

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Monday, May 17, 1976 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: INTRODUCTION OF VISITORS

MR. FARRAN: Mr. Speaker, I'd like to introduce to you, and through you to the House, 37 Grade 9 students from Branton Junior High School in the sunshine city of the foothills, Calgary. They're accompanied by teachers Miss Valerie Seaton and Mr. Ken Kowel. They're from the riding of Calgary North Hill. They're sitting in the members gallery. I'd ask them now to rise and be recognized by the House.

head: TABLING RETURNS AND REPORTS

MR. MOORE: Mr. Speaker, I would like to table the answers to Motions for Returns No. 126 and No. 168.

MR. YURKO: Mr. Speaker, I would like to table the answer to Motion for a Return No. 222.

MR. SPEAKER: I have the honor to table the interim report of the Electoral Boundaries Commission. We have not as yet a sufficient number of copies with maps, but that will be remedied shortly.
I didn't think the report was that bad.

DR. BUCK: Mr. Speaker, you might say you're already getting static.

head: ORAL QUESTION PERIOD**Gas Pricing**

MR. CLARK: Mr. Speaker, I'd like to direct the first question to the Minister of Energy and Natural Resources and ask what form the review of natural gas pricing within Alberta is going to take this summer.

This is the review of natural gas pricing within Alberta. I ask the question in light of Bill 57, introduced earlier in the week by the hon. Minister of Utilities and Telephones, when the minister in his outline of the import of the bill to the House indicated that there would be a full review of natural gas pricing policies within Alberta.

MR. GETTY: Mr. Speaker, the way we presently see it, there would be a task force composed of members of the Department of Energy and Natural Resources, the Department of Utilities and Telephones, the Department of Business Development, prob-

ably the Energy Resources Conservation Board, and perhaps with some input from the Public Utilities Board to attempt to see if there are inequities in the present pricing within the province, to work out a means of correcting established inequities, should they be established, and a means of minimizing the impact of removing those [inequities], should they be established and be removed.

MR. CLARK: Mr. Speaker, a supplementary question to the Minister of Energy. Were there discussions between your office or perhaps that of the Minister of Utilities and Telephones and the Public Utilities Board prior to the government's decision to move on this legislation late in this session?

MR. GETTY: Mr. Speaker, when The Natural Gas Pricing Agreement Act was introduced in the House last fall, it was obvious there would be implications for natural gas pricing within the province and, of course, without.

There had been discussions with the Public Utilities Board, the Department of Utilities and Telephones, the Department of Business Development, the Energy Resources Conservation Board, and the Petroleum Marketing Commission to try to foresee what problems there might be. Those discussions have gone on since that time. I'm not sure if there have been any other specific discussions.

The hon. Leader of the Opposition mentioned my colleagues perhaps having discussions with the Public Utilities Board. I'm not sure about that. To the best of my knowledge, I haven't discussed the matter directly with them, but people in the Department of Energy and Natural Resources have.

MR. CLARK: Mr. Speaker, I'd like to direct a further supplementary question to the minister or perhaps the Minister of Utilities. If this legislation is approved by the House, is it the intention of the government to have it apply to applications presently before the Public Utilities Board?

I ask that in light of the case the Public Utilities Board heard last week in Calgary, where seven in-province gas producers were applying for a revision to their current contract.

DR. WARRACK: Mr. Speaker, the answer is yes.

MR. CLARK: Mr. Speaker, a supplementary question. Did the Minister of Utilities or the Minister of Energy advise the gas producers who had been advised by the government well over a year ago that they should go to the Public Utilities Board? Were there discussions with these companies prior to the government finalizing its decision to introduce the legislation?

MR. GETTY: Mr. Speaker, speaking for myself and the Department of Energy and Natural Resources, I'm not aware of any advice given to the companies to attempt to get increased prices through the Public Utilities Board and The Gas Utilities Act. I might say that I have had correspondence with them and I think perhaps a telephone call — I'm not sure — in which I sympathized with their problem.

MR. CLARK: Mr. Speaker, a supplementary question to the Minister of Utilities and Telephones. I'd like to

ask the minister if he, officials in his department, or his immediate predecessor indicated to the seven companies involved that they should go before the Public Utilities Board.

DR. WARRACK: Mr. Speaker, I did not. I know that there has been correspondence between the Department of Energy and Natural Resources and those who made inquiries that the hon. Minister of Energy and Natural Resources mentioned. In that correspondence it was indicated that this legislation would be under review.

MR. CLARK: Mr. Speaker, a supplementary question once again. Would the minister undertake to check and report to the Assembly whether senior officials in his department, or his immediate predecessor, indicated to these companies that they should go the route of the Public Utilities Board?

DR. WARRACK: I would need to check in regard to the possibility of those discussions with respect to my predecessor, as the hon. Leader of the Opposition puts it. I have not.

MR. CLARK: Mr. Speaker, perhaps then I might direct a question to the Solicitor General. Did the Solicitor General indicate to the seven companies which just finished their hearings before the Public Utilities Board last week in Calgary that they should make application through the Public Utilities Board?

MR. SPEAKER: With respect to the hon. Leader of the Opposition, I believe there is a recognized tradition or principle of the question period that a minister or a member who has been a minister may not be questioned concerning his functioning in office when he was a minister in whatever portfolio is the subject matter of the question.

MR. LOUGHEED: Mr. Speaker, if I might just add though, the hon. leader is inquiring whether that information was made prior to the change of ministers. It is something I think we should be prepared to inquire into. However, I would underline that the Leader of the Opposition's question had the word "should" in it. We will find that information and provide the Legislature [with it].

MR. CLARK: Mr. Speaker, then a supplementary question to the Premier. While the Premier is checking, would he check with his cabinet ministers and indicate to the Assembly when the government advised the seven companies that the government planned to bring in legislation at this session?

MR. LOUGHEED: Mr. Speaker, I think that falls within the ambit of the present ministers. They will respond. My answer had to do with the prior question, a supplementary with regard to the predecessor to the present Minister of Utilities and Telephones.

MR. CLARK: Mr. Speaker, a further supplementary question to the Premier. I addressed the question to the Premier because two or three cabinet ministers could have been involved, and I assumed you'd be involved in the co-ordination.

DR. BUCK: He would.

MR. LOUGHEED: Mr. Speaker, the Minister of Utilities and Telephones will provide that information, including the information with regard to his predecessor.

Senior Citizens' Benefits

MR. BATIUK: Mr. Speaker, I'd like to address my question to the Minister of Social Services and Community Health. Over the weekend I had numerous inquiries from senior citizen constituents who did not receive their April Alberta income supplement, yet their financial status has not changed. I was just wondering whether the minister could advise why [there was] this tragedy.

MISS HUNLEY: Yes, Mr. Speaker. I believe there was also a news release which related specifically to the guaranteed income supplement, but because the guaranteed income supplement reflects directly on the Alberta assured income plan, they have to be spoken about in relation to one another.

According to my information, about 2,000 people who previously received Alberta assured income plan had not received it within the last few days. The reason was that we did not get their names as we usually do from the federal government on the federal government's guaranteed income supplement plan tapes. Because we didn't get them, of course, our schedule was behind.

I'm advised by the department that those cheques will be forthcoming, with the May cheques, towards the end of this month. If they're automatically eligible for it, they would get the April and May [cheques] together. From then on, perhaps until next April when we again get into the application form as required by the federal government's legislation, I think we should be able to proceed in the usual manner, and the cheques will be regular.

Welfare Vouchers

MR. R. SPEAKER: Mr. Speaker, my question also is to the Minister of Social Services and Community Health. It's with regard to the cash program for welfare recipients.

Has the voucher system been replaced by the cash program at all the regional social services offices at the present time?

MISS HUNLEY: Yes, it has, Mr. Speaker, except in some instances where the voucher system is being used. But that's not general. It's in specific instances.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Has the minister had a number of complaints from landlords who have not received their rental payments from cash welfare recipients?

MISS HUNLEY: No, not to any great extent. If we have received any, very very few have come to my attention personally.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. In cases where rent is not paid on a

cash basis, would it be the intention or is it the policy of the department to reinstate on the voucher system some of the recipients who may have been transferred to the cash system at present?

MISS HUNLEY: Yes, I think we'd be dealing with those as individual matters, Mr. Speaker. But our sole intent is to allow those who are responsible to exercise that responsibility, and to encourage those who are not to become responsible for managing their affairs, as one of our ultimate goals to getting them into the labor force and the ordinary stream.

Economic Planning

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Premier. It flows out of a suggestion by the executive council of the CLC concerning the establishment of a tripartite approach between government, business, and labor toward planning Canada subsequent to the controls program.

Mr. Speaker, my question to the Premier is: does the Government of Alberta favor this sort of approach as it would apply to provincial jurisdiction?

MR. LOUGHEED: Mr. Speaker, I'll refer that question to the Minister of Labour.

MR. CRAWFORD: Mr. Speaker, I think the information that is available to hon. members in regard to the proposals being made in connection with the Canadian Labour Congress conference is something that in due course should come to us more formally than it has so far through the media, and with all due respect, we would have a better idea of the full import of it.

In respect to Alberta, though, I would say that I have often mentioned both to the leaders of the Alberta Federation of Labour and to people in the business community that the Government of Alberta is indeed interested in tripartite types of consultation, and that the government looks forward to occasions when that can occur, and has asked both management and labor to make suggestions as to areas where we might work on a three-party basis.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Labour. Is the minister in a position to tell the Assembly whether the government has commissioned any studies to assess whether some kind of formal vehicle could be established to permit ongoing consultation and discussion on a three-party basis regarding major economic questions in the province?

MR. CRAWFORD: Mr. Speaker, I'm not aware of any specific research project directed toward that objective that might be under way in the research section of the Department of Labour at the present time. It's the sort of thing they would keep a continuing review of in respect to the literature on the subject and practices in other jurisdictions.

As well, the Institute of Law Research and Reform is doing some work in regard to labor relations at the present time. I believe it's their intention sometime during this year, or through to early next year, to make a number of recommendations that might relate to labor relations. I would think they would be

addressing the subject of tripartite relations at that time.

If I could just add one thing with respect to the overall subject, I believe I have made reference before to the fact that the Alberta Federation of Labour in its annual brief had suggested that there were problems in the arbitration area, and we've had occasion to discuss that. That was one of the issues that I told them might usefully be made the subject of a tripartite type of approach.

The formal council end of it to the present time, subject to what I've already said about the institute and the department's research work in a general way — we have been looking at the experiment that has been conducted by the federal minister and, of course, have been interested in that.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Would the minister be able to advise the Assembly whether the government, in general principle, would favor the concept of formal procedures for tripartite consultation and discussion beyond matters that just relate to direct labor questions?

MR. CRAWFORD: Mr. Speaker, I don't think the idea of going beyond that has been considered yet in the context beyond labor management and government relations. But I think hon. members would know that the federation customarily does make representation on a number of subjects each year. As a result of that, this year for example there will be meetings on some issues outside the area of labor relations. Housing is one in particular. I believe automobile insurance is another on which the federation wanted to make representations to cabinet committees. That sort of thing is being undertaken.

I put it in the context of the annual brief made by the federation to acknowledge that frequently the federation does express interest in subjects outside straight labor-management situations. It has not gone to the point, though, where there's any formal three-party discussion in regard to those other types of issues.

Ambulance Services

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Social Services and Community Health. Is the province giving some study to a province-wide subsidized ambulance program?

MISS HUNLEY: Mr. Speaker, that question should be directed to the hon. Minister of Hospitals and Medical Care.

MR. MINIELY: Mr. Speaker, I think I've indicated there has been some study. But I see the development of a province-wide ambulance service as inherently related to the policy directions that we may develop in the future of the hospital system generally in Alberta. For that reason, I do not think we can make an fragmented decision related solely to the province-wide ambulance system that may or may not be consistent with directions we determine in the total health care field for Alberta in the future.

MR. TAYLOR: A supplementary to the hon. minister. Is the government subsidizing paramedic training or ambulance service in Calgary and Edmonton?

MR. MINIELY: Mr. Speaker, I believe that is a local Calgary program at the present. Recently the emergency ambulance service was transferred from the Department of Social Services and Community Health to the Ministry of Hospitals and Medical Care, in order that we could bring the emergency ambulance service into the development of a total province-wide ambulance policy within the parameters I indicated earlier in reply to the hon. member. But the basic ambulance service in either Edmonton or Calgary, or other communities for that matter, Mr. Speaker, is municipal at the present time.

DR. BUCK: A supplementary to the minister. In light of a resolution passed by this Legislature and proposed by the hon. Member for Clover Bar several years ago, has any action been taken to provide good rural ambulance service throughout the province?

MR. MINIELY: Mr. Speaker, certainly we maintain the existing ambulance service, as I indicated in reply to the question from the hon. Member for Drumheller. I think a substantial expansion of the ambulance service on a province-wide basis needs to be related to the development of the hospital system generally, and the policies we pursue in the future. I've indicated in the House that I view 1976 as a year of broad policy development of future directions. I believe the province-wide ambulance system or the substantial expansion thereof has to be related to the directions we take in the health care field generally.

DR. BUCK: A supplementary. That means the minister is not really doing anything about ambulance service, is that . . .

MR. MINIELY: Certainly not, Mr. Speaker. I believe I am trying to tell the hon. member we're trying to make sure the decision we make is wise in relation to directions generally taken in the health care field.

DR. BUCK: Mr. Speaker, by the time the minister takes action, I may need it to take me to the old folks' home.

Foreign Students

DR. BUCK: Mr. Speaker, my question is to the hon. Minister of Advanced Education and Manpower, in light of the minister's well-thought-out variable policy on foreign student fees, I would like to know if the minister can indicate to the Legislature at this time if the fees charged to foreign students will be twice or three times as high. Can the minister indicate what ballpark figure we're looking at, so the foreign students would have some idea?

MR. NOTLEY: It's still variable.

DR. HOHOL: Well, Mr. Speaker, the area of discussion posed by the Member for Clover Bar would be jointly addressed by the institutions of advanced education. I don't believe anyone in this Assembly would want it otherwise. There are the boards of

governors, the senates, the students' unions. This morning I met the association of foreign students of the University of Alberta. This is a process that will continue until the institutions are prepared to recommend to the minister a two-tier system of fees in the years to come.

DR. BUCK: A supplementary, Mr. Speaker, to the minister. Has the minister at this point indicated to the university presidents that there will be a government policy decision asking for a higher fee increase? Has an official document been sent to the university presidents?

DR. HOHOL: Going on a fairly clear recollection of a letter I sent to the chairmen of boards of universities, with copies to the presidents and the chancellors — and in the case of presidents of colleges, I spoke with them in a meeting here in the building not too long ago, with a request to them to report and discuss the matter with the boards of governors and to respond to me. This is beginning to occur.

DR. BUCK: Mr. Speaker, we're making a little progress. They don't have to learn it from the newspaper anymore.

Mr. Speaker, my supplementary to the minister is: has the minister given any thought to exempting the Canadian International Development Agency students, who we know will be going back? Because I believe Ontario has made the recommendation that these students not receive a fee increase.

DR. HOHOL: Again, that is something the various constituent groups in the institutions and I will likely consider together. I have no preconceived view on this particular matter, except to say that CIDA will be a matter of discussion by the Council of Ministers of Education next month and again in September.

MR. TAYLOR: A supplementary to the hon. minister. Has the hon. minister any idea of the number of foreign students whose fees are paid by their home government?

DR. HOHOL: No, I haven't, Mr. Speaker. The only figures we have are those supplied to us by the various institutions. They weren't at all hesitant about giving us the figures they have, and I'm sure they're accurate to the extent that they found it necessary to compile such figures. But I want to point out, and with nothing except that it's a fact, that the institutions across this whole nation have not really had to be that precise about the number of foreign students, because they're all paid on a per pupil basis by all the governments of the provinces of Canada.

MR. NOTLEY: Mr. Speaker, one final supplementary question for clarification to the hon. minister. The minister mentioned meetings of councils of ministers next month and in September.

In light of enrolment intentions of foreign students and the difficulties in deciding what they can do, what does the minister see as a maximum time or the latest possible time to have the institutions develop this policy of two-tier fees?

DR. HOHOL: Well, it would certainly have to be in place late this winter or early in the new calendar year, so that when students make their choices of institutions or programs or faculties or schools, they have full information on all matters that may impinge on the decision they make. One of those would be the matter of fees.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Did the minister say that determination would be late this winter, recognizing that university starts in September?

AN HON. MEMBER: Next year.

DR. HOHOL: We're speaking of September 1977. With calendars and other information being put out long before that, decisions on this and other matters will of course have to be in place long before that.

MR. CLARK: A further supplementary question to the minister. If the two-tier system develops, it will in fact take place in September 1977. Is that what the minister is now saying?

DR. HOHOL: That's what I've been saying for a long time. If some institutions are able to respond sooner, fine, but certainly by the fall of 1977.

MR. NOTLEY: A final supplementary question . . .

MR. SPEAKER: I think the hon. member announced his previous supplementary as being such. Perhaps we might transfer that to this one.

MR. NOTLEY: Mr. Speaker, the minister indicated that the question of implementing the two-tier system would be up to the universities; if some universities could go more quickly, so be it.

Is it the government's intention to make sure that before the two-tier system is established there would be proper notification in various catalogues and information going to prospective students? It wouldn't just be a case of when you can make the administrative decision, but the decision would also involve proper notification?

DR. HOHOL: Yes, that's correct. I was trying to reflect that attitude in response to one of the hon. member's questions.

MR. SPEAKER: Might this be the final supplementary on this topic.

MR. TAYLOR: A supplementary to the hon. minister. Have the students' unions of any of the universities passed resolutions recommending an increase in foreign student fees?

DR. HOHOL: No they haven't. I'm meeting with various students' groups and others, but I've had no resolutions to that effect.

Dialling System

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Utilities and Telephones. Could

he briefly outline what the proposed zero plus dialling system will provide for the telephone customer?

AN HON. MEMBER: Briefly.

DR. WARRACK: Mr. Speaker, that's a matter of detail I would not have at my fingertips. However, by getting together with the hon. member or, if there's sufficient interest in the House, by way of the Order Paper, I would certainly provide the answer in one way or another that might suit the hon. member.

MR. MANDEVILLE: A supplementary. What is the tentative date for the commencement of this service?

DR. WARRACK: Mr. Speaker, I would be pleased to answer that question at the same time.

Policy on Power

MR. GOGO: Mr. Speaker, my question is to the Minister of Utilities and Telephones. Has the minister received the resolution passed by the city of Lethbridge that the Government of Alberta actively consider the establishment of a provincially owned electrical utility?

DR. WARRACK: Mr. Speaker, that resolution was sent from the Lethbridge city council to the Premier's office. It was in turn referred to me for consideration.

MR. GOGO: A supplementary, Mr. Speaker. Assuming this is the request that we buy out Calgary Power, has the minister responded to the Lethbridge city council?

DR. WARRACK: Not at this point, Mr. Speaker. However, there are some comments that ought to be made. As I reviewed the resolution itself in some detail, I noted there seems to be an impression that with public ownership of electric utilities somehow rate increases would not be involved.

I draw all hon. members' attention to other publicly owned utilities such as Ontario Hydro, B.C. Hydro, and for that matter Alberta Government Telephones, where costs incurred simply have to be paid whether it is a public utility or a private utility.

Mr. Speaker, I might also take advantage of the opportunity to say something else that may be overlooked from time to time. To a considerable extent, increases in electric utility rates which have been seen recently do encompass some of the environmental improvements that are so important. I think those improvements make Alberta a better place to live — being there, being required, and of course having to be paid for.

NAIT Expansion Land

DR. PAPROSKI: Mr. Speaker, a question to the Minister of Housing and Public Works. I wonder if the minister would indicate to the House the policy direction or the decision regarding the use or disposition of the land recently purchased by the Alberta government from the federal government, located near the industrial airport in the constituency of Edmonton Kingsway.

MR. YURKO: Mr. Speaker, the provincial government purchased a large block of property in the NAIT area for both short-term and long-term expansion of the institution called NAIT. With respect to the short-term expansion, this was of course indicated in the estimates. Nevertheless, the property and the buildings on it have some long-term implications. I stand to be corrected, but I believe there are 86 homes.

The military personnel have had or are having other accommodation built for them, so these homes will be utilized in a manner which is being studied shortly. One of the present methods we're examining, in terms of the utilization of the 86 homes for an indefinite period of time, is assignment of those homes to the Edmonton public housing authority, to have the authority administer them on conditions established by the Alberta Housing Corporation, and particularly to direct them to some larger families in the low- and middle-income range, particularly in the low range.

MR. SPEAKER: Following this supplementary and a question by the hon. Leader of the Opposition, I expect we will have some time left in the question period. I have no notice of any other questions, and perhaps some hon. members of the Executive Council may wish to use that occasion to supplement previous answers or to answer some questions on which the answers have been reserved.

DR. PAPROSKI: Mr. Speaker, a supplementary then to the minister. Can the minister indicate to the House whether the Edmonton public housing authority has in fact already made the decision to utilize these homes for families, or is this just in the decision-making process?

MR. YURKO: Mr. Speaker, I want to make it very clear that that decision is not up to them. That's a decision — and it's one alternative being studied by the Alberta Housing Corporation — that is being discussed with the Edmonton public housing authority. So it's really one alternative; that is, the assignment of the houses, if you wish, for management to the Edmonton public housing authority. But there are other alternatives. For example, they can be administered directly by the Alberta Housing Corporation, which in fact administers a very large portfolio of housing, staff housing, senior citizens' housing, and so forth.

DR. PAPROSKI: May I ask a final supplementary, Mr. Speaker? Would the minister indicate to the House whether community consultation is going on with respect to disposition of these homes? I understand there is a considerable amount of concern expressed by the community in that area.

