

LEGISLATIVE ASSEMBLY OF ALBERTA

Thursday, February 6, 1975

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

PRAYERS

[Mr. Speaker in the Chair]

NOTICES OF MOTIONS

MR. HYNDMAN:

Mr. Speaker, I wish to give notice of a government motion which will be moved tomorrow. I will move at that time that Clause (c) of subsection (1) of Standing Order 18 be waived to provide for the conclusion of the debate in reply to the Throne Speech at 12:30 p.m. on Friday, February 7.

This motion would simply reflect the new Friday hours; it is no change from the previous adjournment one-half hour before regular business on Budget day.

INTRODUCTION OF BILLS

Bill 20 The Workers' Compensation Amendment Act, 1975

DR. HOHOL:

Mr. Speaker, I beg leave to introduce a bill, being The Workers' Compensation Amendment Act, 1975.

The major purpose of this bill is the increase of benefits to people receiving compensation under the Act. The increases in benefits are based on the principle of maintenance capacity with respect to purchasing of original benefits awarded. A significant principle of the bill is that of catch-up, which enables a large number of benefits to be brought up to current levels.

[Leave being granted, Bill 20 was introduced and read a first time.]

Bill 221 An Act to amend The Ombudsman Act

MR. LUDWIG:

Mr. Speaker, I beg leave to introduce a bill, being An Act to amend The Ombudsman Act. This is a much improved version of the bill I introduced last session.

It provides for the extension of the jurisdiction of the ombudsman to deal with complaints against local authorities such as municipalities and school boards. It also has an opting-out clause which permits a municipality to opt out on the majority vote of council or, in the alternative, a school board on the majority vote of the trustees, if they do not wish to be under the jurisdiction.

I must add, Mr. Speaker, that this bill is brought before the House by popular demand.

MR. SPEAKER:

Having heard the request for leave by popular ...

[Laughter]

... by the hon. Member for Calgary Mountain View to introduce Bill No. 221, An Act to amend The Ombudsman Act, do you all agree?

[Leave being granted, Bill 221 was introduced and read a first time.]

Bill 206 An Act to amend The Municipal Government Act

MR. WILSON:

Mr. Speaker, I beg leave to introduce a bill, being Bill No. 206, An Act to amend The Municipal Government Act.

Bill 206 would allow municipalities to create any number of single or multiple aldermanic wards. The main purpose of this bill is to acknowledge the need for local autonomy in establishing the size and form of local governments.

[Leave being granted, Bill 206 was introduced and read a first time.]

INTRODUCTION OF VISITORS

MR. BENOIT:

Mr. Speaker, I rise today on behalf of the hon. Member for Clover Bar, who is attending an important constituency meeting, to introduce to you and to the members of the Legislature, a group of boy scouts from the 153rd Ardrossan troop. They are called the Panther Patrol and they are working toward their citizenship badge. They are accompanied today in the public gallery by Cyril and Jean Jacques. I would ask them to rise at this time and be recognized by the House.

MR. RUSSELL:

Mr. Speaker, I'd like to introduce to you and through you to the members of the Assembly, 20 students of the Political Science classes of Henry Wise Wood and Western Canada high schools in the City of Calgary. They're here on a two-day visit. They'll be in the gallery again tomorrow.

They're accompanied by their teacher, Murray Wolf. They're in the members gallery and I'd like them to rise and be recognized.

MR. PURDY:

Mr. Speaker, it is my pleasure today to introduce to this Assembly a gentleman who came to Alberta before this Assembly was built. He was one of the original settlers in the Stony Plain area. Mr. Fuhr was recently 90 years young. He is seated in the members gallery along with his son and grandson. I would ask them to stand and be recognized by this Assembly.

MR. KOZIAK:

Mr. Speaker, it's with pleasure that I seek your leave and the leave of the hon. members of this House to introduce from the constituency of Edmonton Strathcona some ninety young and bright girls and boys who attend the King Edward school in my constituency. They are from Grades 4, 5 and 6 and are accompanied by their teachers, Mr. Ed Zukiwsky, Mr. Leon Cahoon, Mrs. Bai, Miss Tucker and librarian, Mrs. Lorraine Blumer.

The Grade 5 and 6 students are in the members gallery, Mr. Speaker, and the Grade 4 students are in the public gallery. I would ask them now to rise and receive the recognition of the House.

MR. SPEAKER:

May I draw attention of hon. members to the presence in the Speaker's gallery of a distinguished servant of this Legislature, the Ombudsman, Dr. Randall Ivany with his wife and his daughter Kathy; his solicitor, Mr. Alex Weir; members of his staff, Ms. Ruth Loader, Ms. Elaine Beisel, Ms. Jackie Long and Mr. Floyd Taylor.

I would ask that they stand and receive the welcome of the Assembly.

TABLING RETURNS AND REPORTS

MR. SPEAKER:

I have the honor to table, as required, the report of the Ombudsman.

MISS HUNLEY:

Mr. Speaker, I wish to table the annual report for the year ended June 30, 1974 for The Alberta Health Care Insurance Commission, as required by statute; and also the indication that there is a nil report from the Human Resources Research Council, as required by statute.

DR. HOHOL:

Mr. Speaker, I should like to table the actuarial report of The Workers' Compensation Act of the Province of Alberta as of December 31, 1973, as required by the statutes.

MR. ADAIR:

Mr. Speaker, I would like to table the annual report of the Northern Alberta Development Council as required by statute.

MR. FOSTER:

Mr. Speaker, I would like to table the annual reports of The University of Alberta, The University of Calgary, Athabasca University, Lethbridge University and the Department of Advanced Education.

MR. SORENSON:

How about Red Deer?

MR. FOSTER:

Not yet.

MR. DOWLING:

Mr. Speaker, I would like to table the annual report of the Consumer Affairs Branch, dated December 31, 1974, and the annual report of the Supervisor of Consumer Credit, dated December 31, 1974, as required by statute.

MR. SCHMID:

Mr. Speaker, I would like to table the annual report, 1974, of the Department of Culture, Youth and Recreation as required under the Act.

ORAL QUESTION PERIOD

AGT - Red Deer Walkout

MR. CLARK:

Mr. Speaker, I would like to direct my first question to the Minister of Telephones and Utilities and ask the minister if it's true that at least 200 employees of AGT have walked off the job in Red Deer and if service is being maintained in the area of Red Deer services?

MR. FARRAN:

Yes, Mr. Speaker, it is true. There have been some labor difficulties in Red Deer due to a local wildcat, or illegal, strike.

The strike is apparently in sympathy for an employee who was dismissed for making an unauthorized installation for a friend in an Edmonton home in the franchise area of Edmonton Telephones.

The strike is illegal. The union, the IBEW, has been informed of the job action that has been taken by some members in Red Deer and is investigating. Procedures for hearings and appeals of grievances by employees are contained in the contract between AGT and the union and it is expected that this will be pointed out by the union officials.

The strike has affected installation and repair services, but has not affected existing telephone services. We are anticipating that difficulties will be resolved in the near future and that operations will return to normal.

Syncrude - Cost Agreement

MR. CLARK:

Mr. Speaker, I'd like to ask my second question of the Premier, and ask the Premier if there was any formal or informal agreement among the three provinces that became involved in the Syncrude venture last Monday in Winnipeg - if there is a cost increase of more than 10 per cent in the estimated cost of the Syncrude project?

By way of explanation, I ask this question because of the statements made by the hon. Mr. Chretien, the President of the federal Treasury Board, that in fact if the cost of Syncrude increased by more than 10 per cent there would have to be some serious re-establishment of commitments.

MR. LOUGHEED:

Mr. Speaker, with regard to that matter I believe the position of the Alberta government, and our understanding of the situation, is as I stated it in the Legislature on Tuesday.

We took the position at the conclusion - and I'm referring to page 323 - 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 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. And that includes the three governments and the three private participants.

If there is an overrun, Alberta participates in the overrun to the extent of 10 per cent - and that's why it's considered a risk investment - and the same of course if it's an underrun.

MR. CLARK:

Further supplementary question to the Premier. Has the Alberta government a commitment from the federal government in writing or [is it] in the process of getting a commitment from the federal government in writing, in light of the statement made by Mr. Chretien?

MR. LOUGHEED:

Mr. Speaker, my understanding of the situation is as I described it in terms of the position of the respective governments. That situation is one which we understand has been agreed to. I believe the statement of the federal minister refers to a 30 per cent equity interest on behalf of the three governments. So the statement Mr. Macdonald made in the federal House of Commons on February 4 refers to a percentage interest, not to a dollar commitment.

MR. LUDWIG:

Mr. Speaker, a supplementary ...

MR. LOUGHEED:

Mr. Speaker, while I'm on my feet - excuse me. While I'm on my feet there were some questions I was asked yesterday with regard to the new Syncrude arrangements that I would like to attempt to clear up today.

Syncrude - Engineering Plans

I was asked by the hon. Member for Cypress to confirm the extent to which the detailed engineering had been completed. I've done some checking on that and my assessment was relatively accurate. At least 30 per cent of the detailed engineering had been completed and that, of course, is what one would anticipate in a multi-year project.

Loram Report

I was asked for a clarification with regard to the report by Loram Ltd. by the hon. Member for Spirit River-Fairview. On the phrase on page 1 of the Loram report under "Conclusions" this estimate totalled \$1,539,775,000 including subsequent Syncrude Canada Ltd. adjustments. In checking that over there were adjustments totalling \$50.7 million to add to the Canadian Bechtel Ltd. base estimate of \$1,489,000,000. I would like to table the document for the benefit of the hon. member relative to the calculations.

Bechtel Contract

I was also asked by the hon. Member for Calgary Bow with regard to the contract with Bechtel; there are no bonus provisions in the contract. The nature of the contract is under review. Hon. members opposite, of course, have some appreciation of these sorts of arrangements and I would refer them to the agreement between the Alberta Resources railroad and the Canadian National Railways.

Syncrude - Edmonton Research

Mr. Speaker, I was asked a further question by the hon. Member for Calgary Bow regarding the Edmonton research facility of the Syncrude participants. That particular matter is unresolved and there will be negotiations as to whether the three governments will or will not participate.

Syncrude - Power Plant

I was further asked, Mr. Speaker, by the hon. Member for Little Bow with regard to the power plant expansion and the extent of it - the information I now have on further checking, is that there is not a great deal of potential for expansion beyond the needs of the plant operating at 125,000 barrels per day with a possibility of increasing that output per day. But the plant, if tied in with the provincial power grid, can work on a basis where at certain times of the year there can be a peak need in other parts of the province where the power could flow into the provincial grid and, of course, vice versa.

Those, I believe, were most of the questions that I was asked to check yesterday.

Syncrude - Economic Studies

MR. CLARK:

Mr. Speaker, I'd like to ask a further supplementary question to the Premier. Is the Premier in a position to indicate to the Assembly the total costs for the Price Waterhouse, the Loram, the Foster Economic and Hu Harries studies that the government used for 48 hours before it made up its mind?

MR. LOUGHEED:

Mr. Speaker, I don't think we have those accounts in. I'm sure they will be, by the very nature of the high pressure we put on all those concerns, a significant amount of funds because we asked them to do them within a very short time frame. We do not have those accounts as yet.

Certainly I would expect that it would be extremely unlikely that the aggregate cost would be anywhere near 1 per cent of the total risk investment involved.

Syncrude - Private Investment

MR. R. SPEAKER:

Mr. Speaker, a supplementary question to the Premier on the matter of Syncrude. My understanding with regard to the government was that first, the government would take an equity position as a last resort; and secondly, all attempts would be made to try to keep the plant in the hands of the private sector.

My question is: has the government any deliberate plan to divest itself of an equity interest in the Syncrude project? There are one or two ways that this could be done, such as making shares available to Albertans or just a straight sell-out to a private interest.

MR. LOUGHEED:

Well, Mr. Speaker, the hon. member is correct in the statement that our objective in going into the discussions was to attempt, first of all, to assure the project went ahead; secondly, to minimize the risk participation by the Alberta government; but thirdly and most important, to maintain the integrity of the basic arrangements that we had before, which were 50 per cent of the profits - net profits - to flow to the government by way of royalty with the alternative of 7.5 per cent and the 20 per cent option.

As I said in my statement on Tuesday in the House, it may have been possible for us to have had the participation by Shell Canada Limited if we had been prepared to make material changes - and I believe I answered in some detail the hon. Member for Calgary Millican on that score yesterday.

We had Texaco Canada Ltd. decline, and I believe the Minister of Mines and Minerals communicated to both the Canadian Petroleum Association and the Independent Petroleum Association many weeks ago that any private companies in the petroleum industry which were interested in participating certainly should get in touch with the remaining participants. I think from the information I have available all the private sector had a full opportunity to in fact participate, and the only company which in fact came to the table in Winnipeg was Shell Canada Limited. I've described why they would not go ahead.

I think it was clearly a case where the magnitude of the situation was such that the three remaining partners, losing the 30 per cent interest by Atlantic Richfield, having regard to their total corporate position, were involved initially in a commitment on a billion-dollar plant of \$700 million and are now involved in a risk commitment of \$1.4 billion, were seeking other partners. There were no private sector participants that came to the table with the exception of Shell, and I explained that circumstance. So I think every effort and every opportunity was made to the private sector in Canada to participate in these arrangements if they wanted to.

I believe there was a final point the hon. member was asking with regard to the possibility of participation in the future by Albertans. We felt that that was exactly one reason we wanted to maintain the integrity of the original arrangements. The ideal position is the one we have. We have a 20 per cent option for the Alberta Energy Company, and through the citizens of Alberta becoming shareholders in the Alberta Energy Company can then acquire this valuable option right.

I think it's most misleading - and I want to make it clear I'm not referring to the hon. member, but generally - any statements made to the effect that it is a commitment by the Alberta government to the extent of that 20 per cent equity. But questions have been made, in terms of this project, that the 20 per cent is something that has to be done at the time of the start of production. That's not so.

The arrangements are that it's an option, and so the opportunity for Albertans to participate in the equity of this, in addition to the participation by the government to the extent of 10 per cent, or through the convertible debentures arises through this valuable option.

So shareholders of the Alberta Energy Company will be in the position of having the no-risk power plant, the no-risk pipeline, and be into the position whereby, if it works out, they'll have to make a judgment decision to exercise the option of 20 per cent, but at that time they'll know the total costs of the plant, what they are, whether they're still at the \$2 billion figure or close thereto.

