

**LEGISLATIVE ASSEMBLY OF ALBERTA**Title: **Monday, April 10, 1978 2:30 p.m.**

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

**PRAYERS**

[Mr. Speaker in the Chair]

head: **PRESENTING PETITIONS**

MR. HORSMAN: Mr. Speaker, I present the petition of the Royal Trust Company and Royal Trust Corporation of Canada for an act respecting the Royal Trust Company and Royal Trust Corporation of Canada.

head: **NOTICES OF MOTIONS**

MR. R. SPEAKER: Mr. Speaker, I request leave of the Assembly to give oral notice of the designated motion for discussion this Thursday. Notice has been filed with the Clerk of the Assembly. With the consent of the members, it would appear on tomorrow's Order Paper.

HON. MEMBERS: Agreed.

MR. SPEAKER: So ordered, the Assembly appearing to agree.

MR. R. SPEAKER: Mr. Speaker, then I would like to move the following motion:

Be it resolved that the Legislative Assembly of Alberta urge the government of Alberta to introduce policies which would stimulate development of the manufacturing sector of the Alberta economy.

head: **INTRODUCTION OF BILLS**

**Bill 235**  
**An Act to Amend**  
**The Landlord and Tenant Act**

MR. MANDEVILLE: Mr. Speaker, I beg leave to introduce Bill 235, An Act to Amend The Landlord and Tenant Act. This bill amends The Landlord and Tenant Act to add specific rights and obligations for mobile-home owners and public home operators. It proposes that the mobile-home owner has the right to choose his own agent in any negotiation to sell, lease, or otherwise part with possession of a mobile home situated in a mobile-home park.

Furthermore, Mr. Speaker, the bill proposes that a park owner shall not restrict in any way the right of a mobile-home owner to purchase goods or services from the person of his choice. Bill 235 also details what services the mobile-home park owner must provide, such as the proper maintenance of all facilities, as well as other rights of both mobile-home park owners and mobile-home owners.

[Leave granted; Bill 235 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. MINIELY: Mr. Speaker, I'd like to table the answer to Motion for a Return No. 119.

DR. HORNER: Mr. Speaker, I'd like to file with the Legislature certain documents under The Public Service Vehicles Act, as required by statute.

MR. ADAIR: Mr. Speaker, I'd like to table four copies of the second annual report of the Department of Recreation, Parks and Wildlife.

head: **INTRODUCTION OF SPECIAL GUESTS**

MISS HUNLEY: Mr. Speaker, it's a privilege for me to introduce to you, and through you to the members of the Assembly, three fine Alberta citizens. They are Merv Edey, a giant of a man in every way, his wife Bernice, and their son Ross. They operate the Stampede Ranch and work with the Department of Social Services and Community Health in the challenging field of troubled youngsters. They are in the members gallery, and I would ask the Edeys to stand and be recognized by the Assembly.

DR. HOHOL: Mr. Speaker, I am pleased to present to you and to the Assembly 55 students from St. Vladimir's grade 6 class. They are accompanied by two teachers, Mr. Peter Maximchuk and Miss Carmea Mariona. They are seated in the members gallery. I should like to ask them to rise and be recognized by the Assembly.

MR. PLANCHE: Mr. Speaker, on behalf of my colleague the Member for Edmonton Ottewell, who is regrettably delayed today, I would like to introduce to you, sir, and through you to the members of the Assembly, 60 grade 6 children from the Braemar school in Mr. Ashton's constituency. I would ask them to rise and be recognized.

DR. WEBBER: Mr. Speaker, I am particularly pleased today to introduce to you and to members of the Assembly a special class of students from Queen Elizabeth School in my constituency of Calgary Bow. The five students, who are currently studying Alberta government, are special in that they are students in the Calgary school board's hearing handicapped program. They are accompanied by Dr. Ann Kennedy, co-ordinator of the handicapped program, Calgary Board of Education; parent Mrs. Bullard; and teacher Miss Marilyn Nixon. Miss Nixon is the first deaf teacher to be hired by the Calgary school board, and I understand is doing an excellent job with the children. They are seated in the members gallery, and I would ask them to stand and receive the welcome of this Assembly.

**head: ORAL QUESTION PERIOD****PWA/Transair Merger**

MR. CLARK: Mr. Speaker, I'd like to direct the first question to the Minister of Transportation. It really flows from the decision of the Canadian Transport Commission and the purchase of Transair. Are the operations of PWA and Transair to be completely integrated, really allowing Transair's fleet of seven aircraft and helicopters to become part of the whole PWA operation, or will Transair be operated as a subsidiary of PWA?