MR. YURKO: Mr. Speaker, as I indicated, several methods of usage and management of the homes are being examined. If and when a decision is made on one particular method, then a decision will be made whether there is any need for public consultation in the area.

I think if you examine the area, you will find that it's bounded by a number of pretty distinct transportation systems, and it's not necessarily linked directly to other communities in the area.

Drilling Rigs

MR. CLARK: Mr. Speaker, I'd like to direct a question to the Minister of Business Development. The question flows from the recent move by Trimac of Calgary to acquire controlling interests in Kenting Drilling Ltd., where we have a \$4.1 million loan for drilling rigs to Kenting.

My question to the minister is: what's the status of the drilling rigs, and has the minister or his department had discussions with the Trimac people?

MR. DOWLING: Mr. Speaker, I have not had any discussions with Trimac, but I understand the status of the loan by Kenting to be current. If the hon. member wants me to follow up with some further details, he could put it on the Order Paper. That's the extent of my knowledge of the subject at the moment.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Is it the policy of the Government of Alberta that in fact the commitment is still binding to have the, I believe, seven rigs continue to drill in Canada?

MR. DOWLING: Yes, Mr. Speaker. If the company was to sell its interest, the terms of the loan with AOC would continue with anybody who purchased the interests of Kenting.

OSP Grants

MR. LOUGHEED: Mr. Speaker, on Friday last I was asked a question by the Member for Spirit River-Fairview. I said that I'd check further as to when and by whom I was contacted with respect to concern in the office of special programs, which was a matter discussed in the course of my estimates. The hon. members will recall that I was asked with regard to this matter whether or not the matter was brought to my attention in advance of the May 5 date of the unsolicited application by the Gaelic Society. I stated in Committee of Supply that I could remember neither the source nor the timing of when that occurred. Prior to appearing before the Committee of Supply, I checked with my staff, and they were not able to put any light on the matter. However, I knew I was going to be asked and I thought that it was important that I do what checking I could. I recall that although the concern was related to the organization, I could not recall either the source or the timing. My best recollection was that the timing was relatively close to the incident on May 5, 1975.

I frankly hoped that, as a result of my raising the matter, the way in which it came to my attention would become known to me. Unfortunately, the person who brought it to my attention was not in the Legislature on Monday a week ago. When I raised it again in the question period on Friday, shortly after the question period it was brought to my attention. I was reminded of the incident.

What occurred was that after the cabinet was sworn in, in April 1975, and I returned from the energy conference, I asked my legislative assistant, the Member for Edmonton Highlands, Dave King, to come into my office to talk about reorganization. In the course of our conversations, I raised with him the separating of Culture from Youth and Recreation. He

mentioned to me at that time that some time before an employee in the former Department of Culture, Youth and Recreation had expressed concern to him that the traditional procedures were being by-passed, in particular the deputy minister. The hon. member brought that to my attention at that time.

Subsequently, I raised the matter with the Provincial Treasurer. Shortly thereafter the matter became public. I therefore then ordered the full investigation by the Auditor.

MR. LEITCH: Mr. Speaker, I'd also like to answer a question asked of me on Friday last by the Member for Spirit River-Fairview. The question was whether I was 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, which ended March 31, 1975.

Since Friday I've been able to review the matter with the Auditor, and the short answer to the question is no. However, there is some additional information I would like to give the House, Mr. Speaker.

I'm advised by the Auditor that about the middle of March 1975 the Auditor's office was being asked to process a very substantial number of cheques from the Department of Culture. The difficulty of getting them out promptly was discussed with the Auditor. At that time, the Auditor became somewhat concerned, not as an Auditor, but somewhat concerned about the possible criticism there might be of the government if a number of cheques were received by various community groups and so on within a day or two of election day, which was March 26. As I say, that wasn't an Auditor's concern, it was a general concern about possible criticism. He raised that with the deputy Provincial Treasurer and the deputy minister to Executive Council at a meeting he was attending with them on some other matters. They shared his view that there could be some criticism of that. He then also raised it with the Deputy Minister of Culture, Mr. Usher, and the cheques did not go out.

Mr. Speaker, I think my colleague the Minister responsible for Culture has some information with which he'd like to supplement my answer.

MR. SCHMID: Mr. Speaker, during the month of March 1975, the Department of Culture, Youth and Recreation requested that about 1,800 cheques be processed. About 1,000 of these cheques were for the program Project Co-operation. The deadline for applications submitted by the municipalities was the first week of March. Therefore, before we could possibly process these applications before the end of the fiscal year, even working overtime, we had to get them in by the middle of March to have them processed by the Alberta Treasury. Another 150 of those cheques requested were for libraries, and about 600 — about 450 for cemeteries, and 150 for community halls. All of the above, Mr. Speaker, were requested because of a program which was approved and which had to be processed before March 31, the end of the fiscal year.

However, in early March, Mr. Speaker — in fact, I would think it was either the first or second week of March — I had a meeting with . . . [inaudible] deputy minister. We discussed the possibilities of the great number of applications which still had to be pro-

cessed before the end of the fiscal year. I gave instructions then not to have the cheques sent out until after the election, or at least on the date of the election, because of implications which might otherwise be suggested which really were not there. So in fact, the greatest number — I would think about nine-tenths of all the cheques requested — were sent out on or after the date of the 1975 election.

MR. CLARK: Mr. Speaker, in light of the Premier's response I'd like to direct a supplementary question to the Premier. My question is: Mr. Premier, in light of your response today, is it accurate to conclude that to the best of your recollection . . .

MR. SPEAKER: Would the hon. member please use the ordinary parliamentary form of address.

MR. CLARK: Mr. Speaker, then is it accurate to conclude that the Premier did not have the matter of irregularities or concern in the office of special programs brought to his attention by anyone other than the hon. Member for Edmonton Highlands?

MR. LOUGHEED: Mr. Speaker, as I said, I've done some checking. I have no recollection of any other discussion or any other communication to me with regard to any concern. The only concern I received was one with regard to organization. That was the one, sometime in the middle of April, from the Member for Edmonton Highlands.

MR. NOTLEY: Mr. Speaker, can the Premier advise, as a result of his checking and investigation, whether concern about the office of special programs had been brought to the attention of the Premier's office — not necessarily to the Premier, but to the Premier's office — sometime prior to the Gaelic Society issue?

MR. LOUGHEED: Well, Mr. Speaker, I've done what checking I can, and certainly no communication was made to me. I've had no information provided me by my staff. The question really was put to me originally: whether or not I was informed. I was only informed in the way I've just described.

Foster Parents

MISS HUNLEY: Mr. Speaker, on Thursday last the hon. Member for Drumheller asked a question about foster parents and their responsibilities for acts of vandalism by the foster children.

I would reply that a foster child is considered the same as a child residing with his own parents, and the parent is not, by law, responsible for the acts of vandalism unless the parent has encouraged the child to undertake vandalism either at home or in the community. And so for that reason, it's interpreted that they are not responsible for the acts of their wards. However, as a department we try to encourage them to feel that, if a child has created vandalism either in the home in which he's residing or in the community, he should be encouraged to make restitution. Whether or not this occurs depends, of course, a good deal on the parents. But that is rather the philosophy the department works under.

In regard to the second portion, whether we have

taken out insurance, the department and the child welfare branch have been working with the Foster Parents Association and the insurance section in the government in order to determine what might be the most useful. At the present time, they feel that the regular comprehensive liability policy carried by most individuals is the most satisfactory. But it's a matter of ongoing study in connection with and in conjunction with the foster parents association.

Petrochemical Development

MR. GETTY: Mr. Speaker, I had a question referred to me by my colleague the Minister of Business Development and Tourism as a result of a question from the hon. Leader of the Opposition, having to do with applications before the Energy Resources Conservation Board. The question essentially was: why was a board hearing going ahead on an application by the Alberta Energy Company on a benzene plant and not on an application by the Alberta Gas Trunk Line Company, and whether there was a location selected for one and not for the other.

The advice from the Alberta Energy Resources Conservation Board is as follows: both applicants, Alberta Gas Trunk Line and the Alberta Energy Company group, were sent deficiency letters because neither had specified a proposed plant location. The Alberta Energy Company group then responded with a general description of where their plant would be located, whereas Alberta Gas Trunk Line has not as yet responded.

ORDERS OF THE DAY

MR. SPEAKER: May the hon. Leader of the Opposition revert to Introduction of Visitors?

HON. MEMBERS: Agreed.

head: INTRODUCTION OF VISITORS (*reversion*)

MR. CLARK: Thank you, Mr. Speaker. It is a privilege for me to introduce to you, and to members of the Assembly, a group of 40 students from the Carstairs High School, which just happens to be in the constituency of Olds-Didsbury. They are in the public gallery. They are accompanied by their teachers, Mrs. Garossino and Mr. Brinton. They are here in Edmonton for the day. They've been to the museum this morning, and they are going to look at some government offices later this afternoon.

I'd like to ask the students from Carstairs High School to rise and be recognized by members of the Assembly.

DR. HORNER: Mr. Speaker, I move you do now leave the Chair and the House resolve itself into Committee of the Whole to study certain bills on the Order Paper.

MR. SPEAKER: Having heard the motion by the hon. Deputy Premier, 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]

MR. CHAIRMAN: The Committee of the Whole Assembly will come to order.

Bill 44 **The Alberta Energy** **Company Amendment Act, 1976**

MR. CHAIRMAN: We have had a number of questions to the minister on this bill. Are there any further?

MR. CLARK: Mr. Chairman, if I recall the position of the House at that time, I believe the opposition had submitted an amendment. We were in the process of shedding greater light on the government as to why the amendment should be approved.

DR. HORNER: There was a pending amendment, moved by the Leader of the Opposition, which we haven't dealt with. But we will shortly.

MR. CHAIRMAN: Are you all familiar with the amendment to Bill 44 proposed by the hon. Leader of the Opposition?

DR. BUCK: Mr. Chairman, speaking to the amendment, what we are really trying to do is have somebody from the cabinet, or somebody there, indicate to the present president what should be done about the \$75 million we have invested in this unique company. Mr. Chairman, it seems that amendment so shook up the minister that he had three days of flu. But I'm glad to see the minister is on the mend, even though he does look a little weary.

Mr. Chairman, our concerns are genuine. The people at the annual meeting felt that what they were doing there was an exercise in futility because the president of the Alberta Energy Company had the government 50 per cent proxy. If he had even one more share, he had controlling interest in what went on at the annual meeting.

Mr. Chairman, because of the uniqueness of this company, in which \$75 million of the taxpayers' money has been invested, as a citizen of this province and a member of this Legislature I feel there should be some direction or indication from this government. There should be a representative, officially appointed — preferably by this Legislature — to sit in on the annual meeting, find out what's going on with the company, and find out what's happening with our \$75 million.

Mr. Chairman, I think that will just refresh our memory a bit so we can carry on with the discussion of the amendment and why it should be in there.

[Motion lost]

[Title and preamble agreed to]

MR. GETTY: Mr. Chairman, I move that Bill 44 be reported.

[Motion carried]

Bill 35
The Alberta Heritage Savings
Trust Fund Act

MR. MANDEVILLE: Mr. Chairman, in making a few remarks on Bill 35, I think the concept is accepted by everyone in the Legislature. I've heard the odd speaker say that members of the opposition are indicating they don't support the bill. Everyone supports the concept of retaining some of our non-renewable natural resources or investing the money we get from these resources. The question some of us are having a problem with is, where should we invest and how should the investment be made?

Mr. Chairman, I'd have to say there has been more input on Bill 35 than on any other bill I've seen spoken on in this House. I've very much appreciated the input we've had on this bill. I would say the Premier made a dynamic and convincing speech on second reading of Bill 35. He indicated one area that would be hard: in the event that the government was going to buy something, if they had to disclose the price it would jeopardize the position of the government investing in a particular area. However, working in real estate, what we do many times is write out an offer for purchase, establish the price, put the price on the offer for purchase, and then say: "subject to special conditions". I think the same thing would apply in this situation.

I certainly appreciate that we're going to be putting some of our money into one area, and that is irrigation. I think this is an area where we'll certainly get a return. It will be a great heritage for future generations. I'm thinking more in terms of our water resource development. I think government should get involved in this area. As to our oil and gas, I think private industry will develop these resources. However, I don't think we can get private industry to develop water resources and to store water on our river basins. I think we should be looking at possibly spending more of the heritage fund here. It would be multipurpose, if we could develop our water resources.

As far as irrigation is concerned, I think a revolving fund to spend within our districts would be very good. I know many of our irrigation districts are concerned at present. They put a moratorium on putting more acres under water. As a result, we don't have the storage on our river basins to take care of the acres we have under irrigation today. I think potentially many more acres could be put under the ditch, or irrigated. The Eastern Irrigation District, where I come from, has .25 million acres that could be put under water if we had the water to irrigate this land.

Another area I was really pleased with is housing. I think it is certainly justifiable to put a percentage of this fund into that area.

One area that has given me concern — I've never mentioned it in the House — is investments and the investment in Syncrude. I think we certainly realize we've got to get into developing our synthetic crudes. The federal government putting in 15 per cent: I

think that's right. I think they should put in 15 per cent — in other words, \$300 million — because they're getting a large portion of the export tax, also as far as our equalization payments are concerned. So I certainly think the federal government is justified in putting their 15 per cent in, also Ontario in putting in 5 per cent or \$100 million. I think their getting involved is justified, because they're depending on us to supply them with oil and gas.

However, I have some concern about the province of Alberta putting in 10 per cent or \$200 million. The reason I say that, Mr. Chairman, is that maybe \$200 million is not that much money at present. However, down the road sometime they could be coming back to us for more money. I see Imperial Oil has 31 per cent. They have more invested in an equity position than the three levels of government. However, I'm sure that they are going to call the shots and tell us how we should be operating Syncrude.

It also gives some concern that we lent Gulf Oil and Cities Service money at 8.25 and 8.75 per cent. I think we are going to have a problem explaining this to the farming industry or others who are paying 9 per cent for loans. I think this is going to give some concern.

Mr. Chairman, I'm sure we all realize that it's the Middle East or OPEC that has set our price as far as our markets for crude oil are concerned. I can recall that when prices started to increase in the Middle East, our oil was around \$2 a barrel. Now the world prices are up around \$13.50 a barrel. What if this happens to reverse: if Saudia Arabia should say, we're going to start marketing oil cheaper. This could cause some concern as far as the development of Syncrude is concerned.

Mr. Chairman, I do realize we have to develop our synthetic crudes. However it could backfire as far as the tar sands and the Colorado shales are concerned — if the world price of oil were to go below the \$8 which I understand it costs to process a barrel of oil in Syncrude now. When they go on stream in 1978, who knows, inflation might get to the point where we are going to have to put the majority of our heritage fund into a development like the tar sands or Syncrude.

I would say that Great Canadian Oil Sands has done a terrific job. They certainly should have a medal for the research, work, and all the money they have lost in developing the project in the north. However, I don't know how we are going to deal with new plants which want to come on stream. Are we going to get involved in the same capacity, or with the same amount of money, with other plants coming on stream? This is something else we have to be concerned with.

I think this investment could be a little risky. I would like to see private industry get involved a little deeper in this particular area and the province not involved so much. We might possibly be looking at another little natural resources railroad a few years down the road. It just might turn around.

As I said, Mr. Chairman, I think I would like to see us get involved in developing our water resources and research into alternate methods and means; for example, hydro, gasification, and maybe even solar; or possibly not developing as fast as we are, making all the incentive grants to take the oil out of the ground. We could possibly leave it in the ground a

little longer and have benefits from it in this way.

In conclusion, Mr. Chairman, I have certainly got to support preserving some of this money for future generations. I think we have to retain our non-renewable natural resources or else invest in a very secure investment. When we are dealing with \$800 million per year, I would say it's a real tough task to make this type of investment. Our economy never stays stable, it's up and down. So it's going to be really hard to make the proper investment of the heritage fund.

On the particular day the Premier was giving his dynamic speech on second reading, I looked up in the gallery and noticed we had the Premier of Saskatchewan here. I was hoping he wasn't looking at getting any of this 20 per cent investment for the potash industry in Saskatchewan. I hope this wasn't the reason he was here.

MR. HORSMAN: Mr. Chairman, I welcome this opportunity to make a few comments on this bill, since I was regrettably absent the evening second reading on principle came to a vote. I was in my constituency preparing for the premiers' conference which was held that week in Medicine Hat.

However, subsequently I did have the opportunity of reading *Hansard* to review the comments made that day, and have seen that it was necessary to take this matter of principle to a vote as a result of some hon. members having risen. In passing I must say this is one of the advantages of having *Hansard*, something that was not in existence in this House prior to 1971. It can be an advantage or a disadvantage, depending on how hon. members have recorded their thoughts or their votes.

May I suggest to hon. members of the opposition who voted against second reading of this particular bill that this vote will come back to haunt them very unfavorably in the future. And rightly so. Quite frankly, Mr. Chairman, I was very disappointed indeed to see that four members of the opposition rose in this House and voted against the principle of the Alberta heritage savings trust fund.

I have no complaint whatsoever, Mr. Chairman, about those members of the opposition having come to this House and having expressed concern about the principles of the bill, or the bill itself, or particular parts of the bill, because that is their function. This is the place to debate these matters of great concern. But I was very disappointed indeed to come back to the House and discover that a vote took place and that four members of this House voted against this important legislation.

I suggest again, Mr. Chairman, that they will rue the day they did so. I think it is a measure of how far out of touch with people the opposition party in this province has become, that they would vote against the principles of this bill.

In the few minutes I have, I would like to try to speak about some of the important matters which have been rather glossed over by critics of this bill. First, may I say that I consider it a real honor and privilege to speak on what I consider to be one of the most important pieces of legislation to come before this House. Perhaps it is the most important piece of legislation that I will ever have an opportunity of debating and voting on in this Legislature.

It is also one of the most complex concepts intro-

duced in this Legislature, because it is new and because we are trying to set aside for the future of Albertans a portion of what we are taking in today in non-renewable resource revenues.

I would think that this is an historic occasion, perhaps as historic even as the introduction by the hon. Premier and the debate which took place when the Alberta Bill of Rights and The Individual's Rights Protection Act were introduced, because I think that in terms of the welfare and the benefits to accrue to future generations, this will have a great effect indeed.

I'd like to touch on three particular points, if I may. First, the relationship of the cabinet to the Legislature. I've heard from the members of the opposition, and I don't include the Member for Drumheller in this, that somehow or other we are denigrating the Legislature. Well, Mr. Chairman, I have tried over the past several years to learn something about the development of parliamentary government. By reading, by listening, by taking part in the political process I think I have been able to do so. I have observed that over the past several hundred years under the British parliamentary system we have developed new traditions of parliamentary government to meet changing times and new situations.

The party system, which is now firmly established, was unknown a few hundred years ago. It is now firmly established and, as a result of that, we must operate in our legislative system in a unique way. Nevertheless, Mr. Chairman, the fact remains that without the support of the majority of the members of this Legislature no ministry can stand. The ministry or the cabinet of the people of this province, the government, draws its very existence, its membership, entirely from the duly elected legislators, and from no other people. In our form of government it is not possible to bring into the cabinet people who do not have a seat in this Legislature, and that is very important for anyone who is concerned about legislative control of the Alberta heritage savings trust fund.

This is not a United States government, Mr. Chairman, where members of the cabinet are drawn from outside the government. This is a constitutional monarchy. Under a constitutional monarchy the ministry is formed to advise the Crown, and without the support of the majority of members of this Legislature the government will fall. It will fall on matters of confidence.

I should like to remind the hon. members of the opposition who have been so concerned about this question that what constitutes a matter of confidence in the government is being greatly added to by the passage of this bill. There are, of course, a number of matters of confidence which all members can debate in this Legislature, and if they don't believe in what the government is doing they can defeat it. The budget, various motions, various important pieces of legislation: all constitute matters of confidence. Without question, in my mind, Mr. Chairman, the introduction of the Alberta heritage savings trust fund and the new concept it is bringing to this Legislature will bring about many more opportunities for the opposition, for the members of this Legislature, to vote confidence in the government of this province.

May I just review them for you briefly. I would suggest that each year under Section 6(2) in the capital projects division of this bill an appropriation

act will be introduced; for example, for irrigation funding or for medical research or whatever. When that bill is introduced in this Legislature and debated and voted upon, if the members of this Legislature are not satisfied and defeat that legislation, to anyone who has any knowledge or understanding of our system of government it will obviously be a matter of confidence. Therefore the members of the opposition are given another opportunity, another annual opportunity, to bring the government down. If they can convince enough of us who are not members of the cabinet to do so, they will have another chance.

In addition, in this bill under Section 5, the new section which was added since the bill was introduced in the fall and left over until the spring, the annual appropriation of 30 per cent of non-renewable resource revenue is also a matter of confidence, I suggest, in the government of this province. Therefore the members of the opposition or perhaps the members of the government party who are not satisfied with what the government is doing will have a further opportunity to vote confidence in the ministry of this Legislature.

Furthermore, any resolutions respecting investments under Section 6(3) or (4), the Canada and Alberta investment divisions, could also be considered matters of confidence on which the government or the ministry will hereafter stake its very existence.

Finally, any future Legislature under our form of government can change or in fact destroy the fund by making amendments, by wiping out the legislation. That is possible under any future government. I'm convinced, of course, Mr. Chairman, that that will not occur under the present government, but there are other governments which might be elected. The representative of the party which I am most concerned about is not present in the House. He has just come in, and I hope he'll stay to hear what I have to say.

MR. NOTLEY: I wouldn't miss it, Jim.