Syncrude - Confidential Reports

MR. NOTLEY:

Mr. Speaker, I would like to pose a supplementary question for clarification to the hon. Premier. Can the Premier advise whether or not the reports which were tabled in the House on Tuesday were sent to the federal and Ontario governments as well as Shell; if so, when they were sent?

While I'm on my feet, a third question: whether or not the information, if it was sent, was restricted by the confidentiality arrangements with Syncrude vis-a-vis the government of this province and the Syncrude consortium?

MR. LOUGHEED:

Mr. Speaker, I'll try to answer that question at the moment from memory and it will be subject to checking.

My understanding, with regard first of all to the confidentiality arrangements of the Loram report, was that clearance was provided by Syncrude without breaching our agreement with them to provide the information contained therein to the federal government, the Ontario government and Shell Canada. That information and that document was given to them either on Sunday night in Winnipeg or on Monday morning. Shell Canada, when they left the meeting, returned the Loram document to the Alberta government.

With regard to the Price Waterhouse report, my recollection is that the Price Waterhouse document was provided on Monday morning to the Ontario government and the federal government, also to the Syncrude partners.

I should perhaps go back - with regard to the Loram document it was also provided to the remaining Syncrude partners on the Sunday.

With regard to the Foster document and the Hu Harries document, perhaps we will have to ask the Minister of Federal and Intergovernmental Affairs to explain the way in which these documents have been passed to other participants.

MR. LUDWIG:

A question to the hon. Premier ...

MR. SPEAKER:

Possibly the hon. member could give the hon. minister a chance to complete the answer.

MR. GETTY:

Mr. Speaker, the Foster report was subsequently supplied to the Ontario government and the federal government upon our return to Edmonton. We sent it to them by mail. However, various conclusions came up of course during discussions.

As far as the Hu Harries report, that document has been tabled in the House but, inasmuch as it was the impact upon Alberta, we have not supplied that document as of yet to either of the other two governments, although it is obviously a public document now.

Syncrude - Risk Investment

MR. LUDWIG:

My question is to the hon. Premier. Will the \$200 million risk moneys commitment to the Syncrude venture be raised by way of special warrant or will it be a budgetary item where we could debate the whole issue?

MR. LOUGHEED:

Mr. Speaker, I'm sure the general matter is subject to debate either in the Throne Speech or the Budget Speech. The actual way in which the funds will be provided by way of that \$200 million risk investment has not yet been decided.

Syncrude - Economic Studies (continued)

MR. WILSON:

A supplementary, Mr. Speaker. Would the hon. the Premier explain the purpose of requiring the various firms who did the Syncrude assessment studies to initially submit their reports in draft form, rather than final form?

MR. LOUGHEED:

Well, Mr. Speaker, the reason is that we felt the sooner we could have that information, in terms of making an assessment of the various alternatives open to the provincial government, the better. For that reason we asked them to give us preliminary or tentative conclusions of the various information involved when they were in a position to do so.

MR. WILSON:

A supplementary, Mr. Speaker. Were there any changes from the draft form to the final form in any of the reports?

MR. LOUGHEED:

Mr. Speaker, that's a difficult matter. I don't think there was anything of substance that was changed, but there was a confirmation of their conclusions.

Syncrude - Equity Payments

MR. SORENSON:

A supplementary to the Provincial Treasurer. When will the government be called upon to produce the \$200 million equity and the \$200 million debit equity for the Syncrude project?

MR. MINIELY:

Mr. Speaker, first of all with respect to the \$200 million equity, I am having a tentative - and we must appreciate that it's a tentative - time period over the next three or four years that the total aggregate \$200 million would be paid out. In other words, it may only be a matter of \$50 million or \$60 million this year and then some more in the following year. We're just laying that out now, based on our assessments of how the project will proceed.

With respect to the debenture investment, that as well will require us to determine when the project will proceed to a stage where the participants will need to borrow that money. So we're in the process of making that assessment.

But I can say, Mr. Speaker, that the combined debenture and equity risk will be over a period of three or four years.

Syncrude - Independent Evaluations

MR. NOTLEY:

Mr. Speaker, I'd like to direct a question to the hon. Minister of Federal and Intergovernmental Affairs and ask him whether or not he is aware of any independent evaluations or assessments made by either the federal government or the Province of Ontario which were used as a basis of discussion for the Monday meeting?

MR. GETTY:

Well, Mr. Speaker, I suppose that's a question that would be best directed to both those governments responsible for their own judgment decisions.

Food in Institutions

MR. R. SPEAKER:

Mr. Speaker, my question is to the Minister of Health and Social Development. It's with regard to cold carrots and warm spinach.

Has the minister a planned 'Goldilocks' schedule to sample cold carrots or food in all the nursing homes and senior citizens homes in the province?

MR. CRAWFORD:

I want to thank the hon. member for giving me the opportunity he just has. The hon. Member for Edmonton Kingsway brought this particular one to my attention.

Mr. Speaker, I thought that although I can't, as the hon. member is suggesting, sample every meal everywhere all the time, it was an opportunity to do what people are often saying ministers should do more of, that is to drop in unannounced at a place where there is a problem. That was what was done.

The result was very useful, very interesting. I found that in the case - certainly not the first time but it's one that the hon. member has noticed - I think it's important to note that in fairness to the hospital board, the auxiliary hospital and nursing home district board, they did already have in hand proposed design changes to their kitchen, which I think should resolve the matter.

If I could just be permitted one further comment on the subject, Mr. Speaker, because of the concern that hon. members have over this sort of thing, I think it's one of the matters we probably have to put even more effort into because it seems to attend upon institutional life. I think you can go to a fine restaurant and be served cold carrots too, and you can send them back. But in institutional life, the issue is a little different because the people don't have those other options.

MR. R. SPEAKER:

Mr. Speaker, I appreciate that.

A supplementary question to the minister. Will this action sort of act as a precedent on the part of the minister to investigate other nursing homes? Or would investigations from this point on be in cooperation with local boards?

MR. CRAWFORD:

Well, Mr. Speaker, as I say, this is the particular instance that happened to come to the hon. member's attention. But there is a considerable framework for examining meals in all these institutions; the Hospital Visitors Committee in part fills that role. The Hospital Services Commission has inspectors for the same purposes. I'm sure some of the district boards also pursue that, probably fairly actively.

The only reason that this, I think, was of particular interest was because people often say, if you go as minister you will find they will make you a special plate. It will be good and you'll be fooled. So Dr. Paproski and I decided not to allow for that this time. I must say the people were extremely cooperative and do seem to have the situation in hand. But I wanted to underline, Mr. Speaker, that I think the issue raised by the hon. member does have broader consequences and does deserve attention.

Syncrude - Power Plant (continued)

MR. BUCKWELL:

Mr. Speaker, my question to the hon. Minister of Federal and Intergovernmental Affairs deals primarily with the power plant at the Syncrude plant, which I understand is to be built or financed by the Alberta Energy Company. Have you got the latest estimate of the total capital cost and its completion date?

MR. GETTY:

Mr. Speaker, if the hon. member will refer to the documents which were filed in the House on Tuesday by the hon. Premier, he will note that under the conclusions and observations of the Loram report there is reference to the power plant.

The current estimate is \$234 million at the plant itself. There are some preproduction costs which could raise that to a higher amount of some \$250 million. And then, depending on interest costs and how the plant is financed, there could be a capitalization of the interest costs which you would add to that total. One calculation is that that could bring it in the range of \$300 million.

In terms of how the timing might be worked out, it would obviously have to fit in with the schedule of the main project itself.

MR. BUCKWELL:

Supplementary, Mr. Speaker, to the hon. minister. Then is the plant at the moment under construction? You're not relying on that \$75 million you got by special warrant?

MR. GETTY:

As a matter of fact, Mr. Speaker, it is true that portions of the equipment for the plant have been ordered, and partial construction.

Unfair Trade Practices Act

MR. LUDWIG:

Mr. Speaker, my question is to the hon. Minister of Consumer Affairs. He indicated a few days ago that the unfair trade practices bill would be reintroduced and I would like to ask him whether it is his intention to introduce that bill, and when?

MR. DOWLING:

Mr. Speaker, it's in the stage of being printed at this time. I would suspect early next week would be the time of introduction.

MR. LUDWIG:

Is it the intention of the minister to have that bill dealt with during this session?

MR. DOWLING:
Absolutely, Mr. Speaker.

Fort Macleod - Meat Packing Plant

MR. NOTLEY:
Mr. Speaker, I would like to direct this question to the hon. Attorney General. It's a follow-up question to one directed to him by the hon. Member for Calgary McCall several days ago. It concerns a proposed packing plant in Fort Macleod.
My question to the hon. Attorney General, Mr. Speaker, is: has the government sought or has it received any additional information on the background of the principals of this project, apart from published news reports?

MR. LEITCH:
Mr. Speaker, my department has not sought or obtained any additional information.

MR. NOTLEY:
Mr. Speaker, a further supplementary question then. Can the hon. Attorney General advise whether any department in the Government of Alberta has sought or received additional information?

MR. LEITCH:
Mr. Speaker, I would have to check on that.

MR. NOTLEY:
Mr. Speaker, a further supplementary question to the Minister of Municipal Affairs. Can the hon. minister advise the Assembly whether he has asked officials of his department to review the land transaction between the principals of the plant and the Town of Fort Macleod, to ensure that the transaction meets the conditions of The Municipal Government Act?

MR. RUSSELL:
I am not aware of any such request, Mr. Speaker.

AHA-CUPE Negotiations

MR. WYSE:
My question, Mr. Speaker, is to the hon. Minister of Manpower and Labour regarding the negotiations between the Alberta Hospital Association and CUPE. Have negotiations been broken off and are talks at a standstill? Could you bring us up to date on the status of the talks at the present time?

DR. HOHOL:
Mr. Speaker, the information which I'd be pleased to give to the House is briefly this: negotiations have indeed broken off between the two parties. I can give this further important information. That is, I received the report of the conciliation commissioner this morning.

MR. WYSE:
A supplementary question then, Mr. Speaker. Does the minister, or the government, intend to get involved in the talks?

DR. HOHOL:
I will respond to it this way, Mr. Speaker. Today I am studying the report of the commissioner to me and when I have concluded these examinations I'll make the determination with respect to our recommendation for what the two parties might do to return to the table and to begin again the task which is theirs, that of pursuing a conclusion to their differences, to get a settlement and an agreement.

MR. WYSE:
One last supplementary question then, Mr. Speaker. How many hospitals are involved and when does the contract expire?

DR. HOHOL:
Mr. Speaker, the contract expires on March 31, 1975. There are 43 hospitals involved in the negotiations, negotiated for by the Alberta Hospital Association. The employees are bargained for by the Canadian Union of Public Employees.

MR. LUDWIG:
Can the hon. minister advise, Mr. Speaker, if the public school caretakers' strike in Calgary has been settled yet?

DR. HOHOL:

Yes, sir, I can in the sense that that particular strike has not been settled. The information would be complete in saying that the strike began on January 29 of 1975 at 7:30 in the morning. The parties met today for approximately seven hours and were unable to reach settlement on the main outstanding issue of wages. There are other issues. Talks discontinued at that time, after seven hours.

MR. LUDWIG:

Is the hon. minister personally involved in an effort to help settle that strike?

DR. HOHOL:

Mr. Speaker, there are degrees of involvement. If I understand the hon. member accurately, I'm not directly involved, but I'm not uninvolved.

MR. LUDWIG:

Has the hon. minister met with either side to the dispute to discuss the issue?

DR. HOHOL:

Yes, sir, I have. I have met with either side.

MR. WYSE:

One last supplementary question to the minister, Mr. Speaker, regarding the Alberta Hospital Association and CUPE and the report received by the minister from the conciliator. Will the report be made public or tabled in the Legislature?

DR. HOHOL:

Well, the choice here is not mine as prescribed by the Statutes of the province. The conciliation commissioner submits his report to me which then becomes my property.

The members of the Assembly, Mr. Speaker, I'm certain will appreciate the difficulty and near impossibility that commissioners would work under if their careful deliberations, summarized on paper for the use of the minister, were public documents.

Syncrude - Value of Shares

MR. DRAIN:

Mr. Speaker, can the hon. Premier advise, in the event of the 20 per cent option to purchase stock in Syncrude being exercised by the Alberta Opportunity Company, what method will be used to determine the valuation of the shares? Will it be the cost of the plant or will it be the market price that is put on the shares at the time?

MR. LOUGHEED:

Mr. Speaker, first of all it's the Alberta Energy Company rather than the Alberta Opportunity Company. The assessment of that, I believe, is really a legal definition with regard to the agreement that has been tabled in the Legislature and the ultimate definitive agreement. It's essentially the cost, but it requires a description as to what costs are in fact involved. But it's a very complicated question to answer.

I really think it's something that I have to refer the hon. member, first of all to the agreement, and in due course to the definitive agreement as it is established, together with the accounting manual.

Government Insurance

MR. BENOIT:

My question, Mr. Speaker, is to the minister of the Treasury and has to do with government insurance. Farlier in the history of this 17th Legislature there was a change in insurance agents. It was said at that time that the government was reviewing its policy of insuring facilities and stock, particularly automobiles. What is the current policy of the government in this matter and what is our status in that policy?

MR. MINIFLY:

Basically, Mr. Speaker, we followed through on the statements that I made at that time on what would be the policy. We retained on a fee basis, a consulting basis, a firm that would advise the government in terms of coordinating all of the insurance, including Crown corporations, boards and agencies, with the objective being to achieve the minimum cost. That is the overriding objective that exists on the placing of government insurance at the present time - including, incidentally, the element of self-insurance in certain cases.

MR. CLARK:

Mr. Speaker, a supplementary question to the Provincial Treasurer. Is the Provincial Treasurer in a position to indicate to us the name of that firm?

MR. MINIELY:

Mr. Speaker, I'll have to check but I think it's Reed Shaw. I'll have to check that for sure.

Conference on Natives and the Law

MR. TAYLOR:

My question is to the hon. Solicitor General and a very short explanation is required before the question.

There's a conference of Native people that has just concluded, which I believe the hon. Solicitor General attended. Did the conference result in any outstanding items of progress?