DR. HORNER: Management haven't advised me yet of the nature of the reorganization that will take place, with the approval we now have to proceed. I'd point out also that as of this morning, management still hadn't received a written document from the CTC. So we haven't had an opportunity as yet to study the decision in any detail.

MR. CLARK: Mr. Speaker, then to the minister. The question may be somewhat premature in light of the fact that the Canadian Transport Commission has not advised PWA of the decision. What is the total anticipated cost of the Transair acquisition, in addition to the \$5.4 million outright purchase?

DR. HORNER: I wouldn't expect any great deal of increase in the total cost, other than perhaps some additional Transair shares being put up for sale. My information is that, indeed, down the road there would be substantial savings relative to any merging or at least operating in a compatible way. Of course the inclusion of Saskatoon and Regina in the western routes, I think, gives us a very viable regional air line.

MR. CLARK: Mr. Speaker, a supplementary to the minister, in light of what at least is reported in the CTC ruling that in fact there would be a need for a \$3 million loan to be extended by PWA. My question to the minister: have any other obligations been picked up?

DR. HORNER: No, Mr. Speaker, not to my knowledge, although I hope to have the financial statement for Transair in the very near future relative to that matter. The \$3 million the leader is talking about is that \$3 million advanced initially to stave off bankruptcy, and to my knowledge there has been no change in that.

MR. CLARK: Mr. Speaker, one last question to the minister. I'm not trying to prejudge his answer, but the minister may very well say this is in the area of operations. Has the minister been made aware of the concerns of some of the PWA pilots, if in fact this is a complete amalgamation? And have some guarantees been given to the PWA pilots by the management?

DR. HORNER: Mr. Speaker, as I mentioned earlier, I think there will be greater opportunities for all types of personnel in the company, relative to the increased number of routes that are now going to become available having regard to the decision. It's not only the acquisition of Transair which is important, but the two new routings through the Saskatchewan cities

are going to be particularly important and will lead, I'm sure, to increased opportunities for pilots and other people working for Pacific Western.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. In light of the minister's pretty broad assurance of the increased opportunities, has a commitment been given to the pilots of Transair that in fact they'd be able to transfer to PWA with full recognition of their seniority?

DR. HORNER: Mr. Speaker, I think that's one of the management functions which will be worked out, having regard to the people involved. But there was broad assurance to the Transair employees that we didn't see any reduction in the number of Transair people who would be required to operate that end of the operation, and the maintenance base in Winnipeg as well.

MR. CLARK: Mr. Speaker, in his discussions with the chairman of the board, has the minister expressed a preference as to whether Transair becomes a subsidiary of PWA or is fully integrated into PWA's operations?

DR. HORNER: Mr. Speaker, we're looking at that matter from a legal and from an accounting point of view. I hope we can have some announcement in the coming weeks, once those decisions are reached. But there are some legal complications in merging the two companies, and how that will be done will be a matter of some study, now that we can get on with it.

**Welding Technique**

MR. CLARK: Mr. Speaker, I'd like to direct the second question to the Minister of Business Development and Tourism. It's a follow-up to discussions we've had earlier in the House with regard to the welding project at the Alberta Research Council. Is the minister in a position to confirm to the Assembly that this pipeline welding technique has been exhibited recently to the pipeline industry in the United States, more specifically Houston? And what was the result of those demonstrations?

MR. DOWLING: Mr. Speaker, I can confirm there was a demonstration. There have been two or three demonstrations in Houston with regard to the pipe welding. The reason they're being held there — and that's probably a follow-up question — is that the holding device for the welding unit is being developed by a firm in the United States.

The results of the tests with regard to the welding technique have been substantially good. Beyond that, there are some technological reports I'm not able to divulge.

MR. CLARK: Mr. Speaker, a follow-up to the minister's answer. Is the minister in a position to confirm to the Assembly that the next stage of the development of this welding process will be that the Alberta Research Council will supply the staff, that Alberta Gas Trunk Line will supply the marshalling areas, and that Petro-Canada will supply to the Research Council perhaps \$0.5 million so that the next stage of the

development of this process can in fact go ahead, and that this will take place at Alberta Gas Trunk Line's location in Calgary?

MR. DOWLING: Mr. Speaker, I'm not able to confirm that. However, I can confirm that those companies which took part in witnessing the demonstration will from time to time make an assessment of the weld and the process in its entirety. Of course a number of such processes are now being developed in other parts of the world. But this assessment will be made, and on the basis of the assessment it could proceed as the hon. Leader of the Opposition suggests, or in some similar manner.

MR. CLARK: To the minister then, Mr. Speaker, so we can pin down the assessment a bit more. Is the minister in a position to indicate that Petro-Canada has agreed to place money in trust with the Research Council so that the next stage can move along?

