.

[Leave being granted, Bill 214 was introduced and read a first time.]

## INTRODUCTION OF VISITORS

MR. YURKO:

Mr. Speaker, it gives me great pleasure today, sir, to introduce to you and to the members of this Assembly, 75 Grade 5 students from the Gold Bar school in the constituency of Edmonton Gold Bar. They are here with their teacher, Evelyn Passmore. I guess her name is significant in the fact that they all pass.

Mr. Speaker, they are in the members gallery with their teacher and I would like to ask them to stand and be recognized by the House.

MR. SORENSON:

Mr. Speaker, I wish to introduce to you and through you to the members of the Assembly, 18 Grade 9 students from the Brownfield public school. Brownfield public school is truly a rural school; it is situated on the banks of the beautiful Battle River. They are accompanied today by their principal, Mrs. Bargholz, and adult supervisors, Mrs. Barnes and Mrs. Scheffelmanier. Their bus driver is Mr. Wadstein. They are seated in the public gallery. I would ask them to stand and be recognized.

Mr. Speaker, the Sedgewick-Coronation constituency is well represented today with a group of 29 Grade 9 students from the Killam Public School. They are accompanied by their teacher, Manfred Jesswein, and parents, Vernon Erickson and Margaret Lewis. Their bus driver is Rev. Mr. Richards.

I might add in passing that there is a Sorenson in the group and no doubt he'll report home that his father is working good and hard.

I would ask them now to stand and be recognized.

## TABLING RETURNS AND REPORTS

DR. HORNER:

Mr. Speaker, I'd like to table the annual report of the Alberta Hail and Crop Insurance Corporation. Printed copies will be made available to all members.

MR. PEACOCK:

Mr. Speaker, I would like to table the annual report of the Alberta Resources Railway Corporation, financial statements to the year ending December 31, 1973.

## MINISTERIAL STATEMENT

## Office of the Premier

MR. LOUGHEED:

Mr. Speaker, I wonder if I could beg the leave of the Legislature to make a statement regarding the Syncrude project at 3 o'clock today? The federal House of Commons and the Ontario Legislature, by virtue of an understanding, have agreed that a simultaneous statement would be made in Ottawa at 5 o'clock their time, which is 3 o'clock our time. I'd appreciate if we could proceed with the normal procedure and perhaps interrupt the question period; then I'd be very happy to answer any questions from hon. members opposite for as long as they'd like to ask them.

HON. MEMBERS:

Agreed.

MR. SPEAKER:

I take it the hon. Premier has the unanimous consent of the House to his suggestion.

MR. CLARK:

Mr. Speaker, in giving unanimous consent I interpret the Premier to say that in fact there will be virtually unlimited time, as far as question period is concerned on this particular occasion, in light of the importance of the matter?

SOME HON. MEMBERS:

Agreed.

MR. CLARK:

Is that agreeable?

AN HON. MEMBER:  
On this subject.

MR. CLARK:  
Yes, on this subject.

ORAL QUESTION PERIOD

Gasoline Retailing Study

MR. CLARK:

Mr. Speaker, I'd like to direct a question to the Minister of Industry and Commerce and ask the minister if he would advise the Assembly what was the information of the fact-finding mission from his department that went to Washington and Maryland - the mission was led by Mr. Wenzel, I believe, of your department - regarding various aspects of gasoline retailing?

MR. PEACOCK:

Mr. Speaker, the facts and the reasons for Mr. Wenzel making the trip, of course, were to determine how the legislation in Maryland was being received by both the consumer and the retailers as well as the integrated oil companies themselves and how they were reacting to it.

In a brief answer to the question, I would say that because of the newness of the legislation, the fact that it hasn't been in force for any great deal of time, it is very difficult to draw any conclusions from it.

MR. CLARK:

Supplementary question, Mr. Speaker, to the minister. In light of the representation made to the minister by the Automotive Retailers' Association of Alberta, what steps or what action does the minister plan to take concerning their representation with regard to small independent operators?

MR. PEACOCK:

Mr. Speaker, the department and I have taken considerable action in regard to the issue. We have interviewed the integrated oil companies individually - their vice-presidents of marketing. We have had meetings with the Alberta retailers association in regard to the complaints and the problems they are experiencing and have identified both sides of the story.

We then made an assessment from the standpoint of the department in relation to what we might do as a government in bringing this very troublesome matter to the attention of both parties concerned. At the time we have written to the integrated oil companies stating we would set up three guidelines for their consideration in order to apply to the lessees' future arrangements in the dispute now in progress.

MR. WILSON:

Supplementary, Mr. Speaker, mainly for the purpose of clarification, to the hon. minister: do we understand clearly then that the government has decided not to introduce legislation at this session similar to the Maryland divorcement bill?

MR. PEACOCK:

Mr. Speaker, I previously stated that the legislation that was reviewed in Maryland was not of long enough duration to assess and evaluate properly.

In the second case we have attempted by negotiation and understanding, and maybe better communication between the two parties concerned, to arrive [at] and correct the problems, as was done previously in regards to the lease arrangement. This government was instrumental in drawing some guidelines in effecting a better lease arrangement between the retailer and the integrated oil companies some three years ago.

MR. WILSON:

Supplementary, Mr. Speaker, to the hon. minister. Has the government determined if they're going to introduce legislation this session similar to what is commonly known as a tank-wagon act?

MR. PEACOCK:

Mr. Speaker, as I previously stated, we have taken the three issues that are problems and what the retailers are identifying as problems. One is price discrimination, the other is lessee-lessor relationship of their gas bar, and the other is communication and public relations between the two parties concerned.

We have asked them - that is the integrated oil companies and the retailers - to get together and identify these problems in a more specific way and identified also the fact that in certain areas of the United States legislation was taking place because of

these existing problems and that we would prefer not to have legislation if an agreement could be made between both parties.

MR. NOTLEY:

Mr. Speaker, a supplementary question to the hon. minister. Can the minister report to the House any progress between both parties, the Automotive Retailers' Association and the major oil companies, on these three guidelines he has discussed?

MR. PEACOCK:

Mr. Speaker, we forwarded a letter to the oil companies in the middle of January and at this time have no response from them, but we anticipate a response sometime before the end of the month.

#### IPSCO

MR. CLARK:

Mr. Speaker, a second question I'd like to ask either the Premier or the Government House Leader. To which minister should we direct questions concerning Alberta's involvement or investment in IPSCO, and to which minister should complaints go regarding the unavailability of steel from that organization?

MR. LOUGHEED:

Mr. Speaker, the question should be directed to the Minister of Industry and Commerce as well as the compliments with regard to the improvement in the position of the company.

#### Fort Macleod - Meat Packing Plant

MR. HO LEM:

Mr. Speaker, I wish to direct my question today to the hon. Attorney General. Does the Attorney General plan to investigate the background of Larry Paletta before he goes through with the plans to build a meat packing plant in Fort Macleod?

MR. LEITCH:

Mr. Speaker, we have no plans within this department to investigate Mr. Paletta although if applications are made for licences and things of that nature, undoubtedly there would be information asked of him which might be relevant to the granting of those licences or other permits from the government.

MR. HO LEM:

Supplementary, Mr. Speaker, to the Attorney General. Is the hon. Attorney General aware that Mr. Paletta has been mentioned frequently in the past few months ...

SOME HON. MEMBERS:  
Order.

MR. HO LEM:

... as being a possible organized-crime figure in eastern Canada, and that the RCMP ...

MR. SPEAKER:

Order please. Order please. The hon. member may continue if he will come directly to the question.

MR. HO LEM:

Supplementary then, Mr. Speaker, to the Attorney General. Is the hon. Attorney General aware that some local government officials in Fort Macleod want to see the Paletta deal postponed until a full investigation of his background has been completed?

MR. LEITCH:

No, Mr. Speaker, I do not have any information specifically on that point. I had heard of some inquiries being made by officials of the Fort Macleod area.

#### Organized Crime

MR. HO LEM:

Supplementary, Mr. Speaker, to the hon. minister. What are the government's plans in dealing with a possible influx of organized-crime money into Alberta, and does the Attorney General plan to establish some form of legislation to allow for the establishment of government screening agencies to keep organized crime and organized-crime money out of Alberta?

MR. LEITCH:

Mr. Speaker, there is no plan under active consideration at the moment to establish the kind of vehicle to which the hon. member refers.

MR. BUCKWELL:

Supplementary question, Mr. Speaker, to the hon. Attorney General. Could the Attorney General advise the House if it is the normal custom of his department to investigate every new investor in the province of Alberta?

MR. LEITCH:

Mr. Speaker, it is not.

NWI - Boeing Contract

MR. NOTLEY:

Mr. Speaker, I'd like to direct this question to the hon. Minister of Industry and Commerce and ask him whether his department has had an opportunity to discuss with officials of Northwest Industries the discontinuance by Boeing Aircraft Corporation of a contract on component parts which has caused the layoff of some 150 employees in Edmonton?

MR. PEACOCK:

Mr. Speaker, I have not but I will inform myself and inform the hon. member.

PWA Operation

MR. NOTLEY:

Mr. Speaker, a supplementary question. Can the minister advise whether or not Pacific Western Airlines plans to purchase three additional 737's from Boeing Aircraft Corporation and, further, whether PWA plans to purchase a 747 cargo aircraft?

MR. PEACOCK:

Mr. Speaker, those are operational decisions that were part of PWA's long-range planning when the government became involved in the capital assets of PWA. I would say, yes they have certainly moved into 737's. As far as the 747 is concerned, that is not, in my understanding at least, on the record.

MR. NOTLEY:

Mr. Speaker, a further supplementary question to the hon. minister. Has the government considered any guidelines to PWA that purchases of aircraft or purchases of parts must be consistent with component parts or contracts being honored with such firms as Northwest Industries in Alberta?

MR. PEACOCK:

Mr. Speaker, the component part relationship to the capital cost of the vehicle or the unit they purchase is a very complex problem, because in standardizing parts and parts services and facilities for them there has to be an understanding and long-range planning of what particular type of aircraft they are going to utilize, to what areas and to what routes. This is done on a long-range planning program and isn't done in a period of three or four months since the government has become involved in Pacific Western.

MR. NOTLEY:

Mr. Speaker, one final supplementary. Can the minister advise the Assembly whether or not he intends to discuss this particular issue with the board of Pacific Western Airlines to insure maximum employment in Alberta, where it's feasible?

MR. PEACOCK:

As representatives of the owners of Pacific Western, certainly we will direct, through the chairman of the board of Pacific Western, the concerns that we as a province have in serving the interests of Alberta, B.C. and the Northwest Territories, and expanding the services from this landlocked province. That will be, I'm sure, one of the considerations which the PWA's effective working board will address itself to without any recognition, support or suggestion on behalf of the government itself.

MR. LUDWIG:

A supplementary to the hon. minister. Has the government, through the hon. minister's department, the right to override any major spending decisions of Pacific Western Airlines?

MR. PEACOCK:

Well, Mr. Speaker, like all owners we have a recourse once a year with the board of directors. I think the province would have its objectives known in regard to that kind of spending program on that basis.

MR. LUDWIG:

Mr. Speaker, for purpose of clarification, is the hon. minister advising us that his department has the authority to override a major expenditure determined by Pacific Western Airlines? I didn't get the answer clear, Mr. Speaker.

SOME HON. MEMBERS:

Order, order.

MR. LUDWIG:

Mr. Speaker, a supplementary then to the minister. What obligation has the government to Pacific Western Airlines other than to supply funds as they are required for their expenditures?

MR. PEACOCK:

Mr. Speaker, surely to goodness the hon. member knows that, as an owner, we have invested in Pacific Western, that we have confidence in its operation, its management, its board of directors, and that the objectives which the Province of Alberta was attempting to obtain in becoming a financial partner in relation to Pacific Western, an investor in Pacific Western, were to determine in the corporate board-making decisions some of the interests Alberta might have as a landlocked province in relation to its future transportation needs.

DR. BUCK:

Mr. Speaker, I'd like to ask the hon. minister if and when the PWA headquarters are going to be transferred to Alberta?

AN HON. MEMBER:

If?

MR. PEACOCK:

Mr. Speaker, I would say that's a rather hypothetical question because there are many conditions ...

SOME HON. MEMBERS:

Oh, oh.

MR. PEACOCK:

Excuse me. There are many conditions that go into those kinds of decisions. First of all, as I have tried to explain on many occasions to the questions in this House, as an investor, the Province of Alberta, the operations of PWA are in very capable hands in our opinion or we would never have moved into the operation to begin with ...

MR. LUDWIG:

What did you buy it for?

MR. PEACOCK:

... therefore our input would be reflected in the board and through the chairman of that board.

As far as the decision of what and where the headquarters of PWA might be today or tomorrow, that is an operational decision on efficiency and is related not only to serving the interests of Alberta, B.C. and the Northwest Territories as well as the Yukon, but also to recognize the efficiency and basis on which the operation has been purchased. That is to identify, along with the services to the people, a profit.

I might just point out also that Wardair, who were about to leave ...

MR. SPEAKER:

Possibly the hon. minister is getting considerably beyond the scope of the question.

DR. BUCK:

Mr. Speaker, will they be moving the headquarters to Alberta or will they not? Let's make it a little more simple so the hon. minister can answer my simple question.

MR. PEACOCK:

Mr. Speaker, I just would like to say that Wardair has ...

[Interjections]

MR. SPEAKER:

Order please. Order please.

DR. BUCK:

PWA.

## PWA - Shares

MR. DIXON:

Mr. Speaker, I'd like to direct my question also to the hon. minister. I wonder if he can inform the House if the Alberta government has been able to obtain all the outstanding shares of PWA?

MR. PEACOCK:

Mr. Speaker, they have not. It's still a private company.

MR. DIXON:

I wonder, Mr. Speaker, if the minister could give us a close estimate, percentagewise, of how many shares we hold. Is it 90 per cent? Is it 60?

MR. PEACOCK:

Yes, Mr. Speaker, approximately 98 per cent, and one of the hon. members across the aisle here I think owns one share.

[Laughter]

MR. CLARK:

It's the only private enterprise in the House.

MR. BATIUK:

Supplementary, Mr. Speaker. Could the minister advise whether Wardair has turned its offices back to Alberta?

SOME HON. MEMBERS:

Oh, oh.

MR. SPEAKER:

Order please. The hon. member's device should be a little better concealed than that.