MISS HUNLEY:

Mr. Speaker, you'll have to excuse my throaty voice. By way of explanation maybe I could say that a well-known columnist kindly referred to me recently as a kind and gentle lady, and I'm just trying to prove to everybody now that I'm old and rough and dirty and tough.

[Laughter]

With that explanation, I would like to say, Mr. Speaker, that the conference we just concluded was really quite exciting. The hon. Member for Drumheller uses the term "outstanding", I believe. I don't know that I would exaggerate to the extent to say that it was outstanding.

The thing that all of us were impressed with, Mr. Speaker, was the fact that the Native peoples involved entered into the conference with such energy and enthusiasm and produced so many constructive ideas that were most helpful.

The feeling they seemed to convey to us when they left - in fact perhaps I could just elaborate for a moment because I think it's important. Quite a number of them from Alberta came up to me after and said, thank you for what you did for Alberta. It's very interesting that they put it that way. They didn't say, what you did for us. They said, thank you for what you did for Alberta, because they were participating in this as Albertans. They had an opportunity to show some of their skills at the entertainment as well as put some of their ideas forward, and they appreciated that.

One constructive thing we're working on immediately is that we will have an advisory committee formed from groups in each province, I believe certainly in Alberta, which will advise our government on methods of improving the situation in the criminal justice system as it applies to Native peoples.

MR. TAYLOR:

Mr. Speaker, I have a squeaky voice too. Perhaps we should get together and have one good voice between us.

Supplementary, Mr. Speaker. Will there be a follow-up to the recommendations of this conference and will these be made public?

MISS HUNLEY:

Mr. Speaker, the final conference was at the ministerial level, but it was open to the public and to the news media and this was one thing which also impressed the delegates; that they could sit and listen to their ideas being discussed at ministerial level. So it is not confidential.

The recommendations we received were not confidential and I'm sure the hon. minister, Mr. Adair and perhaps the Attorney General and myself, from time to time, as different suggestions have been implemented, will be very pleased to make that fact known.

In fact another thing, Mr. Speaker, which I might add: I was most gratified to find that so many of the recommendations that were being made from all across Canada and the Northwest Territories were indeed things that were already starting to happen in Alberta. I think that is what pleased our delegates so very much.

Syncrude - Interest Rates

MR. RUSTE:

Mr. Speaker, my question is to the Provincial Treasurer. Has any decision been made as to the interest rate that will be charged to the two companies in Syncrude which will be borrowing money from the government?

MR. MINIELY:

Mr. Speaker, that is under negotiation. The Attorney General and I have asked the Deputy Provincial Treasurer, Mr. Collins, to work with the two participants involved, as well as getting advice from an outside expert financial house on what the reasonable terms of a convertible debenture would be. Those have not yet been settled. We have not yet come to all the specific terms on it.

MR. RUSTE:

Mr. Speaker, a supplementary question to the minister. What is the rate of return that is being received by the government now on the short-term investments?

MR. MINIELY:

Mr. Speaker, I think the last I heard - but I must also say that it is dropping, the short-term market is softening very rapidly now, so we have been shifting some of the province's investments out of short-term and gradually spreading the term over because of the softening of short-term rates.

I would have to check the specifics, Mr. Speaker, but I would like to point out to the hon. member, because I think it is important, that for comparison purposes you cannot compare the interest rate on a general straight loan or debenture with a convertible debenture because in the case of a convertible debenture you have the option that if the return ends up being very good, you can convert it into equity. So that's why we have to work with the financial experts in coming up with the best terms.

MR. RUSTE:

A further supplementary question to the minister. In the discussion as to the rate, is any consideration being given to the rates charged under the Alberta Opportunity Company and the Agricultural Development Corporation?

MR. MINIELY:

Mr. Speaker, I think perhaps the best way I can explain it to the hon. member is that interest rates - I think I've said in the House before - interest rates vary depending on the nature of the instrument that you are talking about. Really when you are looking at the debenture that we are talking about, it is based on normal, commercial terms. So in setting what normal commercial terms are you look at a wide variety of interest rates but you also have to appreciate the difference in the nature of the instrument.

I have to say again that basically you would look at other existing debenture and bond interest rates, but you would also look at convertible debentures in particular, in this case in the normal commercial market, and take into account what the terms of conversion are. So you really have to - because the interest rate is just one side, the other of course is the terms of conversion.

Those are the two big things that would be worked on in terms of the details of the actual debenture, except for the broad statement, Mr. Speaker, that the debenture will be based on normal commercial terms for a convertible debenture.

MR. CLARK:

Mr. Speaker, a further supplementary question to the minister. Has the government made a decision as to whether it will use money in its special investment funds, or in fact will the government go out on the market and acquire the money for the \$200 million?

MR. MINIELY:

Mr. Speaker, we have not made any such decision.

MR. DIXON:

A supplementary question to the hon. minister, Mr. Speaker. Under the agreement, in case of default, do we take the interest they have in Syncrude or is the guarantee against all the assets of the company?

MR. MINIELY:

Mr. Speaker, the Attorney General advises me - he's looked after this part of the negotiations - that the details have yet to be worked out. Basically, in the opinion of the Province of Alberta, it has to be adequately secured [by] of course the participant companies, as well as other security which might be based on the project.

But the actual details have not been worked out except to say that we will ensure it is adequately secured in the view of the Province of Alberta.

MR. DIXON:

A final supplementary then, just to follow it through. Is the government looking at an option, Mr. Speaker, either they can have a choice of taking over their interest or accepting or going against their other assets?

What I'm trying to establish: would it mean that the Alberta government would end up with more equity in it if these people didn't come through with their payments?

MR. MINIELY:

Mr. Speaker, we aren't of the view that Gulf Oil or Cities Service are companies that are going to default on a loan. Nevertheless, I have to say again that the actual details and terms have yet to be worked out.

I want to repeat again that the debenture will be based on normal commercial terms and, as with any other investment of the province, we will ensure to our satisfaction that we're adequately secured by the participant companies and by any assets we might be able to attach the debenture to.

MR. HENDERSON:

As a final supplementary I'd like to ask the minister: in view of the government's statements that the debenture loans are to be classified as nonrisk capital, would it not logically follow that those particular loans should not be secured relative to any of the investment in the tar sands project? Otherwise, would the minister not agree it cannot be strictly classified as a nonrisk investment relative to the project?

MR. MINIELY:

Mr. Speaker, again I have to say that these are the details we're looking at. I think the hon. member has expressed his point of view, and we have to look within the broad parameters, as I've said, of being satisfied that wherever we do attach our security, it is adequately secured. That's an analysis we have to make. Mr. Speaker, the hon. member has expressed a point of view.

MR. HENDERSON:

Mr. Speaker, if I might just follow the question in light of the statement by the minister. I'm at loss to quite understand how they can classify, with that reservation expressed, the \$200 million they're going to loan as nonrisk relative to the project itself, as opposed to the \$200 million in the equity capital?

MR. MINIELY:

Again, Mr. Speaker, I have to say I think the hon. member is giving a point of view, particularly when one considers that the debenture is a convertible debenture as opposed to a normal debenture. In other words, it is convertible into equity.

I'm not agreeing or disagreeing with the view the hon. member has stated, except to say that we will work out the details to ensure that in our view the Province of Alberta is adequately secured on the debenture.

Fort Macleod - Meat Packing Plant (continued)

MR. NOTLEY:

Mr. Speaker, I'd like to direct a question to the hon. Solicitor General. It's a follow-up question to the one I asked the hon. Attorney General.

Can the hon. Solicitor General advise the House whether her department has received any request for an assessment, an evaluation or a check into the background of the principals of the proposed packing plant at Fort Macleod?

MISS HUNLEY:

Mr. Speaker, yes I have.

MR. NOTLEY:

Mr. Speaker, a supplementary question to the hon. minister. Is it the minister's intention to undertake an assessment or an evaluation as a result of the request she has received?

MISS HUNLEY:

I've had one letter, Mr. Speaker, which is presently in my correspondence. I've quickly read it but, as the hon. member knows, I've been absent from the building for the last three days and have not had time to give it the attention it deserves. I will be looking at it this evening and making some assessment of it.

MR. SPEAKER:

In concluding the question period, it might be in order to mention that it has appeared to be the sense of the Assembly that there should be a very considerable latitude in regard to questions and also answers on the very important and complex matter of Syncrude.

I would assume that it would now be the sense and wish of the House that we should return to the ordinary rules and practices of the question period which limit the questions to matters which do not include debate which might be hostile to the government, and to answers which would not include necessarily arguments in favor of the government's position, and that the questions should be reasonably brief and be concerned mainly with matters of urgency rather than general matters of an ongoing nature.

MR. LOUGHEED:

Mr. Speaker, on that point, as far as the government is concerned, we are happy to have all the questions anybody wants to put to us on the Syncrude matter.

MR. CLARK:

Mr. Speaker, as far as we are concerned, we would appreciate it very much if we could have the kind of latitude in question period we have had in the last two days as far as Syncrude is concerned, in light of the events in recent days.

MR. SPEAKER:

As the House wishes. We have gone, I might say - and hon. members are probably aware - beyond the scope we have ordinarily followed in this Assembly and which is ordinarily followed by tradition.

I'm mainly concerned about the apparent beginnings, at times, of debate in the question period. But apart from that, it is as the House wishes.

MR. HENDERSON:

Mr. Speaker, did the hon. Speaker indicate there was time for one more question or were his remarks taken to mean it was the end of the question period?

MR. SPEAKER:

Is there any guarantee if the question period is extended in this way that no other hon. members will want the same consideration?

SOME HON. MEMBERS:

Agreed.

ORDERS OF THE DAY

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. GETTY:

The government agrees to that motion and I would like to table the reports.

AN HON. MEMBER:

Agreed.

MR. SPEAKER:

In view of the report being tabled, does the hon. member wish the motion to be put to a vote?

MR. RUSTE:

Mr. Speaker, I don't believe it's necessary.

MR. SPEAKER:

Strike the question off the Order Paper.

SOME HON. MEMBERS:

Agreed.

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. DICKIE:

Mr. Speaker, we have no objection. However, the federal government is involved as well as other provincial governments and accordingly I make the following amendment: "Subject to the concurrences of the governments involved".

MR. CLARK:

If I could speak to the amendment the minister has made, I wonder if I could ask the minister to indicate to the House whether he would be prepared to table the letters which have gone from the Alberta government to the other governments and, once the government has received the supposed okay from the other governments, if you could have a second tabling. This would be very much appreciated.

MR. DICKIE:

We'll take that under consideration, Mr. Speaker.

[The amendment was carried.]

[The motion as amended 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, given the absence of the Minister of Highways, could I ask that this matter again stand until next Tuesday?

MR. SPEAKER:

Does the House agree that Question No. 111 should stand over until next Tuesday?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

So ordered.

115. Mr. Dixon proposed the following motion to this 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.

[Adjourned debate: Mr. Dixon]

MR. DIXON:

Mr. Speaker, on Tuesday last the government indicated from their speakers who have spoken on their behalf that they do not wish to pass Motion 115. Now, just to refresh everyone's memory, I would like to say that we are simply asking for some legal opinion that was paid for by the taxpayers of this province which was not an intergovernmental memo or anything to do with the solicitors of the department. But it was expert advice that was asked for and paid for outside of government services. My interpretation of the parliamentary rules is that legal opinion should be given and in particular when the request regarding the takeover of Pacific Western Airlines - which is already owned by the government and it was announced that they already owned 98 per cent. So there is nothing secretive. There is nothing that is going to embarrass the government in any way as far as jeopardizing the deal. They have already made the deal. They have already paid a huge price for Pacific Western Airlines and it is now operating with the taxpayers money out of the province of British Columbia as their head office.

I am most anxious personally, Mr. Speaker, to get this opinion because there was some great concern about the way the present government took over Pacific Western Airlines. As

a matter of fact, as I mentioned the other day, Mr. Speaker, even the hon. Member for Spirit River-Fairview, who at least tells the people of Alberta that he is a socialist and that they will have government interference, got so afraid of what was happening and wondered what was happening and how you can take over a company as a Conservative government using socialist tactics. He was so concerned he went out and bought a share so he could be on the inside and see how it was done. I understand that even as a shareholder he still hasn't got the information he would like. I think, Mr. Speaker, the hon. member was supporting those on this side of the House who wish that this legal opinion be given to this Legislature.

I am well aware, Mr. Speaker, and I know remarks were made that because I have been in a position in this House where I should know the rules better than maybe the average member who comes into the House, I took that into consideration and I did not ask in my motion for anything that I believe disregards the rules of this House. I think it's just common sense that where the taxpayers have paid for an outside opinion, that opinion has been given, has been paid for apparently, and therefore I think the taxpayers of this province through their members of this Legislature should be given the information.

I spoke on Tuesday, Mr. Speaker, and I won't repeat it again, of how often some of the present government members - and I speak in particular of those on the front bench - were so adamant that they be given all the information. I can remember quite well, Mr. Speaker, they would always say, you know, if we ever take over we're going to have open government; we're going to take the blinkers off.

MR. RUSTE:
What a joke.

MR. DIXON:
Now if they really mean what they say, I can't understand for the life of me why they would turn down a motion such as this.

I can always remember, Mr. Speaker, the hon. members opposite asking for in-depth engineering studies even before the project was undertaken. I've heard them ask for medical opinion. I don't see anything sacred about legal opinion if the taxpayers of this province have paid for it. They're entitled to it. The Legislature is entitled to ask for it. In my opinion, if the government really means it is an open government and wishes to live up to its promises instead of disregarding them, they should allow this motion to pass, Mr. Speaker.

Mr. Speaker, the great concern that many people have in Alberta was the way that the takeover [was made], the price paid and the tactics used. Now, if this legal opinion will show that it was proper, that the tactics the government used were legal and there was nothing wrong with them, well maybe we won't have so much to say about it. But we received no opinion and have not up to this date any reason for this government to take over PWA the way they did. This government, with the taxpayers money that they're throwing around so freely these days, paid a 70 per cent bonus to buy 98 per cent of the shares of a company - an almost unheard of thing in business circles.

SOME HON. MEMBERS:
Shame.

MR. DIXON:
Seventy per cent bonus. The average bonus on a take-over bid, if any of the hon. members opposite wish to phone their stockbrokers, [is] 35 per cent and in some cases 25 per cent. When they talk of a 25 per cent bonus, Mr. Speaker, that is asking to gain 51 per cent - not 98 per cent, 51 per cent. But we paid a 70 per cent bonus in the case of PWA.