MR. HORSMAN: Any future Legislature can change or destroy the Alberta heritage savings trust fund. When I read Bill 204, The Alberta Social and Economic Planning Act, introduced in the 18th Legislature by the Member for Spirit River-Fairview, I'm convinced that if his party ever came to government in this province the fund would be destroyed. In fact, the fund would never have existed if we had passed that piece of legislation; because without any question at all, that was a spending act, an act designed to decide how to spend the money, directly contrary and contradictory to the purpose and intention of the legislation we are debating today, which is a method of saving and investing for the future of the people of Alberta. I hope the people of Alberta are able to sort the chaff from the wheat when it comes to the Alberta heritage savings trust fund, and that they will be able to distinguish the chaff that existed in The Alberta Social and Economic Planning Act, which we had the opportunity to debate in the last session of the Legislature.

As a matter of fact, *Hansard* really is a wonderful instrument for the people of this province and for legislatures. I went back just last week and reread the debate which took place on the two bills, supposedly to set up the Alberta heritage trust fund.

There were indeed some good speeches by our members.

DR. BUCK: Those were platitudes.

MR. HORSMAN: Platitudes. You're chattering away again as usual. I look forward to hearing your remarks.

AN HON. MEMBER: He's already made them.

MR. HORSMAN: But as I say, Mr. Chairman, the remarks that were made on those pieces of legislation are recorded in *Hansard*, as the hon. members tried to rush in to seize the Premier's ideas and make them their own. They didn't [have] a very good idea. All anyone has to do is read those pieces of legislation they proposed, and the debates in *Hansard*, to realize just how hollow and shallow were their proposals for establishing this Alberta heritage savings trust fund.

So, Mr. Chairman, what I'm trying to say here is this: the relationship of the cabinet to the Legislature in a constitutional monarchy, in our parliamentary form of government, is quite clear: if there is not a majority of members in this House who have confidence in the ministry, the ministry cannot exist on its own. It is quite clear. The Alberta heritage savings trust fund offers many more opportunities for the hon. members of the opposition to bring the government down. If they could do so, and bring in their particular form of legislation, I would be very worrisome for the future of this province.

The second point I would like to mention briefly is that the members of the opposition have once again glossed over the importance of the standing select committee established under Section 13 of this bill. Anyone who reads Section 13, and reads the act and the amendments which have been distributed, will realize that that will be a very powerful committee, and its recommendations will have to be considered carefully before making them.

During the consideration of the reports to be supplied quarterly by the Auditor and the Provincial Treasurer, opposition members will have ample opportunity to criticize, to suggest, to make new ideas known as to how the fund should be developed. When that report is submitted to this Legislature, Mr. Speaker, I would suggest this: should that report criticize the operation of the fund and the investment by the investment committee, it indeed will be a very serious problem for any future government.

Therefore I suggest the government, which will form the investment committee, will have to be very careful indeed, knowing that they will have to convince the select committee, a majority of the members of this House, to sustain its very existence. Anybody who says otherwise is just not conversant with the true meaning of government or ministerial responsibility to a legislative assembly in our form of government.

Another thing that has been glossed over — this is my third concern that has been glossed over by the speakers in opposition to this bill — is that they have failed to distinguish between saving and spending. Under this legislation, no funds can be spent without legislative approval. I'm talking about the capital fund. Before that money can move out of the fund to

actually be spent on services to Albertans, it must receive legislative approval and all the members of the opposition agree to this.

The investment of funds of the government already exists in The Financial Administration Act. It is true that those investment powers are being expanded by this legislation to deal with the new situation that exists. But it is not spending. It is not taking the public money and spending it on services for the people. It is investing it, and there will be a return from that investment to the people of Alberta.

I don't want to see the 20 per cent in the capital division increased to 30 per cent or 40 per cent or 50 per cent. It will be a temptation in years to come to increase that amount so we can build more bridges or roads or highways or whatever, probably just before election year. I don't want to see that increased. I think any member of the House who does is making a serious mistake.

Finally, I just want to say that I am extremely pleased there is the commitment by the government toward irrigation. I was really pleased this afternoon. I wouldn't want to disappoint my friend from Calgary Millican, who expects to hear me say a word or two on irrigation every time I rise to speak in the House. But I wanted to say that, once again, *Hansard* has come to my rescue. I will not repeat the remarks I made last year in the debate on Bill 206.

Suffice it to say that I was rather pleased this afternoon to have heard the kind words by the very gentlemanly member for the adjacent seat of Bow Valley, who I really think in his remarks this afternoon was speaking quite in favor of the concept of the bill and what it will mean for future Albertans. It really did surprise me to read his name in those who voted nay, in regard to the remarks he has made this afternoon. I'm sure that in his heart of hearts he might just be more favorably inclined to this legislation than other members of his caucus.

Just in closing, Mr. Chairman, may I say that I want to see this bill passed so that the money being spent this year on irrigation, by a very adept Minister of Agriculture and Minister of the Environment, can move with finality into the Alberta heritage savings trust fund, and so that in the future the appropriation bill under the capital projects division will be properly debated and approved in this Legislature when the money is spent on irrigation. Even that will be spending for the future of Alberta, more in the nature of an investment than many other spending projects we embark upon in our regular budgeting procedure.

Mr. Chairman, I've taken perhaps a few more moments than I had intended to, but I just want to re-emphasize that those members of the opposition, those members of the media, and those members of the public who have been misled by both do not understand the relationship of the cabinet to the Legislature.

In fact, I regret that some of the members of the opposition seem to have been deliberately misleading perhaps both the members of the media and the public to the effect that the cabinet is some sort of magical body that exists all by itself, without any accountability to this Legislature or to the people of Alberta. Mr. Chairman, nothing is further from the truth in the parliamentary form of government that we enjoy in this province.

MR. TAYLOR: Mr. Chairman, I don't want to delay the House. I think practically everything that could be said about the bill has been said. I just want to make two or three comments, primarily because I want to be on record in regard to Bill 35.

I support Bill 35. As I've said before, I can't understand the position of the members to my left who voted against the bill. But I want it definitely known that I support the bill, because in this bill I see future jobs, future revenues, a greater Alberta, and a greater Canada.

The money that's being put into the Alberta heritage savings trust fund could be spent by the present government, without question. It could be put in the budget. It could be spread among all the departments. The politician's point of view would be to spend it and get the credit for it. Actually, the government is going to take some lumps for not spending the money today. It takes statesmen to stand up against that type of criticism.

The opposition members who oppose this bill forget that the money has come into the provincial revenue since this government came into power. This government could have spent every cent of it, probably with no criticism from — well, I wouldn't say that, because they find reasons to criticize everything. But they could not be criticized by a responsible member of the opposition.

The money could be put in the budget, and it could be voted and spent every year. We could double the amount on highways. We could double the amount on policing. We could double the amount on municipal assistance. We could double the amount on welfare. We could double the amount paid to the disabled, et cetera — all the way down the road. We'd vote that glibly, and the government would spend the money without question.

But the government has taken a statesman's point of view and said, we don't own all this money; we will not spend all this money now; we will leave some of it for future generations and instead of spending it, invest it. Some members find that hard to understand. Well, I think it is difficult for people who are steeped in political activity to understand that, because it takes a statesman to bring out that type of legislation. And this legislation is doing that.

I think we should remember that Alberta is really blessed in energy resources. We have oil, gas, coal, and water power. We have the oil sands. We have tremendous deposits of coal. We even have the wind down in Lethbridge and Fort Macleod. If they can ever harness that wind in Fort Macleod and Lethbridge, they're going to have a greater return from that energy than the tar sands will ever bring us.

We're blessed in this province. When I look at the Edmonton coal seam, and visualize some of the possibility of that seam, it seems to me that if the coal gasification pilot projects now being undertaken by the government and the Research Council succeed, the return from the coal gasification of our coal seams may well exceed the returns from the McMurray tar sands. It's possible. And it's reasonably possible. We have tremendous wealth in energy, and I think we should be thankful for it. But how we can consider that that should be used during our time without leaving something as a heritage for those who come afterwards, I certainly can't follow.

If we use it all now, and coal, gas, and oil are

eventually used up and we have to depend on the wind, sun, and that type of energy, we will have a shortage of jobs. We will have a shortage of revenue. Great revenue and many jobs come from the development of our energy today. I think it's a logical thing, as put so aptly by the Premier of this province, that we should use some of the returns from the energy we're now exploiting and consuming to provide energy for future generations in order that there will be jobs for our young people as they grow older, in order that there will be revenue for the government as time goes by. I can't feature a boy or a girl in the high schools of the province of Alberta opposing the conservation of some of our energy resources for their use and for their children's use in the future.

So the principle of the bill is sound. When some opposition members talk about the cabinet being all-powerful, an autocracy, and not being responsible to the Legislature, all I can say is, the hon. members certainly haven't read the bill, or they're deliberately trying to fool the people. That type of talk is simply hogwash. The government is responsible to this Legislature under this bill. The Legislature is setting out the conditions under which the money may be invested — far more than we did when we were in government and investing money. We didn't ask the Legislature, confine ourselves to certain rules. No, we simply got the authority to invest. This can be seen in instance after instance. Those who now change their position because they happen to be in opposition — and I'm particularly including the leader of the Social Credit opposition — I find pretty difficult to understand. He's blowing hot and cold.

It makes me think of a story told about the former Premier of Manitoba, Duff Roblin. Duff Roblin married after he became the Premier. About two years after he was married, when he and his wife were riding along the highway, he on his side as a driver and she on the right-hand side of the car, she is alleged to have said coyly to him, "Remember about two years ago, we used to sit much closer together when we went out for a ride." Premier Roblin said, "Yes, that's right, but I haven't changed my position." And that's what I want to say today. I haven't changed my position. But the Leader of the Opposition has changed his badly. He's now taken the very opposite stand which he supported just a few years ago. That doesn't make sense.

If this bill was bad for the people, I could understand opposing it. This bill is a statesmanlike piece of legislation. It is providing for the conservation of our energy so that those who come after us will have the opportunity of enjoying some of the resources with which we're blessed. So, Mr. Chairman, without going further into reasons I think this bill should be supported — I think they've been given by many members — I want to say once again that I support the bill. I would be very concerned if the government was going to blow the whole wad of money that's coming from resources today, without giving consideration to what's happening tomorrow.

I've said something before in this House of what a former Premier of British Columbia did with \$1 million that was invested for Sport B.C. I refer to the former premier, W.A.C. Bennett, who had the Treasury of the Government of British Columbia invest \$1 million with the understanding that the interest would accrue to Sport B.C., and that the million

dollars would always remain the property of the people of British Columbia. From that interest, I understand Sport B.C. is now doing well — probably better than most amateur sport in the other provinces. Well, we haven't got \$1 million in this province. We've got \$1.5 billion, with some more to be added. The people are going to live abundantly on the 70 per cent of the money and the interest. The future generation is going to have an opportunity to provide jobs and industry and to enjoy some of the energy to which they have a proper claim in the future.

I personally favor using the interest for such things as hospitals, schools, the crippled, the retarded, and for general improvement of conditions in this province. I'm not too unhappy with the fact that at least 70 per cent is being used for that purpose. The other 30 per cent can or may be used for that purpose if we can carry the judgment of the members of the Legislature. That is the important thing. Every member is responsible to the people who elected him. None of us have any greater or lesser responsibility because of the political stripe attached to us, if any is attached to us. When we carry the judgment of the Legislature, that is the judgment of the Legislature.

We have in the bill an opportunity to do that. With the amendments, we have an even greater opportunity to direct the government in regard to the investments that carry the judgment of the majority of the members of the Legislature. If at some time in the future it was decided that we wanted to use all the income or all the interest from the income — the 30 per cent that's being added to this fund each year — for some particular purpose, it could be done by resolution. That would have to be carried out under the amendments brought in by the government for the betterment of the people of today.

So there is responsibility. The cabinet is responsible to the Legislature, the Legislature is responsible to the people. But more than that, the government has a tremendous responsibility on its shoulders, because the government will have to take the ultimate responsibility and be responsible to the final judges, the people of this province. Not to the representatives of the people, but to the people of the province; that is indeed a tremendous responsibility when we look at the investment field.

I have no doubt that some investments may not be as successful as others. Some may not even be successful at all. But in the investment world that's what it is, that's what free enterprise is all about. Some are successful and some aren't. There's no guarantee that every investment is going to bring a return. Free enterprise has never said there would never be any bankruptcy, never be any loss, never any sell-outs. Not at all. Free enterprise said you had an equal chance. You take a chance and risk your money. When you invest, even with the greatest of care, sometimes it may go awry. But I'm satisfied that the government will use utmost care in investing for the benefit of the people of today and for the people of tomorrow.

I support the bill.

DR. BUCK: Mr. Chairman, in taking a few minutes to enter the debate on Bill 35, I'd like to say to the Assembly that my colleagues and I support the philosophy and the principle of the heritage savings

trust fund. I don't think there is any doubt about that point, Mr. Chairman. But I would just like to say to the hon. members that in our attempt to be a responsible opposition, we are trying to bring to the people of the province and the members of this Legislature the fact that we feel the entire bill is not perfect.

Mr. Chairman, in the short time I've been in this Legislature I've never seen an act so perfect that it could not be improved upon. I've never seen an act so perfect that it should not be questioned. Mr. Chairman, that's exactly what we're here for.

Now we opposed this in principle, because that was the only way we could bring to the attention of the government and the people of this province the immense powers that are being given to the cabinet. This is not just our feeling; this is the feeling of many people in this province. This is the feeling of many members of the media in their editorials, and of some of the letters we get from former Tories saying that the Legislature is being by-passed and they don't like it.

Mr. Chairman, if there were 40 members on the government side and 35 members on the opposition side, I think we'd have quite an interesting go-around.

I'd just like to read to the hon. members of the Assembly just what the role of the opposition is according to *Beauchesne*. Quoting from Section 82:

The "Official Opposition" is a standing proof of the British genius for inventing political machinery. It has been adopted in all the Dominion Parliaments; the lack of it is the chief weakness of most of the Continental systems . . .

It cannot be denied that under modern conditions the concerted action of the Opposition is the best means of controlling a Government — by criticising defects in administration loudly enough for the public to take notice. This is not a particularly pleasant, if salutary, experience for ministers, and it is only natural that they should be tempted to think both that the Opposition abuse their opportunities and that their opportunities are unnecessarily ample. The facilities which the Opposition enjoy for initiating criticism on subjects of their own selection are dependant on technical forms and parliamentary conventions. The share of the time of the House which the Government puts at the disposal of a body whose *raison d'être* is to show up the mistakes of ministers and eventually turn them out of office — this share of time, which during the last fifty years has not fallen below a quarter of the effective days of the session, is worth more interest — than it usually receives. The least that can be said is that since it is only through the Opposition that some measure of parliamentary control survives, the uninterrupted respect for the rights of the Opposition which contemporary Governments have shown should be accepted as *prima facie* evidence of the soundness of their parliamentary faith. Lord Campion.

Now, Mr. Chairman, we do have a responsibility, and our responsibility is to question, to probe, and to provide what we think are viable amendments and alternatives.

Mr. Chairman, in the election campaign completed a year ago, as official opposition we supported the

principle of the heritage trust fund. The hon. Member for Spirit River-Fairview supported the principle of the heritage trust fund.

SOME HON. MEMBERS: Oh, oh.

AN HON. MEMBER: Joining . . .

AN HON. MEMBER: It's true.

DR. BUCK: But we feel that it's a responsibility of the government . . .

AN HON. MEMBER: Well, you supported it too.

DR. BUCK: It's the responsibility of the government to tell the people the whole truth. That's what we're asking, to tell the whole truth.

Mr. Chairman, I very well remember the day the hon. Premier got up and gave his fine, fighting campaign speech when he dissolved the Legislature. He said, in essence: we are going to the people to find out why we support Syncrude, why we support the heritage trust fund, and the opposition doesn't. Or words to that effect. The hon. Premier knows that is correct, because he can go back to *Hansard*. The hon. Member for Calgary Mountain View, Mr. Ludwig, rose in his place saying on a point of privilege: I would like the Premier to get that straight, because that's not just exactly the way it was.

MR. NOTLEY: They never did get it straight.

DR. BUCK: They never did get it straight. But I have to compliment the Premier because he did an excellent selling job to the people of Alberta, saying that it's only we who are supporting the heritage trust fund. I have to give the Premier his due. He did a good job. He sold a good product and he got a large majority.

Mr. Chairman, let's go back into history a little bit, because we're taking credit for so many things that are not really our due. It was not many years ago that we had a quota on the number of gallons of oil from this province that were being sent across the 49th parallel. It was not that long ago, Mr. Chairman, that the export tax came on by the federal government. Where were we when we were demanding higher prices for our oil? After the export tax was put on we said, it's our oil, we want a higher return for it. But at least the federal government was getting that money. At least the people of Canada were getting that money. It wasn't going to be a windfall profit for the people producing the oil.

Who were they, Mr. Chairman? The large companies were going to be getting that windfall profit, not the people of Alberta. So at least the federal government did make us wake up to the fact that we're losing a lot of money.

MR. TAYLOR: You sound like the David Lewis hour.

DR. BUCK: So, Mr. Chairman, it was not the people of Alberta, it was not the Government of Alberta that made the price of oil go to \$10, \$11 per barrel on the world market. Let's not give ourselves credit for things we did not accomplish.

The people of Alberta are still waiting to get the

world price, Mr. Chairman and Mr. Premier. When are we going to get that world price? It's fine to come back from Ottawa and have the headlines read: we've got what we wanted. Mr. Chairman, I say we got what the federal government wanted us to get. I think that the hon. Premier misled the people of this province when he said, we got what we wanted. Because he didn't get what I wanted. I think we should have got more at that time.

I appreciate the hon. Premier has problems in these negotiations. I'm not trying to be that hard on the hon. Premier, because he's down there negotiating. But I think he negotiated us out of millions of dollars when he went down there and came back saying we got what we wanted, because several months later we were down there getting more than we wanted in the first place.

Mr. Chairman, hair on the Premier, because let's get that world price for the people of Alberta. That's a bad expression Dick — Mr. Minister — "hair on us". But to the hon. Member for Lethbridge West, it won't be too long before he'll know what I'm talking about — hair on us.

Mr. Chairman, these are just some of the little background details. Mr. Chairman, what is the purpose of provincial tax on gasoline? If it's to encourage us to conserve fuel, it's not doing that. If it's an attempt to raise revenue, Mr. Chairman, I say it's not doing what it set out to do. The purpose of taxation is to raise revenue by the government in power to provide services for the people who have elected them. So I say, Mr. Chairman, at this point we should remove that 10 cents a gallon of gasoline, give it back to the consuming people in this province, unless we're trying to keep the price of gasoline synthetically high so that we will be encouraged to conserve. At this point, it is not doing that. I don't think we need the 10 cents. Mr. Chairman, let's remove it.

Let's talk about the petrochemical projects in this province. Mr. Chairman, several years ago I indicated in this Legislature that the people in Andrew and Smoky Lake were nearly at war trying to decide where all the people were going to live [who were] to service and work in the petrochemical plants that were going to come mushrooming out of the ground from Skaro south and east. In the report that the former Minister of the Environment had presented to this Legislature on the corridor that's coming down through the area of Skaro, we were going to have petrochemical plants mushrooming from the ground. Mr. Chairman, the people are still waiting.

I would like to see a firm committed industrial strategy, so that the people in this province know where this government is heading in that direction. I know the hon. Premier and some members of the cabinet say, we have given it to you. But it doesn't lay down exactly what this government wants to do for the people of this province. Does this government want this province to have four, five, six million people? I agree with the philosophy that we want to upgrade some of our products, not send the jobs down the pipeline. I compliment the government on that philosophy. But in their overenthusiasm they don't always tell it exactly the way it is. That's politics. You win some, you lose some. The government does a good job of telling its side of the story.

Mr. Chairman, when we talk about the resolution

that can be presented to this Assembly so that we do not by-pass the Legislature, I would like to indicate to the members of the Legislature exactly what happened when the cabinet in its wisdom decided that we were going to have liquor, beer, and wine advertising on radio and television. What's that got to do with this? I'll get around to that point, Mr. Minister. I'm trying to indicate, Mr. Chairman, that this government operates too much behind closed doors. In the spring of that legislative session, I asked either the hon. Premier or the minister responsible, Mr. Getty, when the Gitter report came in, would we have an opportunity to — or when the question was asked, is there going to be liquor, beer, and wine advertising on radio and television, one of the hon. gentlemen indicated, yes, in due time there would be an opportunity to debate that in this Legislature. The session closed. The companies were given permission to advertise liquor, beer, and wine on radio and television. I came back in the fall and said, what happened to the opportunity to debate that? I believe it was the hon. Premier who said, put a resolution on the Order Paper. Well, Mr. Chairman, to the hon. Deputy Premier, that's exactly what we're going to do here. We're going to do it after the fact.

I don't think that's what this Legislature is all about. This Legislature is here to protect the taxpayers' money, to invest it in the best way we see fit. That's what this entire argument is all about. I know the Premier did a good job when he presented in the Legislature that you can't go to a meeting of first ministers and say, boys, I have to go back to find out if we're going to invest \$200, \$300, or \$400 million and give you a reply. But as the hon. Member for Bow Valley said, when you're investing, there is a mechanism, there are means of taking out options when a good opportunity is available. Especially when you have a fund of \$1.5 billion, there is going to be an awful lot of people waiting to give you a good deal.

MR. NOTLEY: And a majority in the House.

DR. BUCK: And a substantial majority in the House.

It's really quite evident that the legislation is going to pass, but let's give this Legislature an opportunity to put some input into it. Let's have some public debate, because this Assembly, Mr. Chairman, is the arena for public debate. That's all we're asking for.

MR. TAYLOR: What are you doing now?

DR. BUCK: That's what we're asking for, Mr. Chairman.

MR. TAYLOR: That's what you're doing now.