MR. DOWLING: No, Mr. Speaker, I cannot do that. I can indicate that a number of companies have expressed some interest in participating in the welding process if it's a 'commercializable' technique, and if it's in fact patentable. As the hon. leader knows, the patent has been applied for, so we are in a secure position with regard to that.

#### **Syncrude Accounting**

MR. NOTLEY: Thank you, Mr. Speaker. I'd like to direct this question to either the hon. Provincial Treasurer or the hon. Minister of Energy and Natural Resources. It concerns the accounting manual developed with respect to the Syncrude project. My question to the Provincial Treasurer is: in view of the fact that Syncrude will be in operation shortly, has the government completed negotiations and finalized the details of the accounting manual?

MR. LEITCH: Mr. Speaker, I'll look into that and report later to the House.

#### **Metric Conversion**

MR. JAMISON: Mr. Speaker, I'd like to direct a question to the Minister of Municipal Affairs. About two years ago in the House, the hon. Member for Edmonton Calder introduced a metric conversion bill, which was passed. I wonder if the minister could inform the House why the regulations governing The Planning Act were not in metric rather than imperial measure. Is he planning to make this change in the near future, in particular for the land surveyors who are expecting this?

MR. JOHNSTON: Mr. Speaker, we did consider including the metric conversion factors in the regulations. But it is my understanding there will be a general regulation change to effect to metric all regulations now in standard measure. It should be noted as well, as I believe the Attorney General has pointed out, that in the measurement of acres both options will be open.

#### **Propane Prices**

MR. R. SPEAKER: Mr. Speaker, my question to the Minister of Agriculture is with regard to the transportation allowance for propane. Has the minister reviewed that particular matter, and has he any announcement to make at this point?

MR. MOORE: Mr. Speaker, as hon. members know, both the distributor and the producer price of propane were under the control of the Public Utilities Board until June 1977, when the distributor price of propane was removed from the Public Utilities Board jurisdiction. That resulted in some increase in the distributor price. At the same time the Public Utilities Board made a decision to deregulate the producer price of propane on April 1, 1978.

We have said a number of times, Mr. Speaker, that after having reviewed the price reaction after April 1, 1978 — and I expect that would take a period of perhaps April, May, and June — to see what in fact the deregulation of producer prices has done to consumer prices in propane, we would consider the matter of whether or not it was advisable or possible for us to provide any additional assistance to propane users by way of the application of the farm fuel transportation allowance or some such program.

Members should bear in mind; Mr. Speaker, that our judgment has to be based on the value of diesel fuel as a home heating oil as opposed to the value of propane. Until April 1, 1978, our monthly review of both prices indicated that on a BTU value basis, with the 8 cent a gallon transportation allowance subtracted from domestic heating oil, there was no reason at all that propane could not be competitive with domestic heating oil.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. A number of farm tractors and road vehicles use propane. Has the minister assured himself that the 10 cent per gallon tax which is on propane used for road vehicles — has the minister assured himself that farm vehicles that travel on the roads have been given this allowance for the 10 cent tax reduction?

MR. MOORE: I'm not sure I know the answer to that question, Mr. Speaker. I would be pleased to look into it. The Provincial Treasurer may be aware of the answer. But generally I think the effort is being made to ensure that the 10 cent provincial road tax which was on gasoline would be removed as well in those cases where it had been applied to propane. We'd have to emphasize those were very few, though.

MR. MANDEVILLE: Mr. Speaker, has the minister had any reports on the price of propane increasing since it's left the regulations or control by the PUB?

MR. MOORE: Mr. Speaker, yes. They've been verbal reports, though, and of course the deregulation only occurred a matter of 10 days ago. I think it will take at least 30 days, perhaps longer, before one could indicate any trends across the province. Some prices may not have risen right away, and it may take some time before we know what the average is.

I can say to the hon. members that before April 1, 1978, the average price of diesel across the province,

with the the 8 cent transportation allowance subtracted, was in the order of about 53 cents per gallon. At the same time, before April 1, the average price of propane across the province was about 20 cents a gallon lower, 33 cents. So based on BTU values in terms of using either diesel or propane as a product for home heating or for any other heating that may occur on a farm, there was no reason for propane companies, distributors, or producers to suggest that the government's 8 cent transportation allowance on diesel fuel was in any way a program that was harming their sale of propane. It simply does not stand up when you consider the BTU value of the respective fuels.

#### **Antelope Feeding**

MR. MANDEVILLE: Thank you, Mr. Speaker. My question is to the hon. Minister of Recreation, Parks and Wildlife. Could the minister indicate whether his department has conducted any surveys with regard to the number of antelope that starved to death last winter?