Mr. Speaker, I thought this would be of interest to the House. It was only in the middle of last year, I believe it was in July that the original negotiations started and within two or three days, with the huge price that was offered to the major shareholders of PWA, they were able to acquire most of the shares. I don't hesitate for a minute why the major directors of PWA would not want to take an offer of a 70 per cent bonus. But, Mr. Speaker, listen to this - keeping in mind that PWA was acquired in the middle of last year - air line traffic growth came to a halt in the second half of 1974. It had shown an increase the previous year of 6 per cent, and in 1972 an increase of 12 per cent. Well you can't tell me PWA wasn't looking around for somebody to pay a nice price. The shareholders in particular, and I have in mind in particular the major shareholders, would certainly be looking for somebody like the Alberta government that doesn't know what to do with all its money to come along and buy them out.

As a matter of fact, Mr. Speaker, it would be impossible to prove, but I think if you just used any sort of business investigation at all, the shares of Pacific Western Airlines today, if they had not been bought by the Alberta government or anyone else, would probably be in the neighborhood of \$3 to \$4. But what did the people of Alberta pay for these shares?

MR. RUSTE:
Say it again.

MR. DIXON:
Over \$13.

SOME HON. MEMBERS:

Oh, oh.

AN HON. MEMBER:

What about the resources railroad?

MR. DIXON:

The major shareholders of Pacific Western Airlines must be laughing all the way to the bank to invest that money at that time at 10.25 per cent.

MR. SPEAKER:

Order please. The Chair has some difficulty in connecting debate with regard to the value of the shares with a debate with regard to whether or not a legal opinion should be produced.

MR. RUSTE:

It deals with it.

MR. DIXON:

Mr. Speaker, I would like to refer back to the motion because "All legal opinions," Mr. Speaker, in Clause (a):

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 ...

So what I am doing, Mr. Speaker, is relating this intervention to the action this government took not only to stop a private enterprise company which is controlled by Federal Grain from acquiring Pacific Western Airlines, but they went out, Mr. Speaker, and paid over \$13 a share ...

MR. RUSTE:

Shame.

MR. DIXON:

... three or four dollars more than the White Pass & Yukon people were willing to give for only 51 per cent control where a greater bonus is usually asked, where you just want to control the company rather than own it. But in this case, we own 98 per cent plus 1 or 2 shares owned by the NDP member and others.

MR. LUDWIG:

Capitalist.

AN HON. MEMBER:

Did you get a bargain?

MR. DIXON:

And the concern, Mr. Speaker, that I have - and I think it relates to this, why it's important that we get this legal opinion - is because in many circles this takeover has been referred to as a cloak-and-dagger takeover. If you can remember in the press, Mr. Speaker and hon. members, two so-called participants in this deal said, we'd better not sit together on this plane going to Vancouver because somebody will put two and two together that the government is buying Pacific Western Airlines. Yet we heard from the Premier and others opposite that nobody knew the PWA takeover was going to take place except for the one or two cabinet ministers who met on the patio. ... [interjections] ... Even the hon. Minister of Industry and Commerce at his nominating convention said, don't blame the hon. Premier. It was all my fault.

Mr. Speaker, I would be remiss as a member if I did not bring this matter to the attention of this Legislature and to the people of Alberta. Because if anything needs investigating ... If this government is going to be making business deals like this in direct competition with private enterprise and paying for legal opinion, which apparently they don't want to give to this House, to stop White Pass & Yukon's application for the takeover of Pacific Western Airlines, then I think our open government is in for questioning.

I was amused, Mr. Speaker, by the remarks of the hon. Attorney General. He said something about a frustrated client. Well if anybody is frustrated in this province of Alberta, it's this Legislature and in particular the opposition and the people of Alberta who would like some answers from this so-called open government.

If they have nothing to hide, I don't see any reason, Mr. Speaker, why this motion cannot be passed.

MR. TRYNCHY:

Let's vote on it. It might pass.

AN HON. MEMBER:
Question.

MR. DIXON:
I should be glad to sit down, Mr. Speaker, and say no more if the hon. members opposite can guarantee they will vote in favor of this motion. ... [interjections] ... But you know, if their promise of open government is a promise to pass this motion - if I can compare the two - there is very little hope of them telling the truth over there.

AN HON. MEMBER:
Order. Retract.

AN HON. MEMBER:
Very sensitive ... [inaudible] ...

AN HON. MEMBER:
Touchy.

MR. LUDWIG:
Truth is always in order.

AN HON. MEMBER:
What is this, a filibuster?

MR. DIXON:
Mr. Speaker, I can see that the members opposite have made up their minds. They have been told how to vote ...

AN HON. MEMBER:
Shame.

SOME HON. MEMBERS:
Agreed.

MR. DIXON:
I can always remember, Mr. Speaker, in this House how we were accused of always jumping up on the other side saying, well, everybody votes as they are told to vote and boy, if they get in, that is not going to happen, Mr. Speaker. Well, we'll see whether that test is here today or not.

I cannot help but remind the hon. members opposite, Mr. Speaker, of their promise to the people of this province that they would have open government. I would like to refresh their memories as to whether they have forgotten their promise or wish to forget their promise. But if they admit it, this is fine. Just like I say about the hon. Member for Spirit River-Fairview, at least he says we're going to take things over. We'll socialize. That's a better way of doing it.

This government ran on a platform of open government and as soon as an hon. member puts a motion before the House that may be a little embarrassing, oh, we can't have that pass. We'll have to find a rule that's going to stop that, or an excuse of some kind.

So, Mr. Speaker, I really believe the hon. members opposite should do some soul-searching as to whether they misled the people of Alberta as I claim they have ...

AN HON. MEMBER:
They did.

MR. DIXON:
... in open government.

And Mr. Speaker, even beyond the promise of open government, I think we have to look beyond party. We have to look to our parliamentary system. And if our parliamentary system is going to work, it will only work where governments are open and aboveboard with the people they represent.

Mr. Speaker, in closing I urge hon. members opposite to change their minds from last Tuesday and vote for open government in Alberta and vote for this Motion 115. And I say this, hon. members, that even if it is embarrassing to some, maybe you should get the embarrassment over with and come clean to the people of Alberta as to what happened with the takeover of Pacific Western Airlines.

I say, Mr. Speaker, in closing that the legal opinion was paid for, the outside legal opinion was paid for by the taxpayers of this province and the people of this province who we all, in this Legislature, represent.

Thank you, Mr. Speaker.

[The motion was lost.]

MR. LUDWIG:
They sing in harmony.

116. Mr. Notley proposed the following motion to the Assembly:

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

Copies of all studies, reports or documents undertaken by or received by the Department of Highways with respect to its assessment of the relationship between highway speed limits and traffic fatalities, particularly in the United States.

MR. FOSTER:

Mr. Speaker, in the absence of the Minister of Highways, again could I ask that this matter stand till next Tuesday?

MR. NOTLEY:

I would agree, Mr. Speaker.

MR. SPEAKER:

Does the hon. minister have the unanimous consent of the House for his request?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

So ordered.

117. Mr. Notley proposed the following motion to the Assembly:

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

1. Copies of all agreements showing stumpage dues, chip prices, reforestation practices and leasing commitments between the Government of Alberta and

- (a) Procter & Gamble
 - (b) North Western Pulp & Power Ltd.

2. Copies of all agreements showing stumpage dues, reforestation practices and leasing commitments between the Government of Alberta and Canfor Ltd.

MR. FOSTER:

Mr. Speaker, with the absence of the Minister of Lands and Forests from the House, could this matter stand until next Tuesday?

SOME HON. MEMBERS:

He was here.

AN HON. MEMBER:

I'm here.

MR. CRAWFORD:

Why not give me one?

AN HON. MEMBER:

Give me one. I'll check it.

MR. SPEAKER:

Is there unanimous consent of the Assembly for the request made by the hon. Acting Government House Leader?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

It is so ordered.

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

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

- (a) What was the total cost incurred for Allison I. Fluker's attendance at the 10th Congress of the International Association of State Lotteries at Quebec City and Montreal on September 23, 1974, as authorized by Order in Council numbered O.C. 1954/74?
- (b) What were the results of this meeting?

MR. SCHMID:

Mr. Speaker, I accept the motion.

[The motion was carried.]

119. Mr. Wilson proposed the following motion to the Assembly:

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

The number of T4 supplementaries issued by the Provincial Auditor's Office for each of the last five years, for

- (a) all government departments;
- (b) all government supported boards, agencies and commissions in total, and the number so issued for each such board, agency and commission for each of the last five years; and
- (c) all Crown corporations in total, and the number so issued for each such corporation for each of the last five years.

[The motion was carried.]

MR. KOZIAK:

Mr. Speaker, I wonder if I might again rise and beg the indulgence of the House. We have seen that the motion which has been placed on the Order Paper by the hon. Member for Calgary Foothills has retained its position on this occasion and on the last occasion. Hopefully, we had thought - or at least I had thought - that the matter would have been debated in the House on Tuesday. Opportunity was not made available for that purpose because of other business which came before the House on private members' day on that occasion.

Today we will be moving to the private members' bills at 4:30, which really means only 40 minutes. It's a matter, Mr. Speaker, and I'm sure the members on both sides of the House will agree, of considerable importance for ...

MR. SPEAKER:

Order please. The hon. member is starting to debate the point. Time is extremely short. I assume the hon. member wishes to amend the clock and make it read 4:11?

MR. KOZIAK:

Agreed, Mr. Speaker.

MR. SPEAKER:

Is there unanimous consent?

SOME HON. MEMBERS:

No.

MR. SPEAKER:

In the absence of unanimous consent, the hon. member's request must be denied.

MR. LUDWIG:

You can't win them all.

MOTIONS OTHER THAN GOVERNMENT MOTIONS

1. Mr. McCrae proposed the following motion to the Assembly:

Be it resolved that the report of the Legislative Committee on Foreign Investment be received.

[Adjourned debate: Mr. McCrae]

MR. McCRAE:

Mr. Speaker, I'm happy we are finally returning to this very important topic. I was a little disappointed it didn't go ahead Tuesday, but it's just as important today and probably even more timely today, Mr. Speaker, in light of the Premier's happy announcement on Tuesday as to the successful conclusion of the Syncrude negotiations.

While I'm on my feet, Mr. Speaker, I would like to extend my congratulations, and I am sure the congratulations and gratitude of both sides of the House, particularly this side,

as to the statesmanlike and successful way they brought the Syncrude negotiations to a successful conclusion. I think it is really important to all of Canada, particularly Albertans. It's important in terms of technological advance, security of supply, the job picture, investment climate. It's important to Albertans and Canadians on all fronts.

Mr. Speaker, I had about concluded my remarks when the debate was adjourned last week. Just at that time, however, I was expressing some interest in why the NDP were talking nationalization of a major Canadian company, and I expressed concern why they would do that rather than embark on a course of their own to establish a company.

Mr. Speaker, last weekend a bit of light was shed on this by an oracle of their party at a convention in Calgary - an oracle from another jurisdiction. He stated that if they were to nationalize Imperial Oil it would serve as a flagship for them in the exploration, refining and marketing of oil.

Mr. Speaker, in the unlikely event that they ever would have the opportunity and did nationalize such a company and it became their flagship, I would say that situation had the potential for [being the] greatest naval disaster since the sinking of the Titanic.

Mr. Speaker, in discussing the final report on foreign investment I stated that the committee in its review recognized the need for a continuing influx of capital to Alberta. They suggested many many incentives to encourage local domestic capital to invest in the resource area, but they also recognized that there was insufficient local capital to handle our future needs. So they came to the conclusion that outside foreign capital is necessary.

Mr. Speaker, I think their report is a thoughtful, studious, in-depth report, and I have the privilege of moving that it be received.

MR. SPEAKER:

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

MR. NOTLEY:

I like that.

MR. SPEAKER:

Well, I recognized the hon. Member for Spirit River-Fairview followed by the hon. Member for Lacombe.

I should say there is no association of ideas in the Speaker's mind concerning those two constituencies. It was just a slip of the tongue and I hope that both members are duly flattered.

MR. NOTLEY:

Mr. Speaker, I would welcome the hon. Member for Calgary Mountain View any time he wants to come over here.

Mr. Speaker, ... [interjections] ... before commenting I want to say that when the hon. Member for Edmonton Strathcona got up I suggested - and I know that there's perhaps no direct way we could deal with this now, but I do agree that the subject is important. In a sense it would be unfortunate if it got shuffled down to the bottom of the Order Paper. Perhaps if there was some way of getting unanimous consent among the members not only to debate the issue today but to hold it over on the Order Paper until Tuesday - I think in fairness to the other members of the Assembly - because there's just no way that we're going to be able to have an adequate debate in the half hour that's left to us today.

So, Mr. Speaker, I raise that as a suggestion. Perhaps someone else would like to ask at the 4:30 adjournment time whether we could get unanimous consent. If so it seems to me that would be in the interests of a full discussion of this committee report.

MR. SPEAKER:

As I understand it, the House has refused unanimous consent. I must take the matter as having been decided unless there's some way in which it can be brought up under notice.

MR. NOTLEY:

Mr. Speaker, my understanding on the point of order, since there appears to be one now, is that the request for unanimous consent was not put in that way. It was rather whether or not we would back the clock up to 4:11. The decision of the House was that we would not back the clock up to 4:11 and thereby deprive people under private members' discussion this afternoon of the bills that are coming up. It seems to me that if another suggestion was put to the House, that we hold the thing over until Tuesday or allow it to be discussed on Tuesday as well, perhaps we might obtain unanimous consent from the House.

SOME HON. MEMBERS:

Agreed.

MR. SPEAKER:

It may well be that one or more hon. members who refused to make the consent unanimous are not in the Assembly at the moment. I think they would be entitled to count on the arrangement's standing and I couldn't see any proper way of bringing it up before the Assembly again except on notice.

MR. HENDERSON:

Mr. Speaker, may I speak briefly on a point of order on this particular matter. I think it relates to the rule book.

I suggest to hon. members we should abide by the book. I think when the government chooses to bring this type of motion forward as a private member's motion it has to stand by the rules of the book, because it has been an option exercised by the government. If they felt it had sufficient priority to debate without interference with private members, it could have gone on as a government motion. So I think once that decision is made as to which part of the bill it goes on, we should abide by the motion. Otherwise it makes a farce of the time allocated to private members.

