

LEGISLATIVE ASSEMBLY OF ALBERTAhead: **ORAL QUESTION PERIOD**Title: **Friday, April 23, 1976 10:00 a.m.**

[The House met at 10 a.m.]

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS****Bill 22****The Alberta Investment Fund Repeal Act**

MR. LEITCH: Mr. Speaker, I beg leave to introduce Bill No. 22, The Alberta Investment Fund Repeal Act. This being a money bill, His Honour the Honourable the Lieutenant-Governor, having been informed of the contents of the bill, recommends the same to the Assembly. The purpose of the bill, Mr. Speaker, is to repeal legislation passed in 1965 which set up the Alberta investment fund. The bill provides for the redemption of the few outstanding investment certificates and for the payment of the losses of the fund, which are approximately \$250,000, out of the general revenue fund of the province of Alberta.

[Leave granted; Bill 22 introduced and read a first time]

head: **INTRODUCTION OF VISITORS**

MR. HYNDMAN: Mr. Speaker, it's my pleasure today to introduce to the Assembly a distinguished visitor from the maritimes seated in your gallery. He's the Hon. Bill Gillis, the Minister of Mines also responsible for energy matters for the province of Nova Scotia. He is here after a visit to four other provinces, and has been involved in an informal exchange of views on energy and other matters with the Minister of Energy and Natural Resources and me. I would ask that he rise and be recognized by the Assembly at this time.

MR. HARLE: Mr. Speaker, also in your gallery today is a visitor from down under, Mr. Dennis Young, MLA for the Baroona Electoral Division of the Queensland Legislative Assembly in Australia. I would ask Mr. Young to stand and be recognized by the Assembly.

MR. MINIELY: Mr. Speaker, it is my pleasure today to introduce to you, and through you to the members of the Assembly, a group of 120 students from Victoria Composite High School in the constituency of Edmonton Centre. They are accompanied by their teacher, Mr. Scragge, and are seated in the members gallery and the public gallery. I would ask that they rise and be recognized by members of the Assembly.

Heritage Fund

MR. CLARK: Mr. Speaker, I'd like to direct a question to the Government House Leader. Is it the intention of the government to proceed with the heritage fund debate today?

MR. HYNDMAN: Yes, Mr. Speaker.

MR. CLARK: Mr. Speaker, we have no further questions.

AN HON. MEMBER: Great.

Animal Transportation Regulations

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Agriculture. Has the minister received a copy of the federal regulations for the transport of animals?

MR. MOORE: I beg your pardon, Mr. Speaker, I was not able to catch the full extent of the question.

MR. TAYLOR: My question is: has the hon. minister received a copy of the federal regulations that just came out dealing with the transport of animals?

MR. MOORE: I'm not aware that my office has, Mr. Speaker. I would expect the department has.

MR. TAYLOR: A supplementary to the hon. minister. I wonder if the hon. minister would endeavor to check these regulations. Then I could ask one or two questions at a later date.

MR. MOORE: Yes, Mr. Speaker, I'll do that.

Mobile Homes — Airdrie

MR. KUSHNER: Mr. Speaker, I wish to direct my question to the Minister of Municipal Affairs. Has the mobile-home subdivision proposal for Airdrie in fact been approved, or does the minister have any indication roughly when — I've had several inquiries from my constituency, and they are very concerned about it.

MR. JOHNSTON: Mr. Speaker, I would point out for clarification that the subdivision in Airdrie is progressing in a normal fashion. The application is being circulated to all the participants. The planning commission is weighing it in its normal manner. What has happened, however, is that the amendment to the regional plan which considered densities — the question of densities for the mobile homes specifically — was denied by the Calgary Regional Planning Commission, given some further information regarding education.

I might point out that in a recent letter to me from the director of the Calgary Regional Planning Commission, the view was expressed that, first of all, they agreed with the government's opportunity to expand and to allow development to take place in Airdrie and, secondly, they commended the Department of Housing and Public Works, through the Alberta Housing

Corporation, for its innovative low-cost housing approach.

It is my understanding that the process will continue until about the end of May. It is my further understanding that the planning board has now received from the town of Airdrie an appeal of the density change recommended by the Calgary Regional Planning Commission.

MR. KUSHNER: Supplementary question to the minister. Is the minister in a position to inform the House why the subdivision in fact proceeded east of the highway rather than west of the highway where all the services and schools are? My reasoning on that, of course, is that Airdrie has adopted a new general plan as far as the residential [area] is concerned, yet the mobile-home site is being directed or proposed to be built on the industrial site.

MR. JOHNSTON: Mr. Speaker, perhaps the reasons for the location on the east side of the highway may be better addressed to the Minister of Housing and Public Works, responsible for the developer, the Alberta Housing Corporation.

MR. YURKO: Mr. Speaker, it would be appropriate to advise the members of the Legislative Assembly that there has been a great deal of resistance to mobile-home subdivisions or parks, not only in the Calgary area, but generally around both metropolitan areas. It was a case of attempting to find a site that was acceptable to the town as well as the regional planning commission.

The site was not selected until it was indeed discussed with the town and with the regional planning commission to get an indication whether or not a site in the Airdrie area would in fact be acceptable, and where. The area west of the highway is reserved, if you wish, or identified, for a normal type of subdivision expansion rather than a mobile-home subdivision.

MR. KUSHNER: Supplementary question to the Minister of Housing and Public Works. Maybe I didn't get it quite clear.

Did the minister indicate, as I understand it, that the town of Airdrie did not in fact approve of the mobile-home site to be developed on the west side? Is that understanding clear?

MR. YURKO: Mr. Speaker, what I said was that, when this matter was checked with the town and the regional planning commission, a mobile-home subdivision as an appendage to the existing town was not looked upon favorably. But, from the points of view of both the town and the regional planning commission, it was acceptable on the other side of the highway.

Automobile Insurance

MR. LITTLE: Mr. Speaker, I believe this question would be best directed to the Minister of Consumer and Corporate Affairs. If this is not the case, would the minister refer it.

The insurance company regulations at the present time provide for a three-year review of accident records, while the regulations of the demerit point

system provide a two-year wipe out. Could the minister inform the Legislature whether there are any plans to make these two regulations identical and, therefore, consistent?

MR. HARLE: I'm not aware of any plans at this time, Mr. Speaker.

MR. LITTLE: A supplementary. Would the minister consider such a change if this were properly brought to his attention?

MR. HARLE: Mr. Speaker, I believe the individual companies set the rating structures for their policies and drivers. Where it comes to bear upon the compulsory portion of the package and therefore would affect the premiums for the compulsory portion, of course, it could be considered by the Alberta Automobile Insurance Board.

MR. LITTLE: A supplementary by way of information, Mr. Speaker. I am informed it is not an individual company regulation but includes all companies. It is a board regulation.

Grande Prairie Annexation

MR. BATIUK: Mr. Speaker, I'd like to direct my question to the hon. Minister of Municipal Affairs. Could the minister advise the exact total amount of land that has been approved for annexation by the city of Grande Prairie?

MR. SPEAKER: I might suggest to the hon. member that the question is one which really should be put on the Order Paper.

Gun Control

DR. WEBBER: Mr. Speaker, the question is to the hon. Solicitor General. I understand a collapsible .22 semi-automatic rifle is being sold over the counter at Woolco.

Would the minister indicate whether this is legal without a permit?

MR. SPEAKER: The hon. member is asking for a legal opinion. Perhaps he might seek it otherwise.

DR. WEBBER: Mr. Speaker, could I ask then whether the minister is aware of the situation and would care to comment?

MR. SPEAKER: We have had a number of suggestions that ministers comment on subjects. I would respectfully suggest that during the question period the comment should be somewhat more structured, and its direction should be indicated somewhat more definitely by the question.

MR. FARRAN: Mr. Speaker, is it in order for me to . . .

MR. SPEAKER: There was a question there, in addition to the request for a comment. I would respectfully

ly suggest that if the minister wishes he might answer the question.

MR. FARRAN: Mr. Speaker, I am aware of it. The Calgary city police have been in touch with me — Deputy Chief Forster, who's the official registrar of firearms in Calgary. I haven't had time to assess the situation, but his immediate judgment is that these are restricted weapons because they can be collapsed to such a small size that they can be concealed. He is sending further information to Edmonton for a full review.

I might say the Woolco stores have been most co-operative, and are prepared to take these weapons off their shelves and refund money to anyone who has bought one if these should prove to be restricted weapons under the federal act.

Coal Mine Application

MR. JAMISON: Mr. Speaker, I'd like to direct a question to the Minister of Energy and Natural Resources. I believe there was discussion and action in the Luscar coal mines last fall regarding the possibility of a new mine.

I wonder where this stands today, whether it's been approved, and whether the province of Ontario will be looking at this as a source of coal for its power plants.

MR. GETTY: Mr. Speaker, Luscar Ltd. did apply to the Energy Resources Conservation Board under The Coal Conservation Act for a permit to develop a mine. There was a hearing to consider the application. A recommendation to approve the application was made by the Energy Resources Conservation Board to the Executive Council.

The application has been held pending the establishment of a new royalty system which would be incorporated in the proposed coal policy we are presently working on. So I would expect that the application and the recommendation from the Energy Resources Conservation Board will be dealt with by Executive Council shortly after the establishment of a new royalty system.

Inmate Employment

MR. TAYLOR: Mr. Speaker, my question is to the hon. Solicitor General. Are inmates on day parole from correctional institutions permitted to take jobs with private industry?

MR. FARRAN: Yes, Mr. Speaker. If they successfully apply for day parole to the National Parole Board, there is no doubt that while they are out on day parole they could be working for a private employer, taking vocational training, or going to school. These would all be conditions on a parole order. When they apply to the National Parole Board for such a privilege, the conditions are written into the order by the parole board.

MR. TAYLOR: Supplementary. Are such prisoners paid the regular rates of pay?

MR. FARRAN: Mr. Speaker, this would again depend on the type of job. If they were with private employers, they would probably get the going rate. If they were on day parole for some sort of rehabilitative training under the auspices of my department, they might get as little as \$2 a day. It just depends on what they are doing.

MR. TAYLOR: Supplementary to the hon. minister. Where an inmate does receive the going rate of pay, is he required to pay board and room to the prison?

MR. FARRAN: Mr. Speaker, if the day parole involves him coming back into the correctional institution, his moneys are handled in a special way under The Corrections Act. They are put in a trust fund and given to the prisoner at the time of release.

If he is being allowed out of some institution of lesser security where he has to pay board and room to something like the John Howard Society, that would be a different case again.

ORDERS OF THE DAY

head: GOVERNMENT BILLS AND ORDERS (Second Reading)

Bill 35

The Alberta Heritage Savings Trust Fund Act

MR. LOUGHEED: Mr. Speaker, I move second reading of Bill No. 35, The Alberta Heritage Savings Trust Fund Act.

Mr. Speaker, my remarks this morning will be divided into three segments: first, the concept itself, the need for it, and the objectives of the trust fund; secondly, the three divisions of the fund; and thirdly, the legislative framework under which the fund will operate.

Mr. Speaker, the concept of The Alberta Heritage Savings Trust Fund Act is clearly set forth in the preamble to the bill, which should be repeated on the record:

Whereas substantial revenues are being received by the Province from the sale of non-renewable resources owned by the people of Alberta; and

Whereas there is a limited supply of non-renewable resources and therefore revenues from the sale of those resources will ultimately be reduced; and

Whereas it would be improvident to spend all such revenues as they are received; and

Whereas the Legislature of Alberta considers it appropriate that a substantial portion of those revenues be set aside and invested for the benefit of . . . Alberta in future years . . .

Mr. Speaker, the need to establish such a fund should be underlined at this time. I'm sure hon. members are aware that the oil reserves in this province have been declining steadily since 1970, that there has been no new major oil discovery of any significance in Alberta since the Rainbow discovery over 10 years ago, and further, that as important as the oil sands are in a productive sense, it is still forecast that in 1982 the combination of both the

Great Canadian Oil Sands plant and Syncrude in full operation will provide only 17 per cent of Alberta's forecast production.

Mr. Speaker, it should be noted that there is, of course, adequate supply for Alberta's needs and the needs of the citizens in this province, where we have, as hon. members are well aware, the 30-year rolling requirement set aside for Alberta needs. But, Mr. Speaker, the reliance for services by the provincial government and hence the citizens upon revenues from non-renewable resources is a factor that needs to be frequently underlined. I refer hon. members to page 13 of this year's Budget Address and quote these two important paragraphs:

As shown in the supplementary information, non-renewable resource revenues account for 45 per cent of estimated 1976-77 budgetary revenues. If the 30 per cent allocation to the Heritage Savings Trust Fund is added, non-renewable resource revenues account for nearly 55 per cent of total provincial revenues — more than double the percentage of only four years ago.

This dramatic increase in depleting, non-renewable resource revenues points to the overwhelming need to save and invest a substantial portion of those revenues for the benefit of Albertans in future years. Those who call for increased spending now without increasing taxes on present Albertans should pause to reflect on the legacy such action would leave to our children and [to our] grandchildren.