MR. ADAIR: Mr. Speaker, there has been constant surveillance of the problem. We haven't got the final figures as to what may have been lost as a result of the hard winter we just had.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Has the minister heard any reports or any feedback from the Medicine Hat wildlife association on how their antelope feeding program worked out last winter?

MR. ADAIR: Mr. Speaker, my understanding is that it had some pros and cons. It was reasonably good in the sense that some did survive as a result of it. But because of the time frame, between the time the animals were without feed until they were fed on the artificial program, some animals in fact died as a result of overeating. So we haven't got the final report on either one. But there was certainly some benefit. We recognize that there were some problems, because antelope are not really hayfeeders. They're sagebrush eaters and, as a result, a different type of feed going into their system caused some problems for them as well.

#### **Coal Miners' Benefits**

MR. NOTLEY: Thank you, Mr. Speaker. I'd like to direct this question to the hon. Minister of Labour and ask whether he has been approached by members of the United Mine Workers concerning the refusal of Cardinal River Coals to make contributions to the miners' welfare and retirement fund.

MR. CRAWFORD: Mr. Speaker, I believe over a period of months there's been some discussion on the subject raised in the question. But whether or not it was precisely in the context of the complaint specified in the question, I would have to refresh my memory of that. I know that officials in the department have been in discussion with both the union people and management with reference to the general area that the hon. member's question touches upon.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Labour. Is the minister able to report to the House whether the department has assessed the impact on the retired miners' pensions of the decision by Cardinal River not to contribute to the retirement fund, as other companies are?

MR. CRAWFORD: Mr. Speaker, I think a number of points would come out in an examination of that issue, including what the arrangements in the agreement between the employer and the employees are in fact, in their full context. The question of the contributions, or the liability to make the contributions, is of course a feature of that.

As to assessing its impact, that is one of the matters I would have to review before being able to give the hon. member a definite answer.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Is the minister in a position to confirm to the House that in fact Cardinal River is the only company operating within the general District 18 of the United Mine Workers area, which essentially comprises the province of Alberta, that is not paying into the miners' retirement fund?

MR. CRAWFORD: Mr. Speaker, I'm not in a position to confirm that from my own memory. But I will look into the whole situation as raised by the question and consider what manner of report might be made on it to the House.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Energy and Natural Resources. Is the minister in a position to advise the Assembly whether or not Cardinal River Coals, or its parent company Luscar, have any applications for permits before the cabinet at this time?

MR. GETTY: I'd have to check, Mr. Speaker. Just a quick searching of my memory indicates that there isn't one before us.

MR. NOTLEY: Mr. Speaker, a supplementary question to the Minister of Labour. Has the government of Alberta developed any overall policy with respect to what one might call good-and-welfare benefits that have normally been negotiated in the coal industry? Has the government of Alberta developed any overall policy with respect to a company's compliance with these standards before their applications for permits are agreed to by the cabinet?

MR. CRAWFORD: Mr. Speaker on the precise, very narrow point that is raised, the answer would be no.

#### **Matrimonial Properties Legislation**

MR. CLARK: Mr. Speaker, I'd planned to ask the question of the Attorney General, but after events in Calgary on the weekend, I suspect he is redrafting the matrimonial properties legislation. So I'll ask the question of the Government House Leader.

When can we expect the government to introduce the matrimonial properties legislation which, according to the Speech from the Throne, will be dealt with at this spring session?

MR. HYNDMAN: Mr. Speaker, the matter is still under the advisement of caucus. But I expect it would not be too long before members of the Assembly will be able to see the act, perhaps in a form amended from last fall.

#### **Public Accounts**

MR. CLARK: Mr. Speaker, I'd like to direct another question to the Provincial Treasurer. When might we expect volumes three and four of the Public Accounts?

MR. LEITCH: Mr. Speaker, I haven't had a recent discussion with the Provincial Auditor, and I would like to do that before responding to the question.

#### **Western Premiers' Conference**

MR. CLARK: Mr. Speaker, I'd also like to direct a question to the Minister of Federal and Intergovernmental Affairs. It relates to the quickly upcoming meeting of the western premiers, I believe in Yorkton. Can the minister indicate to the House what items the government of Alberta has asked to have placed on the agenda for that meeting?

MR. HYNDMAN: Yes, Mr. Speaker. The general agenda was released late last week by the chairman for this year, Premier Blakeney. The subjects on which Alberta will be speaking will relate to trade, and those discussions will be carried forward under the leadership of the Minister of Business Development and Tourism; and the subject of transportation under the Minister of Transportation. We will also be very directly involved in the discussions with regard to agriculture; and the intrusions report, the report on constitutional trends, an update of which will be presented at the conference in Yorkton.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Could he advise the Assembly at this time whether the \$6 per bushel price for domestic wheat will be added to the agenda? The minister indicated he would consider that.