I say this not because I'm not interested, because I, personally, would very much like to speak to the motion. But I think the principle, the suggestion, is wrong. There are other ways of accomplishing this end by following the rule book without having to try to make special considerations in violation of it.

MR. LUDWIG:

On a point of order, I'd also like to state that to every member who has a motion it is an important motion. To say that one is important does not imply that the others are not equally important. I believe for that reason we ought not to go along with the suggestion.

MR. NOTLEY:

Mr. Speaker, as far as I'm concerned I have the floor now and I'll certainly get my point of view across, but I thought out of fairness to the other members ... However, fair enough. I'm prepared to abide by your ruling.

Mr. Speaker, I must say that I enjoyed working with the other members of the foreign investment committee for the last two and a half years. While I differ rather markedly with their conclusions, and perhaps with some of the basic assumptions, nevertheless I think it's valuable, Mr. Speaker, for the whole debate on Canadian nationalism to have a frank candid assessment of what I would classify as the nonnationalist side of the case.

Most of the reports have been varying degrees of slanted nationalist arguments. Right from the Gordon report on Canada's economic prospects, in 1956, through the Watkins task force report in 1969, the Gray report in 1971, the Wahn report, even the Ontario task force report; they all came to conclusions which one would have to classify as at least in some sense the nationalist side of the argument.

So the report that we have before us today is, in my judgment, a frank candid assessment of the other side of the case. That I don't happen to agree with it is obvious for some of the reasons I've already stated and some which I'm going to advise the House of this afternoon. But it's vital that we have an ongoing public discussion of this issue and it's obvious that the report before us today will provide the nonnationalists in Alberta with at least some arguments to present.

Mr. Speaker, on page 11, I believe, of the foreign investment committee report, there is a review of the major recommendations of the Gray report. I won't go into a discussion of all the other reports which have been prepared during the last 15 or 20 years in this province or in this country, Mr. Speaker, because I think the Gray report summarizes the basic concerns of people who are troubled about the extent of foreign ownership and control in the Canadian economy.

The various points that the Gray report deals with cover every possible ambit of foreign companies' operations in this country. But I want to deal with what I think are the more relevant recommendations and those which relate directly to the province of Alberta.

The first point I want to make is the concern about the contracting policies of foreign-controlled firms. The Gray report makes the point on page 417, Mr. Speaker, that:

It has been noted that foreign controlled firms import a larger proportion of their total purchases of goods and services than do Canadian controlled companies, ...

Now that's important, Mr. Speaker, when we consider the additional or supplementary benefits from any project, whether that project be a petroleum refinery, a gas processing plant, a Syncrude plant or an operation in the manufacturing field.

Do we really maximize the additional employment opportunities in the service industry when we have foreign-controlled firms? The evidence, Mr. Speaker, in my judgment anyway, is pretty overwhelming. We don't maximize the additional benefits.

When I presented my minority report, one of the conclusions I drew, Mr. Speaker, is that with respect to oil sands development, if we are going to maximize private ownership of the service industry in this province, then we're going to have to make sure that the control of the major project itself is clearly in Canadian hands. This is the proposition advanced as well by the civil servants task force report of 1973. Why? Because the buying patterns of a large consortium of companies that are based elsewhere in the world tend to be directed towards their conventional suppliers, for very obvious reasons: because they have better deals, because the personnel know one another, because perhaps the quality of service is good. But that's the conventional way of doing things. I notice that even with the Syncrude project, Mr. Speaker, a very high percentage of the engineers - approximately 53 per cent if I can cite Professor Russell's assessment of this which was printed recently in The Edmonton Journal - 53 per cent of the engineers as of January 1974 were based either in San Francisco or Houston.

There's nothing terribly wrong about that. I'm not here to say that the foreign corporations are evil because their buying patterns tend to [be] outside of Canada. I'm simply saying that that happens to be a fact of life which has been documented by the Gray report. If we want to maximize the service industry in our own country, create the maximum number of employment opportunities for Canadian engineers, for Canadian service companies, for small indigenous free enterprise if you like, within Canada, then we have to make sure that the buying patterns are fully evaluated. And the evidence clearly indicates, Mr. Speaker, that the buying patterns, especially of the larger multinational corporations, are directed outside of Canada in large part.

The second point that the Gray report makes that I think is relevant, Mr. Speaker, is the impact on taxes. Do foreign corporations pay their fair share of the tax load? And I quote page 421:

Foreign direct investment offers opportunities for resorting to various "tax avoidance" techniques, most notably transfer pricing techniques involving inflated or artificial payments to the parent firm for various goods and services.

Well again, Mr. Speaker, reviewing the situation as it applies to Alberta - it is very easy for a Canadian subsidiary to in effect transfer some of the profits to the parent company, either through inflated consulting fees, or through the payment for technological advice or patents which are controlled by the parent company. There are many devices, if you like, Mr. Speaker, which can in fact reduce the profit of the subsidiary in Canada and transfer a larger portion of that to the parent body.

Now that doesn't always occur. It should be noted that it doesn't always occur because a multinational corporation is always reviewing its position in light of the worldwide operation. So there may very well be times when it makes sense to maximize profit in Canada and minimize profit in the United States. On the other hand, the point that the Gray report makes, in a very telling fashion, in my judgment, is that that reduces the independence of Canada. Because what is good for Imperial Oil may frequently be good for Alberta, it may frequently be good for Canada, but it is not necessarily always coincidental with the welfare or the good of Alberta or Canada.

The third point that the Gray report makes is to assess the impact of foreign investment on the balance of payments question. I remember one of the most, I thought, useful discussions we had as a committee was a meeting with Eric Kierans. Now, obviously, I have to confess a certain interest in Mr. Kierans' general views on the subject of foreign investment, but the point he made was particularly significant to a province like Alberta. He was assessing the options of some of the major projects this country is looking at - James Bay, the Mackenzie Valley pipeline, massive development of the oil sands - and he was assessing what impact those developments would have on our desire, in this province, to diversify the industry in Alberta - to develop little agricultural processing plants, seed-cleaning plants, alfalfa-pelleting plants, rapeseed plants, what have you. Not the major kinds of industries that employ 500 or 1000 or 1500 workers, but the small kind of operation that will set in Brooks, or Fairview, or Wanham or throughout the province of Alberta.

The point that Professor Kierans made to the committee was that if you have an uncontrolled influx of foreign capital, you are going to so upset your balance of payments and the impact that that will have on the Canadian dollar, that you will make it virtually impossible to properly diversify the economy of Alberta and western Canada consistent with our natural competitive advantage. And I don't think there's anyone in this room, on either side of the Assembly, who will argue that when you look at the things this province can do, when you look at those areas that offer us opportunity to diversify, agricultural processing probably has to head the list. Even with our preoccupation lately with oil and petroleum development and petrochemical development, agricultural processing will still in the long run, in my judgment anyway, be more profoundly important to the long-term prosperity of this province than some of the so-called glamor schemes that capture all the headlines.

But the difficulty that Professor Kierans underlined was that our preoccupation with going ahead in a pell-mell fashion with some of these large projects is so going to disrupt our balance of payments situation that it will be impossible to really diversify our economy in a meaningful way - that is, developing the smaller indigenous enterprises throughout the province.

Now the fourth point that the report makes, Mr. Speaker, is to assess the impact of foreign enterprise on Canadian business and monetary policy. Now, Mr. Speaker, without again overstating the case, the fact of the matter is that we have just witnessed a rather sad example of an ultimatum being presented by three foreign-controlled corporations. We have at the present time a report which was tabled in this House in 1973 by the Levy firm from New York, which argues for maximum development of the oil sands. One of the reasons for that maximum development is, at the very least, to make sure that the continental market is supplied with oil.

Mr. Speaker, I believe that there is - and the Gray report documents - a connection between foreign investment and the impact that foreign investment is going to have on your commercial and your industrial policy. Mr. Speaker, I believe that too often we get ourselves into the rut of inviting in large resource-based corporations which employ people in the short run - no question about that - but which don't maximize the employment opportunities, don't upgrade the product as much as they should, which tend to send the product down south of the border to be processed in the United States of America.

And that makes sense from the viewpoint of the integrated company. For them to do otherwise would not make the best use of their capital resources. But, Mr. Speaker, for us as Canadians to allow that to go unchallenged is to continually minimize the opportunity we have in this country to control our own industrial destiny.

Now the fifth point that the Gray report makes, Mr. Speaker, concerns the impact on the economic environment itself, the control, for example, on major economic decisions. What is our balance of payment policy going to be? What do we do, for example, Mr. Speaker, when we have a vast outflow of capital now taking place because the oil companies are taking more money out of Canada than they are investing in Canada? And those are not figures which I draw out of a NDP handbook. If anyone cares to look at the February issue of Oilweek, the figures are a grim reminder that, taken in total, there is about a billion dollars more going out of Canada as a result of the oil industry than all the amount of money that is being spent in Canada by that industry, including the net capital investment from south of the border or other parts of the world.

That creates problems and those problems have an inevitable impact, Mr. Speaker, on the domestic economic policy of any government, and that has to be borne in mind. I won't go over the Gray report as it relates to that particular question except to say that it's on page 427 of the report and tends to corroborate the points I've made.

Now, Mr. Speaker, still another aspect of foreign investment that we tend to minimize is the impact that it has on the development of an indigenous Canadian culture. Too often we tend to look at Canada as a stereotype copy of the great republic to the south of us. On page 429 of the Gray report it says: "But it must also be recognized that the creation and development of such Canadian capacities..." they are talking about cultural capacities, Mr. Speaker, "... such Canadian capacities can be stifled if Canada is inundated with influences from other countries which are much larger or much more developed than Canada."

Well, Mr. Speaker, when you watch television and you see a huge number of programs which are mass-produced in the United States, you recognize that many people in this country are probably more aware of the ins and outs of American politics than they are about the politics of their own country. When one runs into young people in high school or junior high who know more about American political history, who know more about American heroes than they do about Canadians, who can talk about Davy Crockett for example but know nothing about Crowfoot, who can talk about George Washington but haven't the slightest idea who Sir John A. Macdonald is, who have never heard of Sir Wilfred Laurier, who have no, or little, understanding of the tremendous history we have right here in western Canada but can talk about the Spanish-American war, you begin to realize, Mr. Speaker, that one of the less obvious, but nevertheless important impacts of foreign control of the economy is the effect it has on our cultural development.

Again, I don't say this in an anti-American way. I think the United States has made a tremendous contribution to the civilization of the western world. The United States will invariably be the closest friend of this country, regardless of what complexion of government sits in Ottawa.

But, Mr. Speaker, the point which I think Canadian nationalists want to make is that we do have within our country a different background, a different history, and that on the basis of that background and that cultural milieu we can develop a better society, one which is distinctively Canadian. But, Mr. Speaker, the more we rely on the Pepsi generation philosophy, the less likely we are to reach that goal.

Now, Mr. Speaker, the final point the Gray report makes is to assess the impact on the political process and public opinion by foreign capital. There really is no doubt, when one looks at the operations of major companies, that they do have an impact on public opinion - why not?

Let's examine, for example, the advertising campaign of the oil industry today. The advertising campaign of the oil industry is to convince the people of this country that we must have higher prices for oil. Now, as I said yesterday, I am certainly not against higher prices for oil if we make sure that the beneficiaries of that higher price are the people who own the oil. But the fact of the matter is, we are now inundated with this massive campaign which is designed to influence Canadian public opinion. And who among us today, Mr. Speaker, can deny that the oil industry, and this is just one of many industries, has not made substantial political contributions in the past, designed not to bribe people, but to have the subtle influence of being able to shift policies in the favor of that particular industry.

So, Mr. Speaker, when you have large foreign-controlled corporations which make political contributions, we would have to be naive not to assume that in the many public decisions which are not black and white decisions - seldom are they black and white decisions, but rather the shades of gray decisions that have to be made normally - that the impact of the foreign-controlled company is pretty important.

One can only look back at the last 12 or 13 years, 20 years perhaps, and examine the various efforts that have been made to take away the special tax benefits for Time and Reader's Digest. When the Liberal government in 1964 attempted to amend those provisions, they found that there was an enormous political pressure applied, not only within Canada, but even without Canada. So, the impact on public opinion and the political process of foreign control is very important.

Mr. Speaker, the members of the committee would argue that the problems cited in the Gray report and the problems that I've talked about today may in fact exist, but they would exist quite apart from whether you have foreign ownership of the economy or not; that if these problems are to be dealt with they should be dealt with by specific remedial

legislation. If we are concerned about foreign control over political public opinion, you bring in election reform legislation; if you are concerned about foreign control in some of the other areas, you deal with those question specifically, but not look at the issue in the broad panorama.

Mr. Speaker, I would have to say that if I thought we could deal with these problems by simply making a few modest changes, perhaps some of the recommendations made for example by the committee that we reduce the rate of personal income tax, fair enough. Fair enough. Who among us is going to be opposed to that, particularly before the Budget tomorrow night when we all know there will be a very substantial reduction in the personal income tax? Who among us would be opposed to reforms in the Combines Investigations Act to inject more competition among companies? Again, fair enough. Who among us would be opposed to listing shares of energy-based companies on the Calgary Stock Exchange? None of us.

But the question is: will these recommendations, these modest recommendations, shift the pattern of ownership and control? I have to say, Mr. Speaker, that I doubt it. I would have to argue when it comes to a more rigid competition act for example, perhaps one of the most - I shouldn't say biting - but one of the strongest recommendations made by the committee [was] it really the experience of the Combines Investigations Act would lead us to the conclusion that that sort of approach isn't very workable. We know perfectly well that any efforts to investigate companies under the Combines Investigation Act have been long drawn-out processes and the fines levied at the conclusion of the process have been so pitifully low as to constitute little more than a fee for breaking the law, rather than punishment for doing so. Now admittedly you can improve your competition act, but to suggest that you are going to be able shift the pattern of ownership with a competition act, in my view, just isn't very realistic.

We have an additional problem. Too often governments have to make important decisions in the absence of all the information. That's clearly the case we've just witnessed in the last two or three days. I don't believe that there is a member on the government side who would stand and argue and say they would not have liked more time to evaluate the report. The Premier himself on Thursday made it very clear that the government wanted 5 or 6 weeks, 60 or 90 days as I recall, to evaluate the reports, and correctly so.

