

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: Friday, May 14, 1976 10:00 a.m.

[The House met at 10 a.m.]

**PRAYERS**

[Mr. Speaker in the Chair]

head: **PRESENTING PETITIONS**

MR. KUSHNER: Mr. Speaker, I beg to present a further petition, with 1,000 signatures, requesting the reinstatement of Dr. Abouna at the Foothills Hospital.

MR. SPEAKER: Might I point out to the hon. member that if these petitions are, in fact, the same in substance it would be an undue extension of the rule with regard to petitions if the hon. member brings in additional petitions each time there are additional signatures to the same petition.

DR. BUCK: On a point of order, Mr. Speaker. If the petitioners are different people, surely the hon. member is entitled to present petitions on their behalf.

MR. SPEAKER: There's no question that the traditional and time-honored access to the Legislature by means of petitions should be preserved, and should not be unduly restricted. However, some concern must be shown for the time of the Assembly. If there were not some practical limitation, it would mean that a petition by perhaps 100 people could be brought in as 10 petitions by dividing up the signatures 10 ways.

head: **INTRODUCTION OF BILLS**

**Bill 233**  
**An Act to Amend**  
**The Motor Vehicle**  
**Administration Act (No. 2)**

MR. KUSHNER: Mr. Speaker, I beg leave to introduce a bill, An Act to Amend The Motor Vehicle Administration Act (No. 2). The purpose of this bill is to provide that a permanent vehicle log book be kept in each vehicle, showing the description, ownership, history, and annual auto meter reading. The bill would protect both the vendor and the purchaser.

[Leave granted; Bill 233 introduced and read a first time]

**Bill 232**  
**An Act to Amend**  
**The Municipal Government Act**

MR. KING: Mr. Speaker, I beg leave to introduce a bill, An Act to Amend The Municipal Government Act. The purpose of the act is to permit municipal governments to create non-profit housing corporations within the jurisdiction of the municipality.

[Leave granted; Bill 232 introduced and read a first time]

head: **INTRODUCTION OF VISITORS**

MR. NOTLEY: Mr. Speaker, I'm delighted today to have the opportunity of introducing 45 Grade 6 students from Spirit River, Alberta. They are accompanied by their principal, Mr. Pat McGuire; teacher, Mrs. Helen Sideroff; parents, Mrs. Solli, Mrs. Clark; and bus driver, Mr. Cusher. They are seated in the public gallery. I would ask them to stand and receive the welcome of the House.

DR. HOHOL: Mr. Speaker, I'm most pleased to introduce to you, and through you to the Assembly, 100 Grade 11 and 12 students from O'Leary High School in the constituency of Edmonton Belmont. They are accompanied by their teacher, a gentleman who has a reputation as an outstanding educator in Edmonton, Mr. Symyrozun.

I should like to point out that we're very proud and pleased — I know the 100 students are, the school is, and I am — because one of the Grade 12 students from O'Leary High School is one of the pages who attend upon us in the Legislature.

I should like the teacher and the students to rise and receive the welcome of the Assembly.

MR. JOHNSTON: Mr. Speaker, I'd like to introduce to you, and through you to the Assembly, six Chief Scouts from the city of Lethbridge. They are seated in the Speaker's gallery. They are from the 12th Lethbridge Scout Troop and are enjoying a two-day visit to the fine capital city of this province. They are accompanied by Mr. Hamilton and Mr. Bland. I would ask that they rise and receive the welcome of this Assembly.

head: **TABLING RETURNS AND REPORTS**

MR. RUSSELL: Mr. Speaker, I'd like to table the reply to Motion for a Return 176.

head: **ORAL QUESTION PERIOD**

**Oil Supplies**

MR. CLARK: Mr. Speaker, I'd like to address my first question to the Premier, in the absence of the Minister of Energy and Natural Resources. What effect is the opening of the Montreal pipeline going to have upon the productive capacity of the conventional producing wells in Alberta?

MR. LOUGHEED: Mr. Speaker, subject to checking and perhaps further elaboration by the Minister of Energy, generally speaking, I think the situation over time will be a decline in export in export to meet the 250,000 barrels a day that will be moving into the pipeline to Montreal. Certainly, even with that, the productive capacity of conventional oil from the province will be less than full capacity, of course.

#### **Oil Pricing**

MR. CLARK: Mr. Speaker, a supplementary question to the Premier. The question really arises out of a statement by a certain politician in Ontario.

My question to the Premier, very candidly, is: in the course of the discussions with the federal government and the province of Ontario in the course of increasing the price of crude oil to Alberta's target of \$2, did the Premier tell the province of Ontario that in fact if they didn't shape up, we'd shut the oil off?

MR. LOUGHEED: Mr. Speaker, I'm of the old-fashioned school. When I attend a private meeting, I consider it a private meeting.

MR. CLARK: Mr. Speaker, a supplementary question to the Premier. Could the Premier indicate whether that's the view of the Government of Canada as far as private meetings are concerned?

MR. LOUGHEED: Mr. Speaker, I have difficulty from time to time understanding the views of the Government of Canada.

MR. CLARK: Might I say you're not alone in that difficulty.

#### **Oil Storage Underground**

MR. CLARK: Mr. Speaker, one last supplementary question on the oil situation to the Premier. Can the Premier bring us up to date on the question of storage of crude oil in the province of Alberta?

The Premier will recall that during the estimates it was indicated to us that a proposition had been put forward to the government and that it was under review by the cabinet at that time. Has the government arrived at a final determination of the question of underground storage of crude oil in Alberta?

MR. LOUGHEED: Mr. Speaker, that is an important question. But it's one I'd like to take notice of and have the Minister of Energy and Natural Resources respond when he returns to the House.

#### **Mobile Homes — Airdrie**

MR. CLARK: Mr. Speaker, I'd like to direct the second question to the Minister of Housing and Public Works. The question flows from the decision made by the Provincial Planning Board that the mobile-home subdivision in Airdrie would go ahead.

Is the minister in a position to indicate to us when phase one of the mobile-home subdivision in Airdrie will proceed?

MR. YURKO: Mr. Speaker, it's intended that phase one will move forth during the current fiscal year. Indeed, we hope to have lots on the market before too many months are past.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Did the minister say, to move ahead during "the fiscal year" or "the calendar year"? Will lots be on the market during the calendar year we're in?

MR. NOTLEY: Whichever is later.

MR. YURKO: Mr. Speaker, I said "fiscal year". But I certainly anticipate that lots will be on the market during the calendar year.

MR. CLARK: Mr. Speaker, a supplementary question to the Minister of Education, to ask what commitments have been given by the Department of Education to Calgary rural School Division No. 41, in light of the approval given to go ahead with the mobile-home subdivision at Airdrie.

MR. KOZIAK: Mr. Speaker, the regulations under which the school buildings branch operates and approves financial support for the construction of schools throughout the province would apply to Calgary School Division No. 41 as they do to other jurisdictions. That information is in the hands of the school jurisdiction.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. Mr. Minister, have any commitments been given to the Calgary rural school division board in light of the mobile-home subdivision now going ahead at Airdrie — any commitments at all from the minister or his department?

MR. KOZIAK: There have been no specific commitments for the financing of any schools in Calgary School Division No. 41, nor can there be until the statement of need is presented, providing the evidence and supporting the need for the construction of a school.

MR. TAYLOR: A supplementary to the hon. minister. Will the schools be built on the east side of the highway?

MR. KOZIAK: Mr. Speaker, the location of schools is generally determined by the local school jurisdiction. The function of the school buildings branch is to determine whether the need has been proven and, under those circumstances, the degree of financial support the provincial government should provide in the construction of the school. But the location and the plans are usually matters that fall within the local jurisdiction.

#### **OSP Grants**

MR. NOTLEY: I'd like to direct a question to the hon. Premier. It concerns a follow-up from a question put during the Executive Council estimates, when the Premier indicated he'd had some concern expressed to him about the OSP grants prior to the public

controversy.

Can the Premier advise whether the contents of a December 13, 1974 memo from Mr. T.H. Gladders, personnel officer of the culture department, to the deputy minister were brought to the Premier's attention? For the Premier's recollection, the relevant point in the memo is: "My repeated concern in this area is to forestall and minimize any possible embarrassment to the department, the minister, and the government."

MR. LOUGHEED: Mr. Speaker, no. I had no such communication. As I mentioned during the estimates, the only concern expressed to me was a general concern about setting up an office of special programs that was not under the jurisdiction of the deputy minister.

MR. NOTLEY: Mr. Speaker, is the hon. Premier in a position to advise the Assembly more specifically when that concern was brought to his attention?

MR. LOUGHEED: Mr. Speaker, I think it was, if not concurrent, almost concurrent with the time the unsolicited grant was made public.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. Provincial Treasurer. Is the Treasurer in a position to advise the Assembly whether or not the Provincial Auditor on his own initiative held back some of the OSP cheques before the end of the fiscal year in question?

MR. LEITCH: I would have to make inquiries about that, Mr. Speaker, and I'll do so.

MR. CLARK: One further supplementary question to the Premier. Mr. Premier, in the answer to the question of the hon. Member for Spirit River-Fairview, I understood you to say that the only concern expressed to you . . .

MR. SPEAKER: Could the hon. . . .

MR. CLARK: . . . the only concern expressed to the Premier was the setting up of the office of special programs outside the normal operating procedure of the department. Would the Premier confirm that was the only concern expressed to him?

MR. LOUGHEED: Mr. Speaker, that's correct.

#### **SHIP Grants**

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Housing. I wonder if the hon. minister would advise the House if the \$1,000 grant is available to senior citizens who otherwise qualify, who have old-fashioned mobile homes without water, without toilets, et cetera.

MR. YURKO: Mr. Speaker, subject to checking, I have no recollection of excluding mobile homes in any way from the applicability of the senior citizen home improvement program.

MR. TAYLOR: Supplementary. If such a home is placed upon a reasonably firm foundation, not con-

crete, would it then come within the realm of consideration?

MR. YURKO: Mr. Speaker, there are some departmental requirements with respect to the mobility of a mobile home, and some assurance has to be given that, in fact, it is a permanent or semipermanent type of occupation. On that basis, they are indeed approved.

If there is a particular problem with a specific one, I'd certainly wish to be apprized of the situation and take it under advisement.

MR. TAYLOR: One further supplementary, which may be stretching the point a little. Could the hon. minister advise the House when Phase II might be starting?

MR. YURKO: Well, Mr. Speaker, I can only answer that question as I've answered it before. We are working on various regimes with respect to Phase II. I hope that we will decide on some form of regime before too long and implement it at the earliest opportunity. But at this time I'm not in a position to give any date or month by which time it could be brought into being.

#### **Warble Control**

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Agriculture. Is the minister in a position to give a preliminary report on the warble inspection program that has been recently completed?

MR. MOORE: No, Mr. Speaker, I don't think I could give a full report on it except to say that, as hon. members know, there were three areas in the province which had opted out of the warble inspection program more than a year ago. It's now my information that two of those three areas have decided to be a part of the program. Therefore, Mr. Speaker, we're getting closer than ever and pretty nearly have the entire province under warble control.

MR. MANDEVILLE: Supplementary question, Mr. Speaker. Has consideration been given to carrying on this program, or any other program of this nature, on a regular basis?

MR. MOORE: Mr. Speaker, it has only recently been completed. It would be my understanding from preliminary results that the program would indeed be carried on, but that's subject to discussions with departmental officials and others who have been involved in the program.

DR. BUCK: Supplementary, Mr. Speaker, to the Minister of Transportation. This has to do with warble control and highway signs. At one time the minister indicated we'd be having a new policy or some type of upgraded policy on highway signs.

Can the Minister of Transportation indicate if the warble control signs on the highway will be retained, or are they possibly redundant?

DR. HORNER: I'm sorry, Mr. Speaker, would the . . .

DR. BUCK: I'm sorry. I'll make sure I catch the Deputy Premier's attention next time. Mr. Speaker, the question was on warble control. The minister indicated that there will be a new policy on highway signs.

I would just like to know if the warble control signs will remain in that policy, or are they possibly not necessary now.

DR. HORNER: Mr. Speaker, once the program is in full effect, I would think they wouldn't be required. But until such time as they are, they will continue to be on the highways.