MR. HYNDMAN: Mr. Speaker, I'm certain that's one of the items which will be discussed by the four premiers attending.

#### **Syncrude Accounting** (continued)

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Provincial Treasurer. It flows from the first question I posed today with respect to the Syncrude accounting manual. Is the minister in a position to advise the Assembly what direct role the minister himself took in the drafting of the manual and the negotiations with respect to this all-important manual?

MR. LEITCH: Mr. Speaker, my direct involvement was in the discussion regarding the policy for the manual, but I didn't have any direct involvement in drafting its terms or particulars. That was something the Provincial Auditor has been involved in. As I indicated in response to the member's earlier question, I'll check

on the current status of the manual and report to the House later.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Provincial Treasurer. Bearing in mind that Syncrude is going into production, has the department been able to ascertain this year whether any money will be accruing to the province in the form of royalty as a consequence of the profit-sharing arrangement? Do we have any assessment or studies on that at this stage? If so, is the minister in a position to advise the House?

MR. LEITCH: Mr. Speaker, I certainly wouldn't anticipate any in the current year, considering the period in which they're going into production, the levels of production, and the cost. But I'll check into that also and respond later.

MR. NOTLEY: Let me just ask a supplementary question for clarification. My question was not when the minister thought money would be pouring into the Treasury, but whether a study has specifically been commissioned. Are we in fact examining the options as to when, in the view of the study, the company would be able to start sharing some of its revenue with the province?

MR. LEITCH: Mr. Speaker, I take it the hon. member is asking whether we've done studies on when the Syncrude operation might reach a level that there would be a division of funds under the fifty-fifty profit sharing. If that is the question, I'm not aware of any that have been completed.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Provincial Treasurer. During the course of the negotiations on the Syncrude accounting manual, was any sort of general statement worked out as to how one or both parties could amend the manual, assuming that at some point in the duration of the project either one or both parties might want to see changes made? What provisions to amend the accounting manual have been made in the general agreement?

MR. LEITCH: Mr. Speaker, I'd have to check on that also.

#### **Welding Technique** (continued)

MR. CLARK: Mr. Speaker, I'd like to direct a follow-up question to the Minister of Business Development and Tourism. It deals with the welding process again. What time frame is the minister looking at for the investigative or experimental work now going on in Alberta?

MR. DOWLING: Mr. Speaker, it is my understanding of the situation that those involved in the research which went into the development of the process were anxious to get the process approved by a number of private companies and then funded by the private companies so a field test of some kind could be run, then the item could be commercialized. I'm not in a position to put down in actual terms the time frame

they're looking at, but they're very hopeful to be in the field within the next several months.

MR. CLARK: Mr. Speaker, perhaps I could put it this way to the minister then: is it the desire of the Research Council, working in co-operation with the companies involved, that by this fall the Energy Resources Conservation Board could be apprized of the progress which has been made, and would then be in a position to have their engineers look at the welding process to see if the process could move on from there?

MR. DOWLING: Mr. Speaker, as I said earlier, it really depends on the assessment of the process and the trials that were undertaken in Houston — the assessment of those trials by the private companies that were there to witness them. I'm really not privy to the results of those trials yet, except that we, in an untechnical way, thought the trials went very well. But that doesn't take into account the technology and whether the welds were in fact really first-class welds, those kinds of things. However, the process itself proceeded very well.

MR. CLARK: Mr. Speaker, can I ask this question of the minister. Is it in fact the minister's intention to sit down himself with some of the private sector people who were at the viewing in Houston and to apprise himself of the possibilities, so he's in a position to give some better indication to the Assembly as to time frames?

MR. DOWLING: Mr. Speaker, I most certainly will do that. Of course I have indirect contact with them through the deputy minister and those people who now sit on the committee for the Research Council with regard to the welding process. So I have almost daily contact, in an indirect sense, with the companies and all those involved in the potential commercialization of this process.

I do intend, Mr. Speaker, to have an update within the next several hours. It was my intention to do that this morning; unfortunately time did not permit.

MR. CLARK: I'll ask you tomorrow.

MR. DOWLING: Ask me tomorrow.

#### **Antelope Feeding** (continued)

MR. HYLAND: Thank you, Mr. Speaker. My question is to the Minister of Recreation, Parks and Wildlife, and it's a follow-up to the one asked by the Member for Bow Valley. Do you have any accounting of the \$5,000 given to Alberta Fish & Game towards the feeding of the antelope in southeastern Alberta?