DR. BUCK: One of these days, Mr. Chairman, the hon. Member for Drumheller is going to have enough guts to cross the floor of the House. The hon. member seems to forget that we should all have some input into this thing. There are 69 on that side, Mr. Chairman, and there are only five on this side that question . . .

MR. LOUGHEED: The five of you could grow together.

DR. BUCK: The five of us could grow together, Mr. Premier?

MR. TAYLOR: I wouldn't change my principles.

DR. BUCK: Mr. Chairman, to the hon. Premier. If we're going to have a realignment, I think the philosophy and *modus operandi* of the hon. Member for Spirit River-Fairview would fit in much closer with the government side; because when we look at some of the investments — that will get us back to the investments that the government has made of the taxpayers' money.

AN HON. MEMBER: You're further to the left than he is.

DR. BUCK: Mr. Chairman, I might be a little left about people, but I'm not left about my political philosophy on how government should be run. Let's make that clear.

When we look at the investment record of this government, when we have PWA, IPSCO, the Syncrude equity, the Two Hills chemical plant, and we're going to be looking at getting involved in coal development in this province . . . The Alberta Energy Company said, certainly there's nothing that's closed to us . . . exploration, rapeseed plants.

Mr. Chairman, if we were to decide which way this government is going, left or right, I would say that the so-called free enterprise government — and I have to compliment the Premier again on this. He does an excellent job of convincing the people of this province he's the champion of free enterprise, and then he turns around and buys another air line or another few shares in IPSCO. That is an excellent politician, Mr. Chairman. He can convince people he's a free enterpriser in light of what he does. I have to compliment the Premier, because that's a good job of riding both sides of the street. It was really quite interesting when the hon. Premier spoke to the Vancouver Chamber of Commerce and said the bastion of free enterprise is down to give the honorable people of British Columbia a speech on free enterprise. I give the Premier his due, because he's an excellent politician. He really is. There's no doubt about that. He can convince an awful lot of people of a lot of things. But, Mr. Chairman, he's not going to be able to convince some of them forever. There are a few rumblings out there. I say to the hon. members, they had better get their ears to the ground, because the people out there are starting to tell other people that this government has lost direction as to where its priorities are.

Mr. Chairman, I don't have that much confidence in the investment committee of cabinet, because when we look at the cabinet's record of special warrants, between \$500 and \$600 million in two years, to me that's not responsible spending of the taxpayers' money. That's not a responsible attempt to try to balance the budget.

Mr. Chairman, I would like to say in conclusion that I support the principle of the heritage trust fund because, as the hon. members have all stated in this Legislature, including the hon. Member for Drumheller, the funds . . .

MR. TAYLOR: [Inaudible] once a month to say so. Now you go against it.

DR. BUCK: The hon. Member for Drumheller is getting a little tense. Mr. Chairman, the funds that will be in this heritage trust fund are funds belonging to the people of this province. When we say that, how else can we indicate to the people of this province and through this Legislature that some of the portions of this bill are not in the best interests of the people of this province? Mr. Chairman, I want it made abundantly clear that is why we opposed the bill on second reading — for no other reason. Under the mechanics of this parliamentary system, it left us no choice. Mr. Chairman, I think that if we can go up to the electorate and indicate to them what our concerns were and why we did that, I'm sure they can understand and will support us on that stand.

Thank you, Mr. Chairman.

MR. MOTLEY: Before we undertake any of the amendments, I wonder if we might take a few minutes so the Premier could answer any questions about the bill. I think it would be rather irresponsible for us to proceed through committee stage if questions about the specific clauses were not answered, and irresponsible before the time comes for amendments. Out of the answers there may be some assessment as to what we do about amendments, at least on this side.

DR. HORNER: Mr. Chairman, if I could just offer perhaps a way to operate from now on: could we have some of the general questions on this bill now? I was going to suggest that we do a clause-by-clause review for this particular bill, because of its importance. That way, we may be able to better handle any amendments that might come forward. We certainly have no objection to additional general questions that the Premier might answer, but I think it might be more useful if we then went on a clause-by-clause basis, as we did previously.

MR. CHAIRMAN: Is that agreeable to the committee?

HON. MEMBERS: Agreed.

MR. NOTLEY: Fair enough, Mr. Chairman.

Mr. Chairman, I wonder then if I could put two related questions to the Premier. Have the draft regulations concerning the conduct of the affairs of the investment committee been prepared yet? I would be interested, Mr. Chairman, in having the Premier respond to the committee as to how he visualizes the operation of the investment committee. Is there going to be a quorum? This matter came up in question period, but question period is not really an opportunity to explore anything in any detail.

On the question of the operation of the investment committee itself, is it the intention of the government to establish subcommittees of the investment committee which would be given the responsibility to look at certain aspects of the work of the committee?

MR. LOUGHEED: Mr. Chairman, in responding to those two questions, I would have to say to the hon. member and to members of the committee that such regulations have not been drafted. Essentially, the

view of the Executive Council and the government on this matter is that we're dealing with such unique legislation, we first have to see whether this legislation as established has the support and endorsement of the Legislature. We feel our concentration of our time to this day has been on attempting to prepare legislation that provides the flexibility involved here, provides the basic purposes and objectives.

We haven't gotten into, nor do we feel we should, the question of the regulations. I presume the hon. member is referring to Section 3(3) with regard to how the investment committee will operate. That was an addition over the previous bill, simply because it was pointed out to us by the Legislative Counsel that the Executive Council is not involved in anything of that nature in the normal course of parliamentary tradition. It doesn't have the sort of precise rules and regulations involving such matters as a quorum. They have been more by way of tradition than any precise regulations. Since we're involved as an investment committee consisting of the Executive Council, we should develop regulations. No doubt those regulations will be made public in the normal manner after they're passed. Hon. members will have an opportunity to raise them in the House and to propose any changes which we'll take into consideration.

On the matter of subcommittees: we feel that as we're charged, as the Executive Council, with the investment of public funds, we're simply not in a position to delegate that investment to anybody beyond the Executive Council, and that that responsibility rests with us under parliamentary tradition for investment. It may be that from an administrative point of view, we establish ways in which the ultimate decision-making is brought forth to us in terms of advice, suggestions, or alternate courses of action. But we see no way that we'll be in any position to delegate the final decision-making beyond the Executive Council in total as an investment committee.

MR. NOTLEY: Just to follow that along. I understand that formal regulations have not been drawn up. However, I would assume that at this stage the government is giving some consideration to the regulations. Has work been done on a draft set of regulations? It seems to me that these will have a pretty important bearing on the practical operation of the fund.

MR. LOUGHEED: Mr. Chairman, no, there haven't been. We discussed that matter. It was my view, which my colleagues shared, that the appropriate course was for us to have such a unique piece of legislation passed by this Legislative Assembly, and then have proper time, after the legislation has been assented to by the House and become the law of the province, to give more careful consideration to the matter of the regulations.

We're dealing with a very unique situation. There's no parliamentary precedent whatsoever. When these regulations become public in due course, as I mentioned, we'll welcome the views of members of the Legislature.

MR. NOTLEY: Does the Premier have any time frame at this stage as to when it's the intention of the

government to complete preparation of the regulations?

MR. LOUGHEED: Mr. Chairman, I would like to respond to that not only on that matter, but generally, because they may deal with other questions that hon. members may wish to raise.

I hold to the view, which I've discussed with my colleagues, that we are involved in a unique situation with regard to these investments. Therefore, it is not our view to feel that we should have placed upon us any pressure of time that is of any significance in terms of the position we're in in the province, that we should take careful care and attention with what we do, how we set up the regulations, how we establish what degree of advice we might take, and what initial investments might occur. I think the people of Alberta are in the fortunate position that that time pressure is not there, because under the present circumstances we have the money effectively invested by the Provincial Treasurer at a good rate of return. So there is not a time pressure upon us.

I want to say, Mr. Chairman, at this stage both in relationship to that question and in relationship to any other questions that deal with the matter of time, there's the feeling of the Executive Council that we are not going to be in a position to put ourselves in any sort of time frame. It may well be a very significant period of time will elapse before there is any full investment of these funds, before these regulations are even passed. We are dealing in such unique and uncharted waters that that's our approach.

MR. NOTLEY: Mr. Chairman, I wonder if I could move on to Section 4(2) and ask the Provincial Treasurer if we could just follow up the series of questions I posed to him during the question period about . . .

MR. TAYLOR: Mr. Chairman, are we going to go through section by section? If so, why don't we deal with them as we come to them?

MR. NOTLEY: Mr. Chairman, I raise this because it is a general question. I just referred to the section because the Premier referred to it last time. I think if we're going to have a general discussion, we should have it now, rather than go through it clause by clause.

MR. CLARK: Mr. Chairman, I wonder if I might just simply say that I talked to the Acting Government House Leader today. I think it was generally agreed that we'd have a rather general discussion pretty well on a point-by-point basis here. Then we'd get to the bill after that, if that's agreeable.

DR. HORNER: [Inaudible]

MR. NOTLEY: Fair enough. Mr. Chairman, then we'll proceed.

This concerns Section 4(2). It's really the question of the principles the investment committee will be using to evaluate the assets transferred to the fund. Actually, I'd like to direct the question to the Provincial Treasurer, because it's a follow-up to a series of questions that I put during the Oral Question Period. At the time, the Treasurer indicated the best time to

answer those questions would be during the committee stage of this bill.

Mr. Chairman, first of all I wonder if the Treasurer could advise us what the principles [used] by the investment committee will be in evaluating the assets transferred to the fund. Are we going to be using the historical cost, the current market value, or the greater of the two? I would also ask if the Provincial Treasurer would like to give us a little more up-to-date assessment of where the government stands specifically at this stage, whether they have resolved, as a government, which of the assets are going to be transferred to the fund: PWA, Syncrude equity, the two bonds — the \$100 million Gulf bond and the \$100 million Cities Service, the AEC shares, whether any move in Syncrude infrastructure will be transferred. Then I would be interested in knowing whether it's the government's intention to transfer any of the revolving funds — the AOC, ADC, the Oil Sands Technology and Research Authority — to the heritage trust fund.

MR. LEITCH: Mr. Chairman, I feel all the questions the member has asked are ones I can't give definitive answers to. The legislation provides that the investment committee is to make decisions about any terms and conditions respecting the transfer of assets other than money. Certainly as the Premier indicated in his earlier answers, these things are yet to be considered. Beyond saying that, as we've already indicated, we anticipate transferring debentures with respect to housing, either in the Alberta Housing Corporation or in the mortgage corporation, when and if that bill is passed. I expect they would be valued by the investment committee, but again, I'm not in a position to judge what the investment committee will decide. On the basis of the amount advanced, particularly with the mortgage corporation, that would come into existence probably shortly after the bill was passed.

MR. NOTLEY: Mr. Chairman, the reason I ask this is, I wonder if the Treasurer would be able to give the committee a breakdown of how we arrive at the \$1.5 billion. It would seem to me that transferring at least some of what you might call the historical assets of the province would be necessary to talk about \$1.5 billion at this time, would it not?

MR. LEITCH: Sorry, Mr. Chairman, I missed some words in the centre of the hon. member's question.

MR. NOTLEY: The question was: could the Treasurer give us a breakdown of how we arrive at the much-talked-about \$1.5 billion? It's my understanding we are going to have to transfer at least some of what you might call the historical assets of the province in order to reach the figure of 1.5. We don't have \$1.5 billion lying around. We have a fair amount in marketable securities, but it's not \$1.5 billion. I would ask the Treasurer, perhaps at this juncture of our committee study, if he could bring us up to date as to how the government would break down the \$1.5 billion as of May 17, 1976.

MR. LOUGHEED: Mr. Chairman, while the hon. Provincial Treasurer is preparing an answer to that, I just wanted to have the record of *Hansard* clear in terms of the government's view of its commitments

relative to the Alberta heritage savings trust fund account.

We consider that the only two areas where there's any degree of commitment by the government — and everything else is subject to review and assessment — is the area of irrigation, which would flow through the capital projects division and would be specifically voted on in the first instance next fall by the Legislature, and the area of housing. Everything else that have been discussed as possibilities are simply that. There's no commitment on our part. It may be that in an evaluation during the summer, some assets that have been discussed and raised are transferred, some may not be. Some additional ones may be put into the fund. It may be that we take a much more liquid position over a period of time, and judge the matter as we go on. I don't want the Legislature in any way to have the feeling that because these matters have been subject to debate and discussion, the commitment with regard to this legislation goes beyond those two specific items. Others are being considered. But the only feeling we have if the legislation is passed is in the two areas: irrigation, with regard to the capital projects division, and housing. With housing, the terms, conditions, and amount, as the Provincial Treasurer pointed out, are subject to further consideration.

MR. R. SPEAKER: Mr. Chairman, to the Premier, for clarification. Would the cabinet make a decision on items such as Syncrude or PWA as such before the fall session? The programs that are in existence — I'm not talking about new ones — would the cabinet have a decision made by this fall?

MR. LOUGHEED: Mr. Chairman, again, if I can refer to my previous answer, I don't know. It may be. It may not be. With regard to the areas involved in the capital projects division, if I can answer the hon. member that way, quite obviously that would be presented as an initial bill before the Legislature in the fall. It may be that in that case, some specific delineation is pointed out, as it would have to be.

But with regard to the other matters, it may be that they are resolved by the fall, or it may not be.

MR. LEITCH: Mr. Chairman, I simply want to indicate to the Member for Spirit River-Fairview that at the present moment we have approximately \$1 billion in what one might call liquid form — cash or short-term deposit receipts and things of that nature — and somewhat in excess of \$1 billion in other assets. So there would be no difficulty at all if the cash or majority of \$1.5 billion was made up of those liquid assets in valuation. Other assets include such things as loans and advances to the Alberta Housing Corporation, to the Alberta municipal corporation. I think there's something on the order of \$.5 billion in loans and advances.

Again, I wouldn't contemplate any great difficulty in valuation there. With respect to other assets that might be considered, I suppose there is always the possibility of the investment committee considering shares in the Alberta Energy Company. But that decision is yet to be made by the investment committee, and thereafter there would be the valuation question. Without anticipating what the investment committee might consider an appropriate eval-

uation, I think everyone would agree that one wouldn't look at the value the shares happened to be trading on on a particular day in the market, because it's clear you couldn't buy any more than a handful of shares at that price without driving the price up.

Those are things the investment committee is going to have to consider when the assets are transferred.

MR. NOTLEY: Mr. Chairman, a supplementary question, so it's clear in my mind at least.

We are really not talking about \$1.5 billion. We're talking about \$1 billion in relatively liquid assets, and another \$1 billion, some of which may or may not be transferred at the discretion of either the investment committee or the cabinet, depending on which hat you are wearing at any given time. Would that be an assessment of the situation?

MR. LEITCH: Mr. Chairman, we are talking about \$1.5 billion. It's simply a question of how that is made up. The bill makes provision for it to be made up of different assets. But we're certainly talking about \$1.5 billion being transferred.

MR. NOTLEY: Mr. Chairman, because of the question of which assets will be transferred, that really raises the issue of the time frame the government is looking at. The Premier indicates it's not the government's intention to become restrained by a time frame in terms of the regulations of establishing the investment committee and what have you. But I would guess that Albertans would want to know what assets are going to be transferred and when, so that they know what this \$1.5 billion constitutes. So it seems to me there is a legitimate reason for asking for the time frame, and for the government responding.

MR. LOUGHEED: Mr. Chairman, I could just respond by saying that the decision with regard to Section 4(1) is, as soon as practicable after the commencement of this act. Our judgment is that we're not going to be tied to any timing. We're going to reach decisions if this Legislature approves Bill 35. We're going to consider which \$1.5 billion will be transferred to the trust fund. The hon. member pointed out that three or four options are involved. Then, in due course, a statement will be made by the Provincial Treasurer as to what has been constituted in the original fund of \$1.5 billion.

MR. CLARK: Mr. Chairman, I apologize for being out when we started the discussion.

Mr. Premier, I think at least three questions flow rather logically, and I'd like to pose them to you.

The first question deals with, how did the government arrive at the 30 per cent, Mr. Premier? What was the government's thinking? I suppose one could say, why not 30 per cent or why not 20 per cent. Can you give us some sort of indication of the government's reasoning for having 30 per cent?

Secondly, Mr. Premier, are you in a position to give us some indication of the rate of return you expect from the investment of the fund, primarily the 80 per cent other than the capital investment portion? The reason I ask that is that it seems to me one of the long-term purposes of the fund will be to supplement the revenues of the province a number of years down

the road, hopefully many years down the road.

The third question then really becomes: has the government done any kind of projections — and I recognize that these would have to be pretty loose at this time — when the government sees some of the funds from the heritage fund being used to supplement the decline in non-renewable natural resources?

MR. LOUGHEED: Mr. Chairman, I'd answer the three questions this way. With regard to the 30 per cent, it's a judgment decision. We looked at the situation relative to the return, the speed at which the production was occurring, the decline in reserves of oil, but the somewhat improvement in natural gas. We looked at the fact that we are at present the largest-spending province per capita in Canada, in terms of our overall budgetary requirements. We therefore said that some portion should be set aside for the future. We looked at the matter of one-third. We looked at the other more complicated formula that worked out in terms of the incremental oil revenues; but natural gas revenues were increasing. We thought it would be a lot clearer to the public to have as simple a form as we could. We came to the judgment decision collectively that 30 per cent of today's revenues from depleting natural resources should be set aside for the future citizens of this province, and that 70 per cent be used for current revenues. We felt it was much better in terms of public awareness and understanding of the fund, much better in terms of our overall position, to have something of that nature. It was a judgment decision, taking many factors into consideration.

Mr. Chairman, with regard to the second question, I rather anticipated it. It's a good one from the Leader of the Opposition. There is no way that I am in any way going to be responding and tying this government's hand to any degree of preciseness on the rate of return. We'll take our position annually before this House, but we are not in that situation at all. Mr. Chairman, it's the very nature of that particular question, the sort of question that's involved, that indicates to me the difficulties we're involved in in a legislative process relative to investment. We have to make those judgment decisions as best we can. There are a number of variables and external factors. We'll face them from time to time. We'll face the Legislature and account for them. We'll face the people from time to time and account for them.

If I recall, the next question had to do with the matter of projections of the revenues from the funds relative to the budgetary positions. I think the situation there requires the maximum degree of flexibility in terms of planning. We wouldn't tie our hands there. We feel this: there certainly would be situations, as I mentioned in my remarks on second reading of the bill, where we could contemplate some sort of deficit financing for capital expenditures in the province with the existence of the fund; that if the people today are getting 70 per cent of the revenues from non-renewable resource revenue, if some portion of those revenues are used to pay some portion of debt financing and today's needs, we contemplate that as a possibility.

The unknowns, of course, are great: the unknowns with regard to the rate at which our reserves in crude oil decline, or possibly pick up; the success and

viability of oil sands production, and the situation involved there; the improvement in terms of revenues relative to natural gas; the difficult matters of pricing of our natural resource revenues. Mr. Chairman, there are so many variables that I don't think anybody could effectively make a presentation or a projection along the lines the hon. leader proposes.

MR. CLARK: Mr. Chairman, just following the Premier's response. Dealing with the question of the rate of return, I'd have to be quite frank and say, little did I expect the Premier to come out and say he was going to guarantee us a certain percentage. But, Mr. Premier, repeatedly during the course of this session, we've had the Provincial Treasurer, the Minister of Agriculture, and the Minister of Business Development and Tourism indicate to us that as far as the Alberta Opportunity Company and the Ag. Development Corporation are concerned, the amount of losses has been, I think it's fair to say, less than expected. If I'm putting words in the Provincial Treasurer's mouth that he can't live with, I'm sure he will straighten the record.

But getting back to this question, Mr. Premier, what kind of criteria or guidelines does your government expect to live with on the question of rate of return? Surely you're not going to tell us there are no guidelines? I suppose some people would say you might compare the rate of return with what is happening on the stock market, although I'd urge the government not to become involved in that area in an extensive degree. I suppose one might look at some combination of the gross provincial product and tie it to what's happening nationally. Certainly there must be some kinds of indicators that the government has — hopefully not in the back of its mind — foremost in its mind when we're looking at the kind of return we can expect from what really is going to be 80 per cent of, initially, \$1.5 billion.

MR. LOUGHEED: Mr. Chairman, I can only refer the hon. member to the bill. The purpose of the bill is simply to yield a reasonable return or profit, and to tend to strengthen and diversify the economy of Alberta. That's what the legislation proposes. We are prepared, when we seek a special act pursuant to Section 5, to show annually what has occurred. We'll have to answer for the return, explain the conditions, and explain the circumstances. Beyond that, we're not prepared to go.

MR. CLARK: Mr. Premier, do you see the capital development portion, the 20 per cent that you've got to get approved in the Legislature, being used mainly to strengthen and diversify the province?

MR. LOUGHEED: Mr. Chairman, as I've mentioned — the capital projects division, of course, is the proper terminology of the section — we look at it as tending also to strengthen and diversify the economy, but beyond that, I'm afraid I have to respond by referring to the specific section of the bill, Section 6(1)(a): "provide long term economic or social benefits". The distinction between the capital projects division and the other two divisions of the fund is the phraseology, "long term economic or social benefits". In short, the capital projects division can be both. It can be either something like irrigation — which I

think one would consider essentially an economic diversification of the province — or it could be something else that one considers a social benefit — and without tying my hand to it, something like medical research, which would have a social benefit for the people of Alberta.

So where you have under the Alberta investment division the provision of tending to "strengthen and diversify the economy of Alberta", you have under the capital projects division the making of investments and projects "which will provide long term economic or social benefits". I think that's the important distinction.

MR. MOTLEY: Mr. Chairman, would the Premier outline to the committee how the government came up with the breakdown of the figures between the capital projects, the Canadian investment division, and the Alberta investment division; the 20 per cent, 15 per cent, and 65 per cent?