#### **Government Decentralization**

MR. ZANDER: Mr. Speaker, my question is addressed to either the Deputy Premier or the hon. Premier. Has the government taken a survey or an inventory, or done a study, of which small community centres throughout the province are most suitable for government agencies in the decentralization program?

DR. HORNER: Mr. Speaker, if I could respond to that I would suggest that it's an ongoing program relative to what we might be able to do further in decentralization of government agencies.

I think though, Mr. Speaker, some consolidation has to be done. We're still looking forward to two major moves; that is, the Vegreville laboratory and the hail and crop insurance move to Lacombe. I think we have to get those behind us. It's a continuing program, and we'll look at a variety of other agencies that might be decentralized.

#### **Land Use**

MR. ZANDER: A supplementary question, Mr. Speaker. Has or is the government implementing studies of the most suitable sites for proposed industries in the province of Alberta? Is it government policy now not to use the best agricultural land — to try to conserve the best agricultural land and put industry on less productive agricultural land?

DR. HORNER: Mr. Speaker, insofar as industry is concerned, I think of course that that decision has to be partly up to the industry concerned. Certainly our planning commissions, the new planning act, and other matters will also take that into consideration. From a governmental point of view, when we're involved in siting of industry, we'll certainly be looking at the best land use — problem. In a variety of areas good agricultural land should not be used for industrial siting.

#### **Highway Safety**

DR. BUCK: Mr. Speaker, to the Minister of Transportation. First of all, I would like to compliment the minister on his new policy of having headlights on motorcycles.

Has the minister compiled any statistics, even

though it's been a relatively short time, to indicate that they are a safety feature?

DR. HORNER: I think it's a little too early, Mr. Speaker, to have any statistics on that matter. However, in the near future we'll be putting forward our safety position. I would hope that part of that will be a better monitoring of that kind of thing, so we have more factual information down the road. It's too early yet to ascertain.

DR. BUCK: A supplementary to the hon. minister, Mr. Speaker. Has the minister's department done any studies on the safety features of leaving automobile and truck headlights on?

DR. HORNER: Not as yet, Mr. Speaker.

MR. TAYLOR: Mr. Speaker, a supplementary to the hon. minister. Has the government given any thought to the type of lights now being carried by certain bicycle operators? The lights are on their elbows and knees. Since they keep moving, they are far more effective than any other lights I've seen. I found them very effective. Has the department given any particular study to these?

DR. HORNER: I'd have to check on that, Mr. Speaker. But I will do so and report to the hon. member.

#### **Municipal Taxation**

MR. KUSHNER: Mr. Speaker, I wish to direct this question to the Minister of Municipal Affairs. I wonder if the minister can inform this House if there has been any dialogue between the minister and the city of Calgary as to the assessment manuals act, [which] was changed in 1973, and [its] effect on senior citizens. It was passed in such a way that the people would be taxed on whatever the zoning is, rather than the use. I know it's creating a hardship. It's gone up to about 10 times what it used to be.

MR. JOHNSTON: Mr. Speaker, I believe the hon. member is referring to the taxation of senior citizens' homes that are rented out. A section of The Municipal Taxation Act provides that unless that residency is maintained exclusively for the senior citizen, indeed it suffers a greater taxation. The city of Calgary has waived that provision for those senior citizens who are also on guaranteed income supplements and who can qualify for a minimum amount of additional rental; they will abate the supplementary school tax. There clearly is provision in The Municipal Taxation Act, under Section 104, for that to take place. In fact, Edmonton and other cities have done so.

It is my intention to recommend to caucus this fall that an amendment be effected to The Municipal Taxation Act to remove that term "exclusively" to therefore remove any hardships which may accrue to senior citizens living and residing in their own homes.

MR. NOTLEY: Mr. Speaker, I'd like to direct my question to the hon. Minister of Municipal Affairs, too. In view of his commitment last October to the Alberta municipalities to effect changes in assessment regulations as they relate to both buildings and land, but more particularly to buildings, what moves

does the government propose to bring the assessment of buildings up to 1974 values?

MR. JOHNSTON: Mr. Speaker, the entire question of assessment, of course, is being reviewed seriously by our department. I have had an opportunity to discuss with my colleagues some of the concerns that the hon. Member for Spirit River-Fairview has expressed with respect to the whole question of a one-to-one ratio on land to building assessment. As you can appreciate, it's an extremely complex area with many innuendos and subtleties, and it has received some extensive debate by Cabinet.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. Is the minister in a position to advise the House when this extensive debate will be concluded and some legislative moves will be entertained?

DR. BUCK: You haven't done anything for a year, Johnston.

MR. JOHNSTON: Mr. Speaker, of course I can't account for the timing, but I can indeed suggest that it's important to us, and we're working on it.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. In view of the statement made to the municipalities, can the minister assure the House that the government does plan to move on this matter before the end of the current calendar year?

MR. JOHNSTON: Again, Mr. Speaker, I can't give that undertaking.

#### Hospital Operations

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Hospitals. Are there any hospital boards in the province that have not closed active beds?

MR. MINIELY: Mr. Speaker, oh yes. I believe that there are some or many.

AN HON. MEMBER: One or two?

MR. TAYLOR: A supplementary, a little stretched again, Mr. Speaker. Have all hospital boards in the province received an increase over the appropriation they received last year?

MR. MINIELY: Yes, Mr. Speaker, definitely.

#### Cycling Infractions

MR. BATIUK: Mr. Speaker, I'm going to make another attempt. I'm going to ask the Solicitor General whether he can advise whether his department has any records of any individuals being prosecuted for driving a bicycle while impaired.

MR. FARRAN: No, I have no knowledge, but I will check. I don't really know what one can do. The police couldn't take away the keys. It might be rather

hard for an impaired person to drive a bicycle anyway, but I will inquire into it, Mr. Speaker.

AN HON. MEMBER: Take off one wheel.

#### Health Care Policy

MR. CLARK: Mr. Speaker, I'd like to direct my question to the Minister of Social Services and Community Health. Is the minister undertaking a study of the recommendations of the Institute of Law Research and Reform — I think it was Report 19 — dealing with the *Consent of Minors to Health Care* and, if I could perhaps go a bit further, dealing specifically with the recommendations that Dr. Smith made following his recent trip to Europe?

MISS HUNLEY: Yes, Mr. Speaker. That report is under review within the department, but I have not yet had recommendations from them or the opportunity to meet with them to discuss the details of it and what our future course of action should be. It's a very important report.

MR. CLARK: Mr. Speaker, a supplementary to the minister. Does the minister expect to bring in legislation this fall based on some of the recommendations in the institute's report?

MISS HUNLEY: No, I don't really, Mr. Speaker. My first cursory reading of the report indicates it's quite a mammoth undertaking, and an extremely important one. I think legislation would be developed over the course of time following rather extensive discussion before it's in its final stages.

MR. CLARK: Mr. Speaker, then, a further supplementary question to the minister. Has the minister had discussions with her cabinet colleagues with regard to the recommendation favoring clinics and education, including counselling centres, especially directed toward better health services for young people, being linked on a trial basis to schools in major cities? Have there been discussions either at the cabinet level or, more specifically, with the Minister of Education on that kind of trial project in Edmonton or Calgary?

MISS HUNLEY: Not extensive discussions, although the hon. Minister of Education and I have discussed it rather briefly. We also discussed it at the federal-provincial conference of ministers of health, and established a subcommittee of health ministers to meet with the ministers of education at their meeting later this year, to discuss all matters of education and how we might better link up with the educational system across Canada.

MR. CLARK: Mr. Speaker, one further supplementary question to the minister. Are there any firm plans at this time for a trial project between the minister's department and some educational authority?

MISS HUNLEY: Various projects are in place now, Mr. Speaker. I don't have details of all of them. Rather, I have a kind of overview of some of the things going on, usually at the initiative of the local people, or perhaps of the school board, or of the

public health unit. As for coming up with a model, we have not yet done that. But it's a matter that we're very interested in, and we'd like to do some further work on that as time permits.

MR. CLARK: Mr. Speaker, might I ask the minister: is the minister in a position to seriously consider proposals from school jurisdictions in the province? Is there some money available in the budget this year for a worth-while project that comes forward that would centre on the recommendations of the Institute of Law Research and Reform?

MISS HUNLEY: No, I wouldn't be able to give the undertaking that I do have money in the budget. But certainly we would be interested in working — and there's no other way to work, actually, if you're going to be involved in the school system, than to work at the local level with the school boards, try to react to some of their initiatives, and encourage them along some lines we'd like to have them consider. Certainly we'll be doing that.

#### Subdivision Proposal

DR. BUCK: Mr. Speaker, I would like to address my question to the Minister of the Environment. Earlier in the week I asked if the minister was in a position to indicate if he or his department had given any assurance to lake-property owners at Baptiste Lake in the Athabasca area that there would be no second-stage development of the Whispering Hills project until after we've had public hearings.

Is the minister in a position to indicate if he has checked that information? Can he report to the Legislature?

MR. RUSSELL: Yes, Mr. Speaker. I checked the file following the question by the hon. member. I can find no record of any commitment for public hearings. The most decisive letter we had on record was copied and sent to the hon. member's office for his information.

DR. BUCK: Mr. Speaker, a supplementary question. Can the minister indicate if the minister or members of his department have done a water quality study both of the lake and the surrounding area?

MR. RUSSELL: A fairly extensive one is under way at the present, Mr. Speaker. The motion for a return which I tabled earlier today gives some analytical sheets for the years prior to the current year, which show no serious detrimental effects.

DR. BUCK: Mr. Speaker, a further supplementary. Do the hon. minister's studies indicate that over-density could cause a problem in the area?

MR. RUSSELL: Mr. Speaker, that's verging on a hypothetical question. I'm unable to answer at this time, inasmuch as the report is not yet finished.

MR. CLARK: Mr. Speaker, I wonder if I might direct a further supplementary question to the minister. Is the minister prepared to give an undertaking to the Assembly that the Department of the Environment would oppose any second phase of the Whispering

Hills development until the department has finished its study and, secondly, satisfied itself that a second phase would not have a detrimental effect on the quality of recreational opportunities at Baptiste Lake?

MR. RUSSELL: Mr. Speaker, under the present situation, all the department is able to do is advise the local planning commission on matters relating to water quality or utilities when it receives an application for a subdivision or development around a lake. Rather than zero in on one lake, I think it's time for us to consider a moratorium on lakeshore development and take a pretty good review of this resource we have in Alberta.

#### OSP Grants (continued)

MR. NOTLEY: I'd like to direct this question to the hon. Premier. It's a follow-up to a question I posed earlier. To put the question I have to refer to Page 1193 of *Hansard*, Mr. Speaker, where the Premier indicated:

As far as I was concerned, it was a matter that was being assessed by the Provincial Auditor and, of course, by the Provincial Treasurer. When the incident did occur, I reached the conclusion to add to the concern that I had already expressed on that matter and that was the reason for the investigation.

Mr. Speaker, my question to the hon. Premier is: was there at some point another investigation either by the Provincial Treasurer or the Provincial Auditor?

MR. LOUGHEED: No, Mr. Speaker. What was involved is that when the particular incident with regard to the unsolicited grant occurred, it was a matter of discussion between the Provincial Treasurer and me and, I believe, some preliminary discussions with the Provincial Auditor. Subsequent to that, I reached the decision that the better answer was to have — not just related to that particular incident, but as I mentioned in the House — a full disclosure and full investigation of the total grant procedures of the government.

MR. NOTLEY: Mr. Speaker, a supplementary question to the Premier, relating to the issue of the concern. Is the Premier in a position to recall for the House the nature of that concern, whether it was in the form of a memo, or a telephone call? How was the concern expressed?

MR. LOUGHEED: Mr. Speaker, as I said, I had some difficulty recalling it. As far as I can remember, it was certainly not something I received in writing. It was a discussion that went on an organizational basis, with regard to the fact that the office of special programs was separated from the normal administrative procedures. As I mentioned, it was fairly close to the time this unsolicited grant occurred. Whether it was after it, before it, or immediately prior to it, I can't say. It was close to that time. It had to do with the organizational concept, and taking that particular expression of organizational concern with the incident, I thought it was important to have the full disclosure of an investigation by the Auditor.