MR. WILSON:

Supplementary, Mr. Speaker, to the hon. Minister of Industry and Commerce. For clarification purposes, do we understand the minister to say that as trustees for Albertans in investing in PWA, the government does not regard their role as being different from any other shareholder?

MR. PEACOCK:

Well, Mr. Speaker, he can take any interpretation he wants. As an investor we have, as I've mentioned before, the interests of the citizens of Alberta, British Columbia, the Northwest Territories and the Yukon. For that reason, the investment in PWA took place, also recognizing that it's a profit-oriented company. To those ends have we got an input.

MR. LUDWIG:

You're about as tricky as a ... [inaudible] ...

MR. SPEAKER:

Order please. Perhaps we could come back to this topic. We have just a short while left until 3 o'clock.

## Eyeglasses - Retail Sales

MR. WYSE:

My question, Mr. Speaker, is to the hon. Minister of Consumer Affairs. It's regarding the eyeglass-dispensing business in Alberta at the present time. Is the government satisfied there is sufficient competition in the trade?

MR. DOWLING:

Mr. Speaker, I'm sorry. He didn't speak into the mike. I wasn't able to discern what he was talking about.

MR. WYSE:

It's regarding the eyeglass dispensing business in Alberta at the present time. Is the Government of Alberta satisfied that there is sufficient competition in the trade?

MR. SPEAKER:

Perhaps the hon. member could rephrase that question some time so that it would not be just a request for a statement of opinion on which perhaps the hon. member might have his own opinion just as well.

MR. WYSE:

A supplementary question, Mr. Speaker. Has the government received any indication that Albertans are paying inflated prices for eyeglasses because of lack of competition?

MR. DOWLING:

No, Mr. Speaker.

MR. WYSE:

A supplementary question then, Mr. Speaker. Has the minister received any indication that the Alberta Guild of Ophthalmic Dispensers might be trying to run a closed shop in the province?

MR. DOWLING:

No, but if the hon. member has received such representation, I'd like to hear about it.

#### Gas Co-ops

MR. RUSTE:

Mr. Speaker, my question is to the Provincial Treasurer. Just a word of explanation: at the last session the Provincial Treasurer indicated that he would make further representations to the federal government as it relates to the individual members capital cost allowance in the rural gas co-ops. My question is: has the minister received any reply to his representation to the federal government?

MR. MINIELY:

Mr. Speaker, I have not received any further reply. To refresh the hon. member's memory, I had made pretty strong representation to the Minister of National Revenue, at that time Robert Stanbury, and also to the Minister of Finance, the Hon. John Turner. They had both indicated to me and expressed apologies for the misinterpretation that had been placed by the federal government, their own officials, on the provision in the Income Tax Act.

It appears to me, Mr. Speaker, as though the matter now is one that unfortunately the federal government - certain officials - had been misinterpreting the act to the advisors to the rural gas co-ops. However, the indication I have from the federal government is that while they apologize for the error, they are not prepared to do anything about it at this time.

MR. SPEAKER:

Perhaps in view of the arrangement agreed upon by the Assembly we might now postpone the further questions until after we have heard from the hon. Premier and have had the questions on the hon. Premier's announcement.

#### MINISTERIAL STATEMENT (reversion)

#### Office of the Premier

MR. LOUGHEED:

Mr. Speaker, I am pleased today to give hon. members a full report on the Syncrude project. As members recall, the Syncrude project was initially a consortium of four companies: Imperial Oil, Cities Service and Atlantic Richfield - each with a 30 per cent interest; and Gulf Oil with a 10 per cent interest. The objective is to construct the second Alberta oil sands plant near Fort McMurray to produce 125,000 barrels a day of synthetic oil.

The significance of the project, apart from the important economic multiplier effect to the province, is that an oil shortage is anticipated in Canada by the National Energy Board in the area of Ontario, western Canada, together with only a quarter of the forecasted Montreal market within a short seven years. This shortage will occur even earlier if the Syncrude project collapsed or was delayed. The plant also provides an important back-up for Alberta in terms of oil supplies, although we have sufficient crude oil for our own long-term needs here in Alberta.

Members will recall that in September, 1973 the Alberta government entered into agreement with the four Syncrude partners to provide royalties to Albertans and to allow public participation. The main terms of that agreement were a 50 per cent net profit-sharing arrangement monitored by an accounting manual allowing, not actual interest, but a stipulated 8 per cent rate on only 75 per cent of the capital employed, and a limited charge for interest during construction.

In addition it provides that in the event the project is only marginally profitable, to convert to a 7.5 per cent gross royalty after the fifth year. It also contains an



option for the Alberta Energy Company to acquire up to 20 per cent of the equity following the start of production. It further provides for the Alberta Energy Company to own 80 per cent of the revenue-producing nonrisk pipeline, although frankly we always preferred having 100 per cent to the Alberta Energy Company. It also allows the Alberta Energy Company to own 50 per cent of the revenue-producing nonrisk utility power plant.

It is an excellent agreement for Albertans, limiting our risk, yet allowing for a good return commensurate with profits. Recent events have effectively confirmed the soundness of the agreement for Albertans.

Members were presented on October 1, 1973 with a document prepared by Foster and associates, setting forth a number of areas of risk including aspects of unproven technology of oil sands mining. Members were also presented on the same day with a forecast of possible royalty returns for Albertans by way of a share of net profits based on certain assumptions regarding oil prices and costs.

From September, 1973 to November, 1974 the project proceeded with its schedule for completion in late 1978. The consortium was aware, in late spring of last year, that other major multiyear projects in North America were experiencing an alarming cost escalation and inflation. This situation was reflected in companies backing away from the Colorado oil shales last fall. The Syncrude group therefore ordered a revised cost estimate which was received in the late fall by the Syncrude partners and showed that the capital cost of the plant had increased dramatically from an original estimate of approximately \$1 billion to approximately \$2 billion. Our representative at monthly Syncrude meetings, Mr. McFarlane, was alerted as to the general situation in October and advised as to the magnitude of the revised estimate in November. The government then commenced an internal review of the situation through the Office of Program Co-ordination.

Unfortunately in early December, one partner, Atlantic Richfield, without any reasonable notice to the Alberta government or to the other partners, suddenly announced it was withdrawing its full 30 per cent participation in the project. Shortly after, on December 10, 1974, the chief executive officers of the three remaining partners met with the Alberta government and informed us that the maximum risk commitment they felt they could make to the project was \$1 billion, and that an addition \$1 billion risk participation would have to be obtained from new partners in order for the project to continue. They further stated that this risk participation would have to be forthcoming quickly because their commitments were increasing rapidly. They advised they would seek out other private sector participants.

The Alberta government responded to this situation in two ways. First, we informed the federal government and all other provincial governments that their participation as commercial partners, under the terms of Alberta's agreement, would be welcome. We felt the project was important not only to Alberta, but to Canada, and Central Canada in particular, as a secure future source of valuable oil supply.

Secondly, we ordered a number of assessments and evaluations of the project to assure that our subsequent decision in restructuring the project would be made on a well-informed basis. These assessments and evaluations were all received last week and have been carefully considered by the Alberta government.

One study was by Loram of Calgary, and I now table the conclusions and observations of that report. It concludes that the original July, 1973 estimate was not improperly understated, also that the latest estimate for the plant of approximately \$2 billion has not been unduly inflated. It also concludes that Syncrude's estimate of the first year's operating costs is a reasonable assessment.

The second analysis was done by Foster and associates of Calgary, and I now table that report. It indicates that, based on the dramatic change in world oil prices which has occurred, and even with the increased costs, the plant remains economically viable.

I am also tabling the report of Price Waterhouse of Edmonton, confirming the actual expenditures and commitments of Syncrude to date.

The fourth evaluation was done by Hu Harries & Associates of Edmonton, assessing the economic significance of the project upon Alberta. I table this document in draft and the final report will follow within a few days. The conclusions of the Hu Harries & Associates Ltd. Impact Study are important, very important. It states that 70 per cent of the capital costs will be expended in the Alberta economy. It is also important to note that of this 70 per cent or \$1.6 billion of direct investment in the Alberta economy, over \$1.1 billion will be direct income to Alberta wage earners for jobs for our people. Also, in excess of \$500 million will be expended on materials and equipment in our province. The report goes on to point out that over the life of the project there will be large direct and indirect positive impact upon the Alberta economy.

During this period, the remaining Syncrude partners were seeking new private sector participation with little success. Texaco Canada Limited declined despite their downstream Canadian crude oil needs. Shell Canada Limited was the only private company indicating any significant interest.

Yesterday in Winnipeg, negotiations to restructure the Syncrude project occurred. In attendance were the chief executive officers of the three remaining partners; the President of Shell Canada Limited; the federal minister, Mr. Chretien, President of the Treasury Board of Canada; as well as Mr. Donald Macdonald, the federal Minister of Energy, Mines and Resources; the Premier of Ontario; myself, together with three ministers of the energy committee of cabinet: the Minister of Federal and Intergovernmental Affairs, the Attorney General and the Minister of Mines and Minerals.

Alberta's objective was to see that the project went ahead without delay, but to do so without adversely altering our arrangements regarding profit sharing, royalty and public participation, also minimum Alberta risk participation.

The first portion of the meeting involved an attempt to convince Shell Canada Limited to join the consortium. Shell said that their participation could be possible if the Alberta government would make material changes in their agreement with participants and, in particular, deferring the profit share by way of royalty until the latter half of the project life. Alberta refused. Shell, on this basis and due to uncertainty over future world prices, then announced that they would not participate, left the meeting and issued the following public statement, and I quote:

Shell Canada participated in the meeting and presented its position relative to the Syncrude project. In light of the terms and conditions related to the high-cost project and the uncertainties of future world oil prices, Shell has decided not to join the Syncrude project. However, Shell will continue to evaluate its own mining project.

Mr. Speaker, it would appear that Shell might have participated if Alberta had been prepared to materially change its basic agreement with commercial partners, because Shell indicated the terms we had struck in August, 1973 were, in their view, too tough. Our judgment was that it would not be in the Alberta public interest to do so.

After protracted and lengthy negotiations yesterday, a new participation agreement was reached for the project. The three remaining partners moved off their position of December 10 and have now committed risk dollars beyond \$1 billion to the extent of \$1.4 billion, thus increasing their risk participation by \$400 million. The private sector thus will now have a 70 per cent interest in the equity of the plant.

The new breakdown is: Imperial Oil, 31.5 per cent; Cities Service, 22 per cent; and Gulf Oil, 16.75 per cent. The government sector risk equity participation will be 30 per cent in total.

Alberta pressed for the ultimate users of much of the product, as represented at the meeting by the federal government and by the Government of Ontario, to have double the risk equity of Alberta. The end result is that the federal government and the Ontario government combined, will have 20 per cent of the risk equity: the federal government 15 per cent, the Ontario government 5 per cent; while the Alberta government will only have a 10 per cent risk equity.

In addition and most important, the new arrangements of participation are all accepted by all participants without any change whatsoever in the Alberta agreement with the commercial partners, other than in terms of the utility power plant and the pipeline. The governments come in as full commercial partners.

Certain other important aspects of the new arrangement should be noted. The federal government is committed by letter that it will not obstruct the project selling its product at international prices. Their participation should be an important factor in strengthening this commitment. The federal government has confirmed that royalties paid to the Alberta government, either by way of profit sharing or as gross royalties, will not be subject to taxation by the participants.

The Alberta government requested, and it was agreed, that 100 per cent of both the nonrisk pipeline and the nonrisk utility power plant would now be owned in full by Albertans. This will strengthen the Alberta Energy Company because of the guaranteed revenue-generation basis of both the pipeline and the utility power plant. In the case of the utility power plant, we had always preferred to have this under complete Alberta control; it is nonrisk and can be more effectively tied in with our provincial power grid. We have already had preliminary discussions with both Alberta Power Limited and the Alberta Energy Company regarding the utility power plant, and will keep the Legislature advised on this matter as it develops.

Two of the remaining partners sought from the Alberta government debt financing to the extent of \$100 million each, in order to permit them to enlarge their risk equity investment - Gulf Oil and Cities Service. We agreed to do so provided such debt financing was first, adequately secured; that the debenture gave the citizens a reasonably assured interest income; and, most significantly, that the debenture be in the form of a convertible debenture so that the province could convert it into a share of the equity if the project was showing a good profit potential. The detailed terms in regard to the convertible debentures will be worked out in due course on a normal commercial basis.

With the 10 per cent equity participation, the option of up to 20 per cent by the Alberta Energy Company, and this convertible debenture feature, Albertans could end up owning 36 per cent of the equity of the project, if it appears profitable, while still receiving 50 per cent of the net profits from the other partners by way of royalties.

Mr. Speaker, simultaneous announcements are now being made in Ottawa by Mr. Macdonald and in Toronto by Premier Davis. Syncrude participants are now announcing that activity at the Syncrude project site will be stepped up to complete the project on schedule.

Mr. Speaker, in conclusion I confirm that there is no change in the existing agreement between the Alberta government and all commercial partners, other than regarding the pipeline and utility power plant. The 20 per cent valuable option remains intact; the safety valve gross royalty provision is still available; and the profit-sharing potential, if world oil prices hold up as reflected by the Foster Report, is unaltered.

So, Mr. Speaker and Members of the Legislative Assembly, these new arrangements reflect an understanding of the importance of the project to Canada as a whole, as well as

to Alberta. They bring to an end the uncertainty in Alberta regarding the future of the project. They illustrate cooperation between three governments reflecting consumer, producer and national interest. There will be continued benefit from the technological skills of the private sector. There will be minimum risk for Albertans but large opportunity for profit participation, and great economic benefit of very major proportions to Albertans.

Thank you, Mr. Speaker.

[Applause]

MR. CLARK:

Mr. Speaker, in rising to comment on the announcement today by the Premier, it's one of the joys of being the Leader of the Opposition in the Legislature to have the opportunity to comment on an agreement that has taken so much public attention and so much effort and time of not only the government but now of three governments and the Syncrude consortium, and then to have the opportunity to comment right away. There are four comments I'd like to make, Mr. Speaker.

First of all at the outset, we on this side of the House are extremely pleased the project is going ahead. This is a project, Mr. Speaker, which the members who sit on your left commenced in negotiation a number of years ago. It's a project that members of Her Majesty's Loyal Opposition have a very deep-seated interest in, and we indeed are extremely pleased that the three governments, along with Syncrude, are now in a position to say that it will in fact go ahead on schedule.