But, Mr. Speaker, too often the problem is that government doesn't have access to information and so while you can talk about the corrective, legislative measures, while you can talk about the power of taxation, the power to legislate, in the absence of ongoing information, in the absence of being on top of the situation, what more often than not happens is that government acts on the basis of information which is supplied to it by powerful interest groups.

Mr. Speaker, that's one of the concerns I have with the committee report. I wouldn't be troubled with this report if this were 1850 and we were dealing with small and indigenous Canadian companies. I wouldn't even be troubled with this report if it were 1930 and we were dealing with companies which were by and large based in this country.

But when you look at - and I don't say this to try to create a bogey man - but when you look at the practical reality of an organization like Standard Oil, when you look at the practical reality in eastern Canada of an organization like General Motors, when you look at the practical reality of most of the major multinational concerns in the world today, which have sophisticated management leadership, which have access to personnel, to expertise, to knowledge, to suggest that somehow we can govern them or stay on top of the situation with a reliance on the old 'ad hocery' of the past is just not sensible or reasonable, Mr. Speaker. We are not looking at the world of today.

Mr. Speaker, in the few remaining minutes left to me before I conclude my remarks, I would suggest that what needs to be done in Canada is first of all to recognize that this country needs a national industrial policy. In that sense I agree with the Premier of the province who has made the proposition on more than one occasion. We have to know where we are going in terms of major industrial goals in Canada, and while a national industrial policy is probably more important than a local one, we should have one in Alberta too which is clearly drawn up so we can focus on those things we can do best. There is no point in spending millions and millions of dollars, either through tax concessions to private firms or various gimmicks to non-Canadian firms or pouring public money directly into Crown corporations or, for that matter, into ventures which don't make sense in a particular area. We have to be practical enough, Mr. Speaker, to recognize that we do have certain areas where we have a competitive advantage in the world trade situation, and those are the types of industry we should be concentrating on, not getting ourselves into industrial dreams which don't make sense for our province or our country. So before you can do that in any sort of sensible way at all, you have to have a national industrial policy and you have to have, within the context of that national industrial policy, a local, regional or provincial one.

Now, Mr. Speaker, the second point I would make is that I would argue that the committee's commitment to rate of growth - and I can appreciate that argument - but it is really something that we have to question. No one suggests that we want to lose population or that we want to stagnate. But on the other hand I really question whether it is in the interest of this province to continue booming ahead, attracting people from all over Canada. I would say, Mr. Speaker, that the objective of Albertans should be the quality of life for people who live here, the employment opportunities for people who want to stay here. We should not set as our goal making this the California of Canada. Oh, there's lots of money to be made for a few if you set that ...

MR. HENDERSON:

Mr. Speaker, I wonder if the hon. member has been outside recently?

MR. NOTLEY:

I beg your pardon?

MR. HENDERSON:

I just wonder if the hon. member has been outside lately.

[Laughter]

MR. NOTLEY:

Mr. Speaker, would I welcome that, I sure would, if we had the California climate.

But anyway, Mr. Speaker, the fact of the matter is that the objective of rapid growth is something, in my view, which is not really consistent with the best kind of development for our province.

The final point I would make, Mr. Speaker, whether we have a warm climate or a cool climate, and with the few seconds remaining to me, is that I believe that the committee failed to properly assess the unique opportunity that our oil windfall offers us to shift the pattern of foreign investment and control. Mr. Speaker, the report made by the civil servants in 1973 was an excellent report, and one of the very specific arguments they made was that oil sands development offers the opportunity to shift the balance.

Mr. Speaker, we now have this huge income accruing to the Province of Alberta. Every day of the week people are talking about what the Arab nations are going to be doing with their oil windfall, how are they going to be investing it, which companies are they going to be taking over, what impact are they going to have on Alberta or the United States or Western Europe with this vast wealth which is accruing to them. Mr. Speaker, by the same token, we also are the beneficiaries of an oil windfall, and that gives us a chance, in my view, to shift the balance, not to buy everything out overnight but to shift the balance, to begin the pattern of controlling the future. Not buying back the past, hon. member, but making sure that the future is developed under Canadian ownership and control.

Mr. Speaker, for those reasons I believe that the foreign investment report as it stands leaves something to be desired in terms of the conclusions as they apply to the people of Alberta. But the debate is a healthy one, and I trust it will be around for a long time.

MR. COOKSON:

Mr. Speaker, in the great time that I have to speak on the debate this afternoon, I would just like first to commend the Member for Edmonton Strathcona and his committee for the work that they did. I think that they spent some two years putting together a report on foreign investment. I might have known that one of the particular members of the committee would file some kind of document called A Minority Report on Foreign Investment.

But all I can say, Mr. Speaker, in the short time I have is that there is a story told about two boys who went farming in the Fairview district. The one fellow decided to go his way by paying cash and the other decided to borrow. The first boy starved to death for five years and bought his first cow. Inside of five years he owned 10 cows - 5 of them died of old age. The second boy decided to borrow and finance. He financed his cows. Inside of 10 years he owned 100 head, he had paid for his farm, and he had money in the bank. Mr. Speaker, that's the difference between the two philosophies as I see it. It's as simple as that.

With that I'd like to adjourn the debate this afternoon.

MR. HENDERSON:

If I may, I'd like to beg the indulgence for one moment to return to the manner in which this particular resolution is being presented.

The particular report that we're dealing with was the result of a motion which was presented by the government, as a government motion, to establish a legislative committee to delve into this matter. I have to question the propriety and the prerogative of one side of the House to decide unilaterally that the report, which is a report of the Legislature, is going to be dealt with as a private member's motion. Now it seems to me a decision such as that really rests basically with the House, because it was a government project in the first place, it was sponsored as a government motion, it was approved by the House as a government motion. To have it buried back in private members', is I think really somewhat of an insult to the Legislature. It really says that the report is not important enough to devote adequate time to deal with it effectively.

When one looks at the number of motions on the Order Paper, I think effective debate on this motion for the rest of this session is practically nullified. I think this is really a mark of disrespect to the effort that the committee has put into this report, and it's brought us to the motion to have the rule book set aside. I'm not sure it's in order, Mr. Speaker, I'll leave it to your discretion, but on my own part I think it's only in order that a motion be presented to the House to have this particular motion placed on the Order Paper under government motions where it can receive the attention that it properly requires.

MR. FOSTER:

Mr. Speaker, if the hon. member was speaking on a point of order, and I assume he was, for our part we'd be delighted to have this motion stay on top of the Order Paper for at least another hour's debate next Tuesday afternoon, with the concurrence of the House.

MR. HENDERSON:

Mr. Speaker, that's the exact problem: the government is choosing to use the time for private members' motions to deal with a report of the Legislature as a result of the committee set up by this Legislature. Surely there are only two places for the motion to go on the Order Paper: under private members' or under government motions where there is flexibility as to how much time the House wishes to devote to it. But I think it is an injustice to the report, and I think it undermines the basic importance of establishing a committee and spending a lot of taxpayers' money to delve into this matter, and then have it buried in private members' motions. I think it is somewhat of an insult to the House to have the government then suggest, well, if the members want to discuss it, do it on private members' time. The government is saying in effect they have concluded unilaterally from that side that the motion is not of sufficient importance to bring forward as a motion on the government Order Paper in whatever manner, by whichever mover they wish, to see that it gets proper attention.

I think it's entirely out of order to even entertain the suggestion, in principle, that the report of a legislative committee, established by order of this [Legislature] under what was originally a government motion, should then be entertained for discussion as a private members' motion.

I say again, Mr. Speaker, it's a matter of principle on my part. I'm very anxious to speak to the motion but I think there is something procedurally lacking. Maybe, Mr. Speaker, the answer is that we need another heading on the order paper that says legislative reports or legislative motions or something. But at the present time we are saddled by our rules with only two categories.

I would like to suggest, as I say again, Mr. Speaker, I acknowledge that I am not certain that my motion is in order - maybe I am entirely out of order, I leave it to the decision of the Chair. But I think the House is entitled to some expression of opinion as to which part of the Order Paper it goes on since it is a report of a legislative committee.

This is not a private committee, it is not a private member who had the prerogative of setting up the committee, it wasn't a private member who financed the report, and it wasn't a private member who decided who was on the committee. It was this Legislature that decided it. I think reports of legislative committees do not belong on the private members' portion of the Order Paper.

Maybe the government doesn't want them under government motions. Maybe the question should be referred to the special House committee established to deal with House rules and let them examine the rule book. But there is something wrong with the procedure as it now stands, Mr. Speaker.

MR. YOUNG:

Mr. Speaker, if I might, on the point that has been made. It is my understanding that the House approved of the method of disposition and tabling of the report last fall at the conclusion of the Third Session of the 17th Legislature.

From my point of view I can see two ways the matter could have been handled. A private member chose to handle it in the one respect. As far as I know there would be no guarantee that the government would have to call it, any more than it should have to introduce a bill or introduce any particular type of resolution.

I think there are, in my opinion and judgment of the situation, quite a large number of persons ready, willing and prepared to speak on the matter. But the rules and the system we are in preclude that, Mr. Speaker. I for one - I guess I am classified as a member of the government - do not agree with some of the comments that have just been made. I think it's a matter of opinion about some of the observations made by the hon. member. It seems to me, Mr. Speaker, he's suggesting that the government has deemed a certain course of action. I think the hon. members here are free to take whatever course of action they wish collectively as a House. That matter has been considered twice this afternoon.

MR. HENDERSON:

Mr. Speaker, the House has not considered [it.] I raise it as a point of order, as a procedural matter, not as debate on the motion.

I would like to make the motion that the motion we have been discussing the last half hour be placed on the Order Paper under government motions.

MR. SPEAKER:

The hon. member would certainly have to give notice of such a motion.

MR. LEE:

Mr. Speaker, ...

MR. LUDWIG:

Mr. Speaker, I believe ...

MP. SPEAKER:

The hon. Member for Calgary McKnight, I believe, is next on the point of order.

MR. LUDWIG:

Mr. Speaker, I have another point of order ...

MR. SPEAKER:

The hon. Member for Calgary McKnight, as I understand it, is in fact rising on the point of order.

MR. LEE:

Speaking to the point of order, Mr. Speaker, it's interesting that two members who will be leaving this Assembly should be speaking to an item which is really ...

MR. LUDWIG:

Mr. Speaker, I rise on another point of order to bring your attention to the fact that it's 4:30. This debate ...

MR. SPEAKER:

Order please. Order please. The hon. member well knows that a point of order may not be raised on a point of order.

MR. LUDWIG:

I'm not raising that particular point of order ... [interjections] ... We are in breach of the rules of the House, Mr. Speaker, by debating past 4:30. This is private members' private bills we have to debate at 4:30 and the rules state so. We can't debate this for another hour and deprive the hon. member of debating his private bill. That's the point I'm giving, not on this one.

MR. SPEAKER:

Order please.

The hon. member knows that a point of order has precedence over any other business of the Assembly except perhaps a point of privilege. I shall attempt to deal with the point of order as briefly and quickly as possible.

MR. LEE:

Thank you, Mr. Speaker.

As the Member for Wetaskiwin-Leduc has mentioned, the point of order relates to procedure. It probably relates to the procedures of the House itself. As he has pointed out, I think we note that the Order Paper is somewhat restricted in the manner in which it deals with those reports and those items which are agents of the Assembly itself. The Order Paper is divided into government business and that of private members days.

I want to align with what the Member for Wetaskiwin-Leduc has mentioned. As a member of two previous legislative committees, that on regulations and that on professions and occupations, it has been disconcerting to me that the deliberations of the committee, of members not only on this, the government side, nor on the other side, not as private members but as agents of this Assembly, that there was no place to deal with [those reports] on the Order Paper itself.

Members on the other side may say it's the responsibility of the government to have placed it on the Order Paper. I would say perhaps the rules just don't allow for it. As the member has said, I would hope this could be referred to our committee on Standing Orders and Forms of Proceedings that perhaps on the Order Paper there might be created a place for just this type of Legislative Assembly report.

MR. SPEAKER:

I thank hon. members for their observations on what I assume was intended to be a point of order rather than a point of privilege. If any hon. member has the intention of making a motion in regard to the matter, either for referral to a committee or some other motion, then, as I mentioned, such a motion would have to be made on notice.

I would say that as the Standing Orders now stand, there couldn't possibly be a point of order raised on the manner in which this item has reached the Order Paper.

I'm sure all hon. members will agree that the Assembly could scarcely go so far as to order that the opposition, or the government, should adopt a certain item of business as its business any more than the Assembly would order an hon. member to move a motion on a certain topic.

As I believe was said last year, any hon. member who feels that a committee report is not receiving the attention that he would like to see it receive, it's open to such an hon. member to move a motion in the usual way, asking that certain priorities be given to that report. As the matter stands I have to say that although the hon. Member for Wetaskiwin-Leduc may have a grievance, he has not a point of order.

PUBLIC BILLS AND ORDERS OTHER THAN GOVERNMENT ORDERS
(Second Reading)

Bill 201 The Orders and Regulations Ratification Act

MR. WILSON:

Mr. Speaker, I move second reading of Bill 201, The Orders and Regulations Ratification Act.

Mr. Speaker, the opportunity to present this bill and speak to this Legislature is one I regard as important; important because in my view the right of this Assembly to sensibly legislate and review government actions is a basic, fundamental and inalienable right of not only legislators but the people we, as legislators, represent in a parliamentary democracy.

May I suggest, Mr. Speaker, it is a right that is being systemically eroded, ignored and deliberately perverted by a government determined to acquire all power unto itself without reference to those who initially provided them a mandate, the people of Alberta.

[Mr. Diachuk in the Chair]

How is this insidious plot being enacted? There may be some hon. members who believe I am referring to: (a) the government's appointment of Tory caucus committees or task forces that utilize public funds for partisan purpose - not this time, Mr. Speaker; or (b) the Premier's incredible disrespect for this Assembly by his absence approximately 75 per cent of the time from this House - not this time, Mr. Speaker; or (c) the introduction of political patronage and nepotism in the public service - not this time, Mr. Speaker; or (d) the suspension of democratic procedure in northeastern Alberta - not this time, Mr. Speaker.

No, Mr. Speaker, I am not referring to those points, as valid an indictment of the present administration as they may be. What I am referring to, however, is the form of government this regime has decided to pursue, government by order in council.