Mr. Speaker, as has been said many times, we are the largest spending province per capita in Canada. Surely it can be accepted by the people of this province, and it cannot be too frequently repeated, that what is proposed here today in Bill 35 is for 70 per cent of the non-renewable resource revenues to be used for current needs of our citizens and, in this time of relatively rapid production, only 30 per cent set aside for future generations. Mr. Speaker, I think that is an important point for members to underline in terms of the debate on this bill.

Mr. Speaker, the goals and objectives of this fund are essentially four in number. First of all, to look to the future in terms of a future source of revenue, either through the income flowing from the fund or from the fund itself, as resource revenue declines in the years and decades ahead.

Secondly, to provide a source of future capital which can be set aside to reduce the debt load that may at some future time, perhaps not too far away, be required by the citizens of this province for capital projects of a budgetary nature.

Thirdly, to improve the quality of life in this province, to do some special things that no other province is able to do, so the quality of life here becomes even better and certainly compares well with all other parts of Canada.

Mr. Speaker, most significantly, the fund also has as a goal and an objective the very important need to strengthen and diversify the economy of this province, as I have been saying publicly since 1965. It is fairly clear to forecast that for Alberta in the mid-1980s, oil and gas as both a source of revenue and as a job-creating part of our economy in a conventional sense will have passed its peak. New jobs and opportunities for our young people will have

to come, not from the conventional oil and gas industry as they have in the '50s and '60s and early '70s, but from other areas. It is not just the direct jobs in oil and gas that are so important. As we've discussed many times in this House, it is the economic multiplier effect that flows throughout all segments of our society and makes it such a strong and vibrant province today.

For those of you who have not experienced the situation of an area or economy that has passed its peak in terms of its conventional oil and gas industry, I suggest you go, as I did in the early 1950s and latterly, to Oklahoma City and Tulsa to look at one good example of what happens to vibrant communities that have not planned for diversification and for other opportunities.

Mr. Speaker, the creation of new jobs is a challenge for government, for the Legislature, and for the people. We can't continue to rely upon the conventional oil and gas industry to provide such a significantly large portion of the direct and indirect jobs.

It will be difficult to reach this challenge of economic diversification. We have some very serious limitations in Alberta today. Transportation and the distance from markets is one of the important weaknesses we have.

There are not that many opportunities for a province of our size, our geography, and our situation. But there are some. The opportunities to diversify are there in terms of the oil sands, particularly the *in situ* way; in heavy oils, perhaps more than we forecast until recently; and clearly in the upgrading of non-renewable resource revenues. [We] need to look to the petrochemical and plastics area and recognize the very difficult position we're in in this province. The previous administration in this province allowed the Petrosar project to get under way and be a reality, putting us in the position where we're competing with a project supported by our taxpayers' money, using the resources coming from this province for jobs in Sarnia, Ontario: a clear and very serious setback to the people of this province in terms of upgrading our own resources, and making it very difficult for us in petrochemicals.

There are the renewable resources we've mentioned many times in this House which need to be even further emphasized. In the area of agriculture, we've talked about what can be done in terms of extended irrigation, what can be done by way of community pastures and grazing leases and more opportunity in that area.

Of course, there is the very difficult matter of processing our agriculture products here and, as the Minister of Transportation is well aware, the need to work to achieve a realistic and complete breakthrough in the freight rates inequities that exist in Canada today, as presented by the province of Alberta at the Western Economic Opportunities Conference.

There are opportunities for investment and diversification in the forest products area. This session we've already discussed in this House the important fact that they're concerned about the position of hospital services in the town of Whitecourt. Isn't it something that they're concerned, because a government came along and finally decided to do something about moving that operation in the town of Whitecourt, and that's significant.

Mr. Speaker, one of our opportunities is as the

gateway province to the north. The key is whether we're going to have a say in the decision-making with regard to transportation and northern development in this province. There's no doubt in my mind — none whatsoever — that the bold decision this government made in terms of Pacific Western Airlines will prove in the decade ahead to be one of the boldest strokes of a government that's not just talking about transportation, but doing something about it.

Mr. Speaker, I think we have a chance. It will be hard, but I think we can do it. In terms of research, it will challenge the ingenuity of this Legislature and of government. In terms of developing a brain centre here in a number of different ways, we already have a base of talented and skilled people. I think we can do it, and I look forward to those debates relative to the capital projects division.

Also, in terms of financial institutions, there has been some progress that I think stems from the important European mission we had, the interest of people involved in the financial institutions to come and to look, not just at central Canada, but at establishing their financial institutions in the west and Alberta in particular. I think the recent decision of the Royal Trust company was a very important case in point.

We have opportunities in tourism and recreation too. But we don't have that many opportunities, and we are going to have to work very, very hard to capitalize on those that are available to us for jobs for our young people.

Mr. Speaker, there is an attempt, and that's really all it is, to distort what I have just said, and what I've said many times in the past. We have no dream of an industrial state. We don't want the smokestacks here. We want the best jobs here. We want the brain power here. We want the upgrading of our resources here. We don't want to be shipping our jobs down the pipeline or sending our agriculture products down and buying them back. We want diversification.

Mr. Speaker, the need for a fund of this nature is most apparent. I frankly consider it essential to the people of Alberta. I echo the views of the Provincial Treasurer that it would be a sad legacy indeed if we didn't establish such a fund at this time, and mean it.

Mr. Speaker, the investments of the fund must meet both of two important challenges, and that's what's going to make the fund so difficult. It must offset the probability of declining revenue in the future by its appreciation and by its income. At the same time, it must be a vehicle for diversification and for strengthening our economy, as I've just outlined. It must do both; not just one, but both.

On the revenue side, the fund's investments must be of a nature that, as much as possible, [they] will attempt to offset the impact of inflation upon the fund. As far as diversification is concerned, it should give the economic muscle to this government to do certain bold steps that wouldn't otherwise be done: moves in the area of irrigation, which we know is an untapped potential and which we've discussed before; Pacific Western Airlines; and a move in transportation that I mentioned just a few moments ago.

I recall those years 1965 to 1971 and the many times I heard, why can't Albertans have a piece of the action in terms of natural resource revenue? Then,

when the time came and we presented the Alberta Energy Company and its concept to the people of this province, they ignored the sceptics. They came through with \$79 million to show they wanted a piece of the action.

Mr. Speaker, I think it's important to trace the history of the concept of the Alberta heritage savings trust fund in terms of our position in the Alberta Legislature. Hon. members will recall, as I do, the date of March 27, 1974, when 11 governments — maybe it never will happen again — sat down and had a very long lunch in Sussex [Drive] and agreed on a price for oil, \$6.50 a barrel — when we came to office and took over from the previous government, it was \$2.85 — established that price with all its great breakthrough and import to the base industry of this province and to the revenues of the province.

I remember returning to the Legislative Assembly on March 28, being asked many questions, and enjoying being asked them. I recall that I was asked a question the very next day with regard to what we intended to do. Mr. Speaker, [according to the] March 29, 1974 *Hansard*, I said, we intend and have always intended to put aside in a fund a substantial proportion of these funds.

Mr. Speaker, I then went into this Legislative Assembly in the fall of 1974. In reviewing the economy of the province at the opening of the fall session, I dealt with the matter of surplus funds and outlined to the Legislature that we'd been giving careful consideration to our long-term planning of the natural resource revenues being set aside from the budgetary surplus. On page 19 of the Budget Address of February 7, 1975, the then Provincial Treasurer, Mr. Minielly, set it forth for the citizens of Alberta, as follows:

According to our government's policy that a substantial part of the incremental oil royalties must be invested in such a way as to promote diversification of our economic base, an Alberta heritage trust fund will be established to ensure the prosperity of future generations of Albertans. I have not included the incremental crude oil royalties in budgetary revenues in order to make it clear that these revenues are not, and will not, be available to finance ongoing, normal budgetary [programs]. After allowing for the substantial tax reductions and new expenditure programs contained in this Budget, I estimate that \$1.5 billion will be available by December 31, 1975 for transfer to an Alberta heritage trust fund for present and future Albertans.

That was set forth in that budget as a dramatic departure from normal budgetary practice.

Mr. Speaker, hon. members may recall that on a Friday morning, February 14, 1975, in this House, we dissolved the Legislature to call a provincial election on March 26, [1975]. I think hon. members will recall. Mr. Speaker, I just want to refer to some of the observations I made at that time. I stated that — and I'm quoting from *Hansard* of February 14, Mr. Speaker:

... this budget, Mr. Speaker, purposely raises a fundamental issue for Albertans. Are we prepared as a province to put aside substantial sums of current revenues from the sale of nonreplaceable crude oil production, put it aside for our children and for our grandchildren and

not make it available for current revenue needs; to use it for that day in this province that could well come when the revenues from the sale of depleting resources are no longer as significant, when some of the wells may have gone dry, when perhaps the discoveries of replacement reserves haven't worked out, and to diversify the economy of this province so we become less reliant upon the sale of oil to sustain our economy.

I went on to say, Mr. Speaker, that:

One can debate endlessly the details of such a fund, the parameters and the terms of reference, but the key is the basic concept of the fund. Do Albertans really accept the concept? I don't know. I think they do, but standing here today, I do not know. Are Alberta citizens prepared to do with somewhat less today, even though more than those in other provinces, so that their children and their grandchildren might enjoy at least the same level of prosperity that we have today when the oil wells do go dry?

Our mandate in 1971 did not involve such a concept as the Alberta heritage trust fund. We need to know. We need to know if the people in fact accept such a fund and want us to develop it. We will set out broad parameters. We will not though tie our hands in these rapidly changing times to specifics. We do need the endorsement of Albertans of the creation of such a heritage trust fund. During the forthcoming weeks and months we will further develop the parameters and relationship to terms of reference, the purposes and objectives of the fund, the necessary legislative review.

Mr. Speaker, on that day I concluded my remarks in the House by saying:

Therefore, Mr. Speaker, the time has come for us to find out: does the public of Alberta endorse this Budget and specifically the Alberta heritage trust fund concept — a dramatic departure from customary provincial government budgeting. And secondly: do the people of this province have confidence in their government's handling of the energy resources of Alberta. Mr. Speaker, it is a time for Albertans, it is a time for Albertans to stand together.

Therefore, Mr. Speaker, I will now call upon the Honourable the Lieutenant-Governor to ask for immediate dissolution of the 17th Legislative Assembly of Alberta for the purposes of holding a general election on Wednesday, March 26, 1975.

Mr. Speaker, the importance and significance of that is that the election was called for two reasons. The first reason was to obtain the support and concurrence of the people of Alberta in the concept of the Alberta heritage savings trust fund as we would develop and outline it during the course of the campaign.

Mr. Speaker, during the course of that campaign I travelled fairly extensively in this province. [In] well over two dozen of what I can call "appearances", there was not one occasion when I did not make the Alberta heritage savings trust fund concept, and the approach we had towards the fund, fundamental in the remarks I made to the people of this province in that campaign.

I recall speaking in Taber on February 27, to the following effect, Mr. Speaker:

In our view, one of the greatest untapped potentials of this province is to better utilize our water resources through irrigation programs so [that] the farmers in Southern Alberta can expand their capacity to produce and further diversify our agriculture potential.

Because of the impact of a major investment on water resources and irrigation works to the long-term benefit of the province, it would be our intention, if re-elected on March 26th, to invest [as a government] a significant portion of the Alberta heritage savings trust fund in water resources and irrigation projects.

Then, Mr. Speaker, as I said I would in answer to questions during the course of the campaign, I went to a rally in Red Deer on March 12 and set forth in considerable detail the purpose, the goals and objectives, the source of the fund, and the types of investment involved. I said:

For example, the recently announced commitment of a special revolving Mortgage Fund of \$200 million for Starter Homes which will provide mortgage financing at preferred low interest rates for basic, modest housing units for the purpose of achieving expanded home ownership in Alberta . . .

is one type of investment that should go in the fund.

I went on to talk about investments to stimulate the economy of Alberta.

One example would be the Provincial Government investment in the shares of the Alberta Energy Company. Another area would be in improved transportation facilities.

Mr. Speaker, I then went on to guidelines and parameters and, finally, legislative framework. I said the fund would be established under an act of the Legislature with "appropriate legislative framework and legislative authority for the appropriation of the fund", that we would establish:

A new Standing Committee of the Legislature . . .

to annually review the operations of the Fund and to report to the Assembly any recommendations or suggestions for adjustment, alteration, supervision or guidelines for the operation of the Fund or possible amendments to the legislation.

I referred to the Provincial Auditor as being involved.

Mr. Speaker, on March 26 the people of this province came to the polls. I think it was a clear mandate for the government to set up a fund and invest it for future generations. I don't think there's any doubt about the significance and meaning of that mandate. Mr. Speaker, as hon. members are aware, we went back in the 18th Legislative Assembly. My remarks in Red Deer were attached as a budgetary document to our budget statement of May 30, 1975, setting forth the legislative framework.