MR. NOTLEY: Just one further question to clarify this matter. The hon. Premier said it was on or about the time. It would have taken place, however, during 1975. It would not have been in the latter weeks of 1974?

MR. LOUGHEED: My best recollection was that it would not have been in the latter weeks of 1974, and it would have been very close to when the other incident occurred. I'd have to check that.

DR. BUCK: A supplementary, Mr. Speaker, to the hon. Premier. This arises out of a question I asked the hon. Premier during estimates. On a point of clarification, did the Premier indicate at that time that he was not aware that the minister was spending several millions of dollars in many grants?

MR. LOUGHEED: Well, Mr. Speaker, I thought I answered that in committee, and I'm happy to repeat [it] again. My involvement, and the involvement I would have as the president of the Executive Council, was the establishment of a policy of the priority employment program, establishment of the amount of money that was allocated there. From that point, a cabinet committee was struck, chaired by the Minister of Advanced Education and Manpower, and that cabinet committee made the decision as to how much funds would be allotted to the various departments for the priority employment program. It was then up to each minister to establish his own organizational procedures.

#### **Federal Aid to Maritime Provinces**

MR. MANDEVILLE: Mr. Speaker, my question is also to the hon. Premier. Was the subject of federal aid to the province of Nova Scotia, to generate electricity, discussed at the recent premiers' conference?

MR. LOUGHEED: Mr. Speaker, I have some difficulty with that question, because the question was put in relationship to the meeting that was held, and I take the view that it was a private meeting.

I would say that, at a meeting of ministers of finance earlier in April, the matter was raised by the Government of Nova Scotia that relates to their electricity position, where their electricity depends upon the use of imported oil.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Will the Alberta government be supporting this proposal? What is the Alberta government's position as a result of the federal aid to Nova Scotia?

MR. LOUGHEED: Mr. Speaker, we don't take it as a matter involving the Government of Alberta. We take it as a matter that would involve the federal government relative to the Government of Nova Scotia. I think the Government of Prince Edward Island is in relatively the same position.

#### **Civil Servants as Witnesses**

MR. MOORE: I wanted to respond to questions that were asked of me on April 27 by the hon. Member

for Spirit River-Fairview. It's been drawn to my attention by him, Mr. Speaker, that there has been no response. The first one was a question whether a Dr. John Taylor had spent four days in court, but testified on only one. My response was that I would inquire into the matter.

Immediately after that, Mr. Speaker, you suggested to the hon. Member for Spirit River-Fairview that that information could be obtained from the clerk of the court, therefore I did not inquire into the matter and would expect the hon. member to follow that route.

#### **Civil Servants as Consultants**

MR. MOORE: The second question, Mr. Speaker, was to do with whether Dr. John Taylor, who was testifying in court, had consulted with lawyers for the people who had subpoenaed him, and whether the individual in question was acting in a consulting capacity. In that regard, having checked it again, I can only refer to my comments of April 14, where I indicated quite clearly that in no way was Dr. Taylor, or any other of the individuals who appeared there, acting in a consulting capacity. They were subpoenaed to appear as expert witnesses and acted in that capacity only.

#### **Government Files as Evidence**

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. This concerns the information that was put in testimony. Is the minister in a position to confirm from his investigation that information relating to the specific application of one of the parties to the court action was placed in testimony?

The reason I raise the question, Mr. Speaker, is to inquire what the policy of the Alberta government is with respect to releasing information concerning individual clients during court hearings, as opposed to general statistical figures.

MR. MOORE: Mr. Speaker, I know that I answered that as well during the question period some time ago. I don't have it in front of me, but very simply, with respect to the livestock disaster indemnity program, the amounts of the payments that are made to individuals under that program are public information.

MR. NOTLEY: Mr. Speaker, a supplementary question.

MR. SPEAKER: We're running short of time, and I believe there may be one or more ministers who would like to provide answers to questions that have already been asked. Might I suggest to the hon. member that we see how the time goes. Since I've already recognized the hon. Member for Clover Bar, we might have his question and then further answers by ministers, and we'll see how much time is left.

### Highway Speed Limits

DR. BUCK: Thank you, Mr. Speaker. In that case, I'll ask a short quick one of the hon. Minister of Transportation.

Can the minister indicate when we will have the regulations as to which roads the speed limits will be lowered on in the province of Alberta?

DR. HORNER: Next week, Mr. Speaker.

MR. SPEAKER: I believe the hon. Solicitor General wishes to amplify a previous answer or answer a previous question.

### Highway 16 — Policing

MR. FARRAN: Mr. Speaker, in the middle of April the hon. Member for Drayton Valley put two questions concerning law enforcement on Highway 16. The hon. member inferred that there was a lack of activity by the RCMP in regard to traffic laws.

On Highway 16 west of Edmonton we have 10 men and five cars based in Stony Plain, three men and one car in Evansburg, five men and two cars in Edson, and five men and two cars in Jasper. They're all fully committed to highway patrol duties, and they are supplemented by aircraft patrols operating out of St. Albert. They operate for 16 hours every day, and their full activity is concentrated on Highway 16. The Stony Plain patrol operates for 20 hours each day and, apart from patrols on Highway 60 and part of Highway 43, their major activity is on Highway 16.

Incidentally, the hon. Member for Stony Plain made a remark from the opposite point of view, thinking that there were too many radar traps on Highway 16.

MR. PURDY: Mr. Speaker, just on a point of clarification, I did not get a ticket through radar. The minister should clear up that fact.

AN HON. MEMBER: Did an airplane spot you?

MR. SPEAKER: If there are no further supplementary answers by the hon. ministers, perhaps we might now go back to the supplementary by the hon. Member for Spirit River-Fairview.

### Government Files as Evidence (continued)

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Agriculture. The issue doesn't relate to the payments the gentleman received. The question I would direct to the hon. minister and ask him to investigate is whether or not testimony that related to the application, the assessment of the case, was entered in the record by the particular public servant. The question relates then to the policy on that matter, as opposed to just how much was paid out.

MR. MOORE: Mr. Speaker, I'm not aware whether or not the testimony was entered in this case with regard to how the disaster committee arrived at a decision to make a payment and the amount of the payment. However, I would expect that that information was made public, as well, because it relates to

the payment.

As I said on April 27, and prior to that I think, the third occasion being this morning, the information — the amount paid and the individual it's paid to with regard to the livestock disaster indemnity program and the predator control program — is a matter of public record, as I think it should be.

### Gaming Regulations — Raffles

MR. CLARK: Mr. Speaker, I'd like to direct a question to the Attorney General. An organization in Calgary had its application for a raffle turned down. Does the minister have a definite set of regulations which are referred to when granting permission to run raffles?

MR. FOSTER: Mr. Speaker, I'm not sure that we have regulations. The Criminal Code provides that we can only provide a licence to a religious or charitable organization. So it's a question of the character of the organization that can apply. The proceeds can only be used for religious and charitable purposes. I know we have a handbook setting out the application forms and procedures. However, I'm not sure that it's supported by regulations. I can check into that.

MR. CLARK: A supplementary question to the minister. Would your department be in a position to make available the guidelines used in determining what is and what is not a charitable organization?

MR. FOSTER: Mr. Speaker, I thought I had circulated some time ago to all members of the Assembly a small green booklet that outlines the procedures and forms — all this material on lotteries and games of chance. If I haven't done that, I'd be quite happy to do so. But I thought I'd done so.

AN HON. MEMBER: Yes, you did.

### ORDERS OF THE DAY

MR. SPEAKER: There may be one or more hon. members who might now wish to revert to Introduction of Visitors. Does the Assembly agree?

HON. MEMBERS: Agreed.

### head: INTRODUCTION OF VISITORS (reversion)

MR. WOLSTENHOLME: Thank you, Mr. Speaker. It's my pleasure and honor this morning to introduce 21 students from the Longview School. It is the home school of our research assistant, Ken Hughes. They are from Grades 7 and 8. They are accompanied by their principal and my good friend Don Tannas, and by Miss Reay, Mrs. Russell, Mrs. Sharp, Mrs. McCullough, and Webster Lefthand, who is the band councillor from Eden Valley. I would ask that they stand and be recognized by this House.

[Mr. Speaker left the Chair]



head: **GOVERNMENT MOTIONS**  
(Committee of Supply)

[Dr. McCrimmon in the Chair]

MR. CHAIRMAN: The Committee of Supply will come to order.

**Department of the Provincial Treasurer**

MR. CHAIRMAN: There's one final item under Committee of Supply. It is resolved that a sum not exceeding \$65 million be granted to Her Majesty for the fiscal year ending March 31, 1977, for Alberta Syncrude Equity under the Treasury Department.

SOME HON. MEMBERS: Agreed.

MR. CLARK: Mr. Chairman, so we don't agree too quickly to this afterthought. As far as the budget is concerned, I think it shouldn't go without being noted that it was the feeling of most members that we had finished the budget consideration. Now we come back to the \$65 million equity for Syncrude. I'm sure the Treasurer would feel disappointed if we didn't ask him to explain what's involved in this \$65 million.

MR. LEITCH: Sorry, Mr. Chairman, I missed the middle part of that.

MR. CLARK: I'm sure the Treasurer would be disappointed if we didn't take this opportunity to ask him about the \$65 million involved. Give us the details with regard to the \$65 million Syncrude equity.

MR. LEITCH: Yes, Mr. Chairman, I would have been disappointed if someone hadn't given me an excuse to rise on this matter. I want to tell the Leader of the Opposition that this is not an afterthought. The reason we simply didn't deal with it last night was that I would have preferred to have the hon. Minister of Energy and Natural Resources here. He was ill yesterday, and I hoped his recovery would have been quicker than it has turned out to be.

But the purpose of this \$65 million is to provide the funds the government will contribute from time to time in payment of its equity interest in the Syncrude project. We voted a similar sum in the past year — not the amounts, I've forgotten the actual amounts — but in previous budgets we've voted funds as a separate item to pay for the acquisition of the government's equity interest in Syncrude. That is what this is for. The \$65 million is less the \$25 million we voted in interim supply for the same purpose.

MR. CLARK: Is the Treasurer now in a position to indicate how much of our equity commitment we've lived with? That would be in the vicinity of \$85 million or \$90 million between the special warrant last year and this amount. Can the minister indicate what portion of our equity commitment we have now paid? What timetable are we looking at? Will we be having appropriations something like this for the next two years until Syncrude comes into production?

MR. LEITCH: I can't [indicate] the actual dollars. I would have to check. I do get the figures from time to time, but don't carry them in my head. Our equity interest is, of course, 10 per cent. On the plant, that would run to approximately \$200 million. I think we've paid something in the order of 20 per cent, but I would want to check that figure to be sure. We pay as the owners are called on to provide funds to pay the cost of construction of the facility.

As to whether we can expect it from year to year, that would be answered by the question of whether the Syncrude equity became part of an investment into the heritage savings trust fund. If that were so, presumably the funds would be paid out as required under the terms of the agreements between the various participants in Syncrude without the appropriation, because it would be investment. If it were not dealt with in that fashion and remained an asset of the provincial government, separate and apart from the heritage fund, I would contemplate our continuing to provide funds by resolution at budget time and a clause in the appropriation bill.

MR. CLARK: Mr. Chairman, the minister beat me to the next question. Pretty candidly, it was: is the government giving consideration to having our equity portion of Syncrude in the heritage savings fund? From what the minister says, I take it the answer is yes. Mr. Minister, at what stage are those considerations now?

MR. LEITCH: Mr. Chairman, I wouldn't want to be accused of playing with words. The hon. Leader of the Opposition refers to: is the government giving consideration to that? We have indicated — at least I have, publicly on a number of occasions — that this is one of the kinds of investments that might be appropriate for the heritage savings trust fund. But that decision remains to be made, and would only be made after the legislation now before the House was passed. Then the decisions about investments and transfer of assets would have to be made. So it's a possible investment. I don't know that I can go any farther than that.

MR. CLARK: Mr. Chairman, following along to the minister. Mr. Minister, as far as Alberta is concerned, our equity is being looked after on two fronts, as I understand it. One is by our representative on the board, Mr. Chambers, who I assume reports to cabinet on what is or isn't happening.