The second point I would like to make, Mr. Speaker, is that it's about time the governments got together on this particular issue. I recall the first question that was asked during the 1973 fall sittings of the Legislature, when we asked the Premier if there had been negotiations between the Government of Alberta and the Government of Canada regarding certain portions of the agreement, especially those portions of the agreement that dealt with federal tax remissions concerning the royalties and profit sharing. It was the attitude of the Government of Alberta at that time that there was really no need for Alberta to negotiate with the federal government on this issue.

Hindsight is a great vehicle, but hopefully members on both sides of the House and the public of Alberta will now see that the day has long gone past when we're dealing with a matter as important as tar sands development - where, in fact, we must have consultation with the federal government before a contract is entered into, and we must have continuing consultation after the contract is entered into. For had we had that, Mr. Speaker, perhaps - and I say "perhaps" and "hopefully" - we wouldn't have developed the situation that took place.

The third point I would like to make, Mr. Speaker, is that I would like to ask the government if there were any other commitments made by the Alberta government in the discussions yesterday or discussions between the Premier and other governments, especially with regard to prorating of the oil of the principals in Syncrude?

We would also like to ask the government to table at the earliest possible date the correspondence between the federal government, the Government of Ontario and the parties involved in Syncrude so that, in fact, members of the Legislature would have the advantage of that correspondence, hopefully before this session of the Legislature comes to a close.

Mr. Speaker, the last and fourth point I would like to raise deals with the question that, as I understand the Premier's announcement now, the people of Alberta will in fact have a power plant in the tar sands area. We will have a pipeline coming from the Fort McMurray area down to the Edmonton region. We will have \$200 million directly invested in the plant, and we will also have the opportunity of a 20 per cent equity once the plant is finished if it's our choice to go ahead.

Let all of us remember, with that kind of commitment to this project - and I emphasize once again we are pleased it's going ahead - this Legislature and the people of Alberta have not heard the last of the problems that will be involved with the cost of this project. For I say to us, Mr. Speaker, that to date we have not done a good job in keeping on top of the costs involved, for a government that is involved in the profit sharing. I would hope that in the course of the relations between Syncrude and the government we would sharpen up considerably our knowledge of what's happening on this project and not be in a situation such as we were when the Minister of Mines and Minerals announced the costs had virtually doubled overnight.

#### ORAL QUESTION PERIOD (continued)

#### Syncrude Project

MR. NOTLEY:

Mr. Speaker, I wonder if I could ask the hon. Premier a question at this point.

HON. MEMBERS:

Agreed.

MR. NOTLEY:

The hon. Premier in his remarks talked about the \$200 million in debenture money that is being made available. My question first of all, Mr. Speaker, would be: could he give the names of the two oil companies that we will be loaning money to? Secondly, in computing the profits will a guaranteed rate of return on that money which we are loaning be deducted before any profits are computed?

MR. LOUGHEED:

Mr. Speaker, the two companies involved are Cities Service and Gulf.

With regard to the question of the deduction of the interest expense, my understanding, subject to checking and subject to any further negotiation, would be that it's a loan from the Alberta government to Cities Service - that's the loan to them. Therefore their position would be the same as any other partner. They would be limited to the 8 per cent of the 75 per cent of the capital employed, but that would be subject to checking. It's my present understanding.

Perhaps while I'm on my feet, the hon. leader did ask me two important questions: whether or not there were any other commitments made that were extraneous to what I have answered here. Mr. Speaker, my answer would be that there are not any that I consider would be of import to add to the statement.

The only point that might be added, although I took it as something rather axiomatic with regard to the situation, is both the Alberta government and the federal government agreed that there would not be a prorating with regard to the plant, that we would give an undertaking that the plant could always operate at full capacity. I think that was pretty obvious and a logical position.

With regard to the correspondence, Mr. Speaker, I don't know that we have any with regard to the Ontario government. But as far as the federal government is concerned, it was our intention to advise the House that in due course, if we are able to clear the letters, we'd like to table the two letters from the federal government to the Syncrude partners, the one that deals with the international pricing and the other one that deals with taxation. So we will undertake to agree to check that and, as soon as we get concurrence, to table it for the benefit of the hon. members.

I should just elaborate there. There were, as I understand it, some technical detailed aspects of the letters as they were originally written, which were still the subject of some minor negotiation between the three remaining Syncrude partners and the federal government. But I think they were of a minor nature so we will try to provide that for the information of hon. members as quickly as we can.

MR. TAYLOR:

My question is to the hon. Premier. Have there been any special strings attached by the federal government and by the Ontario government in regard to the disposition of the oil, once the plant is operating?

MR. LOUGHEED:

Mr. Speaker, there are not. I might add that I'm somewhat surprised I'm standing in my place today and responding that there are not. I think there is a recognition, because of the total position that is involved, that the synthetic crude oil will mix within the general system depending upon its quality. We certainly, I think, would have some difficulty in a full redirection of the entire proceeds into Alberta. But there are no commitments and there are no strings and no obligations on that important question.

MR. TAYLOR:

A further supplementary, Mr. Speaker. Will Ontario and the federal government get their share of the profit from the other 50 per cent? Or is there some special arrangement there?

MR. LOUGHEED:

No, Mr. Speaker. They will be strictly an equity participant the same as Imperial Oil or Cities Service or Gulf Oil. As the profits are determined, for example in the federal government as a commercial partner, they will get 15 per cent of the profits. But as the profits are computed on the accounting manual in accordance with the agreement, then 50 per cent of the profits will go to the Alberta government, including the federal government's share - which causes me some pleasure - and 50 per cent of the profits to the remaining partners.

Mr. Speaker, it occurred to me as I was talking that I may have expressed previously - but I'm not sure I did, now that I think about it - in terms of outstanding commitments relative to the leases regarding the federal government ...

The federal government naturally, in taking a 15 per cent equity position in Syncrude, is going to attempt to obtain a lease position on the Syncrude leases, not only the two leases that are within this project but I believe the six other leases that are involved. That will be a matter, as we understand it, of negotiation between the federal government, and I presume the Ontario government, and I suppose from our point of view too as a new equity participant, with Atlantic Richfield. What we have said as lessor is that we would place no obstacles in the way of the new participants moving into the lease position in negotiation with Atlantic Richfield.

MR. STROM:

Mr. Speaker, the hon. the Premier gave the cost sharing in percentages. My question to him is: is there any limitation on the part of any of the partners to a dollar value as to how high they will go? Because I think the problem that developed earlier was a dollar problem, not a percentage problem.

MR. LOUGHEED:

Mr. Speaker, that is a very good question. We took the position at the conclusion to convert the dollars that were on the chalkboard to percentages, to make it absolutely clear that everybody involved as a participant has a percentage interest. So that if the project does go above \$2 billion to something higher, everybody shares the overrun in accordance with the percentage and is committed to doing so.

We and not we alone, but the other new participants, also insisted that there be changes in the existing agreement between the partners to preclude the rather ridiculous situation that has existed till now whereby Atlantic Richfield have been able to withdraw from this project without - and this is subject to qualification as to their legal position - without a clear-cut position relative to what occurs legally in the event a partner should happen, in the future, to withdraw.

I should add one other term. I believe it was agreed too that a party could, in fact, go out and acquire another party to come in and spread their risk at any time in the future, subject to two conditions. The first condition was that it would be subject to concurrence of the other parties. The other condition was that no party could have an interest less than 5 per cent, which on a \$2 billion plant is \$100 million.

MR. STROM:

Mr. Speaker, may I ask a supplementary question to that and it relates to the leases. Am I correct in assuming that the involvement of the partners is in one plant and the lease that is required to supply that plant?

I ask it because of the statement made in regard to the federal government's position. I would be interested to know if the position taken by the federal government will apply to all other partners so that, in fact, all leases held by Syncrude are going to be part and parcel of all the partners at the present time.

MR. LOUGHEED:

Mr. Speaker, perhaps I could explain it this way. The position involves the 30 per cent interest of Atlantic Richfield which happens to be the same 30 per cent aggregate interest of the three new governmental participants in the project.

My understanding of the situation now, subject to negotiation, is that the remaining three partners' lease position insofar as the two leases that affect this plant, 17 and 22, and the other six leases held by the Syncrude group, Syncrude Canada Ltd., remain the same, but that the remaining partners and the Alberta government agree to cooperate with the federal government, the Ontario government and perhaps the Alberta government in a participation way to acquire the Atlantic Richfield interest in not only the two leases but the other six.

MR. STROM:

So that in practice it could mean involvement in further plants to take care of the leases?

MR. LOUGHEED:

Mr. Speaker, I think it's fair to say that the Government of Canada and the Ontario government were quite strong on that point. They felt that if they were going to make a risk investment of this magnitude, it was only reasonable that they have an opportunity whereby, if it worked out well, they would not be into a position where they couldn't have a share in leases and they would have a potential share in future leases only in relationship to those six. But that's again subject to working out a negotiation with Atlantic Richfield. We for our part have said, as lessor, we will not stand in the way of that sort of negotiation.

MR. STROM:

It could be more than one plant?

MR. LOUGHEED:

Mr. Speaker, to respond to the hon. Member for Cypress, it's conceivable that it could work out that way. On the other hand, it has to be kept in mind that there are other projects in terms of application which are much further advanced than a second plant by Syncrude Canada Ltd.

MR. DRAIN:

Mr. Speaker, my question to the Premier. Are the Syncrude prices going to be allowed to rise to the world market level? I have several little questions.

Is there an underwriting of an amendment price, or would there be an underwriting? Additionally, I presume the 20 per cent equity that is available for Albertans would be the issuing of extra Treasury shares above and beyond what have been listed. [Is there] a ballpark figure on the total investment from the Alberta Energy Company, which would include the power plant, the pipeline and directly in Syncrude?

MR. LOUGHEED:

Mr. Speaker, you've got three questions and I'm trying to remember your first one. I'm sorry, Mr. Speaker.

With regard to the world market price question: the position taken was that there would be no floor price as such, and that it must be kept in a position so the participants can get the international price. To move into a position of a floor price would, in our judgment, and I think in the judgment of others, involve a situation on a counter basis by the public of Canada through their representatives in suggesting therefore if there's a floor price on the bottom, there should be a floor price on the top.

The eventual conclusion of the discussions was that there would not be, and I refer hon. members, when they do get an opportunity, to the Foster Report, particularly the report showing the break-even price that may be necessary to cover just the basic break-even position - and in 1978 it's only \$7.80 a barrel.

The last question was a ballpark figure in terms of debt and equity. The debt position of the Alberta government would be the \$200 million with regard to the convertible debenture and the equity position of \$200 million. The Alberta Energy Company position would be \$100 million for the pipeline. It would be a power plant of \$300 million that might end up as a balance between the Alberta Energy Company and possibly, without commitment, Alberta Power Limited and of course the infrastructure that the province would be involved in in terms of housing and facilities in the area.

But when one compares first the debt position with the overall economic impact as referred to, the \$1.1 billion, even in the construction period, it's quite obvious that the return to the province is just far greater than the aggregate financial commitment in a multiple of ways. The equity risk position is extremely limited because you have the pipeline on a cost-of-service basis; you have the utility power plant on a cost-of-service basis and those infrastructure situations are things that the government should be properly doing in the normal course of events. You have the \$200 million of debenture secure. So you're really down to a \$200 million exposure for an impact in relationship to this report.

Mr. Speaker, the other question is: the 20 per cent option would not be from Treasury shares. The 20 per cent option of the Alberta Energy Company would come from the existing 100 per cent, so that if the Alberta Energy Company exercises its option it would reduce, for example, one-fifth of the 15 per cent interest by the federal government and so forth down the way with the participants.

MR. DRAIN:

A supplementary, Mr. Speaker. I gather then that the debenture capital referred to by the Premier, Mr. Speaker, would be part of the funding that would be expected from the Alberta Energy Company, or could it be funded on the basis of an investment by individual Albertans?

MR. LOUGHEED:

No, Mr. Speaker, it would not. The funding for the convertible debenture - at least our present intention - would be direct funding by the Alberta government. The funding required for the utility power plant and the pipeline would be funding that would primarily be initiated through the Alberta Energy Company.

#### GCOS Operation

MR. DIXON:

Mr. Speaker, I'd like to direct a question to the hon. the Premier. With the success yesterday of getting the federal government to again agree on international prices for our tar sands, could the Premier explain to the House what position this puts Great Canadian Oil Sands in, because there are many Alberta shareholders in that company and it has pioneered the tar sands? Are they going to get a different break now?

MR. LOUGHEED:

Mr. Speaker, that is, I think, an outstanding question as far as our discussions with the federal government, or the questions of GCOS with the federal government. But I think it's fair to say - this is an indirect important benefit of the project going ahead at international world prices - that if we have a project in Alberta producing, in 1979, 125,000 barrels a day at the international world price, whatever it is at that time, I think it will help in terms of our pressure of moving the conventional crude oil and the GCOS production up closer to that amount. Only time will show whether it will be true.

But I think - and I am awaiting with interest - I think the situation with regard to GCOS in constructing a plant for only \$300 million and now getting a price, I believe, in the neighborhood of close to \$7 a barrel, [they] are in a position where their return, because of the lower cost at the time they constructed the plant - they are now moving into a position of starting to overcome in a significant way the overrun in costs they had.

I for one, and I hope most members of this Legislature are going to be delighted at a time when GCOS, the pioneers, who came in here and showed the sort of foreign investment

that is really welcome, and the courage and pioneer approach, [get] a really good return, and I welcome their getting that return.

[Applause]

Syncrude Project (continued)

MR. DRAIN:

Mr. Speaker, just for clarification: the price of \$7.80 as a break-even point referred to by the Premier in his remarks - is this price predicated on the \$2 billion investment?

MR. LOUGHEED:

Mr. Speaker, that's a very good question. Yes, the break-even point, as I mentioned, in the Foster Report when the member has an opportunity to study it - the Foster Report has taken the \$2 billion plant. It has taken in fact the Bechtel estimates for an increased operating cost with the Syncrude portion added on.

With all those costs on, the break-even in '78 is \$7.80. And the very interesting figure, which I'm sure the hon. member would realize would have some impact upon the government in its decision, was that if we took the report of Foster and associates of a forecast of what they think the world oil prices are going to be, and we reduced them by \$2 a barrel, the project-life joint-venture payments to the province still add up to \$2,950,000,000.