Then in the fall of 1975 we presented Bill 74 to this House and allowed it to die on the Order Paper to give further opportunity to the people of this province to respond to the proposed legislative framework for The Alberta Heritage Savings Trust Fund Act, although that concept started in March 1974, now over two years ago. Nine days ago we reintroduced Bill 35 in this House and are now in second reading on that bill. That's the history, Mr. Speaker, an important history

of the Alberta heritage savings trust fund concept and its framework.

I've been asked by a number of citizens to give some better explanation of the balance between the three divisions contemplated in the fund. The first area is the capital projects division. I refer hon. members to Section 6(1)(a) and to Section 6(2). Basically, we have a situation where, as a government presenting this bill, we tried to assess that there should be some portion of the bill that would not provide an immediate return, but would provide a longer term return. I use the example of irrigation, because I think it's so obvious and so clearly understood. Quite obviously the work we intend to do in expanding the irrigation facilities in this province is such that it's a long-term investment to increase the productivity of the agriculture community. We knew we had to have a portion there.

As I mentioned in my remarks in Red Deer on May 12, 1975, we also wanted to have a significant impact in the area of research, particularly medical research. We thought there were other areas where we could be a Canadian centre and have the best brains and greatest talent collected here, certainly in Canada, perhaps anywhere. So we thought we had to have a portion of the fund directed that way.

There was the other objective, I've already outlined, of the quality of life. There were a few things that, in normal situations, governments simply couldn't do or wouldn't feel they were able to do that would have lasting social benefit. Perhaps one classic example is our innovative plan for metropolitan parks, for having parks where the people are.

The question we faced in presenting this bill, Mr. Speaker, was how large a portion. We needed the assurance of economic diversification and the return and the problems of maintaining a fund in the face of inflation. It was our judgment that it should not exceed 20 per cent. We also reached the view, and I will get to this in more detail later, that although it was an investment in our view of an investment, because it would not provide an immediate return or profit we looked at it in a parliamentary sense in a somewhat different way. Therefore, as you will see from the act, there is a special provision requiring an annual act of the Legislative Assembly by way of appropriation [for] the capital projects division.

The second division, Mr. Speaker, is the Canada investment division, and I refer hon. members to Section 6(1)(b) and Section 6(3). Hon. members will note in the bill, Mr. Speaker, that loans are essentially restricted to other provincial governments or provincial government agencies. In presenting this bill, it was the feeling of the government that we should not exclude ourselves from this opportunity, that in terms of sound investment portfolio management there should be a natural balance, and that there would be opportunities that should not be passed up because they would and could provide a good solid return. On the other hand, we were aware of the feelings of Albertans, as we ourselves have expressed, that the fund is primarily for Albertans, in terms of both revenue and economic diversification. So we felt there had to be a pretty significant limitation on this area. We questioned how large, and came to the conclusion that it should be not larger than 15 per cent.

This brought us to the balance, if you like, of the

three divisions of the fund. The Alberta investment division: here I refer hon. members to Section 6(1)(c) and Section 6(4). It's a unique challenge in parliamentary democracy, Mr. Speaker. To my knowledge and from our research, no such bill has ever been introduced in a legislature of a parliamentary democratic nature. In that sense, there are really no precedents to follow. As a first, with lots of unknowns, it's our view and I'm sure a view supported by the citizens of this province — because I believe they have confidence in this government, in the need for maximum flexibility. The Alberta investment division is intentionally drafted as being broad and flexible, and it should not be misunderstood. It is not limited to the 65 per cent. There are only two qualifications: that an investment, first, yield a reasonable return or profit, and secondly, tend to strengthen and diversify the economy of Alberta in the opinion of the government elected by the people.

Mr. Speaker, clearly the investment in house mortgages that the Minister of Housing and Public Works has described in some detail in the Legislative Assembly is a good example of that sort of investment for the people of Alberta. It provides a good and reasonable return. It provides an improvement in the quality of life, and by the geographic nature of its investment it helps in terms of diversification. I think we all agree that by the multiplier effect it has some impact upon the economy of the province; Mr. Speaker, so would the Alberta Energy Company shares, quite obviously an area of appropriate investment by the Alberta investment division. But beyond these comments, Mr. Speaker, we do not intend to propose or approve legislation that would tie this government's hands in advance and place us in a strait jacket.

Mr. Speaker, I should mention in passing that those investments that are not within the three divisions will then be invested in the normal manner by the Provincial Treasurer, as outlined in Section 9. It should be mentioned that the \$1.5 billion proposed to be transferred to the fund is now largely invested by the Provincial Treasurer, under The Financial Administration Act, in short-term securities providing a good rate of return to the people.

In summary on this segment, Mr. Speaker: up to 20 per cent in long-term economic and social benefits; up to 15 per cent only for outside the province — that would exclude the possibility of an investment outside the province that would fit within the Alberta investment division; the balance in the Alberta investment division. Mr. Speaker, I believe the three divisions taken together as described meet the goals and objectives I've outlined of the Alberta heritage savings trust fund.

I want to underline again, because it can't be underlined too much, that we propose to put in this trust fund each year 30 per cent of the non-renewable resource revenue, and to separate this from the normal budgetary requirements of capital and operative. However, I want to note at this time that the government can perceive a situation where to preserve the integrity and strength of the fund, with 30 per cent going into the fund and 70 per cent of non-renewable resource revenue flowing into the general revenue fund for current needs, there could be a time in the future when we would concurrently be borrowing for current budgetary capital

requirements.

Mr. Speaker, I believe this fund, with the proportion of non-renewable resource revenue allocated to it and its three divisions, is a responsible and mature approach to a very difficult challenge for the government of Alberta.

Mr. Speaker, I now want to turn to the next segment of my remarks and deal with the legislative framework involved. In introducing the bill, I mentioned that there are four ways for legislative control over the fund and over the government's investment of the fund.

The first is the act each year with regard to the capital projects division that I've already mentioned. The second is the establishment under Section 13 of a select standing committee of the Legislature, which will have an opportunity to meet, have assistance, do the research, peruse the annual audited report, and in the fall session bring to this Legislature recommendations and comment, and review the statement and operations of the fund.

Thirdly, Mr. Speaker — and in this case I know somewhat the difficulty in second reading, but I just think the need is such that I have to refer to it. I would like every hon. member to look at Section 6(4)(a) on page 5 of the bill, which seems to be so conveniently and intentionally ignored by some, that investments referred to in the Alberta investment division:

... shall be made in accordance with any directions contained in any resolution of the Legislative Assembly relating to such investments ...

In other words, Mr. Speaker, through the vehicle of a resolution, the Legislature can direct the investment committee to not invest in something, to invest in something, or to divest an investment.

Mr. Speaker, if we got involved in investing in the potash industry in Saskatchewan or bonds in New York, I might go across to the other side of the table and propose the resolution myself. But that's what the resolution is for, for this Legislature to establish the parameters for this government in terms of investment, if they're not satisfied with the investment policies outlined and set forth [for] our management of the fund.

Fourthly, Mr. Speaker, the major change I set forth in Bill 35, as compared to Bill 74 that was presented in the fall session of the House, was to establish a special act of this Legislature each year to authorize in advance 30 per cent of the non-renewable resource revenue. So if this legislation is passed in Bill 35, from then on no additional money will move into the fund without the special act of this Legislative Assembly.

If the Legislature is not satisfied with the investment committee's management of the fund, it can refuse to authorize passage of that special act. Without the slightest doubt in my mind, Mr. Speaker, or in the minds of objective thinkers in this province, the Legislature controls the tap. It turns it on or turns it off. The Legislature clearly controls the purse strings of this fund.

Mr. Speaker, I think it would be useful to pause a moment and just briefly outline for the benefit of the members the sort of timing and scheduling we visualize would occur with the fund in a rather normal year.

Quarterly reports would be made public and presented to the members of the Assembly as soon as they were available, pursuant to Section 11. The books would close on a fiscal year on March 31, and pursuant to Section 12, there would then be an annual report by the Provincial Treasurer, which would be audited by the Provincial Auditor and would be made available presumably some time during the summer.

The select legislative standing committee under Section 13 would then review and analyse the report, and table its recommendations and comments at the fall session. The government would then introduce a special act of the Assembly and, concurrent or in proximity thereto, would present the act for the capital projects division appropriation. So, Mr. Speaker, that's the proposed schedule we have in mind relative to this legislation.

Mr. Speaker, an argument has been made that there should be prior approval of the investments by the Legislature. Mr. Speaker, this is not parliamentary practice, and never has been. You know, I could think of a lot of examples, but the interesting situation is that the best example is right here. The best example is the Social Credit government of 1965 to 1967. At that time they had a surplus of almost a half a billion dollars — you want to translate that into 1980 dollars.

We've done our research. If you look hard, you can find a line in the public accounts called Cash and Investments. If you look a little harder you find it's broken down among three areas. You'll find no comment, no explanation. You can search the Provincial Treasurer's speeches in that period of time: not a reference to it, not a reference of explanation, much less prior approval. Well, Mr. Speaker, I thought I might phone somebody who sat over there in that period of time. I phoned Mr. Dickie this morning and asked him if I was right in my research. He said, if they'd ever done it, I'd have been the most surprised Albertan in the whole province.

Mr. Speaker, by the way, where is that surplus? Where has it gone? How has it been accounted for? Alberta Resources Railway, perhaps? I don't know. Talk about prior approval; how about subsequent accountability?

Mr. Speaker, the fact is that this act, this Alberta Heritage Savings Trust Fund Act, reduces — significantly reduces — the government's authority to do what it's now entitled to do. The fact is, the clear fact is, that this act materially increases legislative control over the surplus funds of the provincial government.

Secondly, Mr. Speaker, the opposition has suggested that despite traditions and practice of parliamentary democracy, the government should be obliged to come to this Legislature in advance to get approval of its investments. Mr. Speaker, I have only two words to describe that concept: impractical and naive. It would cost the people of Alberta dearly.

Let's look at some of the scenes, if we had such ridiculous legislation requiring prior approval in this Legislative Assembly. Let's look at this one to start. There is a good opportunity for investment. The seller wants an immediate answer. The Alberta government is not the only potential investor; there are others. He's not prepared to wait. He says, you may change your mind. The only approach we can think of is that, if it's a \$1 million investment you give us

an option for \$100,000 for 60 days. Then we come back to the Legislature and we have their approval. It has cost the people of Alberta \$100,000 they blew out the window, of the people's money.

What's the second point? Well, there's a good prospect for investment, but other people are interested because it's good. Well, we could use an agent or a trustee. We come to the Legislative Assembly. We disclose that one of the interested investors or purchasers is the Government of Alberta. What's going to happen to that price? I haven't any doubt what's going to happen to that price. That price is going to go right up. And the better the proposition, the higher the price is going to go. It's naive to think otherwise.

I can think of a third one where we require legislative approval. We come in here — I can just see this scene — and we've got a pretty good investment, but we haven't got it tied down. We've got to get this prior approval. So we say we can get it but the upset price is X. We go through the legislative process and get the approval. We go out, and the next day the Provincial Treasurer phones me and says, Mr. Premier, I'm sorry to tell you, but they want X plus 25 per cent now. So I call the Government House Leader and I say, Government House Leader, will you get in touch with the Clerk? Let's come back. We'll have another session. I can just see how that would work.

I just want to pick a final one, because I think it shows it in the most serious way. I ask hon. members to visualize it. Down the road we have this situation of an inventor who has developed a process for the *in situ* development of the Alberta oil sands. He's not all that excited about it. He's not even a Canadian. But he's prepared to consider sitting down with governments and trying to make a deal.

So the federal and Ontario governments and the Alberta government are invited to sit down — we go to Winnipeg, a good neutral place — and we have a few private-sector people sitting in with us so that people don't get too alarmed. We're meeting on a Sunday. We're just about there, and the Minister of Finance, Mr. Macdonald, says, "The federal government's prepared to commit for \$200 million." Premier Davis of Ontario says, "We're prepared to commit for \$100 million. And how about you, Peter, where the oil sands are, what are you prepared to commit for?" I say, "Well, we really think it's a good deal. We'd like to do it, but would you all wait here and we'll get one of those jets that Dave Barrett bought and we'll go back and have a Sunday night session."

So we have a Sunday night session, and then we can't go too fast through the legislative process because without unanimous approval the Speaker would object. I tell them, "I'll phone you back on Monday night because we should make it on Tuesday." So on Monday night I phone back and say, "We didn't get unanimous approval because one of the members of the opposition checked and the inventor isn't properly registered under The Companies Act. So we're into tomorrow."

Well, Mr. Speaker, I put it this way to you. Do you know what would happen? Mr. Macdonald would look at me, Mr. Davis would look at me, and they'd say, "Mr. Premier, you're not serious are you?" And you know what I'd say? "No, I'm not serious."

Wouldn't that be ridiculous legislation? Mr. Speaker, anybody with just a modicum — I know

Hansard can't show that — of business experience would recognize how impractical and ridiculous such an approach is.

Well, Mr. Speaker, I'm of the old-fashioned school. I think people do two things at elections: they elect MLAs, but they also elect governments. They elect MLAs to make laws, but they also elect governments to make decisions. In 1971 they elected the Progressive Conservative Party to make decisions, and we made a lot of them in 43 months. Just in case the public might have forgotten because of some of the questions that have occurred, they included Pacific Western Airlines, the Alberta Energy Company, and Syncrude. Then, after we had made those three decisions, we went to the people on March 26, 1975, and I think they endorsed our decisions.