Secondly, either in your department or maybe the Department of Energy and Natural Resources, a group under Mr. Vant, I believe, is involved in more of an ongoing day to day kind of assessment. My question to you, Mr. Provincial Treasurer, is: what kind of role has this accounting manual that we have heard a great deal about? The Minister of Energy and Natural Resources indicated the accounting manual wouldn't be finished until sometime after the agreement was signed. Now the agreement is signed, so the next thing to expect is the accounting manual. How is the Provincial Auditor's office involved from that standpoint?

MR. LEITCH: Mr. Chairman, the Provincial Auditor's office is extensively involved in the development of the accounting manual and in checking the expendi-

tures during the course of construction. I am not able to give the committee the precise way in which it is involved, as to how many people and what kind of checking is going on. There has been and will continue to be extensive involvement by the Provincial Auditor's office.

DR. BUCK: Mr. Chairman, in our monitoring of what is happening to costs, can the Provincial Treasurer or the hon. Mr. Chambers indicate to us how we're doing as far as the costs, because we have a fair amount of money invested in this? If I could just get a run-down of how we are monitoring these costs, to make sure they're in the ballpark we've been hoping they would end up in.

MR. LEITCH: Mr. Chairman, I take it the hon. member is asking whether the current estimates are close to the anticipated \$2 billion cost for the plant. If that's the question, as I understand it, there has been no substantial change from that, although there will be changes up and downward from time to time as more information is obtained about the costs of items that go into the facility and as the history of construction proceeds. My information is that there has been no substantial change from that estimate.

DR. BUCK: Mr. Chairman, to the hon. Provincial Treasurer, because this is a legitimate concern to me. I guess we, the taxpayers of Alberta, and the people participating in the Syncrude project sort of had things get away from us. We were talking about one point some billion dollars, and all of a sudden we're looking at \$2 billion. I would just like to know if the monitoring process . . . I'd like to know if the hon. Minister of Housing and Public Works and the Minister of Consumer and Corporate Affairs would like to get into the debate. If they do, I wish they'd stand up.

AN HON. MEMBER: Sure.

DR. BUCK: Graham, be quiet, in other words.

The question is: is the monitoring process and the report to cabinet monthly, weekly, quarterly? That's what I'd like to know. I'm sure Mr. Chambers can give us all the answers. I want to make sure he's earning his money.

MR. CHAMBERS: Mr. Chairman, am I permitted to answer a question?

HON. MEMBERS: Agreed.

MR. CHAMBERS: Yes, I submit a monthly report to the cabinet and to the Minister of Energy and Natural Resources. Of course, monitoring is an ongoing process internally in Syncrude and by the Alberta Syncrude equity organization. I think members could appreciate that when you have an ongoing cost control that's quite detailed, every month you'll have fluctuations either up or down. In fact, we've had two or three months in a row when the total cost of the project appeared to be dropping. Then we'll have another when it will go up. The last forecast I saw, which was quite current, was \$2.123 billion. That compares to the original forecast of \$2.048 billion

made on December 11, 1974. That is very close, and again it does fluctuate from month to month.

MR. NOTLEY: Mr. Chairman, now that we are discussing this and Mr. Chambers is in a position to take part in the debate, I think we may find more information than would otherwise have been the case. I'm interested, Mr. Member, in the extent of the fluctuations. Have there been significant fluctuations? You're talking about a total cost now of \$2,120 million. From the projections you've seen for the last year you've sat on the board, what would the variation be? What would the range be in terms of the total projected cost?

MR. CHAMBERS: Not very great, Mr. Chairman. Of course, you know, there can be adjustments; for example, as to what is operating and what is capital. But the fluctuations have been very minor. As I indicated, there were, I think, two or three months in a row this winter where we actually — and again you can appreciate that cost control is a massive undertaking involving a lot of computer work and assessment throughout the project. There were two or three months where I did see it drop by \$10 or \$15 million or so a month, and then back up.

So at this point, I think we can say that everything has gone quite well in terms of productivity and scheduling of equipment and so forth. At this point, we are very close to target.

MR. MOTLEY: Mr. Chairman, last spring when we first discussed the matter of the Syncrude equity in the House, I raised with the minister the question of whether or not we could change the contract with Canadian Bechtel, which was arrived at by the original partners of the consortium and Bechtel, which I understand is by and large a cost-plus contract.

At that time, the minister indicated it was the intention of the Alberta government to see if certain modifications could be made which would change the emphasis, provide an incentive, if you like, to keep the cost strictly within at least that \$2 billion budget. As I recall the minister's answer, it was pretty clearly the intention of the government to see if some modifications could be made in the contract between the Syncrude consortium and Canadian Bechtel.

Subsequently, this matter was raised during subcommittee estimates. In response to a question I posed at that time, the minister indicated that Bechtel was not willing to make any changes.

Mr. Chairman, because we are now discussing our commitment to the project, I wonder if the member on the board, Mr. Chambers, would be in a position to bring us up to date on what took place during the year in terms of initiatives by the government to attempt to make changes in the arrangement between the consortium and Canadian Bechtel, what the obstacles were, and precisely where things stand now on this matter.

MR. CHAMBERS: Mr. Chairman, I don't think it would be of much value to go into details, other than to say it's still being considered and looked at. I think you can appreciate that it's a difficult thing to come up with a true motivational or incentive type of program out of which you get your money's worth and which is meaningful to the contractor.

Certainly every effort is being made to control and, if possible, reduce the cost of the project. Cost control is an extensive and ongoing undertaking. The Syncrude people are looking at every possible way of cutting costs. If there's a case where a building can be built more cheaply and will still do, that's being done. Every effort is being made to bring the project in on target.

I might add that this is a concern of everybody, every participant. The three private participants and the three governments are all vitally concerned, of course, to make every attempt to get this project in on schedule and on target.

MR. NOTLEY: I can appreciate that. I'm not arguing that point. I'm sure all of us have a vested interest in trying to keep the thing on target. Really the point I raised when I asked the question was whether Canadian Bechtel was willing to make any modifications in the original agreement.

The reason I asked is that — I certainly don't pretend to be any expert in this area at all. But in talking to some of the people in the area, they advised me that on major projects of this nature you normally have a fixed-price bid. There may be some provisions within that bid for specific escalations, where the contractor can show that certain prices have gone up, but that's done within a fixed-price bid.

I wonder what in the first place was the motivation of the consortium in signing the kind of arrangement with Bechtel that they did. It seems to me we are now caught — are we not, Mr. Chambers? — with a fair amount of difficult, complex, after-the-fact negotiations to effect cost-control monitoring as far as the construction is concerned.

MR. CHAMBERS: Mr. Chairman, I think the hon. member opposite would appreciate that this is a unique project. It's not like going out and building even a major refinery. It's a project in which we're breaking new ground every day. It's a pioneering type of project. I personally am satisfied, quite frankly, that Bechtel is doing a very good job.

You know, their neck is on the line too. This is the biggest job they've ever been involved with. It's a kind of window situation. I know they're extremely concerned, because of their credibility and their stature worldwide, in making sure they do the best possible job on this. I think they're approaching the job with excellent dedication. In view of the type of project, I personally am satisfied that the arrangement is good and quite satisfactory.

MR. NOTLEY: I'd like to put a question to the hon. Provincial Treasurer. It really arises out of statements the commissioner for northeast Alberta made during the subcommittee estimates on the Department of Municipal Affairs; the issue of infrastructure costs had been raised. I just want to have some of the arithmetic clarified, if I may, Mr. Provincial Treasurer.

As I recall the Harries report, I believe the suggestion of infrastructure costs was somewhere in the neighborhood of \$200 to \$230 million, if my memory serves me correctly. However, at the subcommittee report, the commissioner indicated that he felt the infrastructure would cost about 25 cents for every \$1 of the major facility itself.

So if we're looking at \$2.12 billion, that means we would now be seeing infrastructure costs in the neighborhood of \$530 million; although, mind you, the infrastructure costs using that guideline might be somewhat greater if you include the pipeline and the utility plant. The utility plant would be somewhere in the neighborhood of \$300 million. Is it not, Mr. Chambers? So if those statistics are correct, we're looking at rather greater infrastructure costs than at least I was led to believe after reviewing the Harries report.

I wonder if the Treasurer is in a position to bring us up to date on the mathematics of this matter.

MR. LEITCH: Mr. Chairman, I think the member would have to tell us what he includes in infrastructure costs. I think there's a wide range of things that would be included by different people in the use of the phrase "infrastructure costs".

MR. NOTLEY: The discussion as far as I was concerned, Mr. Treasurer, was in the context of the Harries report, which I'm sure you've read and are aware of, and it's the comparison of those statistics with the approximate statistics given to us by the commissioner. Now obviously we're looking at such things as roadways and bridges. We are also looking at housing. That was contained in the Harries report as one of the areas of infrastructure costs.

So really the comparison I put to you is: the Harries report and the estimates contained there, compared to the commissioner's discussion of the subject in subcommittee estimates and his estimate of what the cost in fact would be. I'm wondering whether there have been escalations in the last year in certain areas of infrastructure costs. Mr. Chambers has given us a good report on the plant itself, but are we looking at a totally different situation in infrastructure costs? It would seem to me that is something that is crucially relevant, because we're picking up most of the shots. If these costs are going up, our direct commitment as a province for the things we have to provide is going to be increasing as the roadways go up.

So that's really the reason. We have two highly reputable sources that, as far as I'm concerned, are saying slightly different things. There's a period of about 12 or 13 months between the two estimates. I can only assume that the difference has been a rather remarkable degree of inflation in that period of a year.

MR. LEITCH: Mr. Chairman, I am familiar with the Harries report but don't carry the figures that he used in my head nor, indeed, the items he included in infrastructure costs. I just want to say to the committee that I can't concur with the hon. member when he says that we're paying the shot for the infrastructure costs — and he includes housing — because that just isn't the fact.

There are certain infrastructure costs, such as roadways, bridges, and things of that nature, which the government will build in the same way it builds for any other population increase. Again, when we talk about infrastructure costs, you need to look at what might have been built anyway to accommodate people, and what might be built in addition to that, and get all that sorted out. Certainly in the Treasury Department we haven't done any recent reviews of

that nature.

The member raises a concern about inflation, if you like, of infrastructure costs. In some cases I think the specific items that we would relate to the project as infrastructure costs have gone down. I think the bridge, in fact, is going to be somewhat lower than what had been anticipated earlier.

Just one other item while I'm on my feet, Mr. Chairman. Earlier I indicated, I think, to the Leader of the Opposition that I thought we'd paid about 20 per cent of our equity interest in the facility. I've gotten additional information which indicates it's closer to 30 per cent.

MR. NOTLEY: Mr. Chairman, to the Provincial Treasurer. What will be the role of Alberta Housing in the Syncrude development at this stage?

MR. LEITCH: I'm not certain all the details have been settled, but I would anticipate that Alberta Housing will be making mortgage loans in the same way it now makes mortgage loans in other areas. In short, it lends the money at the going mortgage interest rate or thereabouts and has as security the home on which the mortgage is placed. Some additional financing will be provided to cover the difference between the standard mortgage and perhaps the cost of the home. But again I expect that would be done on a basis of money being made available at the going interest rates and all secured by the homes and commitments by the participants; so that in the housing area, as far as I'm aware at the moment, there's nothing but a making available of capital at the going interest rate.

MR. NOTLEY: I don't dispute that, but my question is: what claim will the Syncrude project and the housing necessary there have on the capital at the disposal of Alberta Housing — to what extent? Because as I'm sure the minister will agree, we've already concentrated a fair amount of our Alberta Housing budget in the last several years in the Fort McMurray area. To what extent are we going to be still further concentrating funds, resources, and personnel from Alberta Housing, or the new mortgage corporation we're in the process of establishing, to facilitate the Syncrude venture?

MR. LEITCH: I anticipate, Mr. Chairman, that there will be a substantial increase in the housing corporation and the mortgage corporation's involvement in housing arising from the Syncrude project. But if the hon. member is endeavoring to leave the impression that that's to the prejudice of other areas in which the Alberta Housing Corporation and the mortgage corporation might be involved, I want to correct that right now. All the hon. member need do is look at the funds that have been made available for that kind of mortgage activity by the government over the past few years. It's very, very clear that there are substantial increases, very major increases, that will be dealt with by Alberta Housing Corporation or the mortgage corporation in areas outside the Syncrude project.