MR. LOUGHEED: Well, Mr. Chairman, essentially in the same way — the same judgmental process that went into the decision with regard to 30 per cent. It was a judgment decision, based on a number of factors. In order to preserve the basic fund it was felt that the proportion that would not provide any return of an immediate nature whatsoever should not be too large a portion, but it should be significant.

It was felt that some portion should have the long-term economic and social benefits. Again I look at irrigation as a good example, where you're going to have benefits, but they're going to be benefits down the road. We thought that 20 per cent was large enough to be significant, but not so large as to affect the overall basic strength of the fund and its ability to continue to be viable.

The 15 per cent in the Canada investment division again was a judgment decision, made collectively. It was felt that the people of Alberta would not be prepared to accept a very large portion of this fund being invested outside the province. On the other hand, we did not want to preclude ourselves from opportunities of making investment which would provide a good, stable, and effective return by investing in other provincial government agencies or operations, and that there was some opportunity for good return to the fund. We again reached the view collectively, as a judgment, that 15 per cent would be sound. It was significant but it was not so large as to not find the support of the citizens of the province. That would mean that essentially 85 per cent of the fund would be invested either directly or fairly directly within the province of Alberta.

MR. MOTLEY: Mr. Chairman, what would be the process of changing the breakdown? Obviously it would have to take the form of legislative amendments, I would assume, but the breakdown of 20, 15, and 65 per cent is not the law of the Medes and the Persians. It could well be that two, three, or four years down the road the government will have concluded that it might be well to substantially change the percentage breakdown of investment among those three sections.

MR. LOUGHEED: It's difficult to perceive too far along in this dynamic age. The hon. member will note that

in both the capital projects division and the Canada investment division the terminology is up to 20 per cent, or up to 15 per cent, and that was to give some flexibility. There's certainly no present intention by the government to consider any alteration of that, but obviously we can't bind decisions of future Legislatures. If the Legislature, in its wisdom, decides to bring in amendments to change that breakdown, and they would have to be amendments to this legislation, of course that position is always open to the Legislature.

MR. CLARK: Mr. Chairman, I wonder if I might ask the Premier what kind of investments we are looking at outside the province. Is it picking up bonds of various Crown corporations in other provinces? From looking at the bill and the discussions we've had to date, that's the kind of impression I've been left with.

Then my second question comes along. The Premier will recall, I think two or three years ago there was talk of the province getting involved in a venture with Ontario in rapid transit, in Toronto if my memory serves me correctly. What is the government's response to that kind of situation today? If the government felt it was a good investment, is that the kind of investment that we might well see ending up in this 15 per cent?

MR. LOUGHEED: Mr. Chairman, no. I wouldn't think so. The Canada investment division, pursuant to Section 1(b), is quite narrowly restricted. It deals with the

- making of investments by way of loans to
 - (i) the Crown in right of Canada, or
 - (ii) the Crown in right of any other province of Canada, or
 - (iii) any other person if the repayment of the loan and the payment of interest thereon by that person is guaranteed by the Crown in right of Canada or the Crown in right of any other province of Canada . . .

Now those are very restrictive investments in the Canada investment division. However, it is possible that under the Alberta investment division the investment committee or the Legislature may consider that a particular investment, where the actual site of the investment is outside the province, would still provide a reasonable return and tend to strengthen and diversify the economy of this province. Those would be the more difficult decisions we would have to face. But with regard to the basic Canada investment division, no, it's fairly narrowly construed, as the hon. leader has mentioned.

MR. NOTLEY: Just before we conclude the general questioning, what guidelines or rules would be followed with respect to disposition of investments? There will be times when the government will want to dispose of investments which have been acquired or shares which have been purchased. What general course will the investment committee follow in dealing with the disposition of assets?

MR. LOUGHEED: Mr. Chairman, I don't think I can throw any light on that particular matter. Quite obviously, the way I've answered the question on the nature of the initial investments would indicate pretty clearly that we have not contemplated the circum-

stances of disposition. I wouldn't want to. We would have to face each one of those cases as it arose, based on the best interests of the citizens at the time. For that reason, I think it's clear that the Legislature, in its resolutions pursuant to the amendments, can in fact assure that no disposition can be made of a particular investment without coming back to the Legislature. Beyond that, we haven't any fixed view.

MR. NOTLEY: One final question. I'd like to direct this to the Provincial Treasurer. It concerns the cost of administering the funds. There are obviously no guidelines contained in the bill itself. I wouldn't expect there to be. I assume this is going to be part of the regulations. Does the Treasurer at this stage have any idea what we're looking at in terms of the administrative infrastructure in facilitating the administration of the heritage trust fund act? Are we going to be engaging additional personnel to assist the investment committee? If so, how many? Are we going to be seeking out people with specialized knowledge in certain investment fields? If so, perhaps the Treasurer could advise the committee.

MR. LEITCH: Mr. Chairman, the question the hon. member asks is answered in part by the terms of Section 10 of the bill. Subclause (i) of that section provides that where any costs, expenses, or other payments are directly attributable to the administration of the trust fund, the Provincial Treasurer may charge the cost, expense, or payment to the trust fund. That will cover the situation where clearly an expense is incurred in connection with the administration of the trust fund.

With respect to the second subclause of that section, what we had in mind there is, perhaps, the Syncrude equity. If that were to form one of the assets of the trust fund, there would need to be a manager of that equity. Presumably that should remain within the department; you should not build a separate administrative or management capacity within the fund itself. We had in mind that at the end of the year it would be proper, and indeed I would think it should be done, to charge the trust fund a reasonable amount designed to reimburse the government for the cost of managing the trust fund's asset.

As to the acquisition of personnel, I wouldn't contemplate any additional personnel, and none assigned specifically to the trust fund. For example, I would contemplate the investments the Provincial Treasurer is authorized to make under Section 9 being made in the same way they're being made now and by the same people who are making them now. However, at the end of the year it may be that we're able to make a reasonable assessment of the costs involved in administering them, and they would be charged to the fund under the authority of this section. Other questions as to costs will have to be dealt with within that section, within that general philosophy, as they arise. But at the current time I don't see any additional personnel being retained specifically for the trust fund.

MR. NOTLEY: Mr. Chairman, to the Treasurer. Does the Treasurer see personnel being required, outside of existing people, in a co-ordinating role? Obviously, existing departments of government are going to be

able to supply a good deal of expertise — the Department of Treasury, as it relates to much of the mechanics. But it seems to me a lot of co-ordination will be required among different branches of government, if you're going to have somebody who is performing a role in a particular project, and that is charged to one department. Nevertheless, there still has to be some kind of co-ordinating agency for the investment committee. It would seem to me that has to come in someplace. I'm not talking about a huge bureaucracy of hundreds of civil servants. I'm talking about the co-ordinating function itself.

MR. LEITCH: Mr. Chairman, although we certainly don't have any fixed views on this, and experience may indicate a change in approach, for the time being I would contemplate the Treasury Department performing that co-ordinating function, as it's been described, and then reporting to the investment committee.

DR. McCRIMMON: We have some government amendments to Sections 6 and 7. We'll take care of those when we get to 6 and 7.

MR. CLARK: Mr. Chairman, before we go into the bill section by section, I think I should indicate to the members of the House our intentions on the bill itself. Members will recall that, for reasons outlined earlier, we voted against the bill in second reading. It's now our intention to introduce six amendments in the course of the committee study of the bill.

The amendments will involve four areas. First, we'll be introducing amendments in the appropriate portion of the bill to make the Legislature responsible for approving commitments, prior to the commitments being made by the cabinet. Secondly, we will be making amendments that will guarantee a full disclosure of that information which is possible regarding investments that the investment committee of the cabinet moves on. Thirdly, we will be making amendments to guarantee that this piece of legislation doesn't interfere with the responsible free enterprise system in the province. Fourthly, we will be moving amendments to deal with the make-up of the legislative committee, so that a member of the official opposition would be chairman of that legislative committee.

My colleagues from Brooks and from Clover Bar and I will be moving a number of amendments as we proceed through the bill. That's the basic thrust of the amendments we propose to put forward.

DR. McCRIMMON: Would you bring the amendments forward as they come up through the bill?

[Section 1 agreed to]

Section 2

MR. CLARK: Mr. Chairman, just on 2(3), I wonder if I might ask the Treasurer to comment. Mr. Treasurer, is it your intention to make use of a number of outside consulting firms with regard to giving government assessments on the various investments the government is considering?

MR. LEITCH: Mr. Chairman, I feel that's something the investment committee will decide on each occasion when an investment is before them. I would think that is one of the items they would address their minds to. If they felt that some benefit could be obtained by getting outside advice, they would do so. But saying either yes or no as policy is just not possible now.

MR. CLARK: In all likelihood, the government will be seeking some outside consulting advice, not on every venture but from time to time?

MR. LEITCH: Mr. Chairman, I think one can usefully look at our history on that. For example, when we decided to invest by purchasing the debentures of Gulf and Cities Services in connection with the Syncrude project, we retained an outside firm of investment counsel to advise us on the terms and conditions of that debenture. If there were a similar kind of investment in the future, I would expect a similar kind of recourse by the investment committee.

[Sections 2 and 3 agreed to]

Section 4

DR. BUCK: Mr. Chairman, I have an amendment. In amending this section, I wish to say to the Premier and the government members that I do not envy them their job. It's very easy to tell your wife, we can't have a new car or fridge, if you don't have the money. But it's a little more difficult to tell your wife or a member of your family, no, you can't have a new car or fridge, when you've got money in the bank. That's quite basic. So the job the government will have to do in protecting these funds for the people of Alberta is very difficult. On both sides of the House, I'm sure, we wish them well, because it is our money.

Mr. Chairman, this first amendment will be in the direction the hon. Leader of the Opposition indicated, to provide more and adequate control for the Legislature. Mr. Chairman, the amendment to this section:

The bill is hereby amended as follows:

A. Section 4 of the bill is amended by striking out subsection (2) and by substituting the following therefor:

(2) The amount transferred pursuant to subsection (1) may be transferred in cash or other assets, but where assets other than cash are to be transferred, the Legislative Assembly shall, before any transfer is made, approve

- (a) the assets to be transferred,
- (b) the manner in which and the time or times at which and the conditions upon which the transfer is to be made, and
- (c) the evaluation of the assets or the method by which the assets are to be valued.

I so move that amendment.

MR. LOUGHEED: Mr. Chairman, I'd just like to respond and say on behalf of the government that I don't feel we can accept that amendment. Essentially, the responsibility for the government and the difficulty of establishing the nature of the original

\$1.5 million is a judgment decision regarding the assets that the Provincial Treasurer has just described that are assets of the province.

We are going to have to make some very careful decisions with regard to what portion is transferred to the fund. That will involve the degree to which there's a liquidity there. It will involve the question of the degree to which the housing investment is placed into the fund. It will involve such questions as the position with regard to any of the revolving funds. I think it's a clear responsibility of the Executive Council and the investment committee to make that decision.

Having made that decision, we are certainly prepared to make it, and will be prepared to be answerable and accountable to this Legislature and to the people for that decision. But I don't believe we can be in that position as proposed by the amendment. For that reason I think the amendment should not be accepted.

MR. CLARK: Mr. Chairman, in speaking to the remarks made by the Premier I think it should be pointed out to members of the Assembly that the Premier himself has indicated that the government will take some time. To use the Premier's words, it will not be rushed into, getting certain aspects of the Alberta heritage savings program on the road.

It would seem to me that a very reasonable sequence of events would be for the government to look at the various assets that have been discussed already in the Assembly, and perhaps some that haven't been discussed here; to look at those assets and come back here at the fall session, starting the middle of October, and present in either a resolution or a bill those assets that it plans to transfer into the Alberta heritage savings trust fund.

That seems to me not an unreasonable demand. It would then give not just members of the cabinet but the members on both sides of the House the opportunity to express their points of view as to the wisdom or lack thereof of some of the assets the government plans to transfer to the fund. I don't think there's any indication of that holding up the government, in light of the Premier's comments today, because we're really asking that that be done in about five months. So I would simply say to the Premier, in light of his comments, that this amendment would force the government to bring forward to the fall session, or the spring session if the fall timing is too soon, the assets the government plans to transfer to the fund. That doesn't seem to us an unreasonable burden on the government at all.

MR. NOTLEY: As I understand the amendment, it would simply place on the government the responsibility of bringing to the Assembly a motion which would allow the Assembly to determine the final make-up of this \$1.5 billion. Mr. Chairman, it seems to me that all of the arguments we're heard about the need for flexibility don't apply to this particular section. Whether one agrees with those arguments — and we'll get to them in a few minutes when we talk about the role of the investment committee — surely, Mr. Chairman, we're not going to encounter any problems with "flexibility" when we decide whether or not the ARR or PWA, housing debentures, or whatever the historical assets of the province may

be, are going to be transferred to the heritage fund. That has nothing to do with the question of flexibility, Mr. Chairman. I just can't imagine that we're going to be dealing with decisions of such an urgent nature that the cabinet has to have that latitude.

I would support the amendment, not because I believe it goes far enough to ensure legislative control or accountability, but at least it's a place to start. If we're not going to determine what money is transferred to the fund and what assets are transferred to the fund, Mr. Chairman, it seems to me the question of ultimate accountability becomes very real. As the Leader of the Opposition has already pointed out, the Premier himself has made it crystal clear that the government is going to proceed with extreme caution on this matter.

I had rather expected the Provincial Treasurer to rise in his place during the course of the questions and be a little more definitive about what historical assets were going to be transferred to the fund. As a matter of fact, that was certainly the implication I received when I asked questions in the Oral Question Period about this matter five or six weeks back. Wait until the trust fund debate comes and we would have, if not a shopping list of goodies that are going to be transferred, at least some sort of idea of what will be transferred. Today we have a very droll Provincial Treasurer standing up and saying, well, it's all going to be reviewed. It's going to be assessed, reviewed and carefully evaluated. We're going to take lots of time doing it. Mr. Chairman, we now have a somewhat more leisurely approach adopted by the government and I applaud that. But it seems to me all the arguments for flexibility go out the window.

It seems to me this is at least one amendment that the government might accept. I think batting average chances of getting any of the others that will be introduced during the course of the debate for the next several hours or so will be rather low. This is one which doesn't in any way, shape, or form, as I see it, unduly tie the government's hands on how they propose to invest the money in the future. Simply make sure that the Legislature has the final determination of which physical assets of the province will be transferred to make up the \$1.5 billion fund.

MR. LOUGHEED: Mr. Chairman, to add a further comment. I just want to reiterate the three aspects that should be kept in mind by the members. First of all, I think it's clear, and I think it was pointed out by the hon. Member for Medicine Hat-Redcliff, that what we're involved with in this legislation, in Bill 35, is a very significant restriction on the existing powers of investment of the government. A very significant one.

Secondly, the concept throughout this bill is that the investment committee, as the Member for Medicine Hat-Redcliff pointed out, the elected members of the Executive Council who are responsible to this Legislature and traditionally have had the responsibility for the investment of funds, obviously therefore to follow through on that concept, should be investing the basic initial \$1.5 billion and then accounting to this Legislative Assembly, as we will be doing and we will be prepared to do. Finally, I reiterate the understanding, which the Member for Drumheller has pointed out and the Member for Medicine

Hat-Redcliff pointed out just this afternoon, that the responsibility in the parliamentary system of the government to make these investments is quite clear. Very easy to go the other way, lots of headaches avoided to go the other way — but in my view, it would be shirking our responsibility to go the other way. We have to make those difficult decisions and be answerable for them.

MR. CHAIRMAN: Are you ready for the question?

MR. R. SPEAKER: Mr. Chairman . . .

MR. CHAIRMAN: If we are going to continue the debate, we can leave it over until the next . . .

DR. HORNER: Mr. Chairman, I move the committee adjourn until 8 o'clock this evening.

[Motion carried]

[The Committee of the Whole adjourned at 5:28 p.m.]

[The Committee of the Whole met at 8 p.m.]

[Dr. McCrimmon in the Chair]

MR. CHAIRMAN: The Committee of the Whole will now come to order.

MR. R. SPEAKER: Mr. Chairman, first of all I want to respond to the Premier's three points made just before adjournment. If I have copied them into my notes correctly, the first point was that there was a restriction on the existing powers of cabinet or on the investments made by government. The second was that investments would be made by elected members and, following that, there certainly would be accountability. Three was that the responsibility is on government for investment and that government would take that particular responsibility.

The point I want to make, and which is certainly open to clarification from the Premier, is with regard to Section 4. My understanding of Section 4 is that there will be no real investment decisions at the time that any type of asset is transferred to the trust fund. They are or may be assets of the province in the future. These assets at that point will be transferred into the fund. Following that, the investment committee will make decisions on those particular assets, whether they're cash, PWA, or whatever.

So the concern I have is that I don't see any problems with regard to the time factor in bringing these types of things — the discussion of these assets — into the Legislature prior to the time they are placed in the trust fund. There's a time factor. There are assets in the province, and open discussion in the Assembly can be made at that time. It won't interfere with the investment committee in any manner in making decisions that have to follow. Certainly looking at it in that manner, I don't see anything wrong with the amendment as we have presented it to the Legislature.

The key point I want to make is that we're not interfering with the investment decision. The thrust of the Premier's remarks in second reading seems to be that if we brought things to the Legislature for

discussion, it would take too much time, and it would be embarrassing to the Premier in the handling of the funds. On that basis I don't quite follow the three arguments the Premier presented to us, nor do I see where it interferes with real investment committee decision-making.

MR. LOUGHEED: Mr. Chairman, I'd like to respond to that by saying that in addition to the three arguments, there's really a fourth. That is that the question of the transfer into the fund in the first instance is essentially an Executive Council decision. If I can present a question to the committee, Mr. Chairman, and that is with regard to the financing of Alberta Government Telephones: should the debt structure of Alberta Government Telephones be transferred into the fund, or should it remain in the position in which it is now?

That's a decision made by the Executive Council acting as an Executive Council in terms of the financial management of the government. In my view, the decisions with regard to the transfers of the assets into the fund are essentially decisions of the Executive Council that involve the total financial position and financial management of the government in which the Executive Council is entrusted.

[Motion lost]

[Sections 4 and 5 agreed to]

[Section 6 as amended agreed to]

MR. MANDEVILLE: Mr. Chairman, I'd like to make a short amendment to Section 6(1)(c)(ii).

I think we've got to be careful not to let the heritage fund discourage private investment in Alberta. The private sector has brought Alberta to the prosperous state it's in. We've got to keep this good climate of investment preserved in Alberta. We certainly want to take a lesson from our neighboring provinces, B.C. and Saskatchewan. We certainly wouldn't want to be in that position in Alberta.

I think it should be stated very plainly and explicitly in the act. So, Mr. Chairman, I'd just like to pass out this amendment. After subclause (ii), the following subclause, which would be subclause (iii): "will not weaken or limit the participation of the private sector in the economy of Alberta".

MR. LOUGHEED: Well, Mr. Chairman, with regard to that matter, this is a matter of policy as distinguished, really, from legislation. I believe I have stated quite unequivocally the guidelines or parameters of the fund. I stated them in my remarks in Red Deer during the course of the provincial election. These remarks were attached as an appendix to the budget of May, 1975, that the guidelines or parameters should be: "The funds should be invested with a minimum of interference with private sector activity in the province. The funds should be invested in such a way as not to unduly disrupt existing financial institutions which are operating in the Alberta public interest."

My concern is that that has to be a matter of policy, not legislation. Because if it becomes a matter of legislation, Mr. Chairman, I think it simply opens the door for a multitude of potential references to the courts in terms of the interpretation of the phrase

"private sector in the economy of Alberta". To my dismay, we've already had in this Legislature, particularly from the Social Credit Party, a pretty serious attack on the Alberta Energy Company, and there's a fair question of debate. It's perhaps a good and valid debate, but it's certainly been a debate in this Legislative Assembly.

It's our view that the Alberta Energy Company very significantly and very clearly strengthens the private sector in the economy in this province, because it brings in citizens in a very direct and meaningful way as shareholders. As shareholders [they] then become much more conscious about the value of the share, of the importance of being a shareholder, and hence strengthen the private sector in the economy of the province.

On the other hand, we have heard from our friends in the Social Credit Party that they feel — at least appear to feel — pretty strongly that the Alberta Energy Company is something they want to do their best to attack. That's their judgment and their decision. I can see a situation, in accepting that amendment, of a constant reference to the courts by the people who may be affected, by way of judicial interpretation as to the private sector. Because we do live in an environment where a great number of situations involve a mix of both the private and public sectors.

With respect, Mr. Chairman, I'm sure this very matter was considered by the Social Credit government of 1965 at the time they brought in their Act respecting the Establishment and Operation of the Alberta Investment Fund. They saw no necessity at that time to put in a provision that the fund would operate in such a way as not to weaken or limit the participation of the private sector in the economy of Alberta. That was their proposed investment fund, The Alberta Investment Fund Act of 1965.

Mr. Chairman, I would have to propose to the House that the amendment be defeated for these important reasons.

MR. CLARK: Mr. Chairman, I would just like to make three comments as far as this amendment is concerned.

My colleague from Little Bow has indicated that by putting in this amendment, there would at least be some legislative teeth that would in fact guard against what the Premier says he attached to the budget the Treasurer brought down. It's one thing to have attached to the budget the Premier's assurance that the Alberta heritage savings trust fund isn't going to become involved in these areas. It's another thing to have it, in fact, spelled out in clear legislation.

Secondly, with regard to the comments as far as the Alberta Energy Company is concerned, the Premier is certainly at liberty to put whatever slant he wants on the approach we take as far as the AEC is concerned. But just remember, whether the Premier wants to duck the responsibility or not, this Legislature and his government have \$75 million in the Alberta Energy Company. Any way you cut it, the government is responsible for that. So let's not try to draw a red herring across that particular point.