Mr. Speaker, a government is obliged to report its decisions. A government is answerable, as it should be, in this Legislative Assembly for the decisions it has made; will be answerable in the future for the losses, and there will be some in this investment portfolio; but will be answerable to present the total picture to the Legislative Assembly and to the people. And about every four years, a government will be accountable to the people for its decisions. We've done that in the past and we intend to continue to do so in the future: to make the hard decisions, to explain to the Legislature and the people why we made the decisions, and to request their continued confidence.

In conclusion, Mr. Speaker, I have a personal deep concern that these revenues do not belong entirely to the present generation. They belong at least on a 30-70 split to future generations. They can't become a huge slush fund for this Assembly to satisfy unrealistic expectations, to disappear like the surplus did in British Columbia after 1972. No, Mr. Speaker, we're determined that we're going to have the strength to take whatever criticism — and we accept it — whatever distortions of communication, and resist the special-interest groups that are attempting to make it a huge slush fund.

We intend to stand firm as a party, as a caucus, and as a government to preserve this fund for the future of Alberta, to leave a solid foundation for those who come after us to this Legislature and to our successors in government, so that they can maintain Alberta as the strongest and most vital province in Canada. This trust fund is essential to assure that it is truly Alberta's time in Confederation.

Thank you.

MR. CLARK: Mr. Speaker, in taking part in second reading of Bill 35, might I say I've had the opportunity to hear the Premier on a number of occasions. If I might use the term, there were some rather good parts of the performance today. And in my judgment, there were some other parts.

I'd like to do three things in my remarks this morning. I'd like to broaden somewhat the background which the Premier has outlined of the Alberta heritage savings trust fund. I'd also like to make some comments with regard to various aspects of the Premier's address. Secondly, Mr. Speaker, I'd like to deal with what we consider to be the two most important aspects of the fund, of the legislation before us. The first aspect is the question of legislative accountability. You can't cut it any other way.

The third area I want to talk about — after legislative accountability — is the broad, sweeping power which this legislation gives this government. I say to you, Mr. Speaker, that the legislation before the House today has many good aspects to it, but it gives this government or any government that may follow it the power to change the economic base of this province without ever having reference to this Legislative Assembly. That's what we're talking about, Mr. Speaker. So those are the three areas I'd like to deal with in the course of my remarks this morning.

I was very interested in the research the Premier had done with regard to the heritage savings trust fund, and where the idea came from. I believe reference was made to the date sometime in 1974 when the idea was first mentioned — I believe it was March 27 or 29, 1974.

It might be of interest — well, to the Premier, hopefully, and to the cabinet, and especially to the new members of the Assembly, to go back and read *Hansard* for December 14, 1973. This was not very long after the federal export tax came on the scene. It wasn't very long after that it became public knowledge that we in this province were going to have a tremendous amount of additional revenue. I recall on December 14, 1973 — it happened to be the last day of the session — we were discussing Bill 94, The Mines and Minerals Amendment Act, and then later on, Bill 95. While I don't very often make a habit of reading back to the Assembly things I say in this Assembly, in light of the Premier's comments this morning, there are three paragraphs from *Hansard* I'd like to read:

This brings us, Mr. Speaker, really to the core of the matter I want to raise. This is the question, Mr. Speaker: on the one hand do we rather use a cookie-jar approach in dealing with [our] future? Or, on the other hand, Mr. Speaker, do we as members of the [Assembly] and really the people of the Province of Alberta, attempt to take two or three steps back and look at the somewhat longer . . . future [for] this province?

Then I go over to the next page, and in concluding my remarks:

I would hope, Mr. Speaker, that the government would give rather serious consideration to establish what I refer to as a number of heritage projects . . .

A number of heritage projects.

Two or three weeks before I made this speech in the House, I spoke to the Union of Alberta Municipalities and Counties at a meeting at the Macdonald Hotel. The Member for Innisfail was at that convention and heard me speak. At that time, I said to the municipalities of this province, we had better be looking to the future. I used the term "heritage" there.

Mr. Speaker, I raise this point because this government and the Premier would like Albertans to think they were the only ones who ever thought about being concerned about the future, that they were really the ones who thought up the idea of a heritage approach. It isn't important, Mr. Speaker. It isn't important. It's vital that we recognize what we're doing in this Assembly today. So when we look back and talk of what kind of heritage we are having — in fact, in the last paragraph of my remarks on that

day I talked about the birthright we're so fortunate to have in this province, and hopefully to think very seriously about the kind of heritage, the kind of future, we're going to leave for Albertans. This was in December, 1973, Mr. Speaker.

I raise this because I think it's important that not only the new members in this Assembly but some of the older members here, whose memory is failing them — purposely, I suggest — recognize they're not the only ones who have been concerned about this. In fact, the honest point is that they weren't even the first ones in the House to mention it, Mr. Speaker. Let the record show that.

I'd like to deal with the question of development in this province. As I say, I have come to enjoy the Premier's comments. Generally, on an occasion like this, the Premier lays the seeds for some blame the former administration is going to get down the road. I would suspect that this morning, when the Premier referred to the Petrosar development in Ontario that took place some time before 1971, we're now starting to lay the groundwork for the failure of this government to develop a petrochemical industry of the kind they talked about two years ago. Now, all of a sudden, they recognize that unfortunately that petrochemical dream isn't going to come to realization. So we've cast around, and where can we lay the blame? We don't want to lay the blame on our own shoulders, so we'll blame the former administration because of the Petrosar development that went ahead in Ontario several years before. I have to ask myself, where were the gentlemen who were on the government side at that time? One of them was in Ottawa.

Mr. Speaker, the third comment I'd like to make with regard to the Premier's comments deals with the question of the legislation itself. The Premier made quite a point about the additional safeguard built into this legislation, that members of the Legislature could move a resolution giving direction to the cabinet to divest themselves of an investment or to become more deeply involved in some areas. There isn't a member in this Assembly, I hope, who doesn't know that any member can put a resolution on the Order Paper at any time to give direction to the government, to give direction to the cabinet, to give direction to this Legislature. Surely we aren't so naive in this House as to think that's a great safeguard you've built in this bill since it was first introduced. That's a right and a privilege every member has had since this Assembly started, way back in 1905. Let's not trump this one out right now as a great safeguard that's built in. It's nothing more than trying to draw a red herring across the whole argument.

The last point I'd like to make with regard to the Premier's comments deals with the fact that a resolution will come in each year to turn the tap on for the heritage savings trust fund. I think that's a step in the right direction. But I'm a bit suspicious — in fact I'm very suspicious, Mr. Speaker — that this government is now embarking upon a program of deficit financing. In fact, if he was properly quoted in the *Edmonton Journal*, and he generally is, the Premier has said recently that he would see nothing wrong with the government having a budgetary deficit as long as the heritage fund was moving along.

Mr. Speaker, I suspect today we'll hear the argument in this Assembly that that gives the Legislature more control — and it does as far as turning the

tap on is concerned — before very long we'll have cabinet ministers, MLAs, and other groups coming to this Assembly and saying, look, we should cut the 30 per cent down to 25 per cent so we don't have a deficit. I had really hoped the Premier would rise in his place today and say, as long as I'm Premier that 30 per cent will not change.

You see, I think it's important for all members of the Assembly, regardless of how biased you may think we are on this side of the House, to recognize two things. First of all, the present Premier isn't going to be in that chair forever. Some other government is going to come along. It may not be the party I'm a member of. It may not be the party the Member for Spirit River-Fairview belongs to. It may not be the Liberals — hopefully. I don't know what it will be. But the fact is, ladies and gentlemen of this Assembly, in this legislation we're giving whoever comes along — the members who sit in that front row — the power to change the economic underpinnings of this province without ever once coming to this Assembly — without ever once.

The Premier gave one of his better displays when he rather foggily recollected the meeting in Winnipeg — a good neutral place — the Sunday meeting when the Syncrude venture went ahead. It was rather interesting, Mr. Premier, that it wasn't until we got involved in the estimates of the Department of Transportation that we found you had made a commitment for an extra \$65 million in Winnipeg. That just slipped in the back door, I'm sure. But the Premier did a rather nice play on words with regard to this question of prior approval. I recognize there are some problems there too. But I'd have to say that where there's a will, there's a way. This problem can be worked around, no question about it, if the government really wants to.

SOME HON. MEMBERS: How?

MR. CLARK: Members say, how? When we get to the committee, we'll be proposing some amendments.

The Member for Athabasca says "how" is an Indian word. We're at least pleased he's entered into the debate.

Mr. Speaker, to conclude my comments with regard to the Premier's statement today, I think it's important that every member recognize, at least as far as the official opposition is concerned, that we support the concept of putting away money from the non-renewable natural resources revenue for future generations. There's no question about that. We're on record several times supporting that concept. Let no one confuse that.

The second point in summary is simply to say this: we have really added precious little to the legislative accountability with the changes made in the legislation that came in nine days ago. This little bit about having the power to move a resolution — we've always had that. We've had it for the 16 years I've been a member. I know it was the power, the privilege, the opportunity members had long before that period of time.

I'd like to make one other comment with regard to the Premier's comments. That's simply this: the Premier made quite a point about the last provincial election giving this government a mandate on the heritage legislation. It is true, to be fair to the Premier — I

wouldn't want to be unfair — to be fair to the Premier, he tried to make that an issue in the course of his dissolving the Legislature that day, and in the course of the campaign.

But I've checked with some of the people who attended the Premier's rally in Olds. That was one of the — I think it was 12 or 15 engagements he had. I checked with those people. They really aren't of the same political stripe I am either. They indicate to me that the reference with regard to the heritage fund was hardly as extensive as the reference to giving the government a strong mandate so they could go down to Ottawa and straighten those characters out. Their assessment of the meeting was that there was much more emphasis, much more enthusiasm, and much more need to trot off down to Ottawa and straighten out the Prime Minister and his associates than there was emphasis on the Alberta heritage concept. That may only have been in my constituency, mind you. But I get the feeling that a lot of Albertans had the feeling that what the last election was about was to send a message to Ottawa. We may not have particularly liked the results of that election, but there's no question about it, let's not kid ourselves, we can laugh in here about it, but let's be honest with ourselves: the issue in the last election was, what stance is Alberta going to take in Ottawa?

Are we going to support the position this government has taken or not? Because a number of members of the government at that time tried to make out that the members of the official opposition weren't supporting Alberta in their fight with Ottawa. In fact, we were accused on that day, Mr. Speaker, of being carping critics, and that was one of the reasons the Premier went over to the Lieutenant-Governor's office. So you can kid your troops, but let's be pretty frank about this situation. When the Premier was saying that, even the odd member on the government side had something less than a smile on their faces.

Now to get on to the two major questions. The first question is this matter of accountability. The fund sets up a capital projects division of 20 per cent which has to be approved by the Legislature by means of a bill each year. Pretty candidly, I would say that if that kind of safeguard were built into the Canadian investment division, and the Alberta investment division, our concerns about legislative accountability would be removed. If we had the clause for the capital projects division for approval by the Legislature before the moves are taken, then, in fact, our concerns about the Legislature would be greatly, greatly released.

You see, we're being asked to really trust this government and to say, yes, go ahead and make all these investments, and you can report to us later on. We're being asked to do that when we have the question of accountability for PWA rather fresh in our memory. If the public of this province and this Legislature did nothing else, they brought this government up short when it acquired PWA by the means that it did. They really said to it, don't bypass the duly elected members of the Legislature on that kind of occasion again. Even this government felt that. It wasn't solely brought on by the members of the Legislature, [but] by the media, by various groups across the province. In fact, it wasn't long after the Premier made the announcement on the PWA acquisition that the Premier went down especially to speak

to the Calgary Chamber of Commerce to try to allay some of the concerns there.

So, okay, the government acquired PWA. But when we talk about accountability, let's just reflect for a moment or two on some of the justification for PWA. I recall the Deputy Premier and one of his colleagues getting up in the House and saying, what we're really going to do with PWA is to use those planes to break into the agricultural markets of the world. Yet, Mr. Speaker, we checked the budget, we checked the speeches that had been made — we could find no reference to it. We find out this year, Mr. Speaker, that PWA has sold those very planes we were going to use to break into the agricultural markets of the world.

So, Mr. Speaker, when we talk about accountability, I think you can see why we become just a bit suspect on this side of the House. We've been told a rather hastily drawn-up reason for acquiring PWA. We're going to break our way into the agricultural markets of the world. Two years later we sell the planes. This government has a reputation for becoming involved in not-too-well thought out schemes which are not too well thought out. Someone coughs over there. It would be interesting to know when we're going to get some sort of statement of policy as to the role PWA is going to play in Alberta today. We've been waiting for that for two years.

The Alberta Energy Company annual meeting was just the other day. No instructions at all went with the \$75 million worth of proxy votes that the chairman had as far as the Alberta government was concerned. Initially, when we talked of the Alberta Energy Company, they weren't going to be getting involved in exploration, they weren't going to be getting involved in other kinds of endeavor, but now they are. The president, in fact, indicated this at the meeting.