MR. ADAIR: Not as yet, Mr. Speaker, but we anticipate getting it before the end of this month.

MR. HYLAND: Supplementary, Mr. Speaker. Was that money to be used just for feed, or for wages for the sportsmen doing the feeding?

MR. ADAIR: Mr. Speaker, we gave them as much latitude as we could. They could use it for feed, for

transportation, or for wages, whatever they chose to get the feed out to the antelope in the field.

MR. HYLAND: Mr. Speaker, would the minister agree that an organization such as Alberta Fish & Game, being sportsmen, would supposedly use it to buy feed and not to pay wages? Thus the animals would be able to have more to eat, and they would be the sportsmen they're supposed to be.

MR. SPEAKER: I'm unable to identify that as a question.

#### **Surface Rights Leases**

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Agriculture. Could the minister indicate whether any consideration has been given to tying yearly rentals for surface rights to the wellhead price of oil and gas instead of alternative use of land, which it is now?

MR. MOORE: Yes, Mr. Speaker, consideration has been given to that method of farmers receiving some compensation for their land. But in view of the circumstances surrounding the rights of the mineral owner and the rights of the landowner, consideration of years past when that type of approach would not have returned anything near actual value to the landowner, I would have to say that it's been rejected.

MR. MANDEVILLE: Mr. Speaker, a supplementary question. Has the minister had any requests from oil companies to by-pass leaseholders as far as negotiating lease agreements is concerned, surface rights on Crown land?

MR. MOORE: No, I have not, Mr. Speaker. That question should be more properly directed to the Associate Minister of Energy and Natural Resources responsible for Public Lands.

#### **Vandalism in Schools**

MR. R. SPEAKER: Mr. Speaker, my question to the Minister of Education is with regard to vandalism in schools across the province. I understand that last year it was up to around \$3 million. I wonder if any type of program or investigation is being carried on by his department at the present time with regard to that type of vandalism. Is there any type of new approach that may be introduced?

MR. KOZIAK: Mr. Speaker, the individual school boards are in fact looking into the problem, which is of varying degrees across the province. In conjunction with the support of my colleague the Solicitor General, two urban boards in fact installed a security system — which I am sure my hon. colleague would like to expound upon, and may wish to do so — that has met with varying degrees of success.

We have had committees looking at this particular problem over time. Many reasons are given for the problem, including the fact that some of this vandalism is caused during the school hours as opposed to after school hours, which is a reflection of frustrations certain children feel and of the level of discipline within the school. Many factors contribute to

the problems as they exist, not one that can be isolated and then solved.

#### **Land Tenure Program**

MR. SHABEN: Mr. Speaker, I'd like to ask the Minister of Municipal Affairs if he will advise members of the Assembly of the status of the land tenure program in Wabasca-Desmarais, as well as Calling Lake and Anzac?

MR. JOHNSTON: Mr. Speaker, with respect to Wabasca-Desmarais, I can advise the hon. member and the House that we are prepared to transfer lots immediately to those people within the hamlet of Wabasca-Desmarais, subject to some provisions in terms of tenancy and the time they have resided in that area. With respect to the other two communities he's noted, the land tenure program is proceeding in those communities to ensure a form of land tenancy to the residents of that area who have been there for some time.

MR. SHABEN: Mr. Speaker, a supplementary to the minister. Is it the intention of the government to proceed with the program in communities other than those which have been mentioned?

MR. JOHNSTON: Mr. Speaker, it is our intention in the longer term to proceed with a tenure program in the other isolated communities. I will be working with the MLAs in the area. The MLA for Lesser Slave Lake, obviously, and the Minister Without Portfolio responsible for Native Affairs will be important in advising me as to those communities.

But indeed, sir, it is our intention to proceed to provide land tenure programs to the other isolated communities in northern Alberta.

#### **Federal Budget**

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Premier. It flows from a weekend meeting where there seemed to be a surprising but remarkable degree of unity. Is it the official position of the government of Alberta that the hon. federal Minister of Finance, Mr. Chretien, should bring in an immediate \$2 billion tax cut?

MR. LOUGHEED: Mr. Speaker, of course we're of the view that with regard to these matters we relate back to the first ministers' communique, which was pretty extensively reflective of the views of the government of Alberta. We were delighted that that final communique indicated a responsiveness to the free enterprise sector of Canada, and for that reason I'm sure it enjoys the whole-hearted endorsement of the hon. member who asked the question.

MR. NOTLEY: Mr. Speaker, you never can tell, [interjections]

Mr. Speaker, to the hon. Premier. In view of the well-known position taken by the hon. federal Leader of the Opposition with respect to the urgency of a \$2 billion tax cut, is that a point of view strongly supported by the government of Alberta in its official capacity?