On the comments the Premier makes with regard to the legislation of 1965. I think even the Premier himself would admit that if he goes back to some of

the speeches — I don't have them with me this evening — that the present Premier made in the early 1960s when he talked about the kinds of things that a Conservative government would do as far as the private enterprise sector is concerned ... If the Premier would like to be very specific, go back and read some of the Conservative information of the 1967 election. The Premier knows very well the kind of comments, atmosphere, and attitude there was toward the responsible private enterprise system at that time. And 11 years later there is more government intervention than I think the socialists ever would have thought there would be at this particular time. For that reason it's important that this amendment be considered.

Now the Premier indicates that with this kind of amendment the legislation would be open to judicial interpretation. That's right. But with the number of members of the legal profession on the government side, I'm sure there would be no serious problem getting around that. The Legislature meets twice a year. Amendments can be brought in, and will likely be brought in often as far as the heritage savings trust fund is concerned.

So to say this would open us up to judicial interpretation, and that the Premier attached his comments in Red Deer to the budget speech, really isn't any legislative safeguard at all. What this amendment does — and let all members clearly understand the situation — is to put in the legislation and give guidelines to the government of the day, so that investments they make will not weaken or limit the participation of the private enterprise sector in the economy of Alberta.

It's good for the Premier to give his marching orders to the people on the government side that [the amendments] should be defeated. But the members should recognize pretty clearly what they're doing when they're turning this amendment down.

[Motion lost]

MR. CHAIRMAN: Subsections 3 and 4 have been deleted by the amendment.

MR. CLARK: Mr. Chairman, I'd like to propose an amendment that would take the place of Section 6(4) before it was deleted. What the amendment would do is to strike out what was formerly (a) and substitute: "that investments "shall only be made if moneys are first appropriated from the Trust Fund by an Act of the Legislature specifically for the purpose as described subsection (1), clause (c)". I have copies of the amendment here.

From our point of view, Mr. Chairman, this clearly comes to the nub of the question as to whether the members of the Legislature are going to retain control over the commitment of funds. That clearly is the situation. We've had numerous discussions on this particular point. In the course of second reading of the legislation, Mr. Chairman, the Premier indicated that this just wasn't possible at all.

Today my colleague from Brooks touched on the question of the possibility of taking options. That route could and should be used in this particular area as far as bringing to the Legislature investments the government wants to make, so the elected representatives of the people of the province have the opportu-

nity to have the final say on the commitment of the funds. Then it becomes a matter of looking at the commitment, not several months later after it's made, but in fact prior to its being made.

So this amendment, Mr. Chairman, deals squarely with the question of who is going to make that decision. Is it going to be the cabinet, which later reports to the Legislature? Or in fact is it going to be the Legislature taking the ultimate responsibility? We believe the Legislature should take the responsibility for the commitment of public funds, and we're proposing this amendment for that reason.

MR. LOUGHEED: Mr. Chairman, in responding to the amendment, I think it's quite clear, as the hon. Leader of the Opposition pointed out, that this is the matter that has been the subject of considerable debate and discussion, certainly on second reading. I think, as far as the government is concerned, we've made our position clear with regard to it. For that reason we would oppose the amendment.

I can only add an additional factor — or I suppose two that are important with regard to this matter. First of all, since the bill was introduced in the Legislative Assembly on April 14 in its revised form, I've had very little communication from the public in my correspondence with regard to it, and practically none of it negative to the new Bill 35.

Secondly, when I discussed this matter with the deputy Provincial Treasurer this morning, he informed me that in discussing it with people who are essentially involved in the investment and financial community that almost — with the odd exception, but generally speaking the advice he had received was that they hoped we would be wise enough not to put ourselves in the strait jacket that would be involved in this amendment. For that reason, I think it's the matter that we debated at length in second reading and should be opposed.

MR. NOTLEY: Mr. Chairman, a few comments on this particular amendment. I had a somewhat similar amendment, so we can deal now with the principle at stake and save a further discussion in a few moments.

Mr. Chairman, first of all, I would have to say that the Premier's comment that he has not received a large number of letters on the heritage trust fund is not in itself an argument. It seems to me that the principle at stake in legislative accountability is an issue which must be battled out and resolved in this House, and it seems to me that whether or not there is public support or public indignation is irrelevant to the basic question of whether this is the right course to follow.

It may make it easier for the government to go this route if they don't think there is fire in the political heather, although I would simply say to the Premier that I suspect there is a good deal of quiet concern on this particular issue. But again, that is not something which in my judgment we need to debate here at great length, because as I see it, the question is whether we are approving a course which is inconsistent with the parliamentary tradition of government.

Now, Mr. Chairman, during the course of second reading and a few moments ago during the general speeches that various members gave on this particular bill, many members attempted to make the distinc-

tion between an investment and an expenditure. It's somehow all right to have legislative control over expenditures, but on the other hand an investment is a different proposition.

Mr. Chairman, I just suggest to the members who make that assertion that they carefully check their parliamentary history. They will find there is no historical basis at all for a distinction between an investment and an expenditure. The whole question of parliamentary control over the purse strings is the history of the parliament attempting to gain control over financial decisions that will shape and change the future of that particular jurisdiction. That's the story and the history, if you like, of parliamentary control over the purse strings.

So whether the issue is \$50 million for social aid or \$50 million for agricultural processing, from a parliamentary point of view the relevant point is: does that financial decision, expenditure or investment, alter the jurisdiction? Does it have an effect on public policy? If it does, Mr. Chairman, it should properly be debated in the Legislature.

The other point that I think has to be made is that if we quietly sit back and say, all right, it's up to the cabinet to make the investment decisions, we're going to have a committee that will look at these decisions after the fact, and then we have a resolution still further after the fact, again, we're getting into the whole business of accountability after the fact.

Mr. Chairman, we are talking about such a large amount of money — although it's a little difficult to know exactly what we are talking about in terms of the amount of money, because the Provincial Treasurer seems to be somewhat less than definite . . .

MR. CLARK: 'Mackenzie King-ish'.

MR. NOTLEY: Yes, 'Mackenzie King-ish' as to the amount of disposable money we're going to have to invest.

You know, a few months ago all the Albertans were talking about this \$1.5 billion as if it were almost cash in the hand so to speak, but I wouldn't be too surprised if the hon. Premier's talking about taking over some of the debts of Alberta Government Telephones as a possibility. I can see the ARR in there before too long. You know, we're going to have all sorts of interesting assets in this heritage trust fund. I wonder . . . [interjections] I didn't hear that, Mr. Deputy Premier.

DR. HORNER: I couldn't convince them to take the ARR.

MR. NOTLEY: Oh, you couldn't convince them to take the ARR. Well, you never can tell with . . .

MR. NOTLEY: You never can tell with this bill. But in any event, you see, we now find that this heritage trust fund is virtually shrinking before our very eyes in terms of the government's flexibility of investment, because I suspect a lot of it is already basically committed. Then we're going to have to make the \$1.5 billion bring in so many assets already in place that it will be somewhat less of a factor than many of us might have thought a few weeks or months ago.

Mr. Chairman, that doesn't really alter the basic

argument in this amendment. The basic argument is very sound; that is, before financial decisions are made that affect public policy, those decisions ought to be debated in the Legislature. We can go over the arguments presented during second reading. Will this unduly tie the hands of the government? Not really. It's not going to stop the government from buying PWA. It's not going to stop the government from signing the Syncrude deal.

The Premier took some pains in second reading to say how difficult and embarrassing it would be for him if he had to come back and put a resolution on the Syncrude deal before the Legislature. As the Premier well knows, the fact of the matter is that even if this bill were passed with the amendment proposed by the Member for Olds-Didsbury, that would not have changed one iota the course of events down in Winnipeg.

Mr. Chairman, the suggestion that somehow this would unduly tie the hands of the cabinet is something I just cannot buy. As pointed out by the member from Calgary, many, if not all, investment decisions now are subject to various kinds of regulatory bodies providing approval. So the suggestion that a government with 69 members in this House would not be able to make funds available from the heritage trust fund is a little difficult to buy.

Somehow I don't imagine the other partners at that meeting in Winnipeg would have been fretting or twitching nervously in fear and consternation that the five or six members on this side of the House were going to be so persuasive that the entire Syncrude deal would fall through, and that the money would not be appropriated from the heritage trust fund.

But as the hon. Member for Calgary Buffalo pointed out, this doesn't stop the government from making the commitment anyway. It just means that before they acquire the funds from this heritage trust fund they have to come back with a resolution which can be duly debated in the legislature. But what it will do quite clearly, Mr. Chairman — there's no doubt about that, let's admit it — is to place a political constraint on the government. Perhaps it will force the government to act a little more cautiously than they would otherwise. I think it will probably make it somewhat easier for those of us who may want to acquire information on certain projects to obtain it. But, Mr. Chairman, it is not, and I repeat it is not, going to tie the hands of the government in any significant way.

So, Mr. Chairman, the amendment we have before us is absolutely essential, in my view, if what we are to see here is the kind of heritage trust fund that Albertans can be proud of — or on the other hand some kind of Frankenstein monster which is going to be turned loose and will eventually, as the Member for Calgary Buffalo pointed out, have very severe repercussions for the authors of this legislation and the government which introduced this bill.

MR. R. SPEAKER: Mr. Chairman, we have certainly discussed this topic of accountability and made our points. But I think one of the things we must understand about the procedures of decision-making is that once a decision is made on an investment, or a purchase — or if you're in the private sector, the decision is made, the money committed, the funds, the capital assets, the people — it's difficult at that

time to turn the situation back to its original state. What is happening here is just that kind of thing. The cabinet can make the decision behind closed doors within the cabinet room. Later it is announced in the newspaper through a news conference, and we hear it then. At that point we just come here. Maybe we create a lot of wind from the Legislature in southern Alberta, central Alberta — after the fact on a lot of things. But it's a very helpless position at that point, because we just haven't any influence on the decision at all. We might as well come in, say hi, collect a pay cheque, and go back to the farm. That's the feeling there is with this type of legislation. That's the first point.

The second point is that if we are going to make a good investment, it should certainly stand in this House and be passed very quickly with this large majority. Then the government can proceed on that particular decision-making process and take the responsibility of the mechanics of making that investment. I think that can be done very well.

Mr. Chairman, basically those are the two points I have to add to some of the others that have already been made.

MR. TAYLOR: Mr. Chairman, the hon. Member for Spirit River-Fairview and one of the Social Credit members appeared to think that investments the government will make will be highly successful. If they are highly successful, who gains? The people of the province of Alberta. Who loses? Well, those who would like to form the government.

This resolution appears to me to be endeavoring to put handcuffs on the government so that we'll make sure there are bad investments, and then the government will have to be defeated. But who suffers? The people of the province. I'm concerned that every investment made is successful, because it's the people's money being invested and the government will have to take the responsibility for that investment.

MR. GHITTER: Mr. Chairman, I would like to make just two brief comments with respect to this matter. I think the debate has been entered into, and has been debated very fully in this House from the point of view of the merits of this amendment.

I would make two comments. First, there is no supreme wisdom with respect to matters of uncharted precedents like we're facing in this legislation today. That is obvious from the nature of the debate. It may well be, and I indeed hope it is true, that this bill will work out to the benefit of the citizens of the province. Obviously, from the comments I have made, I certainly cannot vote against the amendment.

However, on the other side of the coin, I don't feel as a government member that I can vote in a sense against this government, because I believe too much in what this government is doing. Any vote in that character could be construed as a vote which, in a sense, would display a lack of confidence in the work this government is doing. That I do not wish to see done or be construed on that basis, because I have every faith and confidence in what this government is doing. But I also have confidence in the right of every member to stand up and express a concern on a bill which is as meaningful and important as this particular bill.

Mr. Chairman, I just want it on the record that I intend to abstain from voting with respect to this matter.

MR. LOUGHEED: Mr. Chairman, if I could just add a comment about this very difficult matter. I don't minimize the difficulty of it. I personally have spent literally hours, I guess the word is "agonizing" over the nature of the decision. The hon. Member for Calgary Buffalo has just reiterated the view that we're dealing with a matter in uncharted waters.

I look at it this way. First of all, I think it would be a lot easier, contrary to the view expressed by the Member for Spirit River-Fairview, to do it the other way; that is, to come in with a majority, get the approval for the investment, and then make the investment. There's no question that by going this route we open ourselves up for considerable political headaches. Only time will tell whether our wisdom is right in going this route. It's our feeling on balance, after considering it carefully, that we are dealing with such a unique piece of legislation that we simply have to have the flexibility of being able to go the route in which the legislation is now drafted.

I would like to say that I look at the amendments to Section 6(4) — the opposition can downplay these resolutions presently in Section 6(4). I do not. Both the Member for Spirit River-Fairview and the Member for Little Bow take the view that it's approval after the fact.

Mr. Chairman, I just want to make it clear that the resolutions, when they're contained in a statute law such as Bill 35, are quite different from the normal customary resolutions of this Assembly. If a resolution is framed in this way, "Be it resolved that pursuant to Section 6(4) of The Alberta Heritage Savings Trust Fund Act, the investment committee be directed to invest", then we don't have any choice. We're obliged to invest. That's what Section 6 says. It's not a resolution we normally would have on a private members' afternoon which says, the Legislative Assembly should give consideration to this or that. This is one that can be made and passed in this House and refer to a statute. If that resolution is passed by this House, the investment committee will, in fact, be bound by the terms of that resolution.

So it is a difficult question, very difficult. On balance, we've come down on the side that I've expressed, having regard to the nature of the legislation and its uniqueness.

MR. CLARK: Mr. Chairman, just to add two more comments to the debate on this amendment.

I also recognize it's a difficult area. That's why I think it's even more important, when we're moving in what's referred to as uncharted waters, that in fact the Legislature should be setting the framework for where we're going.

AN HON. MEMBER: Right.

MR. CLARK: That's really why we brought the amendment here. Pretty obviously, in the course of my comments on second reading, I tried unsuccessfully to convince the members that if this amendment is defeated, they must recognize we're really being asked that 80 per cent of the \$1.5 billion be committed without any reference to the Assembly.

That's what it is now. But let's assume that the Alberta heritage savings trust fund increases by — we've heard estimates from \$500 to \$700 to \$800 million a year. If those projections are anywhere near accurate, it isn't going to be too long before the size of the fund is going to be comparable to the budget we spent five or six weeks on.

The only point I can make to members of the House is that you clearly recognize what we're doing here. We all agree it is uncharted waters. We all agree it's a difficult area. But for some reason the government is bound and determined to go the route of doing it by the cabinet and the Legislature being involved later, rather than the cabinet or the government bringing a recommendation to the Legislature and the investment being made later.

I guess the only thing I can say is that we have made some progress from three weeks ago, when at least the point was made that there was no possible way we could go the route of having prior approval of the Legislature.

I too have talked to people in the investment community. In light of what the Premier has said this evening, I think it comes close to the point that it almost depends on who you speak to as far as the feelings of people in the investment community. Albeit some of you I've spoken to have said, be very cautious about putting this kind of amendment forward, because if you don't do this, you could let the government take the flak. You're really asking that they come to the Legislature, and if you vote for it and it doesn't work well, you're equally as responsible as the government.

I guess from our point of view it would be easy not to oppose the amendment. But it seems to me we really wouldn't be fulfilling our responsibility here. So we come a round circle, and we're in uncharted waters. Candidly, I think we should have not only the benefit of the Legislature's collective judgment on the thing. We make mistakes here as often as any and more than many, on both sides of the House.

But let me say this too: in addition to having the discussion here in the House, there is at least the public airing of the thing. People outside have an opportunity to get hold of their MLA, to write the Premier or write the cabinet ministers responsible, or to get hold of whoever they want to. There's that added benefit of dealing with this thing in uncharted waters.

But at least there's the public exposure. There's the public opportunity for discussion before the decision is made, rather than after. That's why I think it's so important that you reconsider your situation on this amendment. In addition to the Legislature taking responsibility, there is also the chance for public discussion, public disclosure of what the government is thinking. From our point of view, that would be an advantage and would be in the best interests of the heritage fund and the people of Alberta.

[Motion lost]

[Section 7 as amended agreed to]

MR. CLARK: Mr. Chairman, I'd like to move an amendment. The section would become 8(1). You've finished with Section 8, have you?

MR. CHAIRMAN: We finished Section 7. We're on Section 8.

MR. CLARK: All right then, I'd like to move an amendment which would become 8(1).

I suppose it would be very nice if I weren't making this amendment. Had the government accepted the previous amendment about discussion in the House before the decision, we wouldn't have to make this amendment. Basically what it does is ask that all the information directly relevant to investments be made available to the Members of the Legislative Assembly, albeit after the fact. The amendment proposes the information be made available to MLAs 15 days after the House commences. What the amendment says is that after Section 8 the following section 8(1) be added:

All information directly related to an investment which has been considered by the Investment Committee in reaching a decision to make the investment, pursuant to section 6, subsection (1), clause (c) shall be tabled by the President of the Executive Council in the Legislative Assembly within 15 days of the date the commitment to make the investment becomes final, and if the Legislative Assembly is not then sitting, within 15 days of the commencement of the next sitting.

What this amendment really does is make it mandatory that as much information as possible about the investments the government has already entered into can be made available to the members of the Legislature. To be quite candid, we had some difficulty in the wording of the portion, "All information directly related". I guess the temptation was to ask for all information. Very obviously the government would have been able to turn that down. We've gone the route of saying, "All information directly related to an investment". I recognize there will be occasions, for reasons of confidentiality or other concerns, when some information can't be made available to members of the Assembly. But what Section 8(1) would do is say to the chairman of Executive Council that within 15 days of the start of the session all information directly related to investments be tabled in the Assembly.

I suppose one could compare it somewhat to the tabling exercise the former Minister of Industry and Commerce went through following the PWA venture. Members will recall — in fact, I recall particularly well myself — the government on that particular occasion tabled reams of information on the whole PWA situation. Yes, I did read most of it. I'm really proposing that this kind of clause would strengthen the bill, and would guarantee that more information be made available to members of the Assembly. For that reason, I encourage members to support the amendment.

MR. LOUGHEED: Mr. Chairman, my view would be that this would not be a desirable amendment for a number of reasons.

First of all, I think it's quite clear there will be circumstances in relationship to a given investment where an opinion or advice has been obtained or alternatives have been considered that in the public interest are not to be disclosed to the Legislative Assembly. Naturally, I can't conceive in advance

what they may be.

We had one in the Syncrude situation that was very difficult for us. It arose out of a report by Loram Limited, because the Bechtel organization opened up their own books to give us an assessment as to whether the overrun in cost was valid. But the Bechtel organization made it absolutely clear to us, contractually and legally, that they would not open up those books and allow that assessment to be made by Loram Limited unless it was clear that the only thing we were able to make public was the actual conclusion and not the detailed information. There was a situation we didn't particularly like, but had to face.

Mr. Chairman, I look at this amendment, and I say to the honorable members that a number of provisions with regard to disclosure in this act are extremely important. We will come to them in due course. But in Section 11, we have a quarterly report of the Provincial Treasurer. We have the quarterly report made public. Under Section 12 we have a full audit of the accounts by the Auditor, and we have the Provincial Treasurer preparing a report.

Under Section 13 we have the select standing committee of the Legislature which will review the report. Quite obviously, a standing committee of this Legislative Assembly will from time to time be making requests of the investment committee and the Provincial Treasurer for information. I don't know how we can do anything in advance other than look at these matters as they do in fact occur.

Certainly in this Legislative Assembly we have a multitude of provisions and procedures whereby information may be made available. We have the very effective approach of the motions for returns. A motion for a return is one that is drafted, voted on specifically in this House. Once it is approved as an order of the Assembly, the Executive Council is obliged to provide the information. But in each case we're given the opportunity to assess whether the public interest is or is not served.

There is no question in my mind — and the hon. Leader of the Opposition puts the point well when he raises the example of Pacific Western Airlines — that there are going to be matters of decision-making which will be of a controversial nature. That's bound to happen. And because they're controversial — and we'll probably hear about it before we come to sit in the Legislative Assembly — there will be the view we expressed of making sure that anything we can possibly make public, we will make public.

But I have to go back to the circumstances and situation that something of that nature is going to put us in the position — and unless, say, we ask three or four groups to give us an opinion with regard to a particular investment, we're going to find ourselves saying, well, we had better have a unanimous point of view of all the people advising us to make this investment, otherwise we shouldn't do it. Well, it's that sort of approach to government that I deplore.

DR. BUCK: Come on, come on.

MR. LOUGHEED: When government makes a decision, I think it should explain its decision and why it was made. It should stand on the decision it made. That's the key. As far as I'm concerned, how it came to that decision is a matter for the government. When it makes a decision, it should explain why it

made the decision. It should be answerable for it. I think there are many other different ways, including the request by the select standing committee, the full Auditor's report that provides the information, without requiring it in the statute.

MR. NOTLEY: I had intended to move an amendment to Section 11, and still do, because I noted that section.

However, dealing with the amendment we have before us, it seems to me that the real question members have to grapple with is one which is often put in the federal House by Mr. Baldwin, the member for Peace River, who makes the point, and makes it well in my judgment, that both opposition and public require relevant information in order to come to reasonable assessments of what government has done.

The government can come in and say, we've decided to do A, B, C, D, E, F, and G. But if A, B, C, D, E, F, and G involve spending the taxpayers' money, the fact of the matter is that the taxpayers and the opposition have a right to have as much information as possible as to what prompted the government to come to those conclusions.

I would say, Mr. Chairman, that had Alberta a right to information act such as the one now presented to the House of Commons by Mr. Baldwin, you could easily accept this amendment, because this amendment would be drafted subject to any information excluded because of the right to information act. That would deal with those rare circumstances where you might have documents of such a confidential nature that they could not be released.