Energy Corridor

MR. SORENSON:

To the hon. Premier: what effect will today's announcement have on the proposed energy corridor running between Fort McMurray and Hardisty? Will it go ahead on schedule and will the government now commence buying land along that corridor, Mr. Premier?

MR. LOUGHEED:

Mr. Speaker, I would have to reserve on the latter question to discuss it with my colleagues. On the former question, I think the hon. member could certainly advise his constituents that any uncertainty with regard to that situation which might have occurred since early December has been dissipated by the announcement today and certainly the energy corridor would proceed.

But as I mentioned when I was in Hardisty in the fall, it's important for the people in the area to understand that the impact of things of this nature is not going to happen overnight. Of course, I got the response that they would prefer that they didn't happen overnight, but that they happen over a period of time so the communities could adjust.

Syncrude Project (continued)

MR. CLARK:

I would like to ask the Premier, Mr. Speaker: is it the government's intention that the new arrangements that have been worked out - will this then be formalized in an amendment or an addition to the existing agreement, or what approach will the government use?

MR. LOUGHEED:

Mr. Speaker, I would anticipate that within a matter of days a team would be involved from all participants to start to move to an amended agreement in principle, comparable to the letter of understanding dated September 14, 1973 as amended, and tabled in this House on or about December 13, 1973.

MR. NOTLEY:

Mr. Speaker, I would like to ask the hon. Premier whether or not the government has considered any mechanism - or all levels of government, the two provincial and the federal governments - have considered any mechanism to monitor the construction costs to keep this question in line, compared to what has happened in the last three or four months?

MR. LOUGHEED:

Mr. Speaker, I think if the hon. member, when he has an opportunity, studies the Price Waterhouse report, he will see and confirm that the actual expenditures in effect have been validated.

I think that the hon. member is referring to the monitoring of the costs during the period of construction. I would like to point out, and I think there has been a misunderstanding in this House, Mr. Speaker, the circumstance is this with regard to the

net profit sharing arrangement: when the definitive agreement has been completed and when the accounting manual has been established - and I assure you that the Deputy Provincial Treasurer will be involved in that accounting manual and has the experience with regard to it - only approved-by-Alberta capital costs will come within the definition of capital costs under the agreement.

So if the parties in fact - the operator I guess is a better way to describe it - if the operator during the course of construction involves itself in an expenditure that in our view is not an appropriate expenditure that should be included within the capital costs by way of the accounting manual, it simply won't be included. So if there is some head office expenditure in some other city that can't be justified, it will be put aside in our view and not accepted.

Now there's bound to be room for negotiation and disagreement when that time comes. There always is. But I believe, from the nature of the question and the comments that have been made to date, that there has been a misunderstanding on that. This government is not committed to putting into the formula simply what the operator expends. It's only what they expend that's validly spent in relation to the project that we're prepared to accept. And I do believe as lessor we have some leverage in that regard.

MR. NOTLEY:

Supplementary question, Mr. Speaker, to the hon. Premier. Have there been any substantial increases in the cost estimates both for the pipeline and the power plant?

MR. LOUGHEED:

Mr. Speaker, my understanding with regard to the pipeline is not in the same magnitude. With regard to the power plant there are - and I'm not sure quickly from memory - yes, I believe the Loram report, in conclusion on page 5, gets into the question of the overrun in costs of the utility power plant. Perhaps the hon. member would like an opportunity to study the document and ask questions about it on a further occasion. But it's in the report of Loram Ltd.

There has been a significant increase in capital costs there and it's now in the neighborhood of about \$220 million. I think I gave the hon. Member for Pincher Creek the figure of \$300 million because in our long-term cash flow we're looking in terms of the leverage financing that we can get in a project of that nature, and we might be able to go on an 85-15 basis.

MR. NOTLEY:

Mr. Speaker, I just have two quick supplementary questions if I could. The first one is with respect to the future pricing of world oil. Has there been, either in the Foster survey or in any other survey commissioned by the government, an assessment of what the possible impact would be of North Sea oil on the price of crude oil?

MR. LOUGHEED:

Mr. Speaker, not directly stated in the Foster report, but my understanding is that they have taken that into consideration. I think the general view expressed on this matter is that because the North Sea oil production is first of all very high-cost, and secondly will be primarily utilized by the nations involved and the United Kingdom in particular, it's not expected to get within the international oil stream in total. Hence I believe, and this again would be subject to checking, it's not likely to play an important role in terms of determining international world oil prices in the future.

MR. NOTLEY:

Mr. Speaker, just one final supplementary question. This is with respect to the interest that will be charged for the debt capital we're loaning two of the participants. Has there been a specific interest rate arrived at, or will that be the 8 per cent which is in the original agreement?

MR. LOUGHEED:

No, Mr. Speaker, there hasn't been a specific interest rate and that's a matter that is subject to negotiation because it depends upon the evaluation of the nature of the security and the terms of convertibility and the length of the debenture. What we're trying to do in negotiation with these companies is to get as close as we can to what's considered normal commercial terms.

MR. BENOIT:

Mr. Speaker, the hon. Premier answered part of my question pertaining to GCOS. But another portion deals with the quantity of oil that will be coming from this plant when it's running full capacity and comes onto the market. If there's more oil than we have market for, does that mean we will cut back on conventional oil?

MR. LOUGHEED:

Mr. Speaker, the hon. member's concern may arise out of an initial situation back about 1962, but the situation today is so far from that.

In fact, as I mentioned in my statement, what we face in Canada today is, even with the oil sands plant No. 2 at 125,000 barrels a day, the GCOS operation, our total production and a decline of exports - the people living in the Toronto area, if I could



pick them out, are going to be short of Canadian crude oil production unless we have some major discoveries within seven years.

MR. HINMAN:

Mr. Speaker, my question is: was there anything in the agreement to give Canadian requirements, even those for manufacturing, prior claim on the production of Syncrude?

MR. LOUGHEED:

Mr. Speaker, perhaps the hon. member could elaborate. In terms of Canadian ... my understanding with regard to the production situation of Syncrude at the moment is that it comes within the umbrella of the national policy, which would mean a phasing out of exports at about the time the plant would come on stream, or shortly thereafter. So there would not be an export out of the country.

If the hon. member is referring to a relationship to major manufacturers involved in the capital costs, perhaps he could elaborate.

MR. HINMAN:

Mr. Speaker, to elaborate. My question simply could be put this way: was the federal government's policy, which he has just stated, part of the agreement? Was there any understanding that that would be the case?

MR. LOUGHEED:

Mr. Speaker, I think it was taken as agreed by all the participants involved that that is so - that the production of the plant is within the umbrella of the federal export policy.

I believe I answered earlier in the session to the hon. Member for Drumheller that one reason, but only one reason and not the critical reason, Atlantic Richfield withdrew from the project was that, having no downstream refining or marketing operation in Canada, the interest they might have in the project was obviously less if there was no export.

MR. BARTON:

My question refers to the world price with Syncrude, if it fluctuates back and forth. Were there any discussions in the saw-off of giving up some of our leases, that the conventional oil could move up to the world price by the time - because really that is where the instability comes in the oil industry?

MR. LOUGHEED:

Mr. Speaker, I don't want to give the members the impression, and I hope I did not, that there was any saw-off in relation to leases. Our position would have been, no matter who the new participant had been who came into this project, to try to cooperate with them if they were prepared to bring their risk money in to get a lease position in Syncrude without, as lessor, our relating any obstacles. That was not considered any saw-off by us. We would have done it for whoever was prepared to bring their risk money.

But I think I tried to answer that question in relation to the question from the hon. Member for Calgary Millican. I think by having a position with regard to a Syncrude plant going at world prices it will help the pressure we want to exercise, both in this Legislature and in the government, to try to get the price up closer to it. But I suppose the date of April 10 will loom rather large in that regard.

MR. STROM:

Mr. Speaker, the Loram International report states that the impact costs of the environmental regulations could not be assembled within the time frame of this report. I'm wondering if the Premier could comment on that statement?

MR. LOUGHEED:

Yes, Mr. Speaker, that's on page 4. We, of course, asked the Loram people for a very difficult assessment in a period of time. I don't think it would affect their overall conclusions and would have some bearing upon the operating costs from an operational point of view as the one that is assessed there. I think that is going to be a matter of ongoing debate and dialogue between the Syncrude participants and my colleague a few seats to the right of me.

MR. STROM:

Mr. Speaker, is the hon. Premier suggesting that Syncrude up to this date has not been given firm statements in regard to environmental control measures?

MR. LOUGHEED:

Mr. Speaker, absolutely not. My understanding of what is involved there is the difficulty of evaluating the cost on the operation of the decisions, of the position that has been taken by the Department of the Environment.

MR. TAYLOR:

I assume that part of the production from Syncrude will be used in the province of Alberta. Are the hands of the government tied in any way in regard to that portion of the production as to what price Albertans will pay? Will we be required to pay the world price the same as everybody else?

MR. LOUGHEED:

Mr. Speaker, I don't think there is any way we could operate the plant by not allowing the plant from an economically viable basis to obtain the price that is available on the international world market, and that's what it has to be. Whether any special arrangements are worked out comparable to what we are doing under the Natural Gas Rebate Plan is something we will have to see in the future.

But I would say, and I think it is important for hon. members to realize, that for the federal or Ontario governments to go much larger than they are in this position might start to develop within the project some concerns which are implicit in the hon. member's question as to where the product might fall. But we think that is why the balance is satisfactory. It is large enough to be significant but not so large as to be overwhelming, particularly in regard to that point.

MR. NOTLEY:

Mr. Speaker, a supplementary first to the question of the hon. Member for Drumheller. Assuming that there is some difference, whether it is to be hopefully a lesser difference than there is today, but some difference between the Canadian price and the world price, will there not be some difficulties in marketing oil sands crude? I could see if this crude were consigned to the American market it would be a different matter, but it seems to me there is a problem here, is there not?

MR. LOUGHEED:

Mr. Speaker, I think there is a problem and my inclination is to turn the problem in due course into an opportunity. Because as there becomes a problem I think that is one of the reasons we might utilize that problem to pressure them both together by convincing the other people involved that it should be mixed at the same price - the world price.

MR. NOTLEY:

Mr. Speaker, a further question. Can the hon. Premier advise the Assembly whether or not there was any preliminary discussion with respect to the composition of the board of directors and also whether or not, since we are taking a 10 per cent share in the project, there will be any management personnel directly appointed by the government?

MR. LOUGHEED:

Mr. Speaker, that matter was just simply not discussed. The judgment was that after 12 hours of negotiation we felt that is a matter we could deal with later. It is certainly one we intend, and I'm sure the other governments would intend, to raise.

MR. TAYLOR:

One further supplementary, Mr. Speaker. Will the Alberta government, in view of the fact that we are now participants to the extent of 10 per cent, have a definite representation on the board, or will we also continue to have an observer there looking after the interests of the people of Alberta?

MR. LOUGHEED:

Mr. Speaker, in essence I think that is the same question as from the Member for Spirit River-Fairview.

Without committing myself, I certainly think it would be desirable for the Alberta government to have a member directly now on the board. In the past, it has been as an observer for the reason that it had to be in an observer status until we were in a position, or the Alberta Energy Company was, of exercising its option. But now with the direct 10 per cent I think the answer I can take quite clearly. The Alberta government will have a director on the board.

#### ORDERS OF THE DAY

#### WRITTEN QUESTIONS

109. Mr. Buckwell asked the government the following question:

- (a) How much money is forecast to be spent by the Alberta Export Agency in the 1974-75 fiscal year? From which appropriation in the 1974-75 Estimates are these funds to come?
- (b) What amounts on what dates and to and from what persons, agencies and sources have moneys been paid from Appropriation No. 1159?

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

1. On what dates did the advisory committees on universities and colleges meet?
2. How many meetings did the Minister of Advanced Education attend?
3. What was the cost to organize and carry out these meetings?
4. What are the recommendations of the committees?
5. Which of the recommendations has the government accepted?
6. Which of the recommendations has the government acted upon?

#### MOTIONS FOR RETURNS

105. Mr. Ruste proposed the following motion to the Assembly:

That an order of the Assembly do issue for a return showing:

The study made of the various printing and copying facilities of the government including those of the Queen's Printer, referred to in Hansard of May 23, 1974, page 2454.

MR. FOSTER:

Mr. Speaker, I wonder if I could have leave to let this matter stand for a few days. We haven't had an opportunity to consider it and with the absence of Mr. Getty in these last 24 hours we would like some time to look at it before we respond.

MR. SPEAKER:

Might we have some consent as to how long, such as perhaps Thursday or Tuesday.

SOME HON. MEMBERS:

Thursday.

MR. SPEAKER:

Over to Thursday?

SOME HON. MEMBERS:

Agreed.

MR. SPEAKER:

So ordered.

106. Mr. Clark proposed the following motion to the Assembly:

That an order of the Assembly do issue for a return showing:

Copies of all studies, reports and recommendations which have been received by the Department of the Environment relating to a dam site on the Red Deer River since January 1, 1972, and a list of all studies presently under way.

[The motion was carried.]

107. Mr. Clark proposed the following motion to the Assembly:

That an order of the Assembly do issue for a return showing:

- (1) A copy of the correspondence between the Alberta provincial government and the Canadian federal government in which the federal government was advised that federal government participation in the Syncrude project was acceptable.
- (2) A copy of the telex sent to all provincial mines ministers asking if they were interested in participation in the Syncrude project.
- (3) A copy of the replies to that telex.

MR. FOSTER:

Mr. Speaker, again may I ask that this matter stand until Thursday for the same reason.

MR. CLARK:  
Agreed.

MR. SPEAKER:  
Does the Assembly agree?

SOME HON. MEMBERS:  
Agreed.

MR. SPEAKER:  
So ordered.

108. Mr. Clark proposed the following motion to the Assembly:

That an order of the Assembly do issue for a return showing:

Copies of all studies that have been completed relating to the previously announced Calgary-Red Deer water pipeline, and a list of all studies presently under way.

[The motion was carried.]