This government has made a conscious decision to relegate the Legislature to the back of the bus when it comes to making decisions. While some hon. members opposite may view this as an opinion, the facts verify my statement. What are the facts? Mr. Speaker, the present government has authorized 6,867 orders in council since taking office. The breakdown is as follows: 572 in 1971, 2,045 in 1972, 2,045 in 1973, 2,070 in 1974 and 135 to date in 1975. The Legislature has passed only 317 bills during the same time period: 129 in 1972, 104 in 1973 and 84 in 1974. In simple arithmetic, some may say that the cabinet is making 21 times more decisions than this body of the people's representatives.

Clearly the focus of the legislative process has shifted from the chambers of the Assembly where decisions require open debate and fair sensible public scrutiny, to the closed doors of cabinet meetings.

Just in case this government has forgotten the purpose of an elected body, permit me to review the historical significance of parliament as it was originally conceived and has since evolved. Parliament's function was initially conceived to ratify programs and policies of the Crown. Clearly a key if not primary reason for existence, was to allow elected representatives the power to review, examine, study and question the expenditure of funds and to debate the merits of proposed legislation. A corresponding responsibility was that of determining the method of raising funds via various taxes.

Mr. Speaker, it bothers me considerably that a government spends a good part of each year spending money by special warrant yet never seems to ask itself: is this what the people really want; are the people really willing and prepared to pay for these things that are approved by special warrants via increased taxation.

A major reason for the American revolution was the principle: no taxation without representation. It would be my sincere hope that the people of Alberta would not be compelled to resort to such drastic measures in order to regain control of the public purse.

Methods of parliament evolved as the volume and complexity of government increased. Simultaneously it was necessary for parliament to delegate some of its powers to the executive in order to deal with the day to day decisions and problems not perceived in legislation, projects not expected in the budget and the refinement of legislation by the approval of regulations. As parliaments in Britain, Canada and throughout the Commonwealth evolved, it seems to me the most jealously guarded principle and right, fundamental to parliament, to be preserved was that of parliament continuing as a guardian of the public purse, a principle I am sure we shall see, as the evidence is reviewed, has been forgotten in Alberta.

What is the evidence, Mr. Speaker? Earlier I referred to the volume of orders in council. Now let me review the cost. Since the 1974 budget, cabinet has authorized \$310 million by special warrant - \$310 million - more than the entire Alberta budget was in the year 1959-60.

Now the value of special warrants issued by the Tory government since taking office is a very interesting study, Mr. Speaker. If we go back and look at the Tory total to March 31, 1972, it was \$86,518,000. The Tory total to March 31, 1973 was \$30,889,000. The Tory

total to March 31, 1974 was \$97,437,000. The total Tory special warrants while in office to January of this year, 1975 is \$524,844,000.

AN HON. MEMBER:
Yea.

AN HON. MEMBER:
Shame.

MR. WILSON:

Mr. Speaker, let's look at some of the special warrants making up this astronomical total. When the hon. Minister of Highways was speaking last week, he was bragging about the numbers of orders in council and special warrants in his department. Other members on the other side, Mr. Speaker, have taunted the members of the opposition to name some special warrants or Orders in Council which they would not approve. Well that isn't the principle that we're debating. We're saying it's poor budgeting that has led them to the situation they're in; it's poor foresight; it's lack of government by a basic principle or philosophy because it's government by expediency - at least that is the way it appears.

Some of the special warrants - for example, here's a special warrant from the hon. minister, Dr. Backus for \$517,000 required for payments of grants in lieu of taxes to various municipalities. Well now, my goodness, isn't that something one would think one could budget for in advance and know they were going to pay grants to municipalities in lieu of taxes?

Here's another one from the hon. minister, Mr. Copithorne: \$1,143,000 for winter gravel crushing and right of way clearing in preparation for improvement district construction program. Well my goodness, wouldn't they know in advance they were going to enter into this kind of work?

Here's one from the hon. minister, Mr. Leitch, a special warrant for \$175,000 required for salaries of provincial judges. Well goodness sakes, who would expect the judges to work for nothing? Why wouldn't it be in the budget?

Here's another special warrant: \$2,898,000 from the hon. minister, Mr. Crawford, to provide additional funds to nursing homes to enable them to pay their staff at salary levels comparable to those paid by other institutions for those performing the same duties. Well shouldn't it be reasonable to expect the government would know that they would have to pay their staff adequate wages in order to keep them? It should be in the budget, Mr. Speaker.

Another one from the hon. minister, Mr. Russell, a special warrant for \$12,798,701 to provide additional funds for the Alberta Property Tax Reduction Plan. Well now, Mr. Speaker, I certainly agree the government should be paying those senior citizens who receive their supplementary home-owner rebate according to the Property Tax Reduction Plan, but the government should have been budgeting for this and they should have got those home-owner rebates out long before now. I look forward to the day when the hon. Minister of Municipal Affairs can get up in this House and say that all the senior citizens have received their home-owner rebate for last year. I hope he can make that announcement prior to them having to pay their taxes for this year.

Well anyway, these special warrants go on and on. We could spend a lot of time referring to them, Mr. Speaker. Here's one that is kind of humorous, I suppose. It's a special warrant for \$283,000, required to cover increased maintenance and operational costs of forestry aircraft. Well I suspect what really has happened here is that these forestry aircraft are being used by the cabinet much greater than what had been originally budgeted for. So we find ourselves in the situation where the government has not budgeted sufficient to keep the aircraft flying, to keep the cabinet ministers moving about Alberta. So we find that the cabinet ministers are approving special warrants to keep aircraft flying so they can keep moving around the province of Alberta. It's a round and round circle but it all should have been done with proper budgeting in the first place.

Well then, we see the hon. minister, Mr. Farran had a special warrant for \$4,000,000 for the rural natural gas program. That was approved in this Legislature - the legislation for it at least - and the funding could have been done the same way.

Then we find that the hon. minister, Mr. Getty has a special warrant for \$75,000,000 for the Alberta Energy Company shares. Well, gee, I'd better not get started on that one again. But that should certainly have been included in a budgeting manner as well, Mr. Speaker.

Oh, I see the hon. minister, Dr. Hohol is with us. He has a special warrant here for \$3,000,000 for additional funds required for PEP. Well perhaps the ministers of the Crown need a little pep to get their budgeting a little more accurate the next time around, Mr. Speaker.

DR. HOHOL:
Ha, ha.

MR. WILSON:

Now, Mr. Speaker, there are those who would say it is impossible to budget and plan for everything. That is understandable. This is even a difficult goal for business to achieve. But surely we are straining the imagination to understand how the Alberta government could ever overspend by one-third of \$1 billion in less than one year and over \$.5 billion in three and one-half years. The trend is worsening at a very rapid rate.

What is the 'now' government and their legion of advisors, consultants and executive assistants doing? Mr. Speaker, planning and good budget procedure are not easy tasks. Apparently the hon. Provincial Treasurer recognized the difficulty and has proceeded, since taking office, to hire additional professional staff to assist in budgeting. And I refer to the growth of employees in his department.

Let's just review the record. The growth is impressive. In the 1971-72 year, there were 153 man-years represented in the Provincial Treasurer's office, not including wage employees. In the 1972-73 year, there were 164 man-years in that office, not including wage employees. In the '73-'74 year there were 240 man-years, including wage employees. In the '75-'75 year there was an increase to a total of 323 man-years, including the wage employees in the office of the Provincial Treasurer. And still we have all these special warrants that have not been provided for.

Mr. Speaker, the purpose of Bill 201 is to restore the supremacy and public confidence of this Assembly and remind members of this not so "now" government that it is the Legislature and the people of Alberta they answer to, not merely their own political interests or party.

This legislation would obligate the Government House Leader to introduce within five days, legislation to ratify any order in council requested by five members of the Legislature in a signed petition to the Assembly. That means any order in council, any special warrant or any new regulation could, if this bill is enacted, be subject to a sensible review by this House upon request.

It would be my hope that the government, aware of the possibility of such an occurrence, would be more thorough and systematic in planning and less susceptible to political impulse or whim.

Yes, this bill may even have the desirable effect of forcing the Lougheed government to redirect some of their energies from a slick and glossy PR program to the time-honored responsibilities of governing in the traditional democratic way.

On the topic of regulations, Mr. Speaker, it is interesting to note the principle of recall in this bill is not without precedent. For example the Province of Nova Scotia, under the Regulations Act, and Australia have a recall procedure for regulations. Also Great Britain has a recall procedure for regulations and special warrants. It's called their special orders procedure act.

Further, while still on the topic of regulations, I would like to commend the members of the committee on regulations for their very well-done report. We most certainly look forward to the debate on their document in the near future.

To conclude, Mr. Speaker, we should recognize that the individual in today's complex and highly technical society suffers from an ever-increasing alienation from government. This alienation is only furthered and intensified by a secretive government that insists on conducting the province's business cloistered from the public view.

If the hon. members opposite doubt the public support for this bill, I would refer them to the results of my questionnaire last fall: 55.5 per cent of the respondents indicated agreement to the proposal, 12.9 per cent disagreement and 31.6 per cent had no opinion. But this questionnaire's results were accompanied by many comments that indicated that the respondents were not fully aware of what this government has been doing since they took office and how it is affecting the taxpayers of Alberta.

Finally, Mr. Speaker, I should like to remind the hon. members opposite that the issue of government by order in council is not originally mine. As they well know, they raised Cain when they were on this side of the House.

Apparently their intimate understanding of the problem helped them to refine the system and expand it as they have. It would be my sincere hope the Tories will remember their promises and offer support for this bill, a sensible, reasonable and fair proposal.

MR. DEPUTY SPEAKER:

The hon. Member for Drayton Valley followed by the hon. Member for Calgary Mountain View.

MR. ZANDER:

Mr. Speaker, in speaking on the merits of the bill, I think the hon. Member for Calgary Bow has apparently not read the report and the recommendations correctly. I'm certainly not going to speak to the report, but I want to try to make my remarks in relation to the report and Bill No. 201.

I think probably the hon. member in dealing with the orders in council and the special warrants, Mr. Speaker, frankly in the year and a half I spent looking at the regulations - and they are sizable. As the hon. Member for Calgary Bow mentioned, there are some thousands or hundreds of regulations, warrants and what have you. I would draw to the hon. members' attention that I spent two days in the Edmonton courthouse trying to take samples because theirs was the only complete set, except the public library in here and Calgary, where the complete set of regulations and orders in council, et cetera, et cetera down the line can be found. Mr. Speaker, frankly the pile of regulations that I looked at

as they were brought in and consolidated, I'd say foolishly in 1957, would fill a sizeable truckload.

[Mr. Speaker in the Chair]

Mr. Speaker, the hon. member also mentioned that he was probably entirely against orders in council. I agree. To some extent orders in council should be restricted, maybe regulations should be also. But I would draw the hon. member's attention to August 17, '71; the Elk Point District Arena Board: \$15,000. It must have been raining at that time, 13 days before the election, to pass an order in council totalling \$31,300.

Mr. Speaker, also when I looked at the regulations - I may recall a few of them. I recall the Premier of the Province of Alberta at that time passed an order in council authorizing him to deal with the government. I didn't find that since 1971. I also found warrants, overlapping regulations. Really such confusion existed, Mr. Speaker, that I believe the legal profession has a job on its hands if it wants to search out a certain item pertaining to a certain case of law. It takes them days, if not weeks, to find all the regulations which would support the legislation they are looking at. And this in turn costs the taxpayers hundreds and hundreds and thousands of dollars.

So when the hon. Member for Calgary Bcw is saying we should have five members of the Assembly sign or present a petition to the Legislature to have any orders or regulations brought up in the Legislature, I would only draw the hon. member's attention to the recommendation. I think hon. members from the opposite side who were on the committee - I would certainly say I had wonderful support, attendance and input. After all the jurisdictions that we looked at in Canada and Australia we found - and I think, Mr. Speaker, the hon. member may not have read page 37 in the report. I would say, Mr. Speaker, with all due respect to the Member for Calgary Bcw, I don't know where he drew this bill up. I would certainly say it is clumsily drawn. I am not trained in the arts of legality, but certainly I don't know where he got his training from or to whom he submitted this for a rewrite because certainly the hon. member could not have studied the report. Because in that report, Mr. Speaker, it clearly states the manner in which scrutiny of regulations and orders in council should be done.

And, Mr. Speaker, I can't really understand ...

MR. LUDWIG:

That's your trouble.

MR. ZANDER:

... the sections of that bill, and if the hon. Member for Calgary Mountain View drew up that bill ...

MR. LUDWIG:

Keep talking.

MR. ZANDER:

... I would suggest that he take it back and redraft it because there's no way that I can understand this type of bill coming in ahead of the recommendations, before this report has been discussed or before the government has acted on it. I think it was premature. I can only say that you can talk about all the orders in council and all the policy handbooks that we took a look at, and we took a look at them from both the government side and from the former government side. The former government was not as innocent as it leads us to believe, Mr. Speaker, because certainly the hon. Member for Calgary Mountain View must have been a party to those orders in council at that time and to those special warrants.

I think in view of the fact that we have as yet not dealt with the report, Mr. Speaker, maybe I should perhaps just briefly outline the method that was subscribed to by members from both sides, and it has three prime manners this should be dealt with.

First of all it should be advance consultation, it should be accessibility and scrutiny, in that order. Consolidation, I think, has to come with it. But certainly for the hon. member to stand in his place and condemn this government, I think it might be well to look back into the past. You can't really put the blame on the total orders in council that are existing in the province today, the regulations that exist, and toss them in the lap of this government.

AN HON. MEMBER:

Oh.

MR. ZANDER:

Because certainly, and the hon. member is smiling over there, it would take the hon. Member for Calgary Mountain View at least a half-day's work to load on a truck the regulations that they compiled and filed in 1957.

MR. LUDWIG:

You can shovel more with a shovel than I can with a bulldozer.

MR. ZANDER:

Well, Mr. Speaker, maybe the other Member for Calgary Mountain View has different views, but I would advise him to go and have a look at the regulations, the pile of them that is there. I certainly agree that there has to be scrutiny but it must be done in a manner that is proper. I think if five members of an Assembly would sign a petition, we would be sitting here on five members that have been aggrieved by any regulation, we would be here continually and we would not only sit four or five months of the year, we'd be here twelve months of the year.