MR. SPEAKER: With great respect, it would hardly seem appropriate for the hon. member to take the platform of certain federal politicians and get the opinion of the provincial government, point by point, with regard to it.

MR. ZANDER: Mr. Speaker, my question is addressed to the hon. Provincial Treasurer. What back-up plans, or what changes in government policy planning are at hand, should the federal budget tonight suggest the reimbursement of provincial government sales taxes in Canada? What beneficial effects will this have on our province?

MR. SPEAKER: With regard to the first part, it would seem to be in order. But I think the second part would come under the same observation which I just made concerning the Member for Spirit River-Fairview.

MR. LEITCH: Mr. Speaker, I thought the first part was hypothetical also. I'd be happy to deal with the hon. member's question after I've heard the budget.

#### **ORDERS OF THE DAY**

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

[Dr. McCrimmon in the Chair]

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

##### **Department of Energy and Natural Resources**

MR. HYNDMAN: I wonder if I could make a suggestion at this time with regard to the manner of handling the votes of Energy and Natural Resources. I understand the subcommittee was about 99.9 per cent complete with respect to its consideration of this ministry and of the two ministers involved, but had not yet finalized some of the capital aspects of the hon. Mr. Schmidt's department and had not yet made the formal motion to report.

I wonder if it would be agreeable to the committee that we now proceed into Energy and Natural Resources, try to cover all those votes, and have members ask those questions, say, in the public lands area, which they would like to have asked in subcommittee. If that presents a difficulty, we're happy to have it start tonight at 8 o'clock. But if we could proceed on this basis, we can try to cover the whole of Energy and Natural Resources this afternoon.

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Mr. Minister, do you have any opening remarks?

MR. GETTY: Mr. Chairman, we had a pretty full discussion in subcommittee. I'd just perhaps remark, as I did in committee, that in Energy and Natural Resources this is not a year for new programs and policies but rather for tuning up the existing ones and

making them operate more smoothly. Over the past year we have established oil pricing for a period into the future. We have our new lease tenure system in operation.

As members know, the coal policy has been announced and is in operation. We have adjusted and approved amendments to the exploratory drilling incentive system, and we have completed the reorganization of the department. Some decisions have to be made in the coming year with regard to major projects, should they proceed through the Energy Resources Conservation Board to the cabinet level, in such matters as a third oil sands plant, perhaps an *in situ* plant at Cold Lake, problems perhaps with natural gas surplus situation. Other than that, it is a year of consolidating existing programs.

I should also say I appreciated the full discussion and interest that the members of Subcommittee A illustrated while discussing Energy and Natural Resource votes.

MR. CHAIRMAN: Thank you, Mr. Minister. Are there any general questions to the minister before we go into the estimates vote by vote?

MR. CLARK: Mr. Chairman, I wasn't in the committee, but I scanned the minutes very, very quickly. Mr. Minister, can you give us some kind of time line as to what you're looking at as to decision deadlines for the Cold Lake plant? I recognize that the ERCB is now involved. In some sort of ballpark area, when does the government expect their recommendation? I appreciate its being hypothetical, but if the recommendation is yes, what kind of time line is the government looking at? How is the government looking at the activity with regard to the heavy oil plant? Where does that fit in? What are the prospects of its being in Alberta, as compared to its being in Saskatchewan?

MR. GETTY: Mr. Chairman, the Cold Lake plant is a result of an application by Imperial Oil to the ERCB. As I understand it, the application was deficient in some aspects. Therefore the ERCB has asked Imperial Oil to correct the deficiencies. They are in the process of doing that. As soon as they are corrected, the board will make public a hearing date, which I understand would be some time in the latter part of the summer. It's very difficult to tell how long it takes to conduct a hearing when it's of a public nature. However, hopefully before the end of the summer or early fall, the hearing would be completed and the Executive Council would receive the ERCB report, perhaps.

I usually have some problems trying to anticipate dates. It's not fair to the ERCB for me to put a kind of deadline on them, but perhaps a recommendation to Executive Council close to the end of this year. Then I would hope we'd be able to move fairly quickly to working out whatever commercial terms are necessary with regard to royalties, environment, and those matters.

So on an optimistic side I would hope by the end of this year, but perhaps a little later than that. Taking into account the size and importance of the project, though, I'm sure members would want us to take all the time necessary to do it well.

The other point the hon. Leader of the Opposition

mentioned was heavy oil plants. There is no application before us for a heavy oil plant. We have had lots of discussion with Husky Oil and Pacific Petroleum, and there are still meetings between officials of the government and both those companies.