We can refer to some of the alfalfa plant situations we've got across the province. We're being asked to trust this government. We can think of the way the Versa Services thing at Red Deer has been botched up. We're just being asked to give blind trust. We can talk about the rapeseed situation and how we were going gung ho on the development of rapeseed plants in this province. Now all of a sudden we've got a bit of common sense and are slowing down. Yet we're being asked to just give a complete blank cheque of over \$1 billion.

We all can remember the investigations of the grant situation done by the Provincial Auditor, and the royal commission into the Purnell affair. The budget has tripled in about four years, from \$1 to \$3 billion. We have heard great pronouncements by this government about what they're going to do in housing. Yet I suppose it's fair to say that after almost five years of Tory administration, we're now announcing that we're encouraging people to live in basement suites in Edmonton and Calgary. You know, you can hardly blame the former administration now for what's not happening in that area. That's the latest Tory innovation in housing.

Then we've got the special warrant situation. Over 10 per cent of the budget is now being dealt with by special warrants each year. We're being asked, as far as this bill is concerned, to just go along gracefully and give the government approval. Trust us. Just trust us. We've got such a good batting record when

it comes to Canadian Cane and several other areas. We've increased the civil service from about 17,000 or 19,000 to about 32,000. But just trust us, we'll do the right thing.

You see, Mr. Speaker, when we look at the legislation before us today, if the power — or the flexibility, to use the Premier's term — if the flexibility in this legislation were present in Saskatchewan today, there wouldn't be any discussion on the potash takeover in Saskatchewan. It would have been done in the cabinet room without any public discussion or examination at all. It would have been a fait accompli. If the cabinet in the province of Quebec had the kind of power we're being asked to give this government today, there would never be need for any discussion on the power project [at] James Bay. The Come By Chance situation in Newfoundland: there would never be any need for that kind of discussion at all. We can think of the heavy water plant in Nova Scotia, started by a good Conservative administration. With the kind of open million dollars that this government will have, without any prior consultation, without any consultation with the Legislature at all — there would be no need for that kind of discussion here at all.

So, I come to the point where I have to say to the members of the Assembly, I believe it's vital that you recognize what you're really giving up here. Today we're being asked to give approval on second reading, to say to the cabinet, you can invest 80 per cent of \$1.5 billion within very, very general guidelines. You hope it's going to get a return for Albertans. It should be involved in diversification and strengthening of the economic base of Alberta. As long as the cabinet feels it does those two things, you can invest 80 per cent of \$1.5 billion.

I say to the members of this Assembly that if the 30 per cent we put in the fund each year remains constant, and it's \$700 or \$800 or \$900 million a year, it's only going to be a matter of a very few years until the heritage fund is larger than the provincial budget. We're going to be in the ridiculous situation of spending six or seven weeks discussing the budget here and giving approval there, yet by statute, we're not going to spend one afternoon debating what the cabinet is going to do with the 80 per cent of the money in the heritage fund.

Yes, we get the report of the select committee, and members can put a resolution, and in the fall we have the debate on the capital projects part, which I commend the government for. But members of the Assembly are going to spend six weeks here, or maybe longer than that, going over the budget, and we're not going to give any consideration to the kinds of investments made by the cabinet on the heritage fund until after they are done.

I think it's very, very important that Albertans, regardless of their political stripe, be they Conservatives, Social Crediters, Liberals, or anything else, recognize the kind of power we're giving to the cabinet. I'm not standing in my place and saying, by any stretch of the imagination, that the Premier or his cabinet are dishonest. I am saying that the power we're giving to this Premier and to this cabinet is there until it's changed by this Assembly. Who knows who's going to follow? We know the situation in British Columbia. This government is familiar with the situation there. It was just this week that the B.C.

government received from somebody in the United States 3.5 million trees that they found out the former administration had bought. That \$3.5 million, in comparison to the funds we're talking about here, isn't great. I suppose I could somewhat braggingly say, there have only been two governments which left office, kicked out by the public, if that's the proper term — I guess removed by the public is a more proper term — and left large sums of money for following administrations. Those were the former administration in British Columbia and the former administration in Alberta.

SOME HON. MEMBERS: Oh, oh.

MR. CLARK: We can have all the 'ohing' we want. We know what's happened to the bulk of that revenue in British Columbia. It's gone down the tube. You talk to some of the former members of the B.C. Legislature and they'll say, we didn't know what the cabinet was doing. When they're asked by their constituents, what about this matter or that matter, some of the members of this Legislature say, we don't know what the cabinet's doing. They're saying this right now. Well, don't say oh.

AN HON. MEMBER: Name names.

MR. CLARK: Okay, we'll give you the names. Now, Mr. Speaker, when we get involved in an additional \$1.5 billion, on top of the budget, as far as I'm concerned it's asking altogether too much. We're asking to make this Legislature a rubber stamp after the fact. As far as we're concerned that's just not acceptable, by any stretch of the imagination. As for the names for the Member for Edmonton Highlands, I'll not only get the names, but I'll get a statement from the person who gave me the information.

On the next portion of the heritage trust fund, I think it's very important that many Albertans, when they see the word "trust" in the name itself, in fact believe that it has the traditional kinds of safeguards that are applied to trust funds. I simply raise the point, Mr. Speaker, that that is not the situation here, that despite the fact that this is the heritage savings trust fund, none of the traditional safeguards of trust funds are built into this legislation. Let no one think they have been.

Mr. Speaker, one other point certainly has to be made: that we support the concept of the heritage savings fund. We oppose the lack of accountability to the Legislature. We are not prepared to support the bill on second reading, because of the lack of accountability to the Legislature. I want to make that very, very clear. We're not prepared to have the Legislature become a rubber stamp for the cabinet's control over 80 per cent of the heritage fund. The Legislature approves the capital projects portion, and that's the way we think the Canadian investment and the Alberta investment portion should be.

In our judgment, this portion of the fund that does not have legislative approval ignores centuries of parliamentary tradition. In fact, the decision has been made behind closed doors. They in fact will not be open to public scrutiny before, and the accountability comes after, the fact. Then it becomes a bailing-out situation at the very best.

Let no member of this Assembly feel that this

Assembly is infallible. It isn't. We make mistakes every session. But at least this Assembly guarantees that there will be open public discussion, the opportunity for people in this province to know what's going on, the opportunity for people in this province to at least see public business discussed in public. As the legislation stands now, the 80 per cent portion of the fund really becomes a cabinet discretionary fund. I don't see how any member of the Assembly can support that kind of legislation.

The Calgary *Albertan* summed it up pretty well in their editorial of January 10, when they said, "The present cabinet's . . . lofty ideals are not in dispute". I think that's fair. But governments change. So [do] many ideas, for, to paraphrase Lord Acton, power tends to distort ideas.

It isn't a matter of being non-Albertan, taking the position we do. It isn't a matter of saying we think the present Premier or his cabinet are dishonest. We simply say their record of investment to date doesn't stack up very well. We simply say, Mr. Speaker, that we believe the fund must be accountable to the Legislature prior to the long-term commitments. We believe that until those safeguards are built in, despite the desirability of the concept of a heritage trust fund, we cannot support the legislation, because of the lack of accountability to this Assembly.

MR. NOTLEY: In rising to take part in this important debate, I don't think there's any doubt that we are discussing today a bill of historic importance in this province, in terms of the magnitude of the fund; but also, I suggest, because in many respects we are about to embark on a course of changing an important convention of our constitution. I'm talking about legislative control over the purse strings. I'm going to come to that in a moment.

Mr. Speaker, the size of the fund, \$1.5 billion which will be transferred immediately, is in itself enormous. But when one looks at the fact that 30 per cent of the natural resource revenue may well be transferred over the lifetime of our present oil fields, within 10 years the heritage trust fund could increase to as much as \$11 billion. As has already been said, Mr. Speaker, it is a fund of such vastness that it can alter the future of the province of Alberta. That being the case, it is important that we analyse this bill, not just go along with the enthusiasm of the concept, but analyse the details of this bill before the Legislature.

Let me say at the outset, Mr. Speaker, that I support the concept of a heritage trust fund. I think there is a great deal of merit in taking part of the revenue from declining non-renewable resources and setting that aside for future generations. That's not really the issue in this debate. I suspect that people of all political persuasions in the province of Alberta accept the concept of a heritage trust fund. But the issue, as we read Bill 35, is this bill and many of the provisions of the bill which in my judgment have autocratic features which outweigh the merits.

Mr. Speaker, on Wednesday last week, in introducing Bill 35 for first reading the Premier outlined the so-called legislative control. I'm reminded of the old legal phrase that there's a great difference between the form and the substance of something. When one listened to the Premier, one could perhaps see in the form of what he said an argument that there is legislative control. But the more you analyse the

substance of his remarks, the more it becomes obvious that there is very little legislative control, if any, in this bill, that what we have is to a large extent pure window dressing. The exception to that is the 20 per cent that is going to be allocated to the capital fund. In my view, Mr. Speaker, there's no question that the government has taken the right course on that 20 per cent. The other 80 per cent of the fund, Mr. Speaker is what is at issue at this point in time.

Now let's look at the various arguments the Premier presented, both last Wednesday and today, to suggest that we have legislative control over the 80 per cent. Well, we're told we're going to have a legislative committee which can review the summary of the investment and make suggestions to the Legislature. Mr. Speaker, this is going to be a typical example of accountability after the fact. After decisions are made, a committee is going to be able to look them over.

This is the issue we debated for a long time in 1974 over Bill 55, where sweeping authority was given the Northeast Alberta Commissioner, and the opportunity for the Legislature was after the fact. There's a very important distinction, Mr. Speaker, between making decisions before investments are made and looking at them after the fact.

The Leader of the Opposition has quite rightly cited the example of PWA. The Premier today — and well he might; it's hard not to win applause in a House of 69 members — earned the applause of members when he said PWA was going to be a good investment. I hope it will be, but the fact of the matter is that we are now encountering some severe legal problems with that purchase.

The fact of the matter too, Mr. Speaker, is that accountability after the fact is the way we dealt with PWA in the Legislature. The air line had been purchased. The Deputy Premier's laughing, but he knows as well as the rest of us that the air line had been purchased by the cabinet or by a small group in the cabinet, and the time that we had an opportunity to debate that issue was after it was already a fait accompli.

Mr. Speaker, I know that very few members in this House, if any, would support the Saskatchewan government's move in the potash industry, but I would say to members of the Legislature that at least the Saskatchewan Legislative Assembly has spent almost three months debating the merits of the government of that province going into the potash industry. There was a discussion where there should be, in the Legislature . . .

AN HON. MEMBER: Did it change anything?

MR. NOTLEY: . . . not after the fact.

Hon. members can say, did it change anything? The fact of the matter is there should be debate in the Legislature, where there can be open accountability. Mr. Speaker, the fact of the matter is that this government is asking us to pass a bill which will give it the opportunity to pick up companies hither and thither around the province, without debate in the Legislative Assembly.

Now, Mr. Speaker, let's take a look at this business of the special act. Well, I would say quite frankly that the introduction of a special act in the fall session of the Legislature is a step in the right direction. But

again, if the commitments have already been made by the cabinet, by the so-called investment committee, we really have no opportunity in that special act — oh, the Premier can say we can turn the tap on and turn it off. But in actual fact, the importance of this special act has been overdrawn in the extreme by the Premier in making his remarks.

It's very much like the bill on the Syncrude question that we passed in June 1975, where we passed a bill for \$75 million to buy a part of the Syncrude equity, after the fact, after the decision had been made at the Winnipeg meeting.

Mr. Speaker, that is really the crucial question that has to be asked and answered on the issue of legislative control. Are we going to have an opportunity to review it two or three or six months later, a year later? Or are we going to have some input before the decision is made?

Now, Mr. Speaker, the Premier also stressed — not so much today, but on Wednesday of last week — that there would be reporting. That's right. A report will be compiled by the Provincial Treasurer. But in reading over the report, and this is something we can discuss at somewhat greater detail in committee, I see we're going to have summaries of the investment, not all the investments listed, but summaries of the investment.

I don't want to draw a direct analogy between what happened south of the border and here, because I don't think that would be fair, but we all know that in the United States summaries of tapes and the tapes themselves were somewhat different. I'm saying to the members of this Legislature that having summaries of investments is hardly a substitute for adequate reporting.

What about the resolution of the Legislature? The Premier made some comments this morning that at any time the Legislature could introduce a resolution and direct the cabinet to do this, or divest themselves of this investment or that investment or the other investment, or undertake certain investments.

As was already pointed out, that is a right of every member, in any case. That is something that exists in a system of responsible government. If a resolution were put on the floor of this House and passed by the Legislature, I would be very surprised if the cabinet wouldn't acknowledge that and act upon it, whether it's in the bill or not.

Mr. Speaker, to suggest that somehow this is an important new provision — the Premier talked about naivety on investment — is naive from a legislative point, because that right exists.