And in closing, Mr. Speaker, I would only suggest that the people who live in glass houses should never throw stones. Because, you know, hindsight is always better than foresight.

MR. LUDWIG:

Hear, hear.

MR. ZANDER:

And if the hon. member would take half a day off with me, we'd go down to the law library and we'd look at some of the regulations there that exist by the former government. I would say that probably the former government was as guilty as this government. And I don't think you should throw stones around unless you're prepared to catch some that are coming your own way.

Thank you, Mr. Speaker.

MR. LUDWIG:

Mr. Speaker, ...

[Applause]

I am overwhelmed, Mr. Speaker.

First of all I wish to congratulate the hon. Member for Calgary Bow for bringing a very good issue, a good people's issue before the Legislature and expressing some concern on behalf of his constituents as to whether we preach open government or whether we practise it. I know that any time we want something, the other side gets a little suspicious and they always look for a motive. The hon. member who just spoke took the general attitude that if they want it we can't possibly allow it because, what are they after? We're just after it to get the hands on the table of some of the actions of the government and scrutinize them.

AN HON. MEMBER:

Tell him to stick around.

MR. LUDWIG:

When he talks about hindsight and foresight, I wish that some of the hon. members on the other side would practise some insight and see what needs to be done. Just talking about things is not the same as doing those things. I believe that this is a people's issue; that the MLAs are concerned about how we are governed. Sometimes when we look at our legislation and see the extensive powers granted ministers on the Executive Council to even suspend legislation we have an added responsibility to scrutinize all this carefully.

I remember here one time the hon. Minister of Municipal Affairs - I see he's in his place - suspended legislation. I don't even know to this date whether it was by order in council or by ministerial decree, I just decided I don't want to bother with it. If it's a bothersome kind of act and it's trouble for me, I'll just forget about it.

This kind of thing is intolerable but all those on the other side who said we're going to bring democracy back to the people allowed this very flagrant breach of legislation of this province. He suspended it. You might feel that I've said this before and I'm going to say it again. This is the kind of thing that ought to be hung before this Legislature as an indication that the ministers have to be watched; they will pass regulations quickly and not always within the power of their legislation.

But even if the legislation provides for broad powers of passage of regulations, just reading the regulations is not enough. Many people might want to know just what they have done and what the results are of those regulations, what the purpose is for all this. That is all kept quiet and I'm sure that the hon. members on the other side have such great faith in the cabinet that they would never question them.

That is all the more reason why we on this side have to exercise our responsibility to question almost every move of the government. It's the system that we're governed by; it's the parliamentary system; it's the adversary system that requires someone to be concerned as to how we are governed.

I believe that the issue is timely and the hon. Member for Calgary Bow ought to be commended for bringing this issue to the attention of the hon. members so that we can have a discussion and see who is interested in open government.

Every time we hear someone talk we have open government - we have anything but. I believe that this kind of bill, if passed into law, which already has the sanction of another jurisdiction, as having been passed, and hasn't created any difficulties, that much good can come of it. I know it's always easy to stand up and debate and state well, it's going to cost time, it's going to cost money, we'll have to debate longer. Well, the way this government is going on they will soon wipe out the need for any budgeting.

AN HON. MEMBER:

Right.

MR. LUDWIG:

They can save a lot of time there. They spent \$310 million by way of special warrants in the last few months ...

AN HON. MEMBER:

How much have they committed?

MR. LUDWIG:

... and they've committed another \$200 million without legislative approval - half a billion dollars - what are the odds? What's the purpose? Do we need to bring them back here and scrutinize what they're doing? Can we say you must not do that or do we just go along blindly and say well you decided, you must be right, we approve of it? There's got to be an awful serious reckoning in this province one of these days if the government makes a major mistake, which they may have. And we will be asked on this side, where were you? What rights have you got? Have you got any rights as an MLA in this Legislature because the parliamentary system provides equal rights to every member?

And I will have to say that we've been deprived of any effective representation because the other side steam-rollers everything and they don't want to tell us, which has been established over and over again in this House. They like to be secretive. They're just gushing with information when they want to tell you something. But when you want to pry it loose from them the attitude is, but in much politer words: try to get it.

That's exactly what we want to do. We want to open up a few more things and satisfy some of the public that we can get information, that this government will give information, that we can look at the regulations, we can look beyond the smoke-filled room of the cabinet council and find out what they're doing. If that isn't our job - it isn't only our job on this side, it's the job of every backbencher to be concerned as to whether he has any worth in this House. If he hasn't, maybe the public ought to be told that the MLAs have been relegated to insignificance and they can't even find out what's going on.

[Mr. Dixon in the Chair]

How will the people know what this government does when the MLAs are told: well sorry, but this is confidential or this is not in the public interest, or we have to get the consent of those people we paid for the reports to let you know, to allow you to have the information.

So this bill is timely and it would be well if some of the hon. ministers on the other side got up and declared whether they're for more open government or whether they want to keep the lid on everything, especially when we're almost heading into an election. They are reluctant to tell it the way it is perhaps. And that is something that is not only the hallmark of this government. When you read Hansard in Ottawa the Conservatives are often very embattled to try to pry some information loose from the federal government.

We have the converse situation here. Where the Conservatives in Ottawa are fighting for more information, more open government, and fighting very well, they're fighting the very thing that governments do that we are fighting here. And when we'd like to point the finger at Ottawa and say, well here's the way they do it, they're dictatorial, they're this, they're that, the same thing applies to this government. The answer is: try to get it. And if we ever pin one of them down to finally start getting an answer they'll weave and come up with general obscure types of statements. You can't, on analysis, draw an intelligent conclusion from the answer.

We're fighting for the very things we are sent here to fight for: more openness, more knowledge of what is going on with our laws, what's happening with our money, are the ministers passing regulations that we ought to look at to see if they're within their powers.

This is particularly timely because of the tremendous increase in the method of governing, and that is by regulation. I'm sorry that all the hon. members who were in the opposition when they had their commission report - I believe it's under one of our justices; I just forget his name for the moment, but the hon. member who is now the Minister of Mines and Minerals was on that committee. He made quite a name for himself in stating that we must stop government by regulation. The thing was parroted by every member who was in the opposition then: government by regulation. Maybe it was a good point. I'm not at all apologizing or defending the fact that the previous government did it.

The hon. member from Devon said: well, they're just as guilty as we are. At least that's an admission that there is some feeling of guilt.

MR. ZANDER:

Mr. Speaker, I want to correct the hon. member on a point of order. It's not the member from Devon, but he's from Drayton Valley.

MR. LUDWIG:

It wasn't a serious error, Mr. Speaker. They're neighboring areas. The hon. member who spoke just before.

He took time to point out rather accusingly that we did it also. Well the fact that we did it - now you're doing it ten times as much - does not justify the thing, Mr. Speaker.

AN HON. MEMBER:

Not half as much.

MR. LUDWIG:

We have to stop it some place and as good a time to reckon this thing and make a decision is now. So we have some admission. I got the impression from the hon. member that on at least one or two points in the debate he agreed with us. He certainly didn't disagree seriously. I think all hon. members will agree that the question of overextensive use of regulation is not a good thing either for the Legislature or for the people. For that reason, I urge all hon. members to support this bill.

Thank you, Mr. Speaker.

MR. RUSTE:

Mr. Speaker, in taking part in the debate on this bill, I've appreciated the remarks made by the hon. Member for Calgary Bow and the hon. Member for Calgary Mountain View. Certainly the hon. Member for Calgary Bow has documented the case pretty thoroughly.

I rise as one who sat in this Legislature when there were ten members - incidentally one has passed away so there are nine members now in this government who are front benchers. I well recall when they were on this side they got up in this Assembly almost as systematically as a jack in the box: open government, supremacy of the Legislature. The main champion of those statements was none less than the Premier himself who was at that time the Leader of the Opposition. Certainly, Mr. Speaker, when I look at one of their programs before the last provincial election - open legislative process, public laws should be made in public, not behind closed cabinet doors. Now, Mr. Speaker, does the submission made by the hon. Member for Calgary Bow carry this out? Hon. members will debate, well that was done before.

[Mr. Speaker in the Chair]

What I'm saying, Mr. Speaker, is that there are nine members in this Legislature who were in the opposition at the time this proposed program or proposed platform for the campaign was drafted. I might submit also, Mr. Speaker, that many of those members are legally trained people who know what these words mean. They are not just ordinary individuals who say, well it is a nice thing to say. They should realize what it means. I submit, Mr. Speaker, that certainly the reference made by the hon. Member for Calgary Bow, to use a term I suppose, could be that it is a horrendous mockery to have open government. He has proved to the members of this Legislature.

Certainly when we see things happening such as the house leader outlining before the Legislature even started: there's not going to be much in the Throne Speech. Well, here again is another part of the legislative process that is being denied really to the members, especially on this side of the House.

We also get such other things as - we have Hansard. But what is Hansard going to be if we move more and more things into committee, more and more things into orders in council. Actually, Mr. Speaker, in time Hansard will become meaningless as well.

So I submit, Mr. Speaker, that a "now" government that has promoted the idea of an open legislative process with public laws to be made in public and not behind closed cabinet doors - when you get the statistics that were shown by the hon. Member for Calgary Bow, I submit that it is nothing but a mockery of open government and the supremacy of the Legislature.

I think, Mr. Speaker, that time will tell whether we are going to have open government, matters of public importance disclosed on the floor or discussed on the floor of this House, or whether there is going to be an increase of what's been going on over the last three and a half years.

MR. HARLE:

Mr. Speaker, the concern, which is evident in the bill, expressed by the hon. Member for Calgary Bow is of course the same concern which prompted the establishment of the legislative committee on regulations. I might say that perhaps we on this side had already been inundated by regulations and orders in council from the previous Social Credit government. So it was this no doubt which prompted review of regulations in the first place.

In fact all governments are concerned. One has only to look at the studies which have been done in Britain with the Donoughmore committee report, in Ontario with the McRuer report - and in Canada with the MacGuigan report that it becomes fairly evident that this problem of orders in council and regulations has been on the minds of many people over many many years. The Donoughmore committee report goes back to 1932.

In Britain of course there have been a number of moves made to try to scrutinize this type of subordinate legislation. The House of Lords established a special orders committee. In 1944 there was a Select Committee on Statutory Instruments of the House of Commons. In Ontario the Committee on Regulations found a unique committee which scrutinized regulations before they went to cabinet. That's a committee of parliamentary assistants to cabinet ministers. They have the power to sit and were kind enough to

invite us to their committee hearings where they call in the civil servants and anyone else who has briefs to make on the preparation of regulations and orders in council to study them before they actually are presented to cabinet for passage.

They also have a standing legislative committee which studies regulations, but because of its terms of reference it has not been operating very well.

The legislative committee report, here in this House, states on page 37, and I quote: "It is essential that the Legislature exercise proper supervisory function over subordinate legislation." So that if there is any plot, as alleged by the hon. Member for Calgary Bow, I fail to see how it could be a plot because here we have our own House recommending scrutiny of this type of legislation. In fact, the committee itself, our own committee of this House, has recommended that subordinate legislation be transmitted to the Clerk of the Assembly for referral to a standing committee of the Legislature. This of course is scrutiny of this subordinate legislation after it has been passed by cabinet.

They also suggest a similar committee to the committee in Ontario which is a committee of parliamentary assistants to ministers. Now as we do not have that, our own legislative committee on regulations has suggested that we establish a rather similar committee to study regulations and orders in council before they reach cabinet.

Mr. Speaker, the principles contained in Bill 201 simply, in my view, are not based on the work that's been done by our own legislative committee, by the work which was done by the MacGuigan committee, by the work which was done by the McRuer committee of Ontario, and by the work which was done by the Donoughmore committee in Britain. On this basis, the member's arguments that he presented in presenting this bill showed no research into what is really a very difficult area. I would urge hon. members to vote against the bill.

Thank you.

MR. LFE:

Mr. Speaker, in speaking to Bill 201 I would like to echo many of the words of my colleague from Stettler, because through an exhaustive study of regulations I think that it would be premature to advance with a bill such as 201 which does deal with one of the areas of statutory instruments. Statutory instruments, regulations, special warrants, and so on - this whole area of regulations was dealt with by the report. I think it would be premature to really advance with any kind of legislation any kind of policy before we have had a full debate of the entire area of statutory instruments. I note that on the Order Paper under government motions there is such a motion that would advance this type of debate.

I want to make a couple of comments about the general area which Bill 201 has covered and I might add that in the debate as presented by the mover of the bill, I think he took a rather restricted approach to the whole area of regulations, placing an emphasis, as many of his colleagues have done, on only one area of regulations, only one area of order in council and that is the special warrant.

I would point out that when we are talking about regulations, when we're talking about statutory instruments, these are authorized by statutes as passed in this Legislative Assembly. And I think it's important for us to recognize just what the relationship is within a Legislature between the legislative and the executive aspects of government. I think through the committee report we have an exhaustive description of how the development of the authority to pass orders in council, regulations, special warrants and so on was developed not only through our Canadian jurisdiction but through other parliamentary jurisdictions throughout the world.

If we were to pass a bill like 201, I think we would be ignoring the very real distinction that has been made in parliamentary tradition between the legislative and executive branches of government. Traditionally it is simply this, the legislative branch of which we are all a part establishes the broad policy through legislation, through debate, for the executive branch of government.

Mr. Speaker, I note it is 5:30 and I have some more comments so I beg leave to adjourn debate.

SOME HON. MEMBERS:

Agreed.

MR. HYNDMAN:

Mr. Speaker, by way of business of the House this evening, at 8 o'clock we would move to a continuation of the Throne Speech with perhaps three speakers until about 9:15, then at 9:15 move on to government bills and orders on page 2 of today's Order Paper. They would probably be these and the order would depend on the availability of the movers: Bill No. 10, The Irrigation Amendment Act, 1975; Bill No. 15, The Alberta Property Tax Reduction Amendment Act, 1975; possibly Bill No. 16, The Department of Culture, Youth and Recreation Amendment Act; Bill No. 4, which is in committee, The Medical Profession Act; Bill No. 19, The Co-operative Associations Amendment Act and Bill No. 18 The Social Development Amendment Act, 1975.

MR. SPEAKER:

The Assembly stands adjourned until 8:00 o'clock this evening.

[Mr. Speaker left the Chair at 5:30 p.m.]