110. Mr. Barton proposed the following motion to the Assembly:

That an order of the Assembly do issue for a return showing:

1. The programs under which the Dairy Branch of the Department of Agriculture purchases cattle, for the fiscal years 1971-72, 1972-73, 1973-74 and from April 1, 1974 to the present date.
2. The numbers, kinds, ages, purchasing price, purchasing dates and origins of cattle purchased under each such program for the fiscal years 1971-72, 1972-73, 1973-74, and from April 1, 1974 to the present date.
3. The persons, companies or agencies which care for these cattle; price per day per animal charged by each of these persons, companies or agencies; and the total amount of money paid to each of these persons, companies, or agencies for such services for the fiscal years 1971-72, 1972-73, 1973-74, and from April 1, 1974 to the present date.
4. The numbers of each kind and age of cattle sold, including the average sales price and the name of the purchaser, for the fiscal years 1971-72, 1972-73, 1973-74, and from April 1, 1974 to the present date.
5. The numbers of each kind and age of cattle maintained at present by the Dairy Branch.
6. The method of selling and distributing such cattle.

[The motion was carried.]

111. Mr. Drain proposed the following motion to the Assembly:

That an order of the Assembly do issue for a return showing:

For each of the years from 1965 to the most recent year for which statistics are available on Highway 3 between Sentinel, Alberta and the British Columbia border:

- (a) the number of accidents involving property damage, but no personal injury.
- (b) the number of accidents involving personal injury and the number of persons injured.
- (c) the number of accidents resulting in fatalities and the number of fatalities.

MR. FOSTER:  
Mr. Speaker, in the absence of the Minister of Highways, may I ask that this matter stand until Thursday?

HON. MEMBERS:  
Agreed.

MR. SPEAKER:  
It is so ordered.

112. Mr. Clark proposed the following motion to the Assembly:

That an order of the Assembly do issue for a return showing:

Copies of all studies that have been completed relating to sewage disposal in the Calgary-Red Deer corridor, and a list of all studies presently under way, since January 1, 1972.

[The motion was carried.]

114. Mr. Clark proposed the following motion to this Assembly:

That an order of the Assembly do issue for a return showing:

1. A list of all payments made to all persons and companies for the "Athabasca Sands Corridor Study" showing the date of each payment, the person or company to whom the payment was made and the amount thereof.
2. What criteria were used for employing these particular firms?

[The motion was carried.]

115. Mr. Dixon proposed the following motion to the Assembly:

That an order of the Assembly do issue for a return showing:

Copies of:

- (a) All legal opinions prepared for the Province of Alberta relating to the intervention on behalf of the Government of the Province of Alberta in the White Pass & Yukon application to the Canadian Transport Commission to purchase a controlling interest in Pacific Western Airlines, and
- (b) All legal opinions relating to the purchase of Pacific Western Airlines by the Government of the Province of Alberta and the filing of an application before the Canadian Transport Commission.

MR. LEITCH:

Mr. Speaker, I wish to speak and urge all hon. members to vote against this motion, and I think that the case is so clear and so strong that my comments may be kept very brief. In fact, Mr. Speaker, I'm very much surprised to find it on the Order Paper because I'm sure the hon. member who moved this motion knows very well that as a result of a long-standing practice, not only in this House and in other Houses but also in the private sector, legal opinions are simply not made public.

The reason for that practice, not only in government, Mr. Speaker, but in private practice, rests on a very sound and logical basis. It arises out of the use that is made of legal opinions and the nature of legal opinions. Perhaps, Mr. Speaker, I'll be pardoned by my legal colleagues for saying a few words about the nature of legal opinions, and it is this: they are nearly always inconclusive.

AN HON. MEMBER:

Hear, hear.

MR. LEITCH:

Lawyers, when asked to give legal opinions, practically never say, this is the law. What they say is, on the one hand it may be such and such, and on the other hand it may be something else. That doubt, Mr. Speaker, gave rise to the comment by a frustrated client who said that for that precise reason he was looking for a lawyer who had no hands.

But, Mr. Speaker, it is important to keep in mind the nature of legal opinions. There are nearly always arguments on both sides of a legal question. It is the practice of lawyers to give both sides, and then to say to the client, I think the chance is that what you propose to do is right, or I think there's a good chance it's right, or I think there's a good chance it's wrong. But he always ends up by saying the law is uncertain and one can't be sure as to what decision the court may reach.

Now, keeping in the mind the nature of those opinions, Mr. Speaker, it becomes very clear that it's going to be tremendously prejudicial and embarrassing if those opinions are made public, because what normally follows the obtaining of a legal opinion is a negotiation, or alternatively litigation.

Mr. Speaker, I don't think I need stress how difficult and how undesirable it would be for one to have outstanding a legal opinion assessing all the possible arguments on a matter that was then the subject of negotiation. It would be most prejudicial and embarrassing to have that in the hands of your opponent while you were negotiating with him.

The risk of prejudice and embarrassment is even greater when one gets to court because, having given both sides of the argument in a opinion to your client, you are of course, when you arrive in court, called on to give only one side of it. You are not at all anxious to have the other side a matter of public knowledge. The embarrassment grows even larger, Mr. Speaker, if after you've given an opinion to the client, the client retains another lawyer to appear in court, because he is then arguing a position which may well be somewhat different from the opinion that has been made public from earlier counsel.

In the result, Mr. Speaker, I wish to conclude my remarks by saying, I'm surprised to find that a member of the experience and knowledge of the hon. Member for Calgary Millican would sponsor this motion. It is a universal practice in Houses and in the private sector as well, Mr. Speaker, not to make these things public because of the potential prejudice they may have to negotiations or subsequent legal proceedings.

For those reasons, Mr. Speaker, I urge all hon. members to vote against the motion.

AN HON. MEMBER:

I don't believe it.

MR. LUDWIG:

Mr. Speaker, I'm rather interested in the fact the hon. minister made about the strongest case he could possibly make without precedent or without rule to support him. We're not asking the minister for an off-the-cuff legal opinion as to something which the rules prohibit. But he cannot find a rule - at least I have not found one - which states that you cannot ask for a legal opinion paid for by the government by way of a motion for a return.

Now there are many things stated in this House by the hon. ministers opposite that could be embarrassing, that could be used to the prejudice of the government. They often put their foot in it, and there is no recourse against that kind of - they say, well I won't answer you because I'm not sure what you want from me, what you might use my answer for.

That is not the problem before us, Mr. Speaker. I must state that the hon. minister related his complete argument to what he thinks should happen in private practice. But this Legislative Assembly is the customer. He's not saying that because the lawyer prepared a legal opinion and charged for it he must not let the customer know at least what it is. I'm stating that the hon. minister propped a very weak case up with very weak and far-reaching argument.

We're not dealing with legal opinions in commerce, in business and perhaps in criminal law which are to some extent confidential. We're dealing with public money. We're dealing with a public decision. We think the government maybe misled us a bit on telling us why they did it. We think that maybe their legal opinion wasn't all that much of a legal opinion, but a bit of political skulduggery that the government is indulging in. And we have the right to level any kind of accusation on the government for its reasons for wanting to hide this. I'm surprised that the minister went so far afield and repeated himself so often on the fact that well, it could be embarrassing, it isn't conclusive.

Let us look to see whether the government did act on inconclusive legal evidence. We want to know whether the government had any reason at all. We think that this is perhaps just a cover-up. Now the government can be magnanimous and say, we'll present you with everything we've got here as we are entitled to know. To state well, in private practice this is done and this is not - the customer wants to know what he paid for. I suppose if the lawyer said I don't want to show you my legal opinion, he says well, give me the, we don't want to pay you for it, or did we pay for it?

So I think the minister is perhaps quite logical in other circumstances but this is a different case entirely. If Mr. Speaker can dig up rules to state that we're not allowed to do this, that there is a set of decisions made in Parliament, because I'm sure that this isn't the first time in the history of the Parliament of Canada and the Legislative Assembly in this province or elsewhere that an opinion like this was asked, or maybe it is the first.

If it is the first, let's make the right precedent. Did the hon. minister dig up the Journals from Ottawa and say well, they turned him down, turned down this kind of motion for a return in 1925? There are Journals to go to if you don't know what decision to make, Mr. Speaker, and you're adjudicating on merely the hon. minister's opinion.

If there is any doubt in Mr. Speaker's mind, then give us a ruling. Because unless the Speaker can rule this to be an improper question, we're not interested in the argument, well, it could be embarrassing. I have an idea it is embarrassing. That doesn't mean we shouldn't get it. It might be embarrassing, not to the lawyer so much, unless the lawyers they dealt with stated, this is has got to be confidential. But the minister didn't say that, Mr. Speaker, and I presume that he put in most of his argument.

Was the legal opinion on a matter dealing with public commerce, public involvement in an unusual transaction, excuses which were - or not excuses I should say, Mr. Speaker, to be fair - reasons advanced for the action of the government involving a great sum of money? Are we not to know why they did it? Perhaps if someone on the other side wanted to bare his soul and review the opinion and state on the legal opinion of so-and-so we felt this was our decision, but all that part is confidential, it's a closed book. I'm saying, Mr. Speaker, the only reason they are not trotting this thing out and telling us, look we are backed by the best opinion we can pay for, we did this, we were right, they are saying no because we are not sure. It could be embarrassing.

It's no use saying I might be encroaching on the political arena when I'm saying this. This is exactly where the thing is. It's exactly where the MLAs do not know why the government acted in the way it did. It's a political issue, Mr. Speaker, and the minister says, we'll say anything, we'll do anything rather than give it to you. But I'm saying that when a minister argues a case before a judge he'll either trot out a precedent or a statute or a rule that says, here, this is what I am relying on. But to quote tradition, traditionally it isn't done I don't think is sufficient to weigh the case against the mover of the motion.

I believe the hon. members on the other side might want to know what is going on once in a while. Here's a good chance to find out. Stand up, you have nothing to gain by saying, we don't want it. Maybe nothing to lose either. So I urge the hon. members on the other side to do the right thing and let the people know why this government made the decision. We may never know. We may never know because the hon. Minister of Industry and Commerce is going to tell us as little as he can get away with and we don't appreciate this.

So in this one, this is a proper motion for a return. It is not a case of springing a legal question on the minister and you think that he must not answer a legal question, he is not obliged to, he might be incorrect. We are not asking a legal opinion from a minister of the Crown. We are not asking a legal opinion from anybody in the House. We are asking that certain information, that was paid for, I presume, by the public purse, be made available to the hon. members.

I believe, Mr. Speaker, that alters the case before you and that you should make a decision as to the propriety of that question on the basis of what you heard before you up until now, Mr. Speaker.

Thank you, Mr. Speaker.

DR. HORNER:

Mr. Speaker, I would like to bring to your attention Section 183 of Beauchesne that deals with this matter specifically. It points out that they are legal advisors of the government and in that capacity are confidential officers. That would apply whether or not they were members of the civil service or on contract.

MR. KING:

Mr. Speaker, to the same point, given the similarity that exists between written questions and motions for a return, I draw your attention to annotation 171(gg) where it says, "... must not: seek information about matters which are in their nature secret, such as decisions or proceeding of Cabinet, advice given to the Crown by Law Officers etc."

MR. SPEAKER:

On the point of order. There seems to be some concern among hon. members as to how it happened that this motion was allowed to reach the Order Paper and I must say that I had that concern also and postponed putting the motion on the Order Paper for a day or so. But it appears that there is a distinction between a question of this kind, which would obviously be ruled out under 171 of Beauchesne, clause (gg), and a motion of the kind which is now on the Order Paper. Although the parliamentary lore on the subject may not be entirely consistent, there is that distinction. The point I believe [to be] the practical background to the matter is that a solicitor-and-client privilege, as hon. members may know and certainly the learned members of the bar who are here would know, belongs to the client. It's the privilege of the client. The client may waive that privilege. And without reflecting in any way on the validity of what has been said by the hon. Attorney General, the client in this case would be the government.

Consequently, if the Chair were to refuse a motion of this kind a position on the Order Paper, the government would not have the option of deciding whether or not it might wish to waive that privilege.

By placing the matter on the Order Paper the matter is left to the government. In any event there would be some substantial doubt as to whether that rule of privilege would bind an assembly which in matters provincial has the supremacy which this Assembly has. Consequently it seemed more prudent to put the matter on the Order Paper and to allow it to be debated as it has been.

But I would respectfully suggest that it was in order to put it on the Order Paper.

MR. BENOIT:

Mr. Speaker, I would just like to observe that here are some \$38 million of the public funds and I strongly maintain that the citizens of the province, whose money purchased this air line, have a right to know the background of the dealings that led up to the decision that was made.

If we were in the process of dealing with the matter now, or if the matter were before the courts, I would submit that we might not have that information. But now it is after the fact and everything has been completed. I feel very strongly that it should be in the open so that anyone who wants that privilege to see what went on would have the right to see it.

I think this should be a basic and fundamental principle that should guide all government actions and decisions: that when once the action had taken place, the matter would be open for view to anyone who was a citizen of the country which the government was representing.

Mr. Speaker, with regard to your observation, I would like to humbly suggest that it is the Province of Alberta who is the client in this case with the government acting on their behalf, and that the citizens, and particularly the Legislature, has a right to look into the matter. If we are to have open government and people are to have confidence in their government, they ought to be able to see the decisions that went on leading up to this particular action.

So I maintain yet that we ought to have the opportunity of having this return in order that we might have the privilege of drawing our own conclusions, regardless of what they might be.

MR. YOUNG:

Mr. Speaker, I have an opposite point of view, and it relates directly to the argument advanced by the hon. Member for Calgary Mountain View which was on the issue of why this government made that decision.

As I read this motion and analyze the situation before us, the information requested will not give or bear on the question of why this government made that decision.

AN HON. MEMBER:

Have you read it?

MR. LUDWIG:

It might, how do you know?

MR. YOUNG:

So from my point of view, the hon. member opposite ought to remember that he is not now in the Executive Council and that the kind of information he needs as a member of the Executive Council is different from the kind of information which is needed as a member of the Legislature from a policy-making point of view.

MR. LUDWIG:

Are you a member of the Executive Council? Are you likely to be?

MR. YOUNG:

Well, for the benefit of the hon. member, Mr. Speaker, I submit that my likelihood is greater than his.

The point I wanted to make, Mr. Speaker, is that I submit that the kind of information asked for here is the kind of information which is necessary for executive purposes after a policy decision has been made to do something. I submit that is not going to be useful for the argument advanced by the hon. member opposite.

The other point in passing which was raised by the hon. Member for Highwood suggests that the action in question may be completed. I'm not in a position to know whether in fact the action in question has been completed, that is, all of the decisions with respect to the takeover of Pacific Western Airlines.

MR. SPEAKER:

Are you ready for the question?