The Premier mentioned the Loram report. Quite frankly, the Loram report is a matter over which we've had some debate in this Legislature. As a matter of fact, last year there was a motion for a return which was turned down because the government used its legislative majority to refuse to disclose the contents of the Loram report. This is repeating things I've said in the House before, but I think they're worth repeating: for us to make any decision from the outside, from the viewpoint of an opposition member or even a backbencher on the government side, on whether the present Syncrude deal is a good or bad proposition, we need to know what the Loram report says.

Well, Mr. Chairman, as I see it, this amendment suggests that the onus is clearly placed on the government to table all the relevant information after the Legislature resumes or within 15 days of an investment decision if the Legislature is in session. I realize there are going to be problems with this kind of amendment. No question about that. But I think the larger issue of the public's right to have access to relevant information, Mr. Premier, is so profoundly important and basic to the whole democratic system of government . . . The Premier can say, yes, we'll come in and stand on the record, and three or four years later we'll be accountable when the voters go to the polls. But you know, the political process is more than an election every four years. It is an ongoing debate.

When I read some of the speeches of John Diefenbaker and the points he makes about the excessive secrecy of the Liberal government in Ottawa — all well made, all well made. But Mr.

Chairman, the fact of the matter is that whether it's a Conservative opposition in Ottawa, the tiny opposition in the Alberta Legislature, or the public, we need relevant information. It just isn't good enough to say, well, we've decided to invest in A, B, C, D, E, F, and G, and we'll stand on the record of whether A, B, C, D, E, F, and G work. In my view, that kind of accountability negates the whole proposition of a parliamentary system where there is give and take in a debate over the judgments made by the government. I would much prefer that we had gone the route of prior approval. But the Legislature has rejected that.

Under those circumstances, it seems to me that if we are going to have intelligent after the fact accountability, we have to have access to information. That's all this resolution suggests, and it seems to me it is not unreasonable. If the government has an amendment to take care of unusual circumstances, that one case in a hundred where this may unduly tie their hands, then surely the test should be on the government to come up with the amendment, or the amendment to the amendment. But I don't believe we should negate the right to information in the name of the one case in many where there would be a problem if confidential information were released.

MR. R. SPEAKER: Mr. Chairman, the Premier has said that as a government he is willing to make the decision and stand on that decision. And I think that's proper. Certainly that's a responsibility. But along with making that decision is the relevant information upon which it is made. The Premier, the investment committee, will have all of it.

In some of my reading in the last month and a half, a statement by Solzhenitsyn rather alarmed me. He was describing how information is withheld from the public — well, he didn't refer to opposition or the legislative process — where the people in turn were able to interpret that decision only on the information that was given to them. Now if I interpret the Premier's statement correctly — and I'm not sure he meant that particularly — I sort of had the inference that we have made the decision, we're going to stand on that decision, and we'll discuss it on those facts. As legislators and the people of the province, you can't have all of the backroom information.

Now I'm not sure whether the parts of the bill provide the information we need. I'm not sure whether orders for returns can provide that kind of information. We've certainly had difficulties getting some of the background information with regard to the Alberta Opportunity Company.

I think we want some type of assurance. If it can't be in terms of an amendment to the act, certainly I think we want some type of clear definition from the Premier at this time as to the kinds of information we can have from the decisions made by that investment committee. What type of written material? I don't think we want something confidential, as the Premier has indicated. If I had a company and were willing to co-operate in getting an operation off the ground and open my books, certainly I would do that on the basis of confidence and the responsibility that goes with it.

Even in light of that, I think we need other types of information to make some judgments, good judgments, the best we can make with whatever ability or

understanding we have of the process; and assist the government, assist in investments going in the right direction.

MR. LOUGHEED: Mr. Chairman, I'd just like to add to my remarks in this way. First of all, on a general basis, I'm of the view — and obviously we differ quite clearly with the opposition on this particular matter — that when it comes to a matter such as investments, as compared with who have received loans from the Alberta Opportunity Company, which was discussed and debated in this House a couple of years ago, when we make an investment decision we have to disclose fully the nature of that investment decision. We have to disclose fully the terms and conditions upon which it was made. But in my view, a government should not and is not obliged to provide the information as to how it came to that decision, what alternatives it considered, what variables were involved, what differing advice it received. To do so, I think, puts government in the position of being so ultracautious in terms of its investment decisions that it is not in the public interest.

There is no question in my mind that the Provincial Auditor and the Provincial Treasurer are going to be obliged to provide full and complete information as to all the terms and conditions that exist in any particular investment. The procedures within this bill as presently constituted, its legislative framework, will provide for that approach by the members of the opposition, by the members of the Legislature generally. I think it's the appropriate way.

As the standing committee meets, reviews the particular investment, and presumably meets with the Provincial Treasurer, it will get into discussion regarding these matters. That's the place for the decision-making to occur, whether particular information can or cannot be made public in the public interest.

Sitting here in this House, I can't foresee the multitude of situations that can develop with such an important piece of legislation. I simply can't foresee it. It can't, therefore, be part of the legislation. We have gone to the point of quarterly reports. We've gone to the annual report, the audited report, the review of the report by the select standing committee. I've given the undertaking in my remarks tonight that there will be full disclosure of all the terms and conditions of an investment, but not something that implies, and more than that specifies as this amendment specifies, that all information directly related to an investment must be made public. I think that would simply be unwise.

MR. CLARK: Mr. Chairman, I'd like to add one comment. This goes back to the question that we're moving in uncharted waters, where the Premier says he can't conceive of situations where this may or may not be a problem.

But you see, Mr. Chairman, what we're doing here, on every occasion when the government thinks there's any concern at all, is basically opting in favor of keeping it to the government, keeping it to the cabinet, as opposed to laying it on the Legislature. Whether it's on this particular amendment or the amendment we dealt with a few minutes ago about prior legislative approval, we all recognize it is uncharted waters.

Several times the Premier has indicated he can't think of specific instances where it may be a problem. But wherever the government feels there may be a problem, its approach on the question is simply to say, "Well, we'll keep it to ourselves. We're not prepared to open the thing up. If there's a problem in six months, a year, or two years, we'll come back to the Assembly and say: look, these are the problems we've had for this reason. We're going to have to make changes."

You know, we've heard this argument three or four times in the course of the hour tonight and the half-hour before 5 o'clock. It's becoming monotonous and regrettable.

AN HON. MEMBER: Yes, it is.

SOME HON. MEMBERS: Agreed.

MR. NOTLEY: Mr. Chairman, the issue that I don't think is new and really isn't uncharted is the question of the right to relevant information. I agree that this bill is new, and in terms of many of the aspects we are travelling in uncharted waters. But I have to confess I was a little concerned about what I took to be the Premier's comments that the government will stand on its decisions — fair enough, no one argues that — but that the information that goes into the process of making the decision is not felt to be information which should necessarily be made public.

Mr. Chairman, I don't want to take a long time, but in the process of researching this debate, we went through a number of journals. I quote page 182 of one of the more interesting political science books of some repute to people in Parliament. I think it's rather interesting and unfortunately relates very close to home, to the five of us on this side of the House:

But if M.P.'s do not know exactly what the government is doing they cannot perform any of these functions effectively.

It's a question of keeping an eye on the government.

It was awareness of this that led one member to observe that the House of Commons is in great danger of becoming the administration's Pekinese, able maybe to snarl and snap a bit after the event . . .

That certainly was our problem with the PWA affair, even Synchrony.

. . . but never possessed of that current knowledge which is so essential if we are to have any chance of performing the function of a watchdog.'

Mr. Chairman, I think that point is well taken. Wherever you have our system of government — that current knowledge that means the difference between being a legislative Pekinese, snarling and snapping after the fact, and the current knowledge which allows the opposition to perform effectively the constitutional job of being a watchdog. Mr. Chairman, this amendment would simply place the onus on the government to make available to all members of the House including backbenchers — but most especially the responsibility of those who are in opposition — the current knowledge to be effective watchdogs.

[Motion lost]

[Sections 8 through 10 agreed to]

MR. NOTLEY: Mr. Chairman, I have an amendment here for Section 11. The purpose of the amendment is to replace the word "summarizing" under subsection (1) with the word "listing", so the clause would now read:

The Provincial Treasurer shall, as soon as practicable after the end of each quarter . . . and succeeding fiscal years, prepare a report listing the investments . . .

as opposed to "summarizing". Mr. Chairman, the purpose for that is very obvious. I don't believe summaries would be adequate. It seems to me that we have every right to a report which would in fact list the investments so both the investment committee and the members of the House, when we reassemble, would be in receipt of the actual information as to the investments made from the heritage trust fund by the investment committee.

MR. CLARK: Mr. Chairman, commenting on the amendment made by the Member for Spirit River-Fairview, it was my intention to move an amendment really saying: as soon as practical after each quarter of 1977-78 and the succeeding fiscal years, prepare a report giving the identity of every investment made [and] of the amount invested. Now if the government is prepared to accept the amendment put forward by the Member for Spirit River-Fairview, I'd be quite prepared to support that kind of move, because whether it's a matter of listing them or, in our amendment, giving the identity of every investment made, really what we want is a list of the investments. If the government is prepared to accept this one — I thought I almost saw a nod from the Provincial Treasurer — it wouldn't be our intention to go ahead and present our amendment.

MR. LOUGHEED: Mr. Chairman, this is an amendment we're certainly prepared to consider. The Provincial Treasurer puts to me some concern about a situation where we could conceivably have our investments in a way that there was just a huge, long list of individual home mortgages or something of that nature. But it's certainly the intention of the government to do more actually than list. We would list and summarize. If the hon. members would agree, perhaps we could hold the amendment and proceed, give it some further thought and then come back to it.

MR. CHAIRMAN: Do you wish to hold the amendment, miss Section 11 and come back to it?

MR. CLARK: Let's just hold Section 11(1) and (2). Then we can come back, depending upon the caucus over there.

MR. CHAIRMAN: Is that agreeable?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: There's an amendment by the hon. Member for Spirit River-Fairview to Section 12.

MR. NOTLEY: Mr. Chairman, this amendment would simply be to add a new subsection (d), "a list of all

investments made pursuant to Section 6 and Section 9".

MR. CHAIRMAN: There seems to be a bit of confusion here on this amendment to Section 12. Is this a separate amendment, hon. member? You have (a) and (b): (a) pertains to Section 11, (b) pertains to Section 12. Is that correct?

MR. NOTLEY: Yes. I'm sorry. Both amendments say essentially the same thing. But the one we're dealing with now, since we've decided to hold Section 11, would relate to Section 12. It would simply be to insert a subsection (d) which would say "a list of all investments".

MR. LOUGHEED: Mr. Chairman, perhaps the hon. Member for Spirit River-Fairview could explain the situation. I have a document in front of me now that deals with Section 11(1), [which] "is amended by striking out the word 'summarizing' and substituting therefor the word 'listing'". It was our view that we would consider that a matter which would be subject to some technical concern. The spirit of the amendment was something that we would find acceptable and would intend to do.

What I'm not clear on now is [that] Section 12(2) is really the same point, but related to the annual report of the Provincial Treasurer, if that's right.

MR. NOTLEY: That's right.

MR. LOUGHEED: Well, could we then just leave the two points and proceed to the balance of the bill, then come back to that point?

MR. CHAIRMAN: Is it agreed that we leave Section 12 as well as Section 11, and come back to it?

HON. MEMBERS: Agreed.

DR. BUCK: Mr. Chairman, seeing we're at least getting one or two things on the road, I'd like to move an amendment to Section 13. Section 13 is amended:

- (a) by adding at the end of subsection (1) the following words: ", who shall be selected from amongst those members who are not members of the Investment Committee, and which shall include at least two members nominated thereto by the Leader of the Opposition, and chaired by one of their number who shall be nominated by the Leader of the Opposition", and
- (b) by adding at the end thereof the following subsection: "(6) All proceedings of the Select Standing Committee on the Alberta Heritage Savings Trust Fund Act shall be open to the public, and notice thereof shall be given by causing to be inserted in at least two newspapers circulating throughout the Province a notice specifying the date, time and place of each meeting, such notice to be published at least seven days prior to such a meeting".

Mr. Chairman and members of the committee, in essence this would be almost the equivalent of the Public Accounts Committee, where the chairman is

selected from the opposition. Mr. Chairman and members, I believe that would make sure we have the democratic process in action, and the second section would make it so that the people of the province would know what we in the Legislature are trying to do.

MR. LOUGHEED: Mr. Chairman, I object very strongly to the first part of this section. As far as I'm concerned, for four months I've heard nothing but a downgrading of this committee by the opposition. I've heard members of this Assembly — and I emphasize the word "Assembly" — recognize the import and significance of the committee and express interest in it. I recall the speech made in second reading by the Member for Calgary McKnight.

In my view, it's really incredible that after presenting to the public and to this Legislature that this select standing committee is not worth anything, now they're here saying they want to be chairman. Well, I just find that a very unacceptable position. I have no way I can accept that concept. I think it's a matter that the Legislative Assembly, by standing orders, should decide from year to year in the usual way. Maybe during the course of time there may be a decision made to move in that direction. But having regard to the present tenor of the opposition view of the committee, it would be the government's intention that the select standing committee be chaired by a member who has expressed a positive view toward the effectiveness of this committee.

However, although I don't think it should be in the legislation, I would concur with the import of the first part, that members of the investment committee should not be on the select standing committee. I would agree with the hon. Member for Clover Bar to that effect, although I don't think that's something that need be in the statute.

As far as part (b) of Section 13, it strikes me that this is the sort of approach to decision-making by a select standing committee that should be made by the select standing committee as it meets, in its own procedures. That's the purpose of our select standing committee; it should set its own rules of order and procedure. It's a very important select standing committee, and for that reason I feel it should make its own decisions with regard to the way it conducts its business and not be bound by a statutory provision. Therefore, I do not think the amendments to Section 13 should be accepted by the Legislature.

MR. CLARK: Mr. Chairman, the Premier can take all the exception he wants to the comments made by members of the Legislature with regard to this committee. But let the record be very clear that the idea of having the investments made by the government, by the cabinet, reviewed by a legislative committee is a very poor substitute for doing it here in the Legislature. I make no bones about it. As far as choice is concerned, I'd much sooner have the decisions made here in the House than review the decisions made by the cabinet after they're done. If that's downplaying of the committee, Mr. Premier, then albeit.

But for the Premier to rise in righteous indignation and say that because we have not been enthused about the committee, he's not even prepared to consider the idea of having a member of the opposi-

tion chair the committee, I think pretty frankly indicates to everyone how anxious the government is to have all the information public, all information available. If the government, talking about uncharted waters, talking about all the difficulties involved — if the government really wanted to make this thing work and get out as much information as possible, I think they would have seriously considered the idea of having a member of the opposition chair the committee. We have that precedent already established here, with a member of the opposition chairing the Public Accounts Committee.

Frankly, I can't see what the government is afraid of — to say we've been critical of the committee because we think the decisions should be made here in the House. I think the Premier would find that most Albertans feel that way. The legislative committee is a poor substitute for doing the work here in the House. But the government has turned down repeatedly — in second reading, in the debates, during committee — the amendments we've proposed tonight to have approval in the House prior to the investment. So now that we come along with the suggestion that a member of the opposition chair the committee, you would almost think that to make that suggestion is being non-Albertan. You know, it's just a ridiculous display.

DR. BUCK: Mr. Chairman, I don't know if it's righteous indignation on the part of the Premier or just indignation . . .

MR. NOTLEY: Good acting.

DR. BUCK: . . . or just good acting. But, Mr. Chairman and members of the committee, what we're trying to do is just as the hon. Leader of the Opposition says — to really indicate to the people of the province. In essence, we're trying to do the government a favor. We really are. Because, Mr. Chairman, some of the responsibility of that decision is then going to rest on the opposition members. We have to remember, we have to keep this in the right context, because the day may arise — and you know, I don't think it's going to be too far off — when there could be 40 on that side and 35 on this side. Then it becomes a new ballgame.

MR. McCRAE: It's pretty close to that now.

DR. BUCK: It's pretty close to that. Well, we haven't seen them vote that way, hon. minister from Calgary.

MR. CLARK: That's why Calgary is in trouble.

DR. BUCK: The hon. Member for Calgary Buffalo almost voted against the government, but not quite. You know, there's a difference between not quite voting and voting against the government.

But Mr. Chairman, if we set up a committee such as this, it would give some confidence to the people of this province that in fact the Legislature is doing its job. That's why I say to the hon. Premier, I believe that members of good conscience should support this amendment.

MR. LOUGHEED: Mr. Chairman, I just have one final point to make. With respect, the argument made by

the hon. Member for Clover Bar is really a reflection upon members of this Assembly who are not members of the Executive Council. As far as I'm concerned, they serve on these standing committees as Members of the Legislative Assembly. They're trying to do a job for all the people of the province. I think to imply otherwise, which is the import of the argument presented by the hon. Member for Clover Bar, is a reflection upon their views as individual members trying to serve the people of the province. For that reason, I can't accept it.

MR. NOTLEY: Mr. Chairman, again I think the same arguments could be made by the Premier with respect to the Public Accounts Committee. The fact of the matter is that we have opposition members on the Public Accounts Committee. We have a long-established precedent that the chairman of the Public Accounts Committee, both in the House of Commons and in this Legislature, is an opposition member.

It's no reflection on any member of the House that we all come to these committees with slightly different vantage points. There is a difference between being a member on the government side and being an opposition member. But the fact of the matter is that because those differences exist does not mean anybody is acting improperly, or somehow that a member who makes mention of the fact that there are going to be differences in our system is denigrating the other members of the committee. Our system is based on this balance, the give and take between a government and an opposition. Somehow, to suggest that the Member for Clover Bar was denigrating the other members of the House to me is just absurd.

The other point that concerns me too, quite frankly Mr. Chairman, is the Premier's suggestion that he finds it a little difficult to see appointing members to the committee who are not enthusiastic in favor of the provisions of this bill. The fact is, Mr. Chairman, that the members on the opposition side supported the principle of a heritage trust fund. But the issue of legislative accountability, the issue of prior approval in the Legislature, is a pretty fundamental issue that is shared by a large number of Albertans.

Mr. Chairman, in my view, the suggestion that only those members who were enthusiastic about the idea of the legislative committee should be considered is just completely wrong and unwise. Probably more than anything else, it's unwise from a political point of view. I would think if the government wants to make this particular bill work, especially now that we've rejected the idea of prior approval of the Legislature, the government would seek out this kind of amendment.

After all, the mere fact that we have a legislative committee with two members of the opposition, one of whom is going to be the chairman, does not somehow mean that that committee is going to be like the Ervin committee in the United States. It's not a major investigative committee. I'm going to come to an amendment in a moment which I believe is important to strengthen the role of the committee.

But, Mr. Chairman, the reason that members in the House were not enthused about the committee was that they thought the larger principle of prior approval of the Legislature was the proper way for the Legislature to keep an eye on the heritage trust fund and to control the investment from that fund.

Mr. Chairman, the government has decided not to go that route, and its majority has been used to so decide. But with the legislation before us as it is, it seems to me it would be strengthened. I would say to the Premier that the case of the government would be strengthened among the public if they felt opposition members were appointed to this watchdog committee, if you like, and if one of the opposition members were the chairman.

DR. BUCK: Mr. Chairman, I sincerely feel bad that the Premier would imply the reason we're bringing this amendment in is that we don't think the committee as set up in Section 13 is a committee of integrity. I find the Premier's inference very repugnant. I do say that sincerely, because that is certainly not the way I feel about the select committee. I'm sure the select committee would be 15 honorable members of this Assembly. What we're trying to do is just to make sure there is some semblance of balance in the precedent that has already been established in the Public Accounts Committee, with the hon. Member for Drumheller chairing it.

I want it clear that there is absolutely no intent on my part, or I'm sure on my colleague's part, to say that the committee would not be able to do its job. That's strictly beside the point, Mr. Premier. When the hon. Premier says that the committee would not be as enthusiastic if the chairman happened to be from the opposition, well, Mr. Chairman, and to the hon. Premier, it doesn't matter if we're enthusiastic or not. The thing is, we're here to do a job, and that committee would be there to do the job. Possibly some of the criticism the hon. members could give to the investment committee might not be pleasant, but that's our responsibility, and that doesn't mean we're 'unAlberta' as in essence the Member for Spirit River-Fairview says.

So having the chairman come from the opposition side of the House is trying to serve the democratic process, be that as the future will indicate to us. In essence, what we're trying to do is get a little democracy back into the system.

DR. BACKUS: Mr. Chairman, I don't know about the Premier's just indignation, but I think I can speak with some just indignation that in spite of their attempted apologies, as a member of this Legislative Assembly I hope I could serve on this committee just as competently as any other member. I see no reason why I mightn't even serve as the chairman of the committee with equal ability. The opposition's suggestion that somehow they have the Alberta people at heart and we don't is repugnant to me, and I resent it. I don't see that members of the government side of the House don't have the concerns of the people of Alberta at heart just as much as the opposition.

[Motion lost]

MR. NOTLEY: While we're on Section 13, I'd like to move an addition, subsection (6), which we can either take now or wait until we get there, Mr. Chairman, whichever is more convenient.

I apologize, I only have a limited number of these. However, I'll read it out, Mr. Chairman, for hon. members. The new subsection (6):

The Select Standing Committee may hire such

staff as it requires to fulfill its duties, providing the funds for this purpose have been appropriated by the Legislative Assembly.

AN HON. MEMBER: We can't hear you.

MR. NOTLEY: I'm sorry, Mr. Minister from Calgary. I'll shout it out so we can all hear it. A new subsection (6) — and I apologize for not having enough copies for all the members:

The Select Standing Committee may hire such staff as it requires to fulfill its duties, providing that funds for this purpose have been appropriated by the Legislative Assembly.