What would have been significant, Mr. Speaker, is if they had changed the wording from "may" to "shall". Had Bill 35 made that provision mandatory, we then would have had a significant feature. But it wasn't made mandatory. It said, yes, we can. Any member can do that. Any member can introduce a private member's resolution at any time. But the issue of whether it will be mandatory, whether it will in fact take place, isn't mentioned.

Mr. Speaker, I want to move on and examine the argument we've heard from the Premier and others that somehow there is a distinction between an investment and an expenditure; that, yes, all expenditures should be debated in the Legislature, and that's fine; but an investment is a different thing, therefore it's okay for the cabinet or the investment committee

or whatever you want to call it to look after investments.

Mr. Speaker, to analyse that question, let's look back at why parliament attempted to gain control of the purse strings in the first place. What was the reason? The reason, Mr. Speaker, was that, by using the power of the purse, parliament could control the king or the king's representatives. By using the power of the purse, parliament can control the king's representatives in shaping public policy, in setting the terms and conditions, in controlling the destiny of whatever the jurisdiction may be.

The issue of parliamentary control of the purse strings, Mr. Speaker, is not the distinction between an investment and an expenditure. It is whether the financial decision — whatever it may be, investment or expenditure — will shape public policy and affect the jurisdiction. That's the issue. Quite clearly, Mr. Speaker, the investment of \$1.5 billion which will be transferred immediately and as much as \$11 billion over the next decade will not only affect public policy, it will alter the nature and complexion of the province we're in. In my view, Mr. Speaker, to suggest somehow that for those reasons we shouldn't be debating the issue in the House is just completely and totally wrong.

Mr. Speaker, as I've mentioned before, the size of the fund is an issue in itself. We've undertaken other projects in this province: the Alberta Agricultural Development Corporation, the AOC, Alberta Housing, and money is voted. But we're now talking about something of vast size, so vast as to be difficult to comprehend.

Mr. Speaker, bearing that in mind, I want to contrast the method we are using in controlling this fund with some of the other funds that exist in the province. For example, I look at both The Alberta Opportunity Fund Act and The Agricultural Development Act. Under the terms of both acts, the Legislature has appropriated money, but legislated guidelines are clearly spelled out,

Flexibility, the Premier said. Yes, we have flexibility in this act. There is no doubt about that. Where the cabinet is of the opinion — of the opinion — that an investment will, one, "yield a reasonable return or . . . tend to strengthen and diversify the economy". Tend to strengthen and diversify the economy. Mr. Speaker, there is literally no investment decision that any government could make that wouldn't meet those guidelines. As a Legislature, we are being asked to give the front bench a blank cheque of historic proportions. "Yield a reasonable return and tend to strengthen the economy."

Mr. Speaker, if the government had tried that with The Agricultural Development Act or The Alberta Opportunity Fund Act — there was plenty of debate then, but we'd probably still be debating it. But now we are asked to authorize a fund 15 or 20 times as large as either of those funds to begin with, and which eventually will surpass all other investment funds controlled by any province in the country.

Now I'll deal with this question of prior approval. A suggestion is made by the Premier that somehow prior approval would be impractical. I'm not suggesting that there are not difficulties with prior approval. No one is saying that every single little mortgage for Mrs. O'Malley has to be approved by the Legislature. The Legislature will invest money, obviously, through

Alberta Housing or whatever the agency may be. If we're going to put money into agricultural diversification, we already have agencies for that purpose. But I am saying, Mr. Speaker, that where decisions are made that will affect the future of Alberta, you bet they should be debated in this House first.

The Premier draws the example of what would have happened with Syncrude had he been compelled to come back to the Legislature to get prior approval. I suspect that when the history of the Syncrude deal is finally written, he and his colleagues will wish they had come back to the Legislature and obtained prior approval.

Mr. Speaker, when you look at some of the investments that have been made in this country, you will find that closed-door decisions invariably lead to trouble. CFI was launched by the former Roblin government in Manitoba, and the people of Manitoba have to pick up \$93 million as a result of that deal.

Mr. Speaker, on this question the issue as I see it is: is it practical? And I suggest to you that if the government is planning at all, it is practical. There have been many examples of government intervention in the economy elsewhere in Canada where there has been debate. When the B.C. Social Credit government took over B.C. Electric in 1961, there was a debate in the Legislature, and rightly so. With Quebec Hydro in 1962, there was debate in the Legislature, and rightly so. Mr. Speaker, with potash in Saskatchewan in 1975 and '76, there was debate in the Legislature, and rightly so. But with this bill we are giving the government a blank cheque. In the name of flexibility, efficiency, being able to have the elbow room, says the Premier, so we can negotiate the best deals. What we're in fact doing is abdicating our rights and our responsibilities as members of the Legislature.

Were this government to plan, I don't believe they would have all the problems. I admit there are going to be problems. But, you know, we've heard a lot from the Conservative government about the lack of a national industrial strategy. During the first four years, over and over again we would hear complaints about the failure of Ottawa to develop a national strategy for industrial development. That's a fair criticism of federal lack of action. But where is our provincial industrial strategy? A fuzzy bill which allows the government an opportunity to invest up to \$11 billion on the broadest possible grounds as long as it tends to strengthen and diversify the economy?

Mr. Speaker, strengthening and diversifying the economy is a motherhood issue. There is nobody in this province of any political persuasion who doesn't recognize the need to strengthen and diversify the Alberta economy. That is not really a political issue. But the failure of the government to come up with an industrial strategy too often has meant that we have responded to the initiatives of the private sector, and quite often we're in a position where they say, all right, you've got to move quickly.

Going back to Syncrude, Mr. Premier, I suggest that when the Syncrude consortium said to the governments of Canada and Alberta, come up with a billion dollars or we quit, we should not have rushed to Winnipeg. We should have had that debate in the Legislature. As Mr. Blakeney, the Premier of Saskatchewan, who for a number of years was a securities company lawyer, said: from his experience in dealing

with people in the financial community who say, come and do it or else, if you take them up on the "or else", they're still around the next day. The deadline — yes, that 48-hour deadline — that caused everybody to move so fast . . . Had the government said, we'll wait, we'll debate it, I have no doubt that Syncrude would still have proceeded. But it would have proceeded on the basis of a public discussion, knowledge by the people of Alberta whose money is being invested. In my judgment, that is consistent with legislative control and public accountability.

The final point I want to make, Mr. Speaker, deals with this issue of the mandate. No question, the last election: 69 seats, a pretty substantial majority. No one's going to argue that. But, as the Leader of the Opposition has already pointed out, when you travelled around the province, you didn't see too many Tory workers talking about the heritage trust fund. They had little orange stickers, a map of the province of Alberta. Essentially the gist of the argument was, get behind us so we can tell the people down there where to get off.

The so-called mandate for the heritage trust fund has been well confirmed by many of the surveys taken among people. Newsmen have asked, what's the heritage trust fund? Is that something to refurbish a building, something of that nature?

The idea that the public of Alberta gave this government a mandate on the heritage trust fund is nonsense. The government can cite all the quotes in *Hansard* that they like, but they have no real mandate for Bill 35. They may have a mandate for the concept of putting part of the natural resource revenue aside and using it for the future, but there's a difference between that and Bill 35, which erodes the power of the purse strings, legislative accountability, and democratic control in the province of Alberta.

I suggest to the Legislature at this point that we should not be so arrogant and cocksure of ourselves that we are unwilling to listen to the people of Alberta. The people of Alberta should have an opportunity through public hearings to make their views known on what they think of the heritage trust fund and what changes they would suggest. This government had public hearings in 1972 on the oil royalty question. I commend them for those hearings, which in my view did a great deal to increase public understanding in the province of the oil industry and the royalty situation. They were an excellent exercise in democracy. Yet, on an issue of at least as much importance, if not greater importance, we are not prepared to have public hearings.

Does this government not admit that useful suggestions would be coming from public hearings? Oh, the Premier says, we've got our mandate. In 1960 Mr. Douglas obtained a mandate in Saskatchewan to bring in Medicare. But that didn't stop the government at the time setting up the Thompson Commission and holding hearings throughout the province of Saskatchewan. You've got to get some input from the people in a formal way, not simply assume that because we were elected on the basis of a broad concept, we don't have an obligation to listen to the people on the specifics of this bill.

That being the case, Mr. Speaker, I want to conclude my remarks by moving the following amendment:

Resolved that the motion be amended by strik-

ing out the word "now" and by adding at the end of the motion the words "at a date not more than two months hence, after the Assembly has held public hearings".

Mr. Speaker, in speaking briefly to that amendment, the reason I suggested two months is that that would give the government sufficient time during the remainder of the business — we have five or six weeks of public business, of estimates, of various other bills that have to be debated — five or six weeks in order to properly set up hearings of this nature.

I recall that in 1972 the Legislature convened approximately two months before the hearings to set up the hearings. At that time, we were able to get them on the road. They were an excellent exercise. I suggest two months because that would still be within the spring session and would give the Legislature the opportunity, after receiving the input of the public hearings, after listening to the people of Alberta on the specifics of this bill, to finally conclude the issue and pass the heritage trust fund at this spring session of the House. But I suggest, Mr. Speaker, that no mandate is so ironclad that we don't have an obligation to provide the people of our province with an opportunity to make their submissions.

In 1969 when they were in the House, the Tories screamed and raised quite a fuss, and I think rightly so. They wanted to get public hearings on the Bighorn Dam, and that was fair enough. I think the public hearings on the Bighorn Dam were useful. But, Mr. Speaker, if we can have public hearings on a dam, surely we can have public hearings on a trust fund that will alter the future course of the province of Alberta.

Mr. Speaker, I close my remarks by reminding the government of a little document which I believe was presented on January 29, 1966 to the Alberta Progressive Conservative annual meeting. I guess that was before they had conventions. They had annual meetings in those days. The very first observation in this document says:

We believe that public laws should be made in public. This principle must be protected against the comfortable drift to government by cabinet or through Order in Council.

Mr. Speaker, no doubt it would be much more comfortable to manage this heritage trust fund through an investment committee of the cabinet. But that has to be fought against, as the Tories themselves said 10 years ago. Then it went on to say:

We believe that the provincial government should establish a set of legislative priorities in relation to its financial resources and publish these priorities for scrutiny by the community at large.

Mr. Speaker, "by the community at large" — what better argument is there for public hearings than the statement of the now Premier of Alberta, *Guideposts of the Progressive Conservative Party of Alberta*. If those guideposts were relevant in 1966, then I believe before we proceed with this bill, we ought at the very least to have public hearings, so we could have input from the people of Alberta.

MR. YOUNG: Mr. Speaker, in speaking to the amendment proposed by the hon. Member for Spirit River-Fairview, I am puzzled by his approach this

morning. In proposing this amendment, he seems to be admitting to the House that his party and the opposition fail to realize one of the reasons for the last election, fail to effectively communicate to the public. Mr. Speaker, in short, it seems to me that the hon. member opposite, in forwarding this resolution, is trying to account for failures of the past 18 months on his part and on the part of the opposition in presenting the case he now thinks he may like to make to the public.

Mr. Speaker, in opposing this resolution, I'd like to point out to the members this morning that our Premier has made a tremendous speech in this House. I am pleased to commend him. That demonstrates leadership. It demonstrates why the opposition are in the opposition, and why their ranks are so decimated. Leadership which had the vision to anticipate what was happening in natural resources revenues, leadership to anticipate the challenges which all legislators of this province would face, and leadership to try to make the public of this province aware of the tremendous challenges and tremendous opportunities available to us in Alberta at this time.

Mr. Speaker, those issues have been well discussed. Mr. Speaker, we did not try to hide behind any actions such as the hon. Member for Spirit River-Fairview's counterparts in British Columbia did — the question of ICBC, the facts were never brought out in full detail. The bill we have before us would provide all the facts, provide opportunity for full debate. There wouldn't be any hiding of information from the public. Mr. Speaker, I just cannot appreciate the hon. member's reasons for trying to go the route of public hearings. We have had a proposed bill before this House for approximately one year. It was [allowed to] die on the Order Paper. We had lots of feedback. All groups were invited to make presentations to their members, to their individual representatives in this Legislature.

Mr. Speaker, I had representations made to me. I am sure all members should have had representations made to them. It's been a well-discussed public document. Now, Mr. Speaker, we're asked to go through the exercise again of delaying the Legislature, of listening to representations which would have a purpose that I just can't appreciate.

Mr. Speaker, I have to remind all members that a mandate which provides 69 seats out of 75, and of which this very concept was a major election issue, is surely a mandate which encompassed what we have before us, and which surely must be construed as having very broad support.

Mr. Speaker, in terms of the control in the Legislature provided in this bill, I am pleased with the amendment this bill contains, which Bill 74 of the first session of this Legislature did not, the provision that a special act must be brought forward to turn on the tap each year. Mr. Speaker, that provision clearly provides that there will be a bill before the House, a bill which can be debated in principle, a bill which can be debated in committee, a bill which provides all members of the Legislature the opportunity to question in detail, to make suggestions, to debate in principle and in detail. Mr. Speaker, in my estimation, there is very, very detailed control in this bill.