DR. BUCK: Mr. Chairman, I'd like to ask the hon. member Mr. Chambers: number one, just how often he meets and reports to cabinet and, number two, if he is in a position to indicate how the program is

working to have native people involved in the work force in the Syncrude project. When we were touring the plant and the town, there were concerns from the native people that . . . That was just when Harold Cardinal asked the question about, we're going to take the whole oil sands thing back, so everybody's a little upset. But the native people felt that the program was possibly progressing too slowly, and still the people from Syncrude thought the program was in the end going to be quite satisfactory. I'd just like to know if the member could indicate to us his feelings on the involvement of the native population in the project.

MR. CHAMBERS: Mr. Chairman, I personally am very pleased with the effort Syncrude has made in this regard. I honestly feel that no private organization anywhere, whether it be in Canada or south of the border, has ever made the kind of effort in this regard that Syncrude has. It's difficult, of course, to tell how many people of native ancestry are employed on the job, because obviously in Alberta we don't ask anybody who is hired what his ancestry is. Of course, many of the native people are working through the various subcontractors on the Mildred Lake site.

The best estimate is that in the order of 500 to 600 people of native ancestry are working on the construction project. When you look at that number as a percentage of the project, I think that's highly significant. As for Syncrude itself, the company is endeavoring — and I'm talking here about after construction is completed and we get into the operating phase — the company is in the process of recruiting and hiring native people now. I'm quoting from memory here. Unfortunately, I don't have the statistics with me. I believe there are about 16 native people on staff now, and another 11 coming on.

I think members would appreciate that this is, of course, a high-technology operation. Grade 10 is considered the minimum standard to enter the training program for the operation phase of the plant. In the case of native people this is a lesser grade, I think Grade 7, provided they are willing to take upgrading, not in all the academic courses, but in math, English, and science, I guess it is. I think that if they will commit to this upgrading in three courses, and these courses will be made available to them, then Syncrude will give letters of intent to hire. Certainly the objective is to hire as many native people as possible. No quota system is set, and I don't think it should be. I think it's far preferable to have an open target and to try to get as many native people as possible.

Every day Syncrude is discovering that so and so is of native ancestry. Many people in the organization have come up and said, I'm a native. Nobody had questioned it and knew they were native people. I'm sure we're not even aware of many native people who have Grade 10 or higher academic qualifications and who came to the project in the normal route. I think Syncrude is just doing a tremendous job in that field.

With regard to your first question, I'm not sure I fully understood it. I'm involved with this project every day, and I talk to the Minister of Energy and Natural Resources almost every day . . .

DR. BUCK: How about the Syncrude board?

MR. CHAMBERS: Oh, the board itself? Of course, we've met over the last year, going through the phase of getting the documents processed and finally signed on April 30. We've met not on a regular basis, but whenever it was required to execute something in particular. The management committee, however, meets when necessary, but also on a regular basis every month. We have a monthly meeting which lasts about two days. The material for that meeting comes out well in advance, and each of us on the committee goes through a lot of preparatory work to go into that two-day meeting.

DR. BUCK: How many people are on the management committee?

MR. CHAMBERS: Generally two from each participant, but again, depending on the subject, additional resource people may be present at the management committee meetings — and of course Syncrude people who are required in the communication process.

MR. CHAIRMAN: Can we have the permission of the committee to revert to Introduction of Visitors?

HON. MEMBERS: Agreed.

#### head: **INTRODUCTION OF VISITORS** (reversion)

MR. KROEGER: Thank you, Mr. Chairman. I'd like to introduce to you, and through you to the members, a group from Altario, which is in the extreme east end of my constituency. If they look east in the morning, they're looking into Saskatchewan. We have the principal, Mr. Sabie, with them. I'd ask them to rise and be recognized.

#### head: **GOVERNMENT MOTIONS** (Committee of Supply) (continued)

MR. CHAIRMAN: Are there any further questions?

DR. BUCK: Mr. Chairman, a question to the Minister of Transportation. This has to do with the native people, Mr. Minister. When we were in Fort McMurray, the suggestion was made . . . What is the village just about 20 to 25 miles north? Is that Fort MacKay?

AN HON. MEMBER: Fort MacKay.

DR. BUCK: Fort MacKay, yes. The suggestion was made that the native people were considering commuting back and forth to work rather than moving and re-establishing in Fort McMurray, and driving out to the Syncrude site and Great Canadian Oil Sands. It seemed the native people were quite enthused about that type of setup, if the roads were available. I'd just like to know if the Minister of Transportation has done a study on this, and if there's any feasibility of going ahead.

DR. HORNER: Well, Mr. Chairman, very briefly the answer is yes. Part of that road is under construction now, as a matter of fact. The contract was let late last fall to coincide with the tailing ponds. That road will go on to Fort MacKay. I would expect there will be some commuting from the north down to the plant.

MR. BOGLE: Mr. Chairman, I might add to that, if I may. Currently a number of native people from the Fort MacKay region are working with GCOS and are making the trip back and forth each day.

MR. NOTLEY: This point raised by the hon. Member for Clover Bar is, as I recall, similar to a motion put in the House by Dr. Bouvier, the former Member for Lac La Biche-McMurray. As I recall the motion, I believe it was passed by the House. It went a little further than a road to Fort MacKay. I think it looked at the whole question of even providing weekend air service to Janvier and some of the other more isolated points.

I wonder if either the Minister of Transportation or the Minister Without Portfolio responsible for native affairs would be in a position to report to the committee on what the government has been doing to follow up that resolution. I'm almost certain it was passed by the House. How practical is it? To what extent is it feasible to proceed with it?

MR. BOGLE: Mr. Chairman, the question of air transportation on weekends between various native communities and Syncrude has been discussed, both with officials in Syncrude and with members of the isolated communities advisory board. A proposal is under review at the present time that would bring members of, I believe, the Chipewyan Lake community to Syncrude on a trial basis.

One of the concerns being expressed is the total cost of transporting the workers back and forth. Syncrude has expressed a willingness to pay part of those costs. Our main concern in native affairs is that the workers themselves should be required to pay a portion of that cost so that it's not just something handed out. From discussions with our employee from the native secretariat who was at the last meeting of the isolated communities advisory board, it's my understanding that discussions are taking place on a community level. I would hope this will become a reality in the very near future.

Agreed to:	
Syncrude Equity	\$65,000,000

MR. LEITCH: Mr. Chairman, I move the resolution be reported.

[Motion carried]

MR. HYNDMAN: Mr. Chairman, I move the Committee of Supply rise and report.

[Motion carried]

[Dr. McCrimmon left the Chair]

[Mr. Speaker in the Chair]

DR. McCRIMMON: Mr. Speaker, the Committee of Supply has had under consideration the following resolution and begs to report the same.

Resolved that a sum not exceeding \$65,000,000 be granted to Her Majesty for the fiscal year ending March 31, 1977, for Alberta Syncrude Equity under the Treasury Department.

MR. SPEAKER: Having heard the report, do you all agree?

HON. MEMBERS: Agreed.

MR. HYNDMAN: I'd ask for unanimous leave of the Assembly to revert to Introduction of Bills so The Appropriation Act may be introduced.

MR. SPEAKER: Does the Assembly give the hon. Government House Leader the required assent?

HON. MEMBERS: Agreed.

head: **INTRODUCTION OF BILLS**  
(*reversion*)

**Bill 2**  
**The Appropriation Act, 1976**

MR. LEITCH: Mr. Speaker, I beg leave to introduce Bill No. 2, The Appropriation Act, 1976. This being a money bill, His Honour the Honourable the Lieutenant-Governor, having been informed of the contents of this bill, recommends the same to the Assembly.

The principal purpose of the bill, Mr. Speaker, is to provide certain sums to defray certain expenditures of the public service of Alberta not otherwise provided for the fiscal years ending March 31, 1976, and March 31, 1977.

[Leave granted; Bill 2 introduced and read a first time]

MR. HYNDMAN: Mr. Speaker, I move you do now leave the Chair and the Assembly resolve itself into Committee of the Whole to consider certain bills on the Order Paper.

MR. SPEAKER: Having heard the motion by the hon. Government House Leader, do you all agree?

HON. MEMBERS: Agreed.

[Mr. Speaker left the Chair]

head: **GOVERNMENT BILLS AND ORDERS**  
(**Committee of the Whole**)

[Dr. McCrimmon in the Chair]

**Bill 35**  
**The Alberta Heritage Savings Trust Fund Act**

MR. HYNDMAN: Mr. Chairman, might I suggest an expeditious procedure with regard to committee study of this bill, recognizing that under normal circum-

stances general comments on the bill are made under title and preamble.

However, a number of government members of the Assembly wish to offer general comments. Might I suggest at this time to the committee, Mr. Chairman, that you call first for any comments with regard to the preamble of the bill before we get into the detailed discussion of each section. By calling the preamble, if that were agreed upon by the committee, a number of our members could make general comments before we move into the detailed clauses and phrases.

MR. CHAIRMAN: The Committee of the Whole Assembly will now come to order. You've heard the remarks by the hon. Government House Leader. Are you agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

MR. McCRAE: Mr. Chairman, I welcome the opportunity of speaking to this bill, particularly inasmuch as I've been out of the Assembly for the past several days trying to ease the burden of the Attorney General on the Legislative review committee so that he could respond to some of the questions opposite.

DR. BUCK: Have you succeeded?

MR. McCRAE: Certainly, progress is always being made.

Also, Mr. Chairman, this is an historic and unprecedented bill. I think our government deserves a good deal of credit for its foresight, imagination, and courage in assuring that there will be a fund which is the basis for the bill. That courage and imagination, Mr. Speaker, arises out of our determination and drive to assure a fair return on the sale of our depleting non-renewable resources in the face of stiff opposition from the federal government and some of the other provinces.

All members will recall the imposition by the government a couple of years back of an export tax on oil we were exporting to the United States, and of course this Assembly's and particularly this government's strong opposition to that tax, and our continuing efforts to assure that we get our price up to a fair level that approximates the international price.

Dealing with the oil export tax, I think it goes without saying that if this government had not responded to the imposition by the federal government of that oil export tax, our returns here would be much, much smaller than they are today. In fact, it is a possibility that all the revenues beyond the existing sale price of that time might be going to the government in Ottawa by way of export tax rather than coming back here as a means of supplementing our revenues for day to day expenses and revenues for the heritage trust fund.

I think it is also significant that had we not responded the way we did, there might well be an export tax on natural gas which would be flowing into another treasury rather than this one. Our efforts to assure a fair return on this depleting asset are continuing. I think it's safe to say the negotiations

are difficult. We saw the press results of the private conversations of last week.

Some weeks back the Leader of the Opposition addressed a question to the hon. Premier on this subject. The question was prefaced by the remark — if I recall correctly — that a minimum increase at this time as far as the members opposite are concerned would be \$2. It's all well and good to sit over there and say we want \$2, we want X dollars, we want this, we want that. We would all like the most we can get. But we all have to be cognizant of the fact that it is a negotiation process that results in the final price increase. I would suggest to the hon. members opposite that when they are giving us their recommendations or views on what a fair price increase would be, they also give us the benefit of their views as to alternatives if we're not able to obtain what they think is a fair goal. I'm sure all members of this Assembly would appreciate hearing their views on that.

When I say it is important that we get a fair return on the sale of this asset, it is because it is a depleting asset. It's important that we take some of the moneys from the sale of that depleting asset and set them aside for a future time and a future generation. We already have a level of social benefits in this province which is second to none in Canada. It would be irresponsible, or perhaps in milder terms improvident, as the "whereas" clause of the bill suggests, to simply spend the extra revenues we have on expanding social benefits at this time.

Many members of this Assembly acknowledge that in addition to the high level of social benefits we have at this time, we have the lowest personal income tax in Canada. We are without sales tax. We have the lowest gasoline and home-heating costs, no inheritance tax, and so on. We also have little unemployment here. We have a productive and proud people. We have a buoyant economy which is offering jobs to people from all across Canada. I think it's important that we keep this economy buoyant and active and not try to attain a level of social benefit that might attract people who are coming because of the social benefits rather than the job opportunities that exist here.