MR. WILSON:

Mr. Speaker, in participating in the debate on this motion for a return, I can see why the government is embarrassed a little bit about tabling this information. I can recall when the House began the session last fall, the government tabled a whole flood of papers to try to diffuse any criticism that they might inherit from the purchase of the Pacific Western Airlines because the decision certainly wasn't made in this House. It wasn't made in the Tory caucus apparently, and apparently it wasn't even made with a full cabinet in attendance. So you see, Mr. Speaker, as I understand it, they have been getting some increased flak even from members within their own party. The government would like to just see the discussion of PWA drop quietly and fade by the wayside. I am just very suspicious, Mr. Speaker, when the government tries to diffuse discussion and criticism by tabling a flood of papers. Then when we find something else that we want to know about, the purchase of PWA, and they hesitate to table the information, it seems to me that we should dig our heels in all the more, because maybe there is something there that Albertans should know about this purchase.

It seems very strange, Mr. Speaker, when a party which gets elected on a private enterprise platform turns out and makes socialist transactions like this one certainly is. It seems strange also when we hear that the government, acting as trustees for Albertans, does not regard that they have any further obligations than any other private shareholder going out and buying shares in a company. It seems to me that that is the principal mistake of this government, that they are acting more as owners and regard themselves as owners of everything in Alberta rather than regarding themselves as trustees for the people of Alberta. The solution to problems espoused most often by this government is: well, if you can't loan them the money to bail them out, then buy the way out.

MR. YOUNG:

On a point of order.



MR. WILSON:  
I don't think that that ...

AN HON. MEMBER:  
Sit down.

MR. YOUNG:  
Mr. Speaker, my point of order is that the debate we're now engaged in, as I interpret it, does not relate to this particular motion, whether the motion should be passed or not.

DR. BUCK:  
You just don't like to hear it.

AN HON. MEMBER:  
Question.

MR. WILSON:  
Mr. Speaker, we appreciate that little bit of advice from the hon. member opposite. The interruption reminded me that whenever there is any good news to come out of this government, by crikey it's staged and managed and promoted as usual to the nth degree, and if there's any bad news, try to hide it. We had a similar situation last week when we were trying to get some information out of this government. I suppose they'll steam-roller the defeat of this motion when we're finished talking to it, Mr. Speaker. I'm sure that the voters in Alberta will appreciate hearing about this type of operation, this steam-roller type of tactic which is becoming all too common to hide the work of decisions made behind closed doors, rather than decisions that should be made in the Legislature.  
So, Mr. Speaker, when we seem to be approaching election time, I would just welcome the opportunity to give the voters in Alberta an opportunity to assess these kinds of actions, because these are black marks on the democratic system that Albertans have previously enjoyed.

[Mr. Taylor rose.]

MR. SPEAKER:  
Actually the hon. Member for Wainwright caught the Chair's eye first - if that's not a mixed metaphor.

MR. RUSTE:  
Thank you, Mr. Speaker.  
Time and time again we appear in this part of the day's business asking for questions and not receiving answers. I'm amazed at the sensitivity of some of the members there. They spoke of open government, of supremacy of the Legislature. I can recall not long ago when one of the front benchers on the other side went as far as saying to the Member for Cypress when he posed an order for a return - he suggested the hon. member might even consider withdrawing it.

Now, Mr. Speaker, as a citizen of this province I help pay the bill incurred in these opinions that are asked for. Certainly, Mr. Speaker, if that information can't be made available to the members of this Legislature, then I think there is something wrong. There is something they are trying to hide. Because as was mentioned on this side earlier, there was a whole bunch of material tabled at the start of the session dealing with PWA. This wasn't in it. Now why wasn't it there? Is this something that's embarrassing to government? I would submit, Mr. Speaker, that as citizens of Alberta we pay the bill for this and we're entitled to have this information tabled in this Legislature.

MR. NOTLEY:  
Mr. Speaker, in rising to take part in this debate, I must confess first of all that I was enchanted with the very interesting little speech that we got from the hon. Attorney General admitting some of the frailties of the legal profession with which I can agree. However, Mr. Speaker, I don't really think that he has made the case for refusing the motion for a return because, Mr. Speaker, this is an issue which requires, I believe, as much public airing as possible.

You know, Mr. Speaker, I find it a little difficult to understand why the government is prepared to table position papers or consultants' reports, very properly table them, but somehow the suggestion that we table a legal opinion is just beyond the pale. Mr. Speaker, I don't believe that the public of Alberta would be able to understand the distinction which makes it wrong to table a legal report but somehow right to table another report that the government bases its judgment on. What's sauce for the consultant's gander should surely be sauce for the legal goose.

So, Mr. Speaker, it seems to me that the case has been made that if we're interested in open government and we want to have all the facts on the PWA purchase and some of the problems which we may very well encounter along the road, including the Canadian Transport Commission possible hearings, then clearly, Mr. Speaker, this information should be tabled in the House.

Now let's look at the motion for a return as it reads: "All legal opinions prepared for the Province of Alberta relating to the intervention on behalf of the Government of

the Province of Alberta in the White Pass & Yukon application ... ." Mr. Speaker, it's very important that we know just what happened here, because crucial to the government's defence last fall was that the White Pass & Yukon bid was so imminent and had such possibility that it would succeed that they had to move precipitously; they couldn't wait for the Legislature; they had to move in a rush because of this bid by White Pass & Yukon.

AN HON. MEMBER:  
Hear, hear.

MR. NOTLEY:

Now, Mr. Speaker, if we find that the legal opinion that the government received suggests otherwise, that is the kind of public information which should be fully debated in the Legislature, should be fully debated in the House, because it directly related to whether or not the government made a wise, reasonable, rational choice to move as they did last summer, in the early part of August.

The second part of this motion for a return, Mr. Speaker, is equally reasonable. "All legal opinions relating to the purchase of Pacific Western Airlines by the Government of the Province of Alberta and the filing of an application before the Canadian Transport Commission." Now, Mr. Speaker, surely when we recognize that there is some possibility that this matter will be dealt with before the Canadian Transport Commission, this could have some rather serious implications for the province. What would happen, for example, if the CTC says to the Province of Alberta: no, you can't own PWA? Are we going to have to sell it back? On what conditions do we sell it back? Surely, Mr. Speaker, we have some reasonable right to access on the legal information which the government - and I assume, Mr. Speaker, that even this government would require legal opinions on Section (b) - that this information should be made available so that as legislators in the province of Alberta we can make reasonable judgments on it.

So I just fail to follow the reasons why looking at legal opinions has to be considered so confidential, while on the other hand information that the government uses to base its judgment on can be presented in the House. Clearly, Mr. Speaker, what is more important is the need to preserve open government. What is more important is that the members of this House and the people of Alberta know on what basis the government is making its judgment. On that basis, Mr. Speaker, I think this motion for a return should be passed.

MR. SPEAKER:

The hon. Member for Edmonton Highlands followed by the hon. Member for Pincher Creek-Crowsnest.

MR. KING:

Mr. Speaker, I think possibly the best reasons against voting for this motion for a return have been alluded to by the previous speaker. As was stated by the Attorney General in his opening remarks, one of the reasons for maintaining the confidentiality of legal opinions is the possibility they may come back to haunt you, I'm speaking now on behalf of the legal profession itself, they may come back to haunt you in any subsequent legal proceedings of any kind.

One of the things to which the hon. Member for Spirit River-Fairview has alluded is the possibility that yet remains of hearings before the Canadian Transport Commission. One of the things which has been stated by members of the Executive Council about the legal opinions which we have received, and I haven't seen the opinions, is that some of our legal advice at least, if not all of it, is that we have no legal obligation to go before the Canadian Transport Commission. If that advice has been received, then I would think that either as a prelude to an appearance before the CTC or in the aftermath of such an appearance, there might be separate but related court action to determine whether or not we as a government are obliged to appear before the CTC.

Since the possibility is a real one yet, either of an appearance before the CTC or of the related court action, it seems to me that the objections raised by the Attorney General just a few moments ago are very very reasonable. It might, I would argue, be one thing to make public a legal opinion when there is no possibility, no real possibility, of there being subsequent related court action. But it seems to me it would be foolhardy in the extreme, not simply for the members on the government side of the House, but for all members of the Legislature regardless of which side of the House they sit on, to make public legal opinions today which might still play a significant role in possible court action that might be started tomorrow, next week, next month or six months from now.

There are two other things I think are interesting about this motion for a return. The possibility of hearings before the Canadian Transport Commission are the results of submissions by a well-known provincial Liberal to a well-known federal Liberal. It's interesting that in this case the federal Liberal party appears to give more consideration to the remarks of their Liberal counterparts than fortunately they did in the Syncrude negotiations.

The final thing that is of some concern to me is the reality that the passage of this resolution would be much more damaging to one of the parties represented on the opposition side than it would be to the government. It's my understanding that one of the parties opposite invested its entire election fund in acquiring one share of PWA and they are hoping that the strong financial backing of the provincial government is going to fly it to new heights so they can run a significant campaign in more than one constituency. I'm

surprised that the official opposition is fragmenting its concern at the expense of fellows on that side of the House.

MR. DRAIN:

Mr. Speaker, I have listened with interest and some concern to the rather obscure remarks that have come from the hon. members on your right in which they have attempted to besmirch what in reality are the fundamental principles of democracy and the reasons we sit in this Legislature, Mr. Speaker.

Clearly people's money has been spent in getting an opinion. Hence, Mr. Speaker, there is a vested interest on the part of people.

The PWA situation is a unique situation in that in excess of 90 per cent of the shares of this particular company, as enunciated by the Minister of Industry and Commerce in the question period, are held by the people of the province of Alberta. Who then speaks for the people of the province of Alberta if it is not the elected members of the Legislature, Mr. Speaker?

What this asks for is not some obscure document that can be thinly defended. It asks for the rationale, the defence mechanism that may be necessary to justify, before a hearing of the Canadian Transport Commission, the reasons for the purchase of this air line. We, the representatives of the people, are responsible for the \$38 million of public funds that have been invested in this particular endeavor. It is too late now to say whoa. It is quite evident to me that the disclosure of Section (a) in this particular order for a return will not be detrimental. I therefore urge all hon. members to give consideration to furthering what is rightfully information that is essential to the Legislature.

MR. GHITTER:

As I listen to the debate emanating from the other side of the House this afternoon I can well and readily understand the fact that, for example, the hon. Member for Wainwright doesn't understand the judicial process because, after all, his knowledge and background are deeply imbued in agricultural matters from which he derives his strength.

MR. LUDWIG:

On a point of order.

MR. GHITTER:

Well, we've listened to him, Mr. Speaker.

MR. LUDWIG:

Point of order, Mr. Speaker. We are all involved in a judicial process as such and he should not mislead the House with a remark like that.

MR. GHITTER:

Mr. Speaker, I can only reply that it's typical of the points of order raised by the hon. member. That's probably the seventy-fifth point of order that has made no sense in this House since this session commenced.

MR. LUDWIG:

It's enough to straighten you out.

MR. GHITTER:

Mr. Speaker, I can even understand the lack of understanding of the Member for Spirit River-Fairview relative to legal matters, privilege of contracts and legal opinions, for after all he has been so busy traipsing around with sociologists from British Columbia trying to wonder what advice ...

MR. SPEAKER:

Order please. Possibly an analysis of the travelling of the hon. Member for Spirit River-Fairview is not quite on point.

MR. GHITTER:

I only raise it, Mr. Speaker, that more of his attention should be given to matters within our boundaries.

But, Mr. Speaker, I only raise the point to bring to the attention of the Assembly the disgraceful argument that was presented by a member of the legal profession, a member who is in good standing, I assume, with the law society of the province of Alberta, relating to ...

MR. SPEAKER:

Order please. As the hon. member may understand, this type of exchange has an innate tendency to escalate. May I suggest that he address himself to the argument rather than to the person.

MR. LUDWIG:

Mr. Speaker, I rise to the point of privilege that the remark made by the hon. member, he ought to know as a member of the legal profession, was an adverse reflection on me as

to whether I am a member in good standing. I'm saying it isn't parliamentary and the hon. member ought to withdraw that remark, Mr. Speaker.

MR. SPEAKER:

Please. With great respect, the reflection which the hon. Member for Calgary Buffalo uttered, in labelling an argument disgraceful, is perhaps somewhat shall we say, overenthusiastic, and perhaps the hon. member would like to explain that remark or withdraw it in some way.

MR. GHITTER:

Mr. Speaker, I'm happy to apologize if the hon. member is sensitive. I wasn't referring to his character at all, merely to the argument that was presented and there was no reflection. I certainly apologize if he took the argument that way - if he accepts it, Mr. Speaker.

MR. LUDWIG:

Mr. Speaker, the least I can do is accept an humble apology from the hon. member.

MR. GHITTER:

Mr. Speaker, to get down to the merits of the argument. I think it's readily accepted in every book on parliamentary procedure that one could read if one would take the time to do so, that the opinions of the law officers of the Crown being confidential are not usually laid before parliament or cited in debate. Not usually. As the hon. Speaker has suggested, if the minister or the government decides to consent to the legal opinion being brought before the Legislature or the parliament they may do so and we have already heard the hon. Mr. Speaker's learned dissertation relative to that point of view.

It seems to me, Mr. Speaker, in looking at the matter in point is that what we are talking about is probably one of the most fundamental sacrosanct - sacrosanct situations, guided principles that are known in the legal system.

MR. FARRAN:

The point of order, Mr. Speaker, is this: the word is "sacrosanct".

MR. LUDWIG:

I didn't understand what he said.

MR. SPEAKER:

Order please.

MR. GHITTER:

Mr. Speaker, if I may.

Probably the only area of highest confidentiality known in our legal system is the solicitor-client confidentiality. Cases and cases have been written relative to the high level of confidentiality which is demanded by the legal process from the point of view of the confidences that must be maintained between solicitor and client and, after all, government, and lawyers retained by the government, is certainly a solicitor-client point of view.

The confidentiality that is allowed by the law only really relates to the legal profession. It does not even relate to the medical profession wherein a doctor can be subpoenaed into court to give evidence, there is not this high level of confidentiality that the law has always respected relative to lawyers and their relationships with the client.