Mr. Speaker, I would remind hon. members that when we speak of the Legislature and the legislative function, and of the broader context of democracy, we

are always mindful — at least on this side of the House, maybe that's why we're on this side of the House in such numbers — that we must be fully accountable to the public. Mr. Speaker, anything, any undertaking by this government, or by any government in fact, is always open to the public sooner or later. Mr. Speaker, I would remind the hon. members that when we talk about the democratic function, in this bill we have provided as many checks as there are in any kind of provision for budget commitment.

Mr. Speaker, I would ask the hon. members opposite: in the whole history of this Legislature — and I would ask particularly those members who have been in the House for more than 10 years — how many times have they ever seen a reduction in a budget presented by the Provincial Treasurer when it goes through this House? How many times? I would ask them as well if they do not understand the system we have in the Legislature of having a throne speech which outlines the major policies and programs, which is a commitment made by the government, followed up by a second commitment, that of the budget, Mr. Speaker. If the total of those two commitments is not followed through, well, I just invite the members to consider what happens to that government.

Mr. Speaker, we're talking about confidence, total confidence in the government. For the life of me, I do not appreciate or understand the rationale advanced by the Leader of the Opposition. In fact, I do not think his concept of the way this Legislature functions in relation to the budget process and in relation to this bill — this unique, historic, savings trust fund — I don't understand how he can view it the way he does. He suggests that it would in fact [give] powers to the cabinet to change the underpinnings of this province without coming to this Assembly. That is not correct, and he well knows it.

MR. SPEAKER: I hesitate to interrupt the hon. member, but at the moment it would seem that because we are debating the amendment, the issue is whether second reading should be postponed as stated in the amendment.

MR. YOUNG: Mr. Speaker, it was my understanding of some of the arguments advanced that one reason for delaying second reading was the concern about the Legislature's control of this particular item. Mr. Speaker, I have already advanced the reasons which I think are paramount and the reasons there is an overwhelming desire on the part of the Legislature to get on with the job. In fact, we have put the bill, Bill 74, to the public. It has been on the table for a year. The concept was debated in a political forum at the time of the last election. The outcome of that, Mr. Speaker, is very clear. The leadership of this government was upheld by the people, and we were provided a mandate which has clearly decimated the ranks of the opposition.

Finally, Mr. Speaker, we have had the opportunity of public feedback as a result of Bill 74. The consequence of that feedback has been incorporated in this legislation. For those reasons, Mr. Speaker, I do not think additional forums [giving] opportunity for direct public presentation on this legislation are necessary.

MR. TAYLOR: Mr. Speaker, I want to say just a word or two on the amendment which suggests that the word "now" be struck out and that the words at the end of the motion read, "at a date more than two months hence, after the Assembly has held public hearings".

First of all, I would like to say that I am unable to support the amendment. If I did support the amendment, I would feel very, very guilty that I hadn't done my job as an MLA. This bill has been before the House, except for one or two minor changes, for several months. It was purposely left to die on the Order Paper so we would have the opportunity of getting input from the people. If an MLA did not do his job, and did not get the input from the people, there's no reason he should waste the time of everybody who did.

I spent a lot of money and a lot of time getting input from the people who sent me here. I engaged radio. I went to public meetings; I advertised public meetings; and at every one, we discussed The Alberta Heritage Savings Trust Fund Act. This was without exception. Prior to the meetings, the people were advised over radio what the main features of the act were, the three divisions of investments, how they would be handled, in order that the people could prepare themselves to come to the meetings and decide whether they wanted to support that type of concept. To spring it at a meeting might have been rather awkward. That's why I engaged a radio that covers my constituency and outlined the purposes of the act.

Except for one man, everyone, of all political stripes, who attended those public meetings, including those from the NDP, supported the concept of The Alberta Heritage Savings Trust Fund Act. A man in one meeting stood up and said: I don't agree with the concept at all. I think we should blow all of the fund now. We've got the money, let's have a good time. Who knows, there might not be any future generations, children, or grandchildren, and so on. But nobody else went along with that concept. The rest of the people of my constituency supported the concept as set out in the bill. I outlined at the meetings — not on the radio, but at the meetings — that the reason it died on the Order Paper, the reason it was held over and second reading wasn't held was so they could have some input. If they had any changes in this act — and scores of them were sent to people in my constituency — if they had any changes whatsoever, I wanted to know about them, because I wanted to be able to speak about their wishes before the Legislature.

There were some suggestions in regard to investments. The people did their homework. They said, you will have an opportunity under Section 1 to present suggestions to the Legislature in regard to certain investments we think should be made. Two or three suggestions were made, and I hope to bring those before the Legislature at some future time. Maybe the Legislature will accept them, maybe it won't. But the people from my riding want that particular thing heard and advanced.

I didn't have one complaint, not one complaint from anybody in the riding who attended the public meetings, or to whom I have spoken on streets and at other functions, who said they objected to the government having the authority to invest the money. I think they've got the right concept. They know what

government is and what the Legislature is. The Legislature wasn't elected to govern this province.

Sometimes the hon. members in the opposition make me think they thought they were elected as the government. They weren't, and I wasn't. We were elected as members in a riding. The government that was elected was headed by Premier Lougheed. He was given the mandate to govern this province. Surely there's a difference between passing laws and being a member of a Legislature, and being a member of a government.

I can understand that the hon. Member for Spirit River-Fairview can't understand that. He's never had that experience. He likely never will in this province. But I can't understand the Member for Olds-Didsbury mistaking that concept. He was a member of a government. He knew at that time we made decisions. We decided what the government was going to do without reference to the Legislature.

A good number of investments were made by the Social Credit government without ever going to the Legislature. The government was elected to do it, but it didn't say they're not accountable. They're accountable to the Legislature, answerable to the Legislature, accountable to the people and answerable to the people. We had to answer and the people gave their answer in '71. They were not happy with some of the decisions. I might not have been happy with them, but I believe in democracy.

I might have objected to lots of things, even in the government of which I was a part, but I certainly never objected to the government making decisions. That was its function. That's why it was elected, to govern the province.

By no sense of the word can you have a Legislature govern the province. It's completely impractical, completely unworkable. I ask the hon. members to look in any authentic history of British Parliament and show me where the House of Commons or the Legislature or the Parliament governs the people. You can't find it. The government is answerable to the Legislature, yes, and this government is answerable to the Legislature on this particular bill. So I say that those who didn't do their homework may want public hearings now so people can come and have some input. I'm asking those MLAs, why didn't you do your homework? Why waste the time of those who did do their homework?

I can't support the idea of public hearings on this particular item. I've had public hearings in my riding. I come here armed with the verdict of the people who sent me here, and I object to wasting my time because some MLAs didn't go to the trouble, the expense and the time to do that very thing. I oppose the amendment.

MR. HORSMAN: Mr. Speaker, I wish to say a few words on the amendment. I support the words just uttered by the Member for Drumheller in that I oppose this amendment. I suggest that it is an attempt to cloud the issue, to waste the time of the members of this Legislature and, indeed, the people of Alberta.

I should just like to go back, if I may, to what the Premier said this morning. When this idea was introduced in the House over two years ago, the Premier first announced this concept. Of course, the 1975 election campaign was fought on several

issues. Perhaps the members of the opposition didn't fight the concept. Perhaps they didn't understand it.

I was rather amused this morning, Mr. Speaker, to hear the Leader of the Opposition, somewhat in the fashion of the Russians, claim that they invented the idea back in 1973. I thought that was rather a rather interesting addition to the debate. Everyone now wants to claim credit for the parenthood of this bill. But in fact, this concept was introduced by the Premier of this province and the leader of the government today. It was introduced into the last election campaign. I sat in that gallery on February 14, 1975, and I heard the Premier speak to this House. I left this House on that day perfectly convinced of two things: first, that a new concept was being introduced, the Alberta heritage savings trust fund; and secondly, that we were going to win the election. That concept, in fact, was the cornerstone of the whole campaign.

It grieves me to hear the Leader of the Opposition say, as he did in the House today, that we're giving up something in this bill. He seems to be dancing a rather fine dance on rather thin ice in many other respects too, because we've had the opportunity of debating the concept that his particular party put before the House last year in Bill 206. Do you remember that?

I hope the Member for Little Bow, who has been chattering away to me here while I've been speaking, remembers that this bill came out under his name. I assume there was unanimity in his caucus similar to the unanimity in the caucus of the NDP when that particular member introduced Bill 204, which we debated in the House during the last session. I got those two bills out today, Mr. Speaker, to refresh my memory as to what they said. There wasn't much reading in them, of course.

But a couple of things came to mind in reviewing those bills. I applaud the hon. members for having taken an initiative, borrowing, I think, a little bit from the previous opposition led by the now Premier, that it was not the purpose of that particular opposition just to oppose, but to present legislation. They tried — feebly, but they tried — to introduce legislation. We have that now as a record, and I hope some of the members of this Legislature, Mr. Speaker, will get out those bills and read them again, because there is the record of what those parties propose to do with the Alberta heritage savings trust fund.

You know, Mr. Speaker, with regard to Bill 206, I just fail to see, nor do I recall from the debate, how much legislative control was proposed in that particular piece of legislation. Indeed, there was to be a committee of five people, with no fixed commitment of any particular amount to the fund, and broad investment powers to be reported to the Legislature.

As I read the bill, Mr. Speaker, the report was to come after the fact. So don't come into the Legislature today and piously prate about needing prior legislative control of everything. Surely the hon. Leader of the Opposition and the hon. Member for Little Bow, both of whom occupied positions of great responsibility as members of an executive council, were perfectly familiar with the terms of The Financial Administration Act. They should, perhaps, just refresh their memories to see what legislative control exists in that act on the investment powers of the

Executive Council and one man, the Provincial Treasurer. Well, Mr. Speaker . . .

MR. SPEAKER: I hesitate to interrupt . . .

AN HON. MEMBER: . . . going off the point . . .

MR. HORSMAN: I guess I'm going off the point a little. I must have anticipated you rising, Mr. Speaker, because I was just going to return to the point, to my second point, on the amendment. That is, Mr. Speaker, that the bill was introduced in a draft form last fall session. There was ample opportunity for people throughout this province to make representations to the people who should be receiving those representations, the members of this Legislative Assembly.

Mr. Speaker, thanks to the courtesies extended to me in my constituency by the news media, I had ample opportunity to present The Alberta Heritage Savings Trust Fund Act to the people in my constituency. In newspaper columns, in a half-hour television broadcast, on radio interviews, I sought the opinions of my constituents, as individuals and organizations, as to what they believed should be in The Alberta Heritage Savings Trust Fund Act. Mr. Speaker, I am convinced that I know better than anyone else from Medicine Hat-Redcliff what the people of Medicine Hat-Redcliff want in this bill. I am convinced that they will support the concept in principle that is in this bill . . .

MR. SPEAKER: Order please. I must respectfully disagree with the hon. member that his second point is on the amendment.

MR. HORSMAN: I'm sorry. Well, . . .

MR. NOTLEY: Save it for the speech.

MR. SPEAKER: In fairness, I should perhaps remind the Assembly that a member having spoken to the amendment and confined his debate to the amendment is again entitled to speak on the main motion. If we don't follow the rule, there will be many members speaking twice on the main motion in this debate.

MR. HORSMAN: Mr. Speaker, what I was trying to point out is this: I do not believe that the public hearings are necessary because, like the hon. Member for Drumheller who spoke just prior to my rising in the House, I held public hearings in my constituency. I had ample opportunity, and I received many representations.

Furthermore, I wish to point out, as a new MLA, that I believe I came to this Legislature to legislate, having the support of the people in my constituency. That's what I'm prepared to do. I'm prepared to come in here and debate this bill at this stage on this amendment, on the bill itself in committee, to legislate. That's my responsibility. Mr. Speaker, I can't see why the mover of this motion wants to have somebody else trying to make up his mind for him. This is just a delaying tactic.

Further, Mr. Speaker, and in conclusion, I just oppose the amendment because I want to see this fund at work. I want to see this fund working for Albertans. If I may add a particular interest, I want to

see the irrigation fund funded. If the hon. Member for Little Bow and the hon. Member for Bow Valley, who also have an interest in irrigation, wish to support this amendment, may I remind them that in so doing they just may be delaying a very important aspect of the operation of the fund.

If I may, Mr. Speaker, I have a reminder from the Member for Little Bow that the Minister of Agriculture is making funds available by way of loan. If I'm not mistaken, those members also indicated that they didn't approve of that way of doing it. Let's clear it up, Mr. Speaker, so we can gain their approval and do it in exactly the proper manner as proposed by this Bill 35.

AN HON. MEMBER: That's your portfolio. Want to get up and speak?

MR. HORSMAN: I hope you're not using up all your arguments on the amendment hon. members, because of course you're all talking at once. So maybe there isn't unanimity in that caucus. I don't know. Mr. Speaker, I oppose this amendment. It's a frivolous and vexacious waste of the time of the members of this Legislature, and I urge its defeat.

DR. BUCK: Mr. Premier, glad to see you're here to help us along. It's such a rare occasion.

Mr. Speaker, I would like to say to the hon. Member for Medicine Hat-Redcliff that any time that we, the members of the Legislature, are asking the people of this province to come to this legislature in committee and indicate to us what they think should be done with their money, I don't think we're wasting our time.