Another reason to harbor a part of our resource revenue is our heavy reliance on oil and gas revenues; 45 per cent of our provincial budget at this time is made up of such revenues. Under the heritage trust fund we are going to spend approximately 70 per cent of oil and gas revenues on current budgetary items. What we're suggesting is that we put aside 30 per cent of the oil and gas revenues for a future day. There's no doubt, I think, that the oil wells will run dry in due course. If we've not built up an alternate source of revenue at that time, we'll indeed be in severe difficulties. With 45 per cent of our provincial budget at this time coming from oil and gas sales, it could be disastrous 10, 15, 20 years down the line if we have not prepared the base for future revenues which will provide a source of income for future programs.

That is where courage comes into the picture, the courage to say to the people, even though we do have a surplus — if that be what it is in the heritage trust fund — we're not going to spend those moneys at this time. Instead we're going to invest them in our future. That does take a lot of courage.

The hon. Member for Drumheller has adverted to this often: everybody supports the concept of the trust fund, but in supporting that concept, many are prepared to spend it on their own pet projects at this time. It's going to take determination and courage to say, the fund is indeed an investment and not a spending fund.

I think the people of Alberta, by a great majority, support this bold and imaginative concept. I know there are exceptions. The leader of a party that isn't represented here was reported as pouring scorn on the idea of a heritage trust fund a couple of weekends back. He suggested, if I read the reports correctly, that we should sell our oil and gas for about half the real market value in return for future considerations from other parts of Canada. Based on past history, I hesitate to reflect what those future considerations might be. I hope that view isn't widely held. I think it goes without saying that the absence of any representation in this House by anyone from that party is a pretty fair indication or gauge of the support that viewpoint has.

As our Premier said so well two Fridays back when we discussed this bill, the goals and objectives of the fund are that it be, one, a future source of revenue; secondly, a future source of capital funds; thirdly, for improvements in the quality of life through investments in special projects; fourthly, to assist in the strengthening and diversification of the economy of Alberta while the opportunity is available.

Dealing with the fourth item: geography, population, and transportation have been extremely negative factors in the diversification and growth of the western economy. The sale of our depleting resources — a capital asset, inventory off the shelf, if you will — will give us the means by which we can build up a strong future economic base here in Alberta, a base that will continue to offer job opportunities to people from all across Canada when the oil wells run dry. In my view, it's in the interest of all Canadians, not just western Canadians or Albertans, that we move in the direction of diversification. I do think we have the support of many people across Canada in our efforts. Certainly, we have the support of a vast majority of Albertans.

As I've said, the heritage fund will be a large capital pool, and will give us the opportunity of diversification. I might say that diversification plans, as I understand them and see them in travelling about Alberta, don't mean a river valley with smoke stacks and so on. We're talking about highly sophisticated technological industries that offer opportunities for good, highly paid, highly skilled jobs.

What are the concerns over this bill? Presumably, if one listens to the members opposite, it is the power vested in the Executive Council to make decisions on investments. I would point out to you that the bill, as proposed and as clarified by the amendments this morning, does provide the Legislative Assembly with the power to make recommendations which would be binding on the Executive Council. I think that's very important.

Some members have suggested that before any investment is made, it should be brought here and fully debated. We've heard of the practicalities and difficulties that would be experienced in that type of operation. However, the legislation does permit this Assembly to make positive recommendations that

would be binding, recommendations we could proceed with. I think that concept is important.

As I remarked a couple of moments earlier, it's well and good to have the members opposite sit and tell us we should strive for certain goals: a certain price, say, for oil and gas. I suggest that with your challenge you also give us what you would view as suitable alternatives. I think that's something the bill does in permitting the Legislative Assembly to make recommendations; that is, the Assembly can bring in a resolution, debate it, direct the Executive Council to proceed in a particular fashion, and the Executive Council will.

I think that's the positive thing. Rather than waiting for the Executive Council to bring in a proposal that in all practicality really can't be debated here, let's have the Assembly give viewpoints on which direction we should be heading, even in the area of specific investments. The bill now, as always, includes that provision. I think that's the opportunity the Legislative Assembly has for direct participation in investments.

One of the members opposite — he's not in his seat today, but he did call for a delay. I think he proposed an amendment asking that the bill be delayed while we have public hearings. Mr. Chairman, we put the bill in draft form before the House last November. In effect, we've been having public hearings since that time. The newspapers, radio, and TV have all given great prominence to this historic bill. Through letters, phone calls, public meetings, individual discussions, constituency meetings, and party meetings, each of us has had input from the public. Mr. Chairman, the message I've heard over these past months is that the people support the bill in its present form, and they certainly support the concept of the bill.

Of course, there is some apprehension and some concern on the part of many people on the street, and people here, because it is a new concept. Anything new is a challenge to us. It's always a matter of concern when you're embarking on a new program and, of course, it is a lot of money. But the people have said to us that they appreciate the difficulties and are prepared to see us go ahead with the bill in its present form.

Many people who have criticized or expressed concern about the bill have attempted to find alternatives. We've challenged them over the past several months. If people have an alternative, we've asked them to tell us so we can proceed on that basis. To the best of my knowledge, no one has yet found a practical, realistic alternative.

So I say that people have told us quite clearly they're prepared to vest the responsibility in the Legislature and the Executive Council by the means I've set out, subject to the review provisions in the statute, by way of committee, and by the special vote provision each year to get more moneys into the fund. They've told us those safeguards are sufficient to allow them the confidence to have the Legislature proceed with the bill at this time. What they want us to do is get on with it. They will then judge us on the record of our performance, rather than the apprehensions being expressed here at this time.

Getting back to the question of public hearings, Mr. Chairman, I don't think for a moment that to have public hearings in these chambers, as requested by one of the members, would give us the public's

viewpoint. It's been my experience that in all probability it would be special interest groups we may have already heard from that would come and present themselves here, and not the average citizen. We elected representatives of the province are the people who are expressing the individual citizen's concern and support for the bill at this time.

I suggest also that the input we've had over the past several months is consistent with the expression of the people of Alberta in March 1975. During his contribution to this debate the Leader of the Opposition suggested that the last election campaign was unrelated to the heritage trust fund, but rather to dispute with the federal government over pricing. I suggest to you, Mr. Chairman, that the election was very much about the trust fund, the concept, and our whole energy policy. What the people said to us was that this Progressive Conservative government is a government they have confidence in, a government they would like to proceed with the energy negotiations, with the diversification programs, and with the presentation of the heritage trust fund bill and future investments from that fund, subject to the controls set out in the statute. I think they clearly said that in a very positive fashion. Not to be negative, I think they did express in a somewhat negative fashion their lack of confidence in the members then opposite to do that negotiating in the way of energy price increases with the federal government and the other provinces, and to have control of those vast sums of money.

Mr. Chairman, I've said that I think we've had sufficient input from the people of Alberta. I think they've told us, genuinely and sincerely, that they are prepared to have us proceed with the bill in its present form. I would suggest to all hon. members that we support the bill, in concept and in principle, the way it is presently laid out; that we approve the bill, and get on with the investments as the bill will allow us to make them.

Thank you.

MR. BATIUK: Mr. Chairman, I would like to express a few words on this very important piece of legislation. I think it is a very, very important piece of legislation, one of the more important ones during my time as a Member of the Legislative Assembly. I would like to commend the Premier on the fashion in which he has introduced it.

As I listened to a number of members, particularly in the opposition, stating that this bill had no impact on the 1975 election, I felt that I would like to tell members just how many areas of the province did, particularly the Vegreville constituency. After I heard the members of the opposition saying it had no impact whatsoever on the election, I dug out the 1975 election speech that I made in seven quorums, five communities, and two schools. I'm going to read just a portion of it, so hon. members will be given a chance to see whether the heritage trust act had any impact:

Once again, you are being asked to make a decision as to who will form the government of this province for the next few years. It will be up to you, and the people of this province, to vote to retain this government or to change it.

Many people have been wondering why an election has been called with only three and a half years since the last one. There are two



main reasons; not 40 or 50, but two main reasons for the Premier's decision, and I would like to deal with them in depth.

The first is our commitment to the Alberta heritage trust fund . . .

Mr. Chairman, I wonder whether it had any impact or not.

. . . and our desire to know if the people of this province endorse such a concept. The province has good fortune and is endowed with natural resources, the sale of which has boosted the prosperity of Alberta. We are a substantially wealthy province now, and our future looks rosy. But what happens when the wells run dry, when our resources are depleted? And eventually they will go dry, no matter how we manage them. Will our children and grandchildren be able to enjoy the same level of prosperity that we enjoy and appreciate today? Not unless we decide now the answer to an important question. To whom do the resources of this province belong: to us, the generation developing them, or to the future generations, to those who are in school, those entering and those who are yet unborn?

Our party's stand is that the resources belong to posterity, our descendants, as much as to us. That is why we believe that some of the surplus moneys made from the sale of these valuable resources should be invested in the future to provide programs and people services years from now.

I am confident that those of you here can appreciate our position. The majority of you, I am sure, have made provisions for the rainy days that you may be expecting, and have made preparation to meet them. That's what our government wishes to do.

The opposition members, with the exception of a few, have continually opposed that concept of a heritage trust fund. Therefore we felt there was a need to find out from the people of the province how they feel on this issue, and we are making the Alberta heritage trust fund one of the major issues in this election.

That was the first one and I'm not going to . . . There was one other, the pricing of oil again, as the different things affected the constituencies. This is why I feel the people of the Vegreville constituency endorsed this piece of legislation.

It was very interesting to note how the Leader of the Opposition made some of his statements, and I think I'm just going to refer to *Hansard*, on page 835, where he said:

I had really hoped that the Premier would rise in his place today and say, as long as I'm Premier that 30 per cent will not change.

Well, Mr. Chairman, if the Premier had done that, I would have felt that a very sad day had arrived. It's fortunate that we belong to a political party where we all have a chance to say our views, as the hon. Leader of the Opposition has stated he would have liked to have seen the Premier do. Maybe if he had been the Premier of this province he could have made a statement like this; but I think we all have a chance to express our opinions, and that is what you call a free enterprise government.

On the same page, the Leader of the Opposition

stated:

I've checked with some of the people who attended the Premier's rally in Olds.

Then he goes on to say:

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.

We don't have to go very much farther. Look on page 844. The hon. Member for Clover Bar says:

Mr. Speaker, there was a . . . 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. Chairman, I think some of the members are very fortunate that their constituents didn't understand the philosophy of the heritage trust fund, or else they might not have been here today.

I also have to refer to my honorable friend from Spirit River. He just can't understand the trust fund. Also, on page 838, he mentioned the potash industry. He mentioned that we should have spent still more time with this, that we're pushing this legislation too fast. This bill was introduced last fall. We had a whole winter to bring it to our constituents. It was reintroduced early enough this spring with time again. I really feel that 69 or maybe 70, 71 constituencies understand it very well. However, he said:

the Saskatchewan Legislative Assembly has spent . . . three months debating the merits of the government of that province going into the potash industry.

Three months on one item. They spent six months of the year in legislation, so I wonder what other item they discussed for so long. It still it makes me wonder. They had their decision long before the Legislature opened. A government that believes in takeover — I just couldn't see what they spent three months on. Well, regardless.

AN HON. MEMBER: They haven't got the money.

MR. BATIUK: I would also like to refer to when the hon. member says . . . I'm not going to read the whole works.

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.

Well, I talked.

They had little orange stickers, a map of the province of Alberta.

Well, Mr. Chairman, 69 constituencies liked the orange sticker. Now if there were the odd ones who didn't particularly, the people in the Spirit River constituency, if they didn't like the orange sticker, if they liked something a little brighter, that's up to them and I respect them for it.

One other area that I'd like to mention is a clipping from the *St. Paul Journal* of Wednesday, April 21. That's when the Social Credit North East Area

Council met. Questions — well, it says to Dr. Buck, but that's the hon. Member for Clover Bar — about the heritage trust fund, and the answer is:

The heritage trust fund was an idea of the former Social Credit government, taken up by the present Conservative government. How much money there is in it, we have to take their word for it.

I was very fortunate to find out that the Social Credit party came to Vegreville to tell the people who thought of it. Well, I'm glad they did think of it. But had they acted on it, maybe there would have been a few more of them here.