And there is good reason for this, Mr. Speaker, as the hon. Attorney General has already stated. Let me give but one example: assume for a moment that the government of the Province of Alberta entered into a legal dispute with the Government of Canada relative to the sharing of natural resource revenues and the matters we are all familiar with. Assuming the government of the Province of Alberta had considerable legal opinions setting forth what they regarded as their arguments both pro and con to the issues as they would come before a court of law, surely it would not be in the public interest if it were to be allowed that these legal opinions, given to the government of the province of Alberta in confidence by a competent solicitor, would be brought before the floor of this Assembly to be made public so that we would be disclosing both the strengths and the weaknesses of our case before it went into court.

Surely this is one of the most fundamental reasons that legal opinions cannot be made subject to orders for a return, motions of this nature. Because if they were, not only would it affect the ability of a government to conduct its business, but would also make it very difficult for that same government to even obtain legal opinions if those giving them knew that they did not have the confidentiality which is so demanding.

Mr. Speaker, may I suggest that from the point of view of the hon. members on the other side, these fundamental principles that have guided our parliamentary institutions and our professions for so many years have occurred due to good judgment, good jurisprudence, clever men who have understood the nature of the processes involved.

I would submit for the hon. members' consideration that possibly this afternoon we'd be spending our time to much greater avail talking in terms of the foreign investment issues that are currently abounding, rather than dealing with issues that have been decided years and years ago by many levels of intelligent and considerate individuals.

MR. SPEAKER:

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

MR. TAYLOR:

Mr. Speaker, I think the fairest way to view a resolution of this nature is to put oneself in the position of the minister and say, what would I do if I had the responsibility of that department. When I do that I have to remember that, when a member of the Executive Council, I had to make hundreds of decisions over the years I was there, and before making those decisions I secured or endeavored to secure the best advice possible from engineers, lawyers, laymen, draftsmen, MLAs or from anyone with whom I came in contact. Some of them were completely opposite. Some were shades of different color.

The thing that the people were interested in whenever I had to report to the Legislature or to a public meeting was, what was the decision that I made, what was the decision of the minister, what was the decision of the government. That, I think, is the important item and in that regard I think the Legislature is entitled to know the reasons for making a decision.

If I had been asked to table all the information from every engineer, MLA, person whom I contacted, this would be a mockery of democracy actually. Because that isn't the important thing. Why should we condemn one engineer for his opinion and compliment another for his opinion? They're both speaking sincerely and trying to give the minister the benefit of their particular experience.

I'm not really concerned about the legal opinions of the various people to whom the Attorney General referred this matter. I really don't care if there was one, ten or twenty-five. I'm not really concerned about what they said, because after all it was the opinion of that particular lawyer based on his viewpoint and based on his experience. And I have to assume that he gave it sincerely. Maybe some of them were conflicting. I don't know. In many cases I had legal opinions; many times they were conflicting. To give the names of those particular lawyers would have served no purpose at all. I think the important thing was someone had to make a decision and that's the minister or the government.

I really can't get worried about what the legal opinions were. I'm concerned about the decision the government made and the reasons they had for making that. When we ask for legal opinions it seems to me we're not getting at the nub of the thing at all; we're trying to get around, in behind. Because were these decisions made public and, say, there were three for and three against, those who believed in the purchase, believe that PWA is going to be a profitable venture for the people of Alberta, would use the three who favored it. That's all the people on the hustings would hear. Those who opposed it violently would use the three who opposed it. I'm sure you can find lawyers on either side. Lawyers are well known for being able to argue both ways; maybe that's why we have the legal profession, people trained in law.

The point I want to make is that if I were the minister of the department I certainly would not table the information requested in this resolution. I don't think it would be fair. Consequently it would be hypocritical for me to support this type of resolution.

I am in favor of getting all the reasons the government purchased PWA, but I'm not in favor of asking them for all those to whom they went for advice, whether lawyers, engineers or chartered accountants.

MR. SPEAKER:

The Chair has already recognized the hon. Member for Wetaskiwin-Leduc followed by the hon. Minister of Industry and Commerce.

MR. HENDERSON:

Mr. Speaker, much I wanted to say has already been said by the Member for Drumheller and probably more effectively than I would have said it. I think it's always an interesting game to go through and have these debates once in a while and to hear some of the far-fetched reasoning that goes on. Of course it really comes back to this, once you make up your mind you're going to do something, it doesn't matter what advice you're going to get anyhow.

I think the best reason for not tabling it, quite frankly, is a lot of legal opinions aren't worth the paper they're written on. There are as many opinions as there are lawyers. I think if the Member for Calgary Millican wants a particular opinion, hire a lawyer and he'll probably write you the opinion you want the way you want. It would be just as much value and maybe more than trying to get the one that they paid for.

I must confess, as a member of the Legislature, and one with no expertise in what the business of the law profession is all about, I find it hard to swallow the argument that there's something to do with confidentiality of client-solicitor relationship in this. As I see it as a citizen, I go to a lawyer to get some work done. I pay him some hard cash on the barrel-head, I get an opinion back and it's my property and my business if I want to publish it. The lawyer may not like it but I've paid him for it, it's a service and I own it. He doesn't give it to me with any strings attached as to what I can do with it. If I want to stand up in public and make an ass out of myself with it and maybe make one out of him too, that's one of the liabilities of being both the solicitor as well as the client.

I can't see that being relevant to the issue at all. I think the whole issue hinges on the points that are made by the Member for Drumheller: having the legal opinions pro and con isn't particularly relevant to the matter. In the final analysis, once the advice

is given to the responsible parties [they] make a decision and adopt a course of action. That, in the final judgment, is what the people of the province of Alberta, when they go to vote in the next election, are going to base their decision on, not on what the legal opinions were, conflicting or otherwise, of a handful of experts. If there was that much certainty in the law in all these issues, it would indeed be a blessing. We'd have a lot of unemployed lawyers and we wouldn't need all the judges we've got. But it's because of the fact it isn't certain, as the Attorney General said, that the opinions differ on them, and when it gets to the courts they differ substantially in the views of the individual judges on many issues.

So I think the whole crux of the matter was stated by the Member for Drumheller. I don't think the information as background is relevant politically to the issue, if there is an issue at all, so far as the people of Alberta are concerned.

MR. SPEAKER:

The hon. minister apparently doesn't wish to ... Does the hon. minister wish to enter the debate?

MR. PEACOCK:

Yes, Mr. Speaker ...

DR. BUCK:

Is the hon. minister closing the debate or speaking?

AN HON. MEMBER:

Wake up.

DR. BUCK:

... [inaudible] ... no sign, there's no sign. I can't read his signals...[inaudible]...get up and speak.

MR. PEACOCK:

Would you like to sit up and speak?

Mr. Speaker, in rising to join my colleague in suggesting that, in principle, I do not suggest this House accept this motion for return, I think the Member for Drumheller expressed the feelings of the government and certainly my personal feelings in a very adequate way.

I, in reading the motion for return, other than having an opportunity for a forum, felt that the questions were very redundant in the first place because we had tabled in this House our intervention, the reasons for it, and all the details of that intervention of why we opposed the White Pass & Yukon application.

In reply to the second part of the question, the Government of Alberta had stated in relation to its position regarding the Canadian Transport Commission its stance and reasons for feeling that it was acting in proper behalf in the action it took.

So, Mr. Speaker, I find that in my three and a half years experience in this House I'm still learning something, that maybe to obtain and waste the time of some 75 people on a discussion of this nature is disturbing. I would suggest that we do not accept this motion.

DR. BUCK:

Mr. Speaker, to me it's just as disturbing ...

MR. SPEAKER:

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

MR. COOKSON:

Mr. Speaker, the Member for Clover Bar is ...

MR. SPEAKER:

Order please. Perhaps the Chair should mention that there may be some question about the propriety of an hon. member saying that the House is wasting its time.

MR. PEACOCK:

Mr. Speaker, I apologize.

MR. COOKSON:

Mr. Speaker, I thought the Member for Clover Bar said that.

I think I can agree with the Member for Wetaskiwin Leduc when he suggested that a legal opinion isn't likely to be worth the paper it's written on. If we had to table in this House all the legal opinions we wouldn't have enough paper to write them on in the first place. I think there probably are as many legal opinions as there are people. Certainly there are as many legal opinions as there are lawyers. I sometimes think that perhaps we should have what we call an illegal opinion as to someone's ideas about something.

AN HON. MEMBER:

That's what we get from Ludwig.

MR. COOKSON:

If we were to approve this kind of request I could visualize that we would have to have legal opinions perhaps from every department in government. We might have to table a legal opinion as to why we are increasing funds for agriculture. Maybe there should be some question about that. We might have to have legal opinions about the pipeline corridor. It crosses my mind of all the legal opinions that have been sought in arriving at some decision, for example to become involved in the Syncrude project - there just wouldn't be enough paper. Nor would there be enough people to read the paper.

We might even toy with the idea of getting opinion as to why the Socreds lost the last election and perhaps it would be an interesting observation.

I'm simply saying that in some of our departments - I know the hon. minister, Mr. Peacock's department as he has suggested, the many many times when he has to seek some kind of conclusion or an alternative for some decision he has to make. Basically, the government is answerable to the people and it's the role of the members of the opposition across the way in this House to seek opinions. They may or they may not be legal opinions, but certainly in the due course of the day all members of the opposition have an opportunity to rise in their place and ask questions. They can ask all the questions they like. A good example was this afternoon when the Premier agreed to extend the question period and a volley of questions came from the other side.

There's no secrecy in the operation of government, except what opposition members build up in their own minds.

AN HON. MEMBER:

Tell us.

MR. COOKSON:

To get involved with a lengthy debate on this issue this afternoon indicates that the majority of the opposition members are striving mightily to find out if there is some secret so that they might have some issue to go to the electorate with in the pending election. As I say, they've got the question period, they've got opportunities in the various motions, they've got opportunities to go to their electorate and ask questions and create issues - even though many of them are a figment of their imagination - to address the media and to incite them into, in some way or another, publishing some of their figments of imagination.

Really, to get involved in this kind of issue this afternoon, Mr. Speaker, when we could have had a really worth-while debate on foreign investment, is something that I just can't understand - for example, the Member for Spirit River-Fairview wanting to delay such an exciting discussion. I would suggest that if we really wanted to seek a legal opinion, we should, in view of what deep and searching debate has occurred this afternoon, seek a legal opinion as to what might possibly happen in the next election with regards to the opposition.

DR. BUCK:

Mr. Speaker, in listening to the hon. Member for Lacombe I've noticed in the last three and a half years that there has been a changed mood in this Legislative Chamber. That changed mood is more and more of a disregard for the function of the Legislature and the role that the opposition must play in this process.

Mr. Speaker, I say in all sincerity that this does disturb me because in the seven and a half years that I've sat in this Legislature, Mr. Speaker, I have never - and I say never - seen the arrogance that's been displayed by this government. And I say this with remorse but I say this in all sincerity.

AN HON. MEMBER:

Speak for yourself.

DR. BUCK:

And if the hon. minister of 'ad hocery' would like to enter the debate - I speak of the hon. Minister of Culture, Youth and Recreation. I call it 'ad hocery', Mr. Speaker, because we see him so often running around handing out these big cheques because he does not have policies, he does not have any direction, his department is just a cheque-handing-out department.

SOME HON. MEMBERS:

Order, order.

DR. BUCK:

Mr. Speaker, I would like to say that there is a responsibility we have on this side of the House, and that is to get the information to the people of the province. The government has a budget of \$3.6 million approximately, about \$10,000 a day, to spread out their information. We have a responsibility to obtain information that they do not want or possibly do not want people to know. That is our role in this Legislature; to get that information to the House, get the information out to the people. This is why we ask questions. We don't ask questions because we are trying to create election issues. The members on that side, Mr. Speaker, have created all the issues we need. The people in the province will tell you that they have created all the issues that are required in the upcoming election.

But, Mr. Speaker, in getting into the legal argument. Sometimes I think, Mr. Speaker, that if we had maybe about 90 per cent fewer lawyers in the House of Commons and in the houses of the provincial legislatures, I think maybe we would get some work done. I really sincerely feel that, Mr. Speaker, because there are too many times we argue about how many angels can dance on the head of a pin - this seems to be the basic legal argument. But as a layman, first of all I would like to know in this motion, was, as hon. Member for Spirit River-Fairview said, was the issue so urgent that it had to be done practically overnight? Mr. Speaker, I would like to know how many members of the government caucus sat in on that decision. I would like to know, Mr. Speaker, what the legality was.

AN HON. MEMBER:

Put it on the Order Paper.

DR. BUCK:

Mr. Speaker, that brings up another point, put it on the Order Paper. We ask a legitimate question in the House and they slough it off and say put it on the Order Paper; we put it on the Order Paper and they won't give us the information.

[Interjections]

That's right, Mr. Speaker. The hon. Minister of Agriculture said come to my office and see the returns on the Agricultural Development Corporation. Mr. Speaker, why not present it here? It's taxpayers' money. That's what we are here for.

Mr. Speaker, I'm feeling that we are becoming more - the backbenchers on that side and the Opposition on this side - are becoming more and more redundant to the operation of this government every day.

SOME HON. MEMBERS:

Agreed.

DR. BUCK:

I really think that it is being run by order in council and the Fabulous Five who sit two on each side of the Premier - I think the entire province is run by the Fabulous Five. I really think that maybe we are wasting a lot of money when we enlarged the cabinet to 22; we should have reduced to 5. Think of all the taxpayers' dollars we would have saved because the decisions are being made by the Fabulous Five.

When you talk about the arrogance displayed by the government, it was quite interesting to see - and I'm sure the hon. Attorney General had reasons to leave when the debate was going on, I'm sure he is a busy man, we know how busy he is because when you are inside the Fabulous Five, inside that inner circle, and you have got to make all the decisions, then you are a busy man. But, Mr. Speaker, is he so busy that he can't put together a few of the decisions that were made by the people in his department to indicate to the government and to indicate to the taxpayers why they made the decision? What we are really asking for [is this]: was there a legal opinion that indicated they should make the decision, and secondly, was it that urgent, could it not come to the Legislature? I don't think it was that urgent. But I would like to know. I would like to see the evidence that said it was that urgent; then I could be supporting the government.

There is one other point I would like to mention, Mr. Speaker, and this is about the client-professional relationship. The hon. member for [Calgary] Buffalo - we are the clients. We are the clients. Let us make the decision that we want the information shown to the people of the province. That is what the gist of it is to me. It is we the people of the province who have asked for a legal decision, a legal opinion. And we as the people of the province who have hired that decision should have it made public. To me, Mr. Speaker, that is the whole crux of the matter and that is why I would urge all hon. members, even the silent ones on the back bench on that side, to support the resolution.