AN HON. MEMBER: Hear, hear.

DR. BUCK: Mr. Speaker, the fund we're discussing is going to be unique in the history of this confederation. This will be the first time any province will have, in about 10 years, one-third of the entire budget of the entire nation, one-quarter to one-third of the federal budget at its disposal to invest, to control for the benefit of the people of this province. So I say, Mr. Speaker, how can we, as members of this Legislature, oppose asking a two-month delay in the passage of this bill, to ask the people of this province to come and sit in this committee and advise us how this money should be invested and how this money should be spent.

Mr. Speaker, there was a big smoke screen a year and a half ago. I have constituents, as the hon. Member for Drumheller has; and my constituents could not understand the philosophy of the heritage trust fund.

MR. NOTLEY: The trouble is the Tory candidate did. That's why they couldn't understand it.

DR. BUCK: Mr. Speaker, they couldn't understand the philosophy of this, because it was a concept . . .

MR. CLARK: Yeah, the Premier was out there.

DR. BUCK: It is a concept that is unique. It is a unique concept in that people thought it was just a fund that we were going to control and spend wisely.

Because when we talk about a heritage trust fund, everybody knows what trust funds are. They are things that are protected, and they're always going to be there. The government, the Legislature, in its wisdom is going to make sure it's going to remain there.

The average man on the street really couldn't understand what we were talking about. But, Mr. Speaker, he could understand when he was rally around the campfire boys, because we have to go to Ottawa to make sure we're not going to be done in. I have to commend the hon. Premier. He did an excellent job on selling that philosophy. But when we have the temerity to say that we sold, number one, primarily the heritage trust fund and that's why we got 69 seats.

MR. LOUGHEED: That's right.

DR. BUCK: Mr. Chairman, that was just not a fact. That was just not a fact.

AN HON. MEMBER: Agreed.

SOME HON. MEMBERS: Mr. Speaker.

DR. BUCK: Mr. Speaker, when the Conservative Party just recently in their convention in Calgary had a division in that caucus, saying there should be public hearings and more accountability to the Legislature, I think the government has a problem. So let's invite the people of this province to sit in committee, in this Legislature, because I think we are here to serve the wishes of the people.

We've had hearings in this Legislature. We had the Bighorn Dam hearings. Several millions of dollars of the people's money was going to be invested in that project. We had public hearings. We had public hearings when we talked about changing the royalties, even though the government had decided to make those changes. But we had public hearings in this Legislature.

Now, when a fund, one of the largest or the largest in the history of any province in Confederation, cannot ask its people to come and present their views in this legislature, Mr. Speaker, we're making a mockery of democracy. We are making a mockery of open government.

MR. NOTLEY: Agreed.

MR. CRAWFORD: You're also making a poor speech.

DR. BUCK: The hon. government members may laugh. That's fine. I was really quite enjoying the Deputy Premier manipulating the puppets this morning. I really quite enjoyed that, because he was sending those darts across the room, and he was sending the darts backwards, because we wanted to get into the heritage trust fund legislation.

I commend the Deputy Premier for trying to get his backbenchers to sit down during the question period, the government front bench seems to be losing control of the strings that operate the backbenchers. Maybe that's good. I think there's a little bit of light coming into that caucus.

Well let's shed more light. Let's bring the people of this province who wish to indicate to us as members

of the Legislature what they want done with their money. Because, Mr. Speaker, it is not the government's money. It's the taxpayers' money. Let's make that point very, very clear. The government, with its gigantic majority, seems to mix up the two concepts, that there's government money and taxpayers' money. I would like to inform the hon. members of the government that it is the taxpayers' money now and forever. Let's not try to say it's the government's money. So, Mr. Chairman, I support the amendment.

AN HON. MEMBER: Mr. Speaker.

DR. BUCK: Mr. Speaker. We're having a little problem with that. Mr. Speaker, I'm already assuming we're going to be in Committee of the Whole, listening to the voices of the people of Alberta indicating to us how their money should be spent, and I support the amendment.

MR. HYNDMAN: I'm always afraid that one of these days the hon. Member for Clover Bar will generate more indignation than he can conveniently contain and may self-destruct on the floor of the Assembly. That almost happened today.

Suffice it to say, Mr. Speaker, that I think most members, having heard the very succinct arguments put by most of the debaters on the amendment, do feel and should feel that this amendment be summarily and overwhelmingly defeated.

Surely, Mr. Speaker, there is no better place for a public hearing in the fullest sense of the word than an election campaign. In the election campaign of last year, as the hon. Premier has mentioned, the whole issue of the heritage trust fund was brought forward. There was an election campaign, in effect a provincial referendum where every voter — the entire population of the province — had a period of weeks to reflect upon and make a decision upon the heritage fund. That was the public hearing. That's the best form of public hearing. That was the public hearing where there was an endorsement of this fund.

Mr. Speaker, the Member for Clover Bar purported to suggest that there was a motion at a recent annual meeting of the Conservative party of Alberta relating to a public hearing. It didn't happen, Mr. Speaker. I don't know whether the honorable gentleman was somewhere behind the wall at the convention and thinks he heard that. But in any event, there was no suggestion of that kind, no motion of that kind. So the sources from which he is gaining that information, if he wasn't there personally . . .

DR. BUCK: My spies misled me.

MR. HYNDMAN: The honorable gentleman's spies misled him. He seems to be misled on a great number of things in the Assembly.

In any event, there certainly wasn't any suggestion of that at the convention. In fact, there was a great deal of very, very useful advice for this government from that very effective meeting of the Conservative party. The bill before the Assembly today reflects the debates, decisions, and advice received there in quite a number of interesting ways.

In summary, Mr. Speaker, the amendment reflects adversely on every one of the members of this Legislative Assembly. It suggests they haven't done

their work. It suggests that they haven't done what each MLA in this Assembly should do, and that is talk to and seek the opinions and advice of all constituents.

Now Mr. Speaker, I think it's clear that all but one of the members of this Assembly, or all but maybe five, have done their homework over the course of the last two years. They have assessed and listened to the people in their ridings. They've done their job. It's because the MLAs are the people who should be seeking opinions, who have done that, that this amendment should be defeated at this time.

SOME HON. MEMBERS: Hear, hear.

MR. SPEAKER: Are you ready for the question?

[Motion lost]

MR. APPLEBY: Mr. Speaker, it gives me a great deal of pleasure to enter this debate on Bill 35. I was naturally disappointed that the hon. Member for Spirit River-Fairview had to delay proceedings by introducing the amendment. But now that the air is cleared, I think we can get back to the business at hand and talk about some of the positive things this particular act will do to assist the future of the province of Alberta.

I could not help but comment on one of the remarks made by the Leader of the Opposition, Mr. Speaker. He said that this particular act was giving to future legislatures in this province the right to do whatever they wish with the fund. I have to remind the hon. leader, Mr. Speaker, that we are still here. All the members of this Assembly are still here today, and God willing, most of us will be here for another three or more years. We will still have control over the future and the destiny of this fund in the regular manner of legislative procedure.

Mr. Speaker, this particular bill, as the Premier has outlined this morning, is the result of a long period of planning, a great deal of exposure to the public, and considerable input from a number of different sources. Last fall the original bill was introduced so it could be examined by people outside the Legislature, until nine days ago when we had this present bill before us.

However, Mr. Speaker, like all legislation, this particular act is subject to consideration by all members of this Assembly. If in the wisdom of this Assembly on some future occasion we should decide that some portion of this act could be more beneficial to the province and the citizens of Alberta by some changes, then we have the authority and the ability here to make such changes. So I really cannot see, Mr. Speaker, why we have this particular apprehension indicated to the Assembly this morning by the Leader of the Opposition.

We have the authority to control the destiny of this bill for the next three or four years. Having taken this bill to the people of this province, as has been well indicated to the Assembly by the ones who spoke here in opposition to the amendment, if we did our homework well, we know what we have to do now in considering this bill.

However, to be more specific, Mr. Speaker, this morning I want to change the pace of the debate somewhat and talk about some of the areas where I

think this bill can be of great benefit to the people and to the future of this province. I want to refer specifically, Mr. Speaker, to Section 6(1)(a), which deals with the future, the economic and social development for the citizens of this province. I have no doubt, Mr. Speaker, that other members will be bringing their views before us on other aspects of the bill and perhaps on this particular section of the bill. I think this is going to be very important.

But, Mr. Speaker, although there are many areas where this particular section can apply, I would like to bring two specifically before the House, dealing with the future of Alberta, that I think are very, very important.

I bring these before the House, Mr. Speaker, because I think they have a great bearing on the economic future of the province. One of these deals with the area of agricultural research. I feel we are dealing here — and the Premier already mentioned in his speech this morning that this is an area we should be considering — with a renewable industry. Mr. Speaker, I have a great deal of optimism regarding the future of agriculture in this province. I feel that down the road this is going to become one of the most important aspects of the economy of this province. Because of that, Mr. Speaker, I think somewhere, as we allocate portions of this fund, we should be thinking of agriculture in the manner of maximizing our production with the minimum input costs.

Therefore, I think some of the funds could be expended in the area of development of research in agriculture: different types of development regarding research in the types of crops we grow; production of different strains of crops and grasses. I think we have an area in the northern section of the province where, if we could produce certain strains of grains that would be maturing in a shorter number of frost-free days, we would have a greater agricultural potential. I think that is something we have to be looking at as far as our grain and forage crops are concerned.

We also have to be looking, of course, at the use of herbicides and insecticides to see what effect they are going to have on our future agricultural production. We have to be experimenting with different types of fertilizer to maximize our production as well. Also, Mr. Speaker, we can apply the same sort of thinking in the area of livestock production to produce strains of livestock and poultry, to have the maximum amount of production in the shortest number of days with the least amount of input as far as our feed supplements and those sorts of things are concerned.

So in mentioning that sort of thing, Mr. Speaker, what I'm trying to say is: I think we need to allocate some of our funds to agricultural research. I think this will pay very, very substantial dividends in the years to come, and that it will be allocated, of course, to a renewable type of resource. That is something we have to look for in the future of this province, because it is so highly important.

Mr. Speaker, the other specific area I want to mention in the matter of our renewable resources — and I expect some of you may have anticipated that I would be talking about forestry. The Premier has already mentioned that this morning, but I feel that here is another area, Mr. Speaker, where we have never begun to realize the potential for forestry

development in the province of Alberta.

Mr. Speaker, I read the other day about Peru. They are beginning to find it economically viable to produce pulp, and from that paper, out of the residue from their sugar cane. It's pretty expensive, but they're finding they can do it. Economically at this time it pays them to do it, rather than to import pulp from other parts of the country where it's getting to be quite costly.

We have a tremendous resource here in our forests, Mr. Speaker, a tremendous potential. Actually, when we look at it, we haven't really scratched the surface. Today, in the province, they have developed through research facilities — the limited ones they have, Mr. Speaker — means of producing pulp from what has been regarded as low-value timber — the poplar woods or the aspens have been regarded as low value timber in the past — combining that short-fibre timber with a portion of the long-fibre coniferous woods, and producing a very good quality pulp.

However, more experimentation needs to be done in this respect. That is the type of thing to which maybe some of our research funds could be allocated. Again, Mr. Speaker, that will provide a future in renewable resource on which we can build the future of this province. Before we do any of that, Mr. Speaker, we have to take some funds from somewhere and do a complete new inventory of our forest resources here in the province of Alberta. We have not done one since the early 1950s. We do not know exactly what we have in the way of forest resources, although we do know they are massive. We have areas of the province, as well, Mr. Speaker, where we could be producing more wood from coniferous trees if we did more in the way of reforestation.

Mr. Speaker, I also believe we could do some experimentation — as I mentioned, in agriculture as well — in trying to produce types and strains of woods that would mature at a lower age. We could also be doing this type of research there. So I think that is something we should be looking at very, very carefully, Mr. Speaker. I believe that our inputs in the matter of research and development in those two areas would be recovered by us many, many times in the future. This would be something that we would have many, many years and all down the road after our non-renewable resources have been expended.

Mr. Speaker, we're talking about heritage this morning. Particularly, we're speaking about the heritage savings and trust fund. The hon. Minister of Government Services also responsible for Culture has done a tremendous job in recognizing the feeling so many of us in the province have with respect to our heritage in regard to the historical sense, dealing with such things as buildings, artifacts, missions, and trails. The people of Alberta have recognized the tremendous interest and the type of programs he has produced so that we can preserve that sort of historical culture here in the province. I think that's very, very important. Those efforts have been well recognized and well accepted. I have had many, many letters and messages of gratitude about the work the hon. minister has done in that respect.

However, Mr. Speaker, besides the historical heritage we have, many other things contribute to our everyday way of life. I think these are the things we are looking at today.

Mr. Speaker, I probably have five or six more minutes. I think I would like to adjourn debate and cover that the next day.

MR. SPEAKER: May the hon. member adjourn the debate?

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Speaker, on Monday the House will continue with debate on second reading of Bill No. 35.

[The House rose at 1:00 p.m.]