However, I would like to say that when the hon. member mentioned they were the ones who thought of it, I was wondering where the hon. member was when we were voting on it. The others all voted against it. He didn't even show up. He should have come and shown his support.

DR. BUCK: Well, I was in the constituency of Vegreville trying to get you knocked out.

MR. BATIUK: All in all, Mr. Chairman, there are a few areas that I would like to mention, particularly education. About 40 per cent of our costs of education are from revenues from the sale of non-renewable resources. When the day comes that resources are totally depleted, if we do not have a heritage trust fund what is going to happen with education? I found it very interesting when the hon. Member for Drumheller sometime earlier said that when he taught school, before there were revenues from these natural resources, he had 40 to 60 children in a classroom. He taught from Grade 1 to Grade 10. Now what is going to happen if we do not provide for this, and that 40 per cent will not be any longer? Are we going to go back to the old system of having 40, 50, and 60 children in a classroom? Now we're very fortunate that most of our children are given gate service or even door service in transportation. Will the children have to start walking 3, 4, and 5 miles, like they did some years ago? I think this area is one that we must be concerned about: to provide a high standard of education for the future generations of children.

I was very glad when the Premier announced \$200 million for irrigation. I have had the opportunity over the last number of years to drive in the irrigation districts and see the difference where irrigation is exercised and where it isn't. I believe that land in many parts of the province, particularly in southern Alberta, is a renewable resource. With irrigation, it is someday going to bring in what oil is bringing in at present.

Also with housing, I think putting that \$200 million for housing was a very good move. I feel that every person in this province should be entitled to own his home if he so desires. At the same time, it's going to provide a convenience and it should be bringing back revenues.

I would also like to mention a couple of new areas where maybe the heritage trust fund could be used. That is in industry. When we look at the statistics that unemployment is rising in Canada — it has even risen a little in Alberta — maybe we should be looking at using some of this money to provide more industry in the province which will provide job opportunities

and also bring in revenue.

Tourism is also another very interesting area. When we look at tourism, it's one of the high industries in this province. I think it's third, or maybe it's already second. People are looking at Alberta as a real place to come to during the summer months. A year ago, right after the election, I felt I needed a rest. I wanted to spend a few days in Banff. I drove around and around, and I couldn't find a cabin, a motel, anything. So I drove over to Radium — another hour and a half. There was no problem there. Just in a matter of 80 miles, it shows that the people of this continent like coming to Alberta. So I think maybe we should be looking at spending part of this heritage fund in that direction. At the same time, it's going to be an investment.

Mr. Chairman, having heard numerous members already speak on the bill, I do not want to start repeating the same areas. I hope these few comments will be accepted.

MRS. CHICHAK: Mr. Chairman, during the course of debate on second reading, many excellent contributions have been made by members of this Assembly as to the areas for which the trust fund might be made available. I concur in many of them, as I also concur in the concept of this bill. However, with the many excellent ideas that have been put forward, I do not wish to repeat them. Therefore, this morning I will contain my remarks primarily to one area.

Mr. Chairman, in his opening remarks on second reading, the Premier outlined four basic goals and objectives of the heritage savings trust fund. I had intended to list them here this morning, but the hon. Member for Calgary Foothills has already done so. Therefore, I will only indicate that I would like to deal with the third goal and objective, as indicated by the hon. Premier. That is the goal to improve the quality of life.

Mr. Chairman, Alberta is on the threshold of a great beginning for a greater future. It is our time for pioneering and wise planning in the application of a sudden, but brief, overabundance of wealth, a wealth which does not belong solely to this generation. It is therefore a bold, but difficult, plan which I hope will be put in place under Bill 35, The Alberta Heritage Savings Trust Fund Act. By the wise implementation of Bill 35, we can command with a guiding hand a quality of life second to none.

One may ask: what do we mean by quality of life? Perhaps some of the following may be considered as very basic requirements. I would like to list some nine points, as I see them, basic to a quality of life: one, that every human being should be entitled to a state of health, where living may be enjoyable; two, an economic health and diversity where employment is available; three, an education to enable one to earn a livelihood; four, the production of food for every Alberta table; five, an environment where initiative is rewarding; six, a freedom for intellectual development; seven, a respectable dwelling place to live in; eight, where the moral code for law and order is a living commandment; and nine, where the work ethic is a basic matter of pride. That, and no less, can be the desire for future generations.

Our current rapid technological changes and the affluence of this society in our midst can be viewed with bewilderment and with perplexity at the pros-

pects which the future has in store for us. As part of the advanced nations of the world, we are inheritors of the scientific revolution and will continue to live in this age where vast technological changes will continue to be unleashed at unprecedented speed. The challenge, Mr. Chairman, is to harness the power of these changes, while protecting ourselves from the adverse social consequences that may accompany them.

But let us look back to the past for some guidance to an inspiring future. Mr. Chairman, some 2,600 years ago a delightful Chinese verse was left to us by Kuan-Tzu, which I think is applicable to our situation today. I would quote it as being:

If you give a man a fish,  
He will have a single meal.  
If you teach him how to fish,  
He will eat all his life.

Education, therefore, has to become a very basic requirement in the construction of a sound foundation for that quality of life.

That is not to say that we should simply increase the dollar amount into education as we provide it today. Rather we should have a closer relationship in the quality value to quantity value of education.

We have much to do by way of research for more effective methods of educating all levels of intelligence capability. To this end, an ongoing inventory of skills required for different occupations and for the interrelationships between jobs would be valuable. At present, skills are defined too much by assumption. Research could be done to determine the specific innate abilities required to perform different jobs. This would open opportunities to the handicapped in areas from which they are presently restricted, because such evaluation has not yet been done.

It has been predicted, Mr. Chairman, that by 2015 approximately 50 per cent of Albertans will be employed in jobs that have not yet been created. Moreover, in the past a person was expected to have one basic occupation in his entire working life. But in the future the average person may have three or four different careers. Employment areas will frequently be phased out and replaced by new areas that will require workers to develop new skills. Training and retraining will become a constant process. These kinds of rapid change-overs could have potentially serious economic and social consequences for Alberta and Albertans.

At present, Alberta is a leader in forecasting employment trends and initiating programs to meet anticipated areas of labor shortages and unemployment. We must continue to look ahead, but it may be wise to look to the past as well. Through follow-ups, we could ascertain the degree to which training and retraining programs have been successful in the long term, so that efforts could be concentrated on those areas that require improvement.

The past would perhaps indicate that programs for the socially handicapped and for the native people have not had as high a degree of success as may be desirable. Intensified study might reveal some of the answers as to why this may be. The goal must be to minimize the number of disadvantaged and to continue to employ as many Albertans as possible in fulfilling occupations.

While much has been done in helping people make career decisions by providing them with counselling

and employment information, has sufficient attention been paid to the other elements which tend to influence career choices? In the process of career decision, to what degree are people influenced by their families, their peer group, their counsellors, the information they have access to, the fact that employment in a certain field is attractive at that time?

This brings into focus two extremely important areas in which further work is required. The first is the area of counselling. If counsellors are to provide adequate services, they must be well versed in a wide range of vocations. Presently this is not the case, particularly in rural and northern areas. Counsellor upgrading will become increasingly important as more people seek help in making their career choices.

The second area that should be examined is the idea of the revolution of rising expectations. In many fields the prerequisites for employment are moving up, even though the nature of the jobs remains basically the same. This has two undesirable effects. It creates artificial barriers to employment for the already disadvantaged worker, and it encourages higher expectations on the part of the employed which, when unsatisfied, may lead to disappointment and disillusionment, which are further manifested in social problems.

Unless we find more effective methods through which to educate Albertans to accept and adjust to change, our many social problems of today will continue to compound themselves tomorrow. But it cannot simply be an extravagance in poor planning. We must be creative in approaching the areas of manpower and education for future planning.

It is therefore essential to recognize that funds expended for today's education, for a sound basis of education, must be taken only from the current 70 per cent of the natural resource revenues, and that out of the heritage fund moneys be allotted for continued research in the areas of health, education, and manpower — not research for the sake of research, but with a positive goal and objective. For the most part, an investment in such research will not benefit Albertans immediately. But it will help ensure that future generations will have the right to the quality of life we in Alberta enjoy today.

Mr. Chairman, I believe this must be one of the criteria for the investment or the application of the heritage trust fund.

MR. BOGLE: Mr. Chairman, I welcome the opportunity to join in the debate on Bill 35, The Alberta Heritage Savings Trust Fund Act.

There are a few basic principles of the bill that I would like to outline to my colleagues at this time. In beginning, I would like to say that I believe this is a challenge that no other government in Alberta has faced, a challenge to take a portion of our depleting natural resource revenue and invest it for future generations. There are some very basic principles in this bill which I would like to review briefly.

The first is the three divisions of the investment fund. Number one, the capital projects division allows for a maximum of 20 per cent of the total fund to be placed therein. Some of the important work that can and will be done out of this fund has already been outlined in the Assembly: irrigation and medical research, just to mention two.

The second division of the fund is the Canada investment division, which would allow for a maximum of 15 per cent. This is primarily restricted to other provincial governments and the agencies of those governments.

The third category of the fund, which does not necessarily limit to 65 per cent the amount of revenue that might be put into this section, has two qualifying principles: that the investments must yield a reasonable rate of return, and that the investments must tend to strengthen and diversify the economy of Alberta.

In short, Mr. Chairman, the capital projects division must be authorized by the Legislature itself. The Canada investment division and the Alberta investment division must be approved by a committee of the whole cabinet, to be known as the heritage savings fund investment committee.

The second main principle I would like to review, Mr. Chairman, is accountability; accountability of the investment committee not only to the Legislature, but to the people of Alberta. Quarterly reports will be provided by the Provincial Treasurer. There will be a fully audited annual report, and there will be a select standing committee of the Legislative Assembly itself.

Most important, Mr. Chairman, is the amendment that was brought into this bill that changed the structure, the make-up, of the bill from the original bill that was introduced last fall. That amendment provides for the Legislature to authorize in advance the per cent of the non-renewable resource to be placed in the fund. If the Legislature is not satisfied with the management of the fund, it can refuse to pass the special act required for the fund to continue. In other words, the Legislature has the right to turn off the tap.

Another point, Mr. Chairman, that I think is sometimes overlooked by those who are not satisfied with the bill as it is now being proposed is the fact that those of us who are in the Executive Council are also MLAs. As such, we too are accountable to our constituencies. We too must answer to those constituents.

I look at an election. I think people vote in two ways. First, they're voting for an individual MLA. Secondly, they're voting for a government. I believe the people of Alberta elect us as MLAs to make the laws. They're electing a government to make decisions. They're electing an action government. I believe the people of Alberta approve of the kind of government we have. They said so on March 26, 1975. When we look at the bold initiatives taken by this government in the purchase of Pacific Western Airlines, in the agreement regarding Syncrude, in the formation of the Alberta Energy Company, we see just that: an action government, a government that's not prepared to sit back and watch resources go out of the province, not prepared to watch jobs go down the pipeline, not prepared to watch transportation move from this province to another.

Mr. Chairman, one of the most important concepts of this proposed legislation is that we are setting aside 30 per cent of the revenue from non-renewable natural resources, and only 30 per cent. The other 70 per cent is being spent on us today. If we look at the highlights of the current budget, we'll see from where the revenue for our current expenditures is derived. We find that 45.4 per cent of the total revenue that

we as a Legislature and as a government are approving comes from non-renewable resources; 24.4 per cent comes from taxation; 17.7 per cent from transfer from the federal government; and 12.5 per cent from other sources. So by far the largest single contributor to our revenue today is revenue from the non-renewable natural resources. If we look at the spending side . . .

DR. BUCK: Mr. Chairman, may I just ask the minister what per cent that was of the non-renewable resources? What percentage was that? I just missed the figure.

MR. BOGLE: 45.4 per cent.

DR. BUCK: Thank you.

MR. BOGLE: The spending on social services by this government is greater than that of any government in Canada.

In conclusion, Mr. Chairman, I would like to say that the principle of The Alberta Heritage Savings Trust Fund Act is sound, that our determination to invest for future generations is strong, and that the people of Alberta are proud. I'm in full support of the bill.