MR. SPEAKER:

The hon. Member for Athabasca followed by the hon. Member for Edmonton Strathcona.

MR. APPLEBY:

Thank you, Mr. Speaker.

In an effort not to appear arrogant, I'll try to be very calm, cool, collected and subdued in my most mild manner. However, I can't help but think of the remark made by the hon. Minister of Industry and Commerce when he said we are all partaking in a learning process here. I find that as each day goes on this becomes more and more apparent.

I think that as we look at this motion, as it is proposed today, we have to relate it back to the remarks which were made by the hon. Member for Drumheller, Mr. Speaker. He said that when he used to make a decision, he used to seek opinions from a great many people. And he didn't specify just legal opinions. I wondered when they made up this motion - the members of the opposition, Mr. Speaker - why they put that word "legal" in there at all. It would have given them a great deal more scope, you know, to talk about this afternoon.

I'm always very intrigued by the process of law. I have sat in courtrooms sometimes and listened to how lawyers try to impress upon the judiciary why their particular point of view has to be the one and only one that should be accepted. Of course in order to do



that they always make certain references. You will see them after they have presented their arguments, they will pick up a book and they will dust off the cover and they will say, Your Honour - and this is the way I hear it, Mr. Speaker, at times - I refer you to such and such a case, such and such a page, such and such a paragraph. And it might be the case of Bertie v. Bartie in the case of the empty teakettle. Then they go ahead to read the judgment on why it should be used as evidence to enrich their own case. Then they might pick up another book, dust the cover off that one and this would be a reference again to the case of the male mule deer v. the male white-tailed deer, and this is the case of the missing strawberry plants, or something like that.

DR. BUCK:  
Bees, Appleby.

MR. APPLEBY:

Then they go ahead to present those kinds of arguments but it's all a matter of opinion, Mr. Speaker, and I believe that the only reason this motion was presented to our Assembly is the fact that on the first day we met for the spring session we tabled such a massive amount of material and information on this particular subject that they couldn't find anything they could ask anything more about.

It took them two weeks to come up with a very feeble and a very futile sort of motion such as this, Mr. Speaker. I can appreciate the chagrin, the disappointment and the disillusionment that they have in this particular case. But I wonder how many people, Mr. Speaker [how many] members of the opposition would be willing this afternoon to raise their right hands and swear they have read all that evidence that was presented the first day of the session regarding this particular subject. I doubt very many of them could say they have done that.

AN HON. MEMBER:  
Good point.

MR. APPLEBY:

Isn't that wonderful. You know I notice that he thought about it first.

Anyway, Mr. Speaker, I think that it all bears itself down to what the Member for Drumheller said, that this is a matter of opinion, it is something that you seek and you use all types of information possible in order to make a decision, but once you have made that decision it is entirely yours. The sources of the information you used to help you make that decision certainly do not have to be publicized because people who have assisted you in making this decision perhaps have given their very confidential advice in this matter. That point has to be considered as well.

So while I appreciate the fact that they have found it very difficult to come up with any type of motion regarding this subject, I cannot see any way we could support the motion.

MR. KOZIAK:

Mr. Speaker, a number of hon. members on both sides of the House have spoken on why the motion should be defeated, particularly in the area of the solicitor-client privilege and the idea of maintaining the candor and the frankness that perhaps some legal opinions might have within them and not displaying them to the world without the knowledge of the one who prepares them.

I heartily agree with the points which have been raised in that area and feel that I don't have to dwell any further on that particular item at this time.

However, there is an undercurrent of thought which is flowing throughout this whole debate, which I felt I must address my mind to, Mr. Speaker, and that is the one that begins with the actual inconclusiveness of most legal opinion, and the comments that flowed therefrom. We even received in this House, Mr. Speaker, comments from the hon. Member for Wetaskiwin-Leduc to the effect that legal opinions are not worth the paper they're written on. Yet he himself is striving to become one who will write such opinions that may not be worth the paper that they're written on. And I wish him luck, Mr. Speaker.

Mr. Speaker, the law is patent. Everyone is presumed to know the law. It's no excuse, no defence, Mr. Speaker, if you've breached the law and committed an offence, if you come before the courts and say, but My Lord, I didn't know that was the law, I didn't know that what I was doing was contrary to the law. That's no defence, Mr. Speaker. You are presumed to know the law. Each and every one of you members opposite is presumed to know the law.

AN HON. MEMBER:  
How about your side?

MR. KOZIAK:

You are presumed to know what the law is in connection with the takeover of the White Pass & Yukon application; you're presumed to know what the law is in connection with the government's acquisition of PWA.

DR. BUCK:  
Why do you bother with lawyers then?

MR. KOZIAK:

That exactly, Mr. Speaker, is the point raised by the hon. member from Fort Saskatchewan or Clover Bar: why bother with lawyers? If the law is patent and if the law is known by everyone, why do we need lawyers?

Too often, Mr. Speaker, we blame the confusion in the law upon the lawyers. When a legal opinion comes forward with two, perhaps three different points of view, you say, well the legal profession - what's the matter with them? Can't they come up with one opinion? Why can't it be clear? Why are they hedging their opinions, why is there more than one point of view being put forward? This particular problem, Mr. Speaker, is one that's being appreciated more and more in this world. Although we are presumed to know the law, the state of confusion in the law is such that no one really does know the law and the layman finds himself confused in it. Even lawyers find themselves confused.

Recently an eminent jurist from Great Britain spoke to a midwinter meeting of the Edmonton branch of the Canadian Bar Association, where he suggested to lawyers that they should be in the forefront of reform which will see not more legislation, but less. That's the whole central core, Mr. Speaker. The reason the law is confused is not because of lawyers. The reason the law is confused is because of legislators, the 75 of us who sit here plus the number of MLAs who sit in Saskatchewan plus the 260-some that sit in the House of Commons. This is where the confusion arises.

AN HON. MEMBER:

Is it an arithmetic or a geometric progression?

MR. KOZIAK:

Mr. Speaker, the solution of every particular problem with legislation is the one that I decry. This afternoon, I don't know, were there three bills introduced by members of the opposite side, The Tips and Gratuities Act, 1975 and a number of others? Mr. Speaker, we can't solve all of the world's ills with legislation, and the more we legislate the more we confuse, and the more we confuse the more we bring the law into disrepute.

So Mr. Speaker, perhaps this debate is an occasion in which I can make this point because we're dealing with legal opinions and their inconclusiveness. I say, Mr. Speaker, that the problem is with the legislators. The legislator should examine his own conscience when he introduces legislation to see if he is in fact adding to the benefits of mankind or whether he's adding to the confusion which results in the multitude of legal opinions we see and hear about which ...

[Dr. Buck left the Assembly.]

Do you want to wait, did you want me to wait until you came back?

[Interjections]

I just leave that thought with the hon. members, Mr. Speaker, that the confusion in the law is caused by us as legislators. If we want to do something about that confusion, perhaps the next time we decide to introduce a particular bill to cure a particular ill let's give it double thought to see if what we are really doing is just adding to the state of confusion in the law rather than providing protection or direction for the people.

Perhaps I could leave with one point, and I might not be exact in this quotation, and I really can't even give you its source. Perhaps one of the hon. members can give it. But it goes something like this: For a wise man, the law and the rules are just a guide - or the rules are just a guide - for a fool they are the absolute law.

AN HON. MEMBER:

Adjourn the debate.

MR. FARRAN:

Mr. Speaker, I beg leave to adjourn the debate - oh no, no.

Mr. Speaker, I believe the motivation of this motion isn't in the best interests of the people of Alberta. I believe that some of the hon. members opposite are anxious, deliberately anxious, to see this motion pass because they would be delighted, utterly delighted, to see the federal authorities score a victory over Alberta.

My own opinion and the opinion of others, and you don't need a motion for return to obtain that, is that the CTC has no jurisdiction; that Alberta is well within its rights and the right of the Crown of Alberta to acquire the assets or shares of a regional air line, especially one that is operating largely within its territory. It also has the right to invest its provincial money wherever it sees fit as duly elected representatives of the people of Alberta without the central government in Ottawa telling it what to do.

I think most Albertans would agree with this because they are proud of their provincial rights, but not some of the hon. members. They would like to discover a loophole in some fashion to help the federal government put one over on Alberta. I don't know what's in ...

MR. DRAIN:

Mr. Speaker, on a point of order. The hon. member is implying motivations in a manner very derogatory to the hon. members of the opposition, Mr. Speaker, and he should withdraw.

SOME HON. MEMBERS:

Agreed.

MR. FARRAN:

Mr. Speaker, I don't know how you could have a motivation without a motion or a motion without motivation. All I said was I believe the motivation of this motion is not in the best interests of the people of Alberta. But if the hon. member opposite would like me to withdraw the word "motivation" and just leave "motion" that would be all right.

MR. LUDWIG:

Mr. Speaker, I rise on a point of order. The hon. minister did imply or impute a motive, and I believe it was a derogatory type of motive that somehow this side is trying to find a loophole for Ottawa to clobber Alberta. That is imputing a motive and is not permitted by the rules. I know we often have to consider the source of such an imputation but nevertheless rules are rules, Mr. Speaker, and I'd appreciate your ruling on it.

MR. SPEAKER:

It is true, of course, that parliamentary tradition, and it can be found in Beauchesne, has certain strictures against the imputing of motives, especially the baser motives. I suppose there are no strictures against imputing nobler motives.

Perhaps the hon. minister might wish to keep that in mind as he continues the debate.

MR. FARRAN:

Well, Mr. Speaker ...

MR. LUDWIG:

Time is running out.

MR. FARRAN:

Well, Mr. Speaker, I don't know what other reason there would be for asking for a privileged document like a legal opinion except to look for ammunition for the other side. However, Mr. Speaker, on that note I move that the question now be called.

[Interjections]

MR. SPEAKER:

Are you ready for the question? May the hon. member close the debate?

HON. MEMBERS:

Agreed.

MR. DIXON:

Mr. Speaker, I've been in this House for over 20 years and I think this afternoon was a great example that the Legislature is really in trouble - it is really in trouble.

SOME HON. MEMBERS:

Agreed.

MR. DIXON:

Now, Mr. Speaker, we had an hon. minister a minute ago moving that the question be put; forget about anybody else's say; he's had his, that's good enough, you take that.

MR. LUDWIG:

... [inaudible] ... arrogant fanfare.

MR. DIXON:

Talk about arrogance and open government. I don't know, Mr. Speaker. It scares me a little bit ... [interjections] ... it scares me a little bit, Mr. Speaker, too, when I see the odd member get up and say, well, you're wasting your time.

AN HON. MEMBER:

Yeah.

MR. DIXON:

I wonder if any of them read any history of the great statesman, Mr. Churchill. He was the first one to admit that the parliament was a sounding board. Any good parliamentarian will tell you that. Sure the process is slow and cumbersome. And sometimes it's embarrassing to the government and they don't want to hear what's going on. But there shouldn't be a law to prevent that, Mr. Speaker, or we might as well all go home.

[Interjections]

Another thing, Mr. Speaker, that really intrigued me today was the hon. the Attorney General. I always thought lawyers operated in the open in courts and there was nothing secretive about it. As a layman, I was quite shocked to hear a legal opinion doesn't mean anything. And yet the Province of Alberta and the taxpayers of Alberta have been stuck for thousands of dollars for legal opinion as to why we should buy PWA.

I was also amused by the hon. Member for Edmonton Highlands. He wondered why the hon. Member for Spirit River-Fairview had bought a share in PWA. Well, I haven't had a chance to talk to the hon. Member for Spirit River-Fairview as to why he bought the share, but by gosh being a socialist, you out-socialized him so fast, you wonder well, what's going on, I better get in on this and find out how to do it. We can do it a lot quicker. Talk about out-socializing the socialists.

But, Mr. Speaker, this motion in my opinion should be passed by this House.

SOME HON. MEMBERS:

Agreed.

MR. DIXON:

I say this for this reason: you can stretch the parliamentary rules all you want, but basically when you talk about secrecy, there is no national defence or national security at stake here. The government has already bought PWA, 98 per cent, I believe the hon. minister told the House today, Mr. Speaker - 98 per cent already owned. The things that concern some people in Alberta - maybe not everybody, maybe the members opposite aren't interested in how this was done, maybe it could have been done differently and saved the taxpayers of this province between \$10 million and \$15 million which was wasted on this deal. I've spoken to that in this House before and I'm going to speak on it again in public at every opportunity I get because the people of Alberta paid between \$10 million and \$15 million too much for PWA.

SOME HON. MEMBERS:

Agreed.

MR. DIXON:

I can always remember, Mr. Speaker, and I'm sorry the hon. Deputy Premier didn't get into the debate because, as I've said so often, I enjoy the hon. minister and I enjoy some of his opinions. Today he didn't give us any of those opinions. I can remember when we were going to spend \$30 million to go in partnership with an Alberta company, based in Alberta, we wanted an in-depth study; we wanted legal opinions; we wanted - oh, I'm telling you, we wanted everything ... [interjections] ... cost-benefit analysis. Talk about wasting money. He wasn't satisfied with the debate in the House. He says, no, we've got to have it in a full House, we've got to bring everybody in; we've got to bring it before the people. And yet when we ask for a simple legal opinion as to why they interfere with White Pass & Yukon's application, oh no, we don't want to give you that, that is going to prejudice the case.

MR. APPLEBY:

You took it to the people.

MR. DIXON:

Mr. Speaker, we certainly have not taken it to the people as the hon. Member for Athabasca has said. I'd like him to come down into my constituency and defend his position because I have many many people in my constituency who could stand an overcoat and it could have been bought with the \$15 million that was wasted by this very government.

Mr. Speaker, I see it is 5:30. I beg leave to adjourn the debate.

SOME HON. MEMBERS:

Agreed.

AN HON. MEMBER:

It's not 5:30.

MR. HYNDMAN:

Mr. Speaker, I move we call it 5:30.

AN HON. MEMBER:

Agreed.

MR. HYNDMAN:

I move the Assembly adjourn until tomorrow afternoon at 2:30 o'clock.

MR. SPEAKER:

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

HON. MEMBERS:

Agreed.

MR. SPEAKER:

The Assembly stands adjourned until tomorrow afternoon at 2:30.

[The House rose at 5:30 p.m.]