Mr. Chairman, the purport of the new subsection (6) would simply be to provide some administrative muscle to the legislative committee, so that it wouldn't be just a case of the Provincial Treasurer doling out such money as may be required from time to time. But in fact we would be providing the legislative committee with the kind of funding necessary to do the job properly. So that is really the purpose of the amendment.

MR. HYNDMAN: Mr. Chairman, I believe that this committee, as all other committees which are similarly organized, already has the implicit power to organize staff. Because if it is appointed as a committee, implicitly, I think, it's well understood that it must have the staff in order to carry out the duties assigned to it by the Assembly. So I think that is implicit and therefore superfluous, and certainly something which would follow normally upon the appointment of the committee.

[Motion lost]

[Sections 13 through 15 agreed to]

MR. LEITCH: Mr. Chairman, I take it we're now back to Section 11.

MR. CHAIRMAN: That is correct.

MR. LEITCH: Mr. Chairman, I would propose an amendment to Section 11(1), which is a compromise between the amendments now before the committee. I've only written out one copy, and will therefore read it for members of the committee.

The proposed amendment is that Section 11(1) be amended by adding after the word "investments" these words: "made under Section 9 and listing the investments made under Section 6." So we've drawn a distinction in the amendment, Mr. Chairman, between investments made under Section 9 and those made under Section 6. We would summarize those made under Section 9 and list the ones made under Section 6. The Section 9 investments are those the Provincial Treasurer is authorized to make.

The reason we've suggested that those be summarized rather than listed is that they can amount to a very large number over the course of a year. Investments in and out of banks for very short periods of time, purchases of commercial paper on the money market, again for very short periods of time, a few days, things of that nature: they're the kinds of investments we've been making for years without anyone ever listing. But we summarize them, and we

intended to summarize them to give the members of the Assembly and the public — as these reports were made public — an indication of what kind of activity was carried on in that investment area. But it would be a very substantial task to list them quarterly. As I say, for the most part they are very short-term investments. And of course there's no difficulty about the other information, such as on bonds and things of that nature, being made available to the committee.

MR. NOTLEY: Mr. Chairman, as far as I'm concerned, the amendment to the amendment would be agreeable. I think it would get at the purpose of my original amendment, so I would be quite agreed.

MR. CHAIRMAN: Would the hon. Member for Spirit River-Fairview be prepared to withdraw his amendment?

MR. NOTLEY: It doesn't make any difference. I'll withdraw it, and we can insert this one.

MR. CLARK: Mr. Chairman, before the Treasurer leaves. I can share your concern as far as short-term investments, paper investments, and so on. The little problem I have with the word "summarizing", though, is if there's any other kind of investment. I think that is the red flag we've seen over here as far as the word "summarizing" is concerned. So I would like to have it for the benefit of the record I guess, Mr. Treasurer, that when we talk in terms of summaries under Section 9, this summary would include every type of investment.

MR. HYNDMAN: Mr. Chairman, I'm happy to give the members of the committee the undertaking that we would include every type of investment in the summary.

[Section 11 as amended agreed to]

MR. LEITCH: Mr. Chairman, speaking to the proposed amendment to Section 12, I want to point out that there's no need or advantage in having the same thing repeated in the annual statement, because we're now bound to put that information in each quarterly statement. So it's all going to be available, and there would be no real advantage or need to have it in the annual statement.

[Section 12 agreed to]

[Title and preamble agreed to]

MR. LOUGHEED: Mr. Chairman, I move the bill be reported as amended.

[Motion carried]

MR. HYNDMAN: Mr. Chairman, I move the committee 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 the following bill, Bill 44, and begs to report same.

Mr. Speaker, the Committee of the Whole Assembly has had under consideration the following bill, Bill 35, begs to report same with some amendments, and asks leave to sit again.

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

HON. MEMBERS: Agreed.

head: **GOVERNMENT BILLS AND ORDERS**
(Second Reading)

Bill 57
The Gas Utilities
Amendment Act, 1976

DR. WARRACK: Mr. Speaker, I move second reading of Bill 57, The Gas Utilities Amendment Act, 1976.

Upon introduction of the bill, Mr. Speaker, I commented on the purpose of the bill: to clarify government intentions with respect to The Gas Utilities Act and private parties' contracts in existence. In particular, the bill would specifically provide that consideration of altering private contracts would be able to occur only with consent of the Lieutenant Governor in Council. Further, Mr. Speaker, the intention of the government would be to hold the present status intact and permit time for a fuller review of natural gas pricing within Alberta. I would like to elaborate on each of those points on second reading, Mr. Speaker, and make some additional comments as well.

With respect to the purpose of clarification of the intent of The Gas Utilities Act, Mr. Speaker, it's essential to note the operative word "utilities" and to notice the basic notion of utility service, in this case gas service, at reasonable cost or rates as rate of return determination by the Public Utilities Board. That is to say, as a utility the basic notion or concept is that the reasonable and prudent costs involved are judged by the Public Utilities Board, and on the basis of a rate of return determination, a rate structure is struck. This is done by way of independent judgment of the Public Utilities Board. That is the fundamental notion of the utility concept itself as embodied in The Gas Utilities Act. The Public Utilities Board review, analysis, and judgment is that which is final and prevails.

In so saying with respect to clarification of that purpose and principle, Mr. Speaker, it is to be noted, having regard to the questions posed earlier today in the question period, that the notion of deciding prices between the producer and the purchaser as distinct from a rate of return determination by the Public Utilities Board is not consistent with the basic notion and intent of The Gas Utilities Act. That is to say, the idea of providing a vehicle by way of The Gas Utilities Act to alter or, if you like, to break contracts between private parties is not consistent with The Gas Utilities Act, and this bill will perform the clarification necessary in that regard.

It's necessary to notice that circumstances where volumes and terms by way of time and other relationships are specified by contract will therefore not be consistent in their being altered through The Gas Utilities Act, nor in fact, Mr. Speaker, would it be the intent of The Gas Utilities Act to be utilized as a vehicle for non-contract price determinations, aside from the rate of return utility concept determinations by the Public Utilities Board.

So in that clarification of purpose of the Gas Utilities Act and thereby Bill 57, in these remarks it's my intention to clarify to all, Mr. Speaker, that it is not the government's intention that The Gas Utilities Act be used in this way which is not consistent with utility basic concept. But it is the government's intention that The Gas Utilities Act be used for the normal or ordinary utility rate determinations.

Hon. members will note that the provisions of the bill include exemption provisions that will allow the normal utility rate determinations by the Public Utilities Board to go forward, but the bill will not permit, without consent of the Lieutenant Governor in Council, the use of The Gas Utilities Act for other purposes, such as the altering of contracts between private parties in the existing producer-purchaser contractual arrangements.

To be specific with respect to cases at hand, Bill 57 provides that consideration of altering private contracts would not occur. In response to a question posed earlier today by the Leader of the Opposition that Bill 57 in its drafting will pertain to those hearings that have begun, applications have been made for consideration of altering those contracts by the Public Utilities Board under The Gas Utilities Act, and it is the intention that the bill would affect those applications.

Since we're dealing with the case of the sanctity of private contracts, I want to point out specifically the very deep concern I think all hon. members would share on the question of the sanctity of legal contracts, the matter of contracts entered into willingly by two private parties, and the importance of giving very, very serious consideration to any possibility of those being altered, particularly by a provincial body. Because of that, any application that might be made before the Public Utilities Board in this regard would not proceed with Lieutenant Governor in Council consent.

Thus the serious matter of the sanctity of contract that's involved would be held intact and in essence retain the present circumstances and those circumstances that for many years now have been under way through The Gas Utilities Act. Bill 57 would preserve intact those of the present status.

It is the government's intention with respect to the specific situation at hand to not have The Gas Utilities Act used as a vehicle to alter or break these specific contracts. Above all, Mr. Speaker, the basic point in this regard and the point of principle is that Bill 57 would hold the present status unchanged and therefore would not alter the present private contractual arrangements existing between private parties, purchaser and producer.

I would re-emphasize however, Mr. Speaker, that the ordinary or normal rate of return types of application by way of utility gas service would proceed as they normally would, without any involvement at all in Bill 57, without an order in council. For example, I

understand there are applications before the Public Utilities Board for a rate of return determination in the normal utility sense by Northwestern Utilities, Canadian Western Natural Gas.

It is not the intention that these applications would proceed any differently because of Bill 57 and would proceed normally without order in council. These applications I understand, Mr. Speaker, are filed under Section 27(a), which is referred to in the act. The provisions for exemption would be utilized so there would be no interruption in those essential processes going forward consistent with the utility regulation concept under The Gas Utilities Act. However, applications to break contracts between private parties would not proceed.

I mentioned on first reading, and the question was raised earlier today in the question period, the review of the natural gas marketing and pricing within Alberta. As indicated by my colleague the hon. Minister of Energy and Natural Resources, this is a review the Government of Alberta wishes to undertake and feels should be undertaken. But this is not to suggest the outcome of that review, but rather through the capacities of Bill 57 to permit time for that review to go forward. Largely under the direction of the Minister of Energy and Natural Resources, this review would take place during the coming months as we came to a determination, including consideration of all advice that can be extended to us on this and on other occasions by Members of the Legislative Assembly, to deal with the difficult and complex matter of natural gas marketing and pricing within Alberta.

Those were the three basic points I made very briefly during introduction of the bill. Mr. Speaker, I would like to add to the elaborations on those three points two additional comments that might be helpful.

One has to do with the natural gas price flowback system that's presently in effect in Alberta. I think hon. members will recall that with respect to the export price of natural gas to the United States — which since November 1, 1975, has been \$1.60 — and the disposition of the additional revenues from that additional export price to the United States beyond the price in Canada — what should be done with them? Hon. members will recall the initial proposal the federal government made was that the flowback of these moneys would go to those who had produced the actual physical gas that was exported. On the other hand, a strong position was taken by the Alberta government under the leadership of the Minister of Energy and Natural Resources that this would not be a fair and equitable arrangement, and that the flowback moneys should be spread among all producers instead, not only those who were producing gas that happened to go for export.

The reason I make a point of this, and that the flowback is spread evenly among all producers on the basis of a certain number of cents per MCF, is the fact that in instances where producers were bound by contracts at a specified price agreed at an earlier time, in addition to that price in that private contract through no effort or investment by those producers, the flowback moneys do go to those producers. That is to say the value of the flowback per MCF goes to those producers in addition to the contract price paid under the terms of the contract they have with another private party.

MR. SPEAKER: I regret to interrupt the hon. minister, but I have some difficulty connecting the present direction of the debate with any of the principles that might be apparent in this bill.

DR. WARRACK: Mr. Speaker, the connection is that in dealing with the specific cases that would be affected by Bill 57 — those cases that were asked about in question period today, and were put by way of application to the Public Utilities Board — the flowback price goes to those individual producers. In describing that situation, it was my attempt to put forward clearly the circumstances those producers faced.

MR. MUSGREAVE: Mr. Speaker, I'd like to just make a . . .

DR. WARRACK: Sorry, I thought you had a ruling. I'm not . . .

MR. SPEAKER: I was going to agree with the hon. minister that this could arise out of the question period, but I still don't see exactly how it could arise out of the bill.

DR. WARRACK: Fine. I'll proceed then. This may be an area that someone might wish to pursue by way of additional comment and question.

Before I conclude my remarks, Mr. Speaker, the other comment has to do with the question of renegotiation of the private contracts that would be affected by Bill 57; that is to say, the alternative of renegotiation between producer and purchaser of those private contracts.

I wanted to make this suggestion by way of relating it to the provisions of Bill 57: it seems to me there are some considerable advantages to both the producer who is one side of the private contract, and the purchaser who is the other side of that private contract. There are some considerable advantages in both of them undertaking renegotiation, because certainly the producer is in a position where he would be better off with higher prices and an assured market for a longer period of time and a greater quantity of product. A renegotiation might yield that. At the same time, the purchaser would be in a position of getting an assured supply of greater volume for a longer period of time. And with the higher price paid to the producer, the producer would be in a position to afford additional secondary recovery on an economical, viable basis. So that is a way the purchaser and the producer would be conceivably better off.

It strikes me that that offers a clear opportunity and alternative to a legal problem that might work out to be a dispute by way of an effort to break private contracts existing between them. I make this point assuredly to emphasize that Bill 57 would in no way affect the opportunity and capacity to renegotiate.

By way of summary then, Mr. Speaker, Bill 57 would essentially do two things: it would hold the present status quo intact — not change the present situation under The Gas Utilities Act and the situation that has been in force for many years; secondly, Bill 57 would permit time for the necessary review of natural gas marketing and pricing within Alberta borders.

MR. PLANCHE: Mr. Speaker, I'd like to just make a couple of brief comments about Bill 57, if I may. As I understand it, the people who have just concluded their PUB hearings on the subject of gas prices for consumption inside the province have — it's a two-part problem. The one part, of course, is the problem as to whether they should be able to break contracts and whether they should be able to get an increase in price. I don't want to discuss that this evening, because it's a very complex problem.

But I would like to say that my understanding is that the complainants indicated some time ago that they were going before the PUB, and in fact were encouraged to do so. Now at this late date in the session the PUB hearings for these particular complainants are over, and it seems to me that to bring in Bill 57 and withdraw the capability of the PUB to give a ruling on that complaint is going to cause a great deal of distress to people who, in good faith, went before the PUB.

Mr. Speaker, I think every consideration should be given to reviewing an avenue of relief for these people who have already concluded their hearings in a financial sense. I would like to have it made very clear to this Assembly that the implementation of Bill 57 is only temporary, in the sense that these negotiations should be allowed to continue.

MR. MUSGREAVE: I just want to make one brief point; that is, I'm aware of the problem facing the government. On the other hand, Mr. Speaker, I suggest there are some members of government and others in this House who have suggested to the industry to go this route, and I would hate to think the government would be using this bill as a reason for delay.

When the hon. minister mentioned that the flowback was helping these people, I don't think we should be using that, in effect, as a club against them. I think the flowback benefited all producers, not just those on low contracts. I'm against breaking contracts, but in the interests of all the people the government has broken contracts. I think when you see the . . .

AN HON. MEMBER: The injustice.

MR. MUSGREAVE: Well, call it whatever you wish, it's changing the nature.

When you see people are getting approximately 5 per cent more for a precious product than they were in 1969, I think it's in the best interests of all the people that the government should do something about changing the contract, or adjusting it as the hon. minister said.

But what does concern me, Mr. Speaker, is that I would hate to think the government would take this as an excuse to delay an unconscionably long time, which in my view would be beyond the end of this year.

MR. GHITTER: Mr. Speaker, just to add a few remarks to those made by the past two speakers. I would like to suggest to the government and encourage them to come to some certain conclusions in this respect at the earliest possible date. After all, this government brought in a natural gas rebate plan, which certainly was designed to cushion industries in

this province to a certain degree from the rising cost of natural gas.

With respect to the matters raised by the hon. Member for Calgary Glenmore, dealing with the application before the Public Utilities Board, I think it should be well known by members in this Legislature that from the point of view of both Celanese Canada and Sherritt Gordon, the two major customers of the applicant, the price of gas has increased some 5.8 per cent from 1969 to the present date. Yet the costs of the goods manufactured by Celanese Canada and Sherritt Gordon have increased anywhere from 39 per cent to 224 per cent, most of them over 100 per cent in six years. It seems to me we have a natural gas rebate plan that can be implemented to some degree at least in this area.

For gas to be selling in this day and age at 11 cents an MCF, when in fact Alberta gas in the field is \$2.64 per MCF, based on its in-use value at the tip burner in industries, it certainly seems to me that it's time for a reconsideration of our policies in this area. I would certainly encourage the government to move as quickly as possible to overcome this great disparity in price, albeit it may have some impact on some industries in this province.

May I also suggest that reports of this nature prepared for the Public Utilities Board by experts like Sherman H. Clark Associates, which deal with the problem, do not come cheaply. Those who took application before the Public Utilities Board and face excessive expense from the point of view of dealing in good faith under existing legislation to make such applications, should not be forgotten by this government, which finds — and I can understand why — the necessity for coming forward with a bill like Bill 57.

I would only like to repeat the suggestions and recommendations from the hon. Member for Calgary Glenmore to the effect that this government seriously consider compensating the applicants for the reasonable expenses they have incurred. After all, they made this application in good faith under existing legislation, and I don't think we should be unmindful of the fact that they have done so.

MR. CLARK: Mr. Chairman, I don't propose to take a great time in commenting on second reading on Bill 57, but I really would like to say three things.

I think it has become painfully clear tonight, to anybody who is interested in the discussion, that the companies that went forward before the Public Utilities Board in Calgary went there after they discussed what route they should take as far as the government is concerned. In fact, that point has been made clear by some of the government members who spoke tonight, and I give them credit for standing up and frankly speaking their mind.

I think it's very difficult to understand why, after having been told to go the route of the Public Utilities Board, on virtually the very day the hearing ends — as I understand, a hearing in which the Public Utilities Board, without prejudicing their case at all, appeared to be, let's say, very interested in the point of view put forward by the seven in-province gas producers — this legislation should come forward in the House.

The second point I want to make is that, for the life of me, I can't understand why someone in the government didn't go to these people and tell them,

look, we're considering moving on this legislation. It just seems to me that's common decency.

MR. R. SPEAKER: What's new with Warrack?

MR. CLARK: I don't know how much money was spent in the presentation before the board, but I think regardless of who the people are, regardless of how big or how small they may be, they were told by senior government officials that this was the route they should go, through the Public Utilities Board. We can't say no one knew about it, because you did.

I don't know how long this legislation has been in the works, but it obviously hasn't been too long or it wouldn't have come in like this. I'd be very interested in hearing the minister, either in concluding the debate or in committee, give us some background information as to when the decision was made to move on this legislation. Because for several months now several members of the Assembly have been receiving correspondence from representatives of the group involved.

If the government made this decision six months ago, the very least you could have done was to let these people know. The Minister of Advanced Education and Manpower shakes his head. If it was made six weeks ago, you should have let them know.

The third point I want to make is that the point has been made by the Member for Calgary Buffalo about some sort of compensation. I'm generally not wildly enthusiastic about compensating a private firm for finding out that the government has changed the rules again. But unless I hear something very straightforward and very decisive from the minister, either in concluding second reading or in committee, then I'll find myself in a position of having to agree with the Member for Calgary Buffalo. Here, it seems to me, are small gas producers in Alberta who went more than the extra mile, as I understand the situation, to get some indication from the government on what direction they should take.

They were told to go the route of the Public Utilities Board, and they weren't advised, as I understand it, that the legislation — in fact, I understand they read the legislation in the paper. So either now or in committee the minister had better have some answers for us.

MR. SPEAKER: May the hon. minister conclude the debate?

HON. MEMBERS: Agreed.

DR. WARRACK: Mr. Speaker, there are a number of points that are certainly very serious and basically point out the very clear and difficult dilemma involved with respect to the impact, in some measure even havoc, that could come about by a dramatic change that was not part of what had been anticipated, planned for, and fully reviewed by way of, if you like, the domestic natural gas marketing and pricing situation in Alberta. Certainly the basic message I get from all the speakers is that those involved in this review of natural gas marketing and pricing within Alberta's boundaries would need to be in a position of moving as expeditiously as possible in dealing with the matter.

I think it's important to point out that Bill 57 does

not preclude any possibility of future review alternatives coming to light. It was simply a question that the matter has been under review for some time, as the hon. Leader of the Opposition pointed out. The conclusion of that review was necessary to have the additional time for a fuller and more detailed assessment before conclusions were drawn and decisions taken with respect to the marketing of natural gas within Alberta.

Now with respect to all the discussions that might have been held with other members of the Legislature, and for that matter with others of my colleagues, I'm not particularly involved for example with the Public Utilities Board, considering that on the other hand Alberta Government Telephones has a rate application before the Public Utilities Board. I'm not really in a position to answer to the circumstances that might have surrounded the hearings going forward and the money being spent by the applicants as pointed out by the Member for Calgary Buffalo. In any case, I'll certainly draw those matters to the attention of the responsible minister.

The only other thing I would add, as I did in question period earlier today, is by way of a letter I reviewed. It is the case where one of the people who had written to my colleague, the Minister of Energy and Natural Resources, was advised by way of reply that this legislation was under review, and as I recall that was in January. So it is not entirely correct to say there was no notice or opportunity for those involved to have advance knowledge that this legislation was under review, and that the intent and content of Bill 57 might be coming forward in this legislative sitting.

MR. CLARK: I wonder if the hon. minister would permit a question. Mr. Minister, would you be prepared to table the letter that was sent out in January, indicating that the legislation was under review for the benefit of the members?

DR. WARRACK: Mr. Speaker, I think by way of courtesy I'm only able to take the matter under advisement since I did not write the letter. But I doubt there would be any difficulty. I don't know whether the hon. Minister of Energy and Natural Resources would want to respond to that.

MR. GETTY: Normally, Mr. Speaker, I imagine it would be wise to have it on the Order Paper and then let the House deal with it, but inasmuch as debate probably will be continuing tomorrow, I'd be happy to have copies of the letter made and distributed to members of the opposition.

[Motion carried; Bill 57 read a second time]

MR. HYNDMAN: Mr. Speaker, before moving adjournment, for the designated hour of government business from approximately 3:30 to 4:30 tomorrow afternoon, we will continue with second readings beginning with No. 49, The Natural Gas Pricing Agreement Amendment Act; No. 55, The Mines and Minerals Amendment Act; No. 58, The Natural Gas Price Administration Amendment Act; then No. 2, The Appropriation Act; and following that during the evening, committee study as on the Order Paper.

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

HON. MEMBERS: Agreed.

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

MR. SPEAKER: The Assembly stands adjourned until tomorrow afternoon at half past 2.

[The House adjourned at 10:18 p.m.]