MR. BUTLER: Mr. Chairman, I'm very pleased to rise and make a few remarks this morning on Bill 35. First, I believe that what amounts to a savings account for government, as far as I can find out, is breaking new ground. When new ground is broken, one can always look back and see how it could have been done better. Most of my constituents to whom I have spoken are in favor of the concept, and are pleased to set aside some of today's affluence for the generations that will follow. Mr. Chairman, we on this side of the House are well aware this is taxpayers' money. In view of the fact that the money has been raised from non-renewable natural resources, at least part belongs to the taxpayers of tomorrow.

Mr. Chairman, I believe the most important part of our heritage is the top 6 inches of soil. The top 6 inches support agriculture and forestry, which together supply our needs for food, shelter, and clothing. Without food, shelter, and clothing, little else matters. History has shown that the affluence of any country for any length of time depends on its agricultural policy. In passing this province on with the non-renewable natural resources extracted, or at least partly so, to generations yet unborn, it is our responsibility to pass on the renewable natural resources in better condition than they were passed on to us.

In my opinion, any investment we make to improve and develop the forests, our rivers, or our topsoil is an investment in the future. Mr. Chairman, I would like to make a comment on the concerns of the opposition. This bill provides only for the capital investment portion to be approved by the Legislature. I'm sure it could not be otherwise. Mr. Chairman, I'm sure we all are aware of what would happen to any stock market if we were to debate in the Legislature what stocks or bonds we were going to place a few millions of taxpayers' dollars in. I am sure if we tried this, both the Legislature and the market would be in a

hassle most of the time.

It is my opinion that investments must be made by a cabinet or a like committee. Having said this, Mr. Chairman, I would like to remind both the Legislature and the cabinet that the committee responsible for investing the heritage trust fund will be in a much more vulnerable position than even a henpecked husband. If a henpecked husband makes a mistake, in all likelihood he will hear about it for some time. But if the committee responsible for investing this heritage trust fund makes a poor investment, not only will it have to face the music, but it could well lead to a divorce at the next election. Therefore, Mr. Chairman, I am sure the utmost care will be taken to make wise decisions to invest and be accountable to the people of Alberta and the Legislature.

With these thoughts and remarks, Mr. Chairman, I would encourage all members in the House to support this bill. I would hate to be in the position of an opposition member in years to come when his grandchild gets up on his knee and says, "Grand-dad, were you in the House when they passed that heritage trust fund act? Did you vote for it? It's been a wonderful thing." And he has to say, "No, I voted against it."

MR. ZANDER: Mr. Chairman, since I did not have the opportunity to speak either in the budget debate or the throne speech debate, as I was vacationing in Misericordia Hospital, I hope you will grant me a bit of leeway, even though I drift from the principles of the bill.

Mr. Chairman, I look at Bill 35, and I look at it in the manner expressed in this House some time ago. That is, Bay Street today is the financial institution of central Canada, and Edmonton will probably become the Bay Street of the western part of Canada.

SOME HON. MEMBERS: Calgary.

MR. ZANDER: Well, I don't know about Calgary, but I presume it will still be Edmonton.

AN HON. MEMBER: Airdrie.

MR. ZANDER: Mr. Chairman, government is in hot water if it has no sources of revenue. It's something like the father who hasn't enough dollars in his pockets to supply goods and presents for his children at Christmas time. But he is like this government, and it has even more problems when it has to deal . . .

We have surplus funds. Everybody is screaming as to how we may best invest them, and the top priorities they see [are] in their department or little back yard or even in their own constituency.

Mr. Chairman, by a motion of this House or the government, we could easily spend all of it, wipe it out. Of course, this reminds me of an article that appeared some time ago in the *Edmonton Journal* — I think it was only about two or three months ago — about an individual who won a large amount of money in an Ontario lottery. Nine months later, in July 1975, he didn't have a dime to buy a cup of coffee. This could teach us only one thing: that we must save for tomorrow — and who doesn't. Although many don't know whether we'll be here tomorrow to enjoy it, certainly our children and their grandchildren will enjoy it.

At this time we have a situation in this province where we have an enormous amount of money. Many of us cannot comprehend a billion dollars, let alone two billion. Perhaps 10 years down the line, Mr. Chairman, we could easily be looking at \$30 and \$40 billion.

Mr. Chairman, I would rather not think of the idea of having that much money lying around, drawing only interest without investments. It seems only reasonable to expect the Executive Council or this Legislature to approve such expenditures. As an individual of this Legislature, representing a constituency largely made up of two industries such as agriculture and gas and oil, I question the awesome responsibility that also goes with this.

I must go back a few more steps and say that under the British parliamentary system of government we have inherited throughout the last generation and the generation prior to that, since becoming a country from coast to coast, we have a responsibility, not only as a province, but also as part of a province.

I believe in the principle of the bill, investing for the future, investing money that is legally and technically not all ours, because today we're withdrawing resources that are not renewable. My constituency, Mr. Chairman, I think has contributed over the period of years — and I had the information some time ago from the former minister of natural resources. I would say, Mr. Chairman, that the sum would stagger. Over the period since the discovery of the Pembina oil fields, I think that constituency has contributed well over \$1 billion and today is still contributing in the neighborhood of \$.25 million a day.

Mr. Chairman, we have had many ideas from various political parties running from one part of this province to the other, expounding on how we might best spend these moneys. I can't really fathom how the leader of the Liberal Party — and I don't think he does either — can one day say that we should leave the resources in the ground, and the other day he said we should only sell the oil companies' share. We should make a deal with the Government of Canada whereby we would receive Arctic gas and oil in the future at the same price that we're selling the oil to them today and probably sell it for a lesser amount.

But, Mr. Chairman, I think it has also been said by the Leader of the Opposition that a contract entered into by one government with another government is certainly not valid if the leadership of the party that's now in power changes, and we get another party that comes in or another leader of the same party, who would then not negate the same agreement we have if we should desire to negotiate such an agreement.

I think the Liberal Party in Ottawa today has not recognized the imbalance that exists in the Dominion of Canada. On one hand, we have a freight rate structure through Confederation whereby we are at the pinnacle of the freight rates in all Canada, and as a matter of fact in all transportation. Let's look at the logic of the Liberal leader. Let's look at the logic he has expounded today and perhaps yesterday. I know he has.

If we curtail production in the province, say we only sell the companies' share, and we retain the government share and leave it in the ground. In Alberta today we have a high employment rate. There is

virtually no unemployment in Alberta. I would dare say, Mr. Chairman, that if we did that tomorrow our unemployment rate would rise at least 10 per cent or maybe higher.

I question whether Albertans would want the type of philosophy expounded by the Liberal leader. I think the people of Alberta want employment. They want job opportunities. They want a better social life. I think they agree with the government that some of these funds should be set aside for tomorrow, the next year, or 15 or 20 years thereafter. I cannot understand his reasoning. I don't think he can himself. But of course he has to come up with some ideas to let us know he's still around.

Mr. Chairman, we are Canadians whether we're born here or whether our forefathers landed as immigrants some many years ago on the shores of Canada. In some respects I must agree with His Worship Mayor Sykes of Calgary in his statement to the Berger commission. We are all Canadians, no matter what color our skin is. Whether it's white, black, yellow, red, or a mixture of bloods and religions, we are still Canadians. I cannot see why some sector of society still wants to pit a black against a white, and the red against the white. I think we're all Canadians no matter how we got here.

Let us look at Confederation which came about when this Canada became a nation from coast to coast. Let's look at the imbalance, the advantages and disadvantages in Confederation. Central Canada gained all the advantages. We were a western colony. We were a colony that was only supposed to hew wood, give all our natural resources to eastern Canada, and let them blossom into a nation. This is what they want us to be. This is the thought on Parliament Hill in Ottawa today. However, Mr. Chairman, since we have some advantages, such as natural advantages as natural gas, oil, and other resources they require, they would want to receive them as they have received them for almost 100 years — for nothing — and we are supposed to pay the freight on them.

I ask all hon. members in this Assembly: have you or any of your constituents ever purchased goods and services manufactured in central Canada and ever received them with the freight paid to your centres? I ask hon. members: have farmers in the rural areas ever sold a bushel of grain, whether it be wheat, oats, or barley, [for which] central Canada paid the freight to the destination? No. The Alberta farmer paid the freight to the destination, central Canada, on whatever he produced. As I said before, Mr. Chairman, we are on the pinnacle of the freight rates.

In Calgary some years ago we had a conference where consideration was supposed to have been given to equality in freight rates and transportation of goods and services to central Canada. But what has happened? We have never heard of it since.

I also read the article of the hon. Member for Clover Bar that the Social Credit party was the first to conceive the idea of a heritage fund.

AN HON. MEMBER: Bull.

MR. ZANDER: I agree they did. Maybe the hon. Member for Vegreville doesn't, but I do. But not in the manner spelled out in Bill 35. I think we can all remember some years ago when they passed legisla-

tion authorizing the expenditure of public funds by giving each citizen of this province a \$20 bill. Some years later they reduced it, then of course they abandoned it. Then they went one step further. They borrowed money on the security of this province to build the Resources Railway.

I don't have to tell you of the past performance of that railroad. I don't have to tell hon. members the present expectation of the investment. We know the performance. We also know how many millions of dollars we're pouring into that investment.

DR. BUCK: \$600 million.

MR. ZANDER: It may also be that some of the investments this government is going to make will be similar. I hope not. I hope we will be able to screen our investment such that it will truly be a heritage fund and not a millstone around the necks of all Albertans.

I can remember some years ago when the thought of building that railroad first occurred. It was supposed to cost only \$12 million. Then it was said it would cost about \$22 million. I think the final result of that investment was \$30 million. If one examines the manner it was invested, I think the contractor of that day had an open-ended blank cheque to the treasury branches of this province that he could draw at his whim. I wonder, Mr. Chairman.

This will not be the case. This bill spells out the manner in which the 30 per cent of our natural [resources revenue], our heritage fund, will be invested. It also spells out the percentages, in what manner it shall be spent. To me, Mr. Chairman, it is a great opportunity for Albertans first of all to look at the investments, to gain knowledge, research. As I said to the hon. Premier some months ago, I hope some money will be funnelled into medical research, not only in heart or kidney transplants, as the hon. member sitting behind me has responded to many times, but also to cancer research, which is the most dread disease, afflicting not only Albertans but all mankind. I am hoping there will be an investment into the medical research of this dread killer, and it will become a fact in the near future.

Mr. Chairman, in closing I would just say that I am amazed at the objections of opposition members to Bill 35, if it was their idea in the first place. It doesn't seem logical to say it was their idea, and then vote against Bill 35. I believe that if this was the opposition's philosophy many years ago, they would wholeheartedly support the heritage trust fund, Bill 35. Mr. Chairman, I cannot see that they could do otherwise. I know they have questioned whether the Legislature or the Executive Council is going to deal in the investment. But I think a lot of taps can be turned off and on, and the Legislature has full power to do that.

In closing, Mr. Chairman, the heritage fund, or Bill 35, is one of the most important bills I have ever witnessed in this Legislature. It will be a bill for our children in generations to come. It will benefit not only this generation, but every succeeding generation, perhaps to the year 2000 and beyond.

In closing, Mr. Chairman, I can only say this: certainly, my constituents are aware of my support of this bill. It was brought about in the campaign of 1975. I and my constituency wholeheartedly endorse the full aspects of this bill. Although we may

have some reservations, I think it's only fair that we give it a fair trial.

MR. MANDEVILLE: Mr. Chairman, I beg leave to adjourn the debate.

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Chairman, I move that we rise, report progress, and beg leave to sit again.

[Motion carried]

[Dr. McCrimmon left the Chair]

[Mr. Speaker in the Chair]

DR. MCCRIMMON: Mr. Speaker, the Committee of the Whole Assembly has had under consideration Bill

35, begs to report progress on same, and asks leave to sit again.

MR. SPEAKER: Having heard the report and the request for leave to sit again, do you all agree?

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Speaker, on Monday the Assembly will continue in committee with consideration of Bill 35.

I move that we now call it 1 o'clock.

MR. SPEAKER: Having heard the motion by the hon. Government House Leader, do you all agree?

HON. MEMBERS: Agreed.

[The House rose at 12:53 p.m.]