About all I could say about the Husky plant is that it would be in the vicinity of Lloydminster, if it goes ahead at all. I don't know which side of the boundary it might be on. If the Pacific Petroleum plant goes ahead, they are clear in their resolve that it will be in Alberta.

MR. CLARK: Mr. Minister, dealing with the heavy oil plant first. If I interpret your remarks correctly, you said if Husky goes ahead it will be here in Alberta.

MR. GETTY: I appreciate the fact that someone was distracting the Leader of the Opposition. I said it will be somewhere in the vicinity of Lloydminster. I don't know which side of the border it might be on.

MR. CLARK: Mr. Chairman, three questions arising from what the minister indicated. Mr. Minister, having regard for the fact that we're looking at maybe the end of this year or the first few months of 1979 — and I appreciate this is ballpark — what kind of negotiations are going on with Imperial Oil now? It would seem to me very difficult to cover in the course of a few months all the bases environmentally and royaltywise, and the involvement of the Energy Company, if there's going to be that kind of involvement. So I assume there have already been some negotiations between the government and Imperial Oil.

The second question, Mr. Minister, is: where is the responsibility in the government for the social impact on the Cold Lake-Grand Centre area? I suspect it's not in the minister's department, but which minister has the responsibility for looking at that area? Once again I assume the studies must be going on, and work must be done if we're looking at the end of this year. It would be impossible to wait until the ERCB has finished its hearings and made a recommendation to the government. To then get involved in an extensive amount of work there would understandably take an extended period of time.

MR. GETTY: Mr. Chairman, we are really not in negotiations with Imperial Oil. We cannot negotiate with them until we have a positive recommendation from the ERCB. It may not come to us. If the ERCB says no, it's no, and it doesn't come to Executive Council. I think the Leader of the Opposition is correct, though, that there are things it is necessary to understand and hurdles to cross that aren't the same as negotiations.

A joint committee of the government and Imperial Oil has been looking at the problems of transportation, housing, and environment: problems of human settlement and growth in the area. These are being handled by the Minister of Municipal Affairs, the Minister of the Environment, and the Minister of Housing and Public Works. There's also liaison with the Minister of Transportation. I may have missed somebody in that liaison function; many departments are involved, and they are dealing with Imperial Oil from day to day. But that's not negotiating with them. For instance, the Minister of the Environment will not negotiate environmental matters. They must meet



the laws of the province. The other considerations will be: attempting to assess the impact and how best to make it smooth and in the best public interest. That is going on through the various departments I mentioned.

The hon. Leader of the Opposition mentioned AEC negotiations. We are not representing AEC in negotiations with Cold Lake and Imperial Oil. However, I know that Imperial Oil and AEC are discussing participation.

MR. CLARK: Mr. Minister, I think we've touched on one of the most legitimate concerns that I've heard in the Bonnyville-Cold Lake area; that is, that you have the government and Imperial Oil sitting down and, to use your term, getting over some of the hurdles.

Now, I recognize from the outset that you wouldn't have people from the municipal governments, local people, involved in some of those negotiations. But when it comes to areas of infrastructure, questions of human settlement, and so on, I would make the point to the minister that the present committee be somewhat restructured so some local people in the area sit in on the discussions that affect the area from the standpoint of infrastructure, housing and settlement, and so on. If the former government and the present government have learned anything from the Fort McMurray experience, that's one of the areas all of us might reflect on seriously.

So my point to the minister is that as far as this government/Imperial Oil committee is concerned, I think there would be a great deal more confidence in what's being done as to human settlement and infrastructure if the local people had some input; perhaps calling together the communities affected and asking them to put one or two people on this committee, and having them attend when matters affecting the area are discussed.

With regard to the impact in the area, I also make the point to the minister that it seems to me that would go a long way towards carrying the judgment of the people in the area. I have no qualms about saying in the House right now, so it's on the record: my colleagues and I hope the project can go ahead, subject to reasonable negotiations. I appreciate that's a very general statement. But at the same time, if we're not careful we're going to have many people in that area, whom I believe to be reasonable and sensible, hearing all sorts of stories about what's going to happen and what isn't going to happen. If some local people had some input on the scene, that would be a plus.

As for Imperial Oil, it's my understanding that they have a committee of local people who are involved with them. That's a plus too, but it's a somewhat one-sided thing. I've had the point made to me: shouldn't some of us have a chance to sit in with the government and Imperial Oil in dealing with infrastructure and the human settlement problems? I'm not suggesting for one moment that they should be involved in royalty discussions and those kinds of things. That's a government responsibility in the end.

MR. GETTY: Mr. Chairman, I appreciate the comments from the Leader of the Opposition. I think they're well taken. Maybe we're meeting most of them; I'm not sure. I'll review it.

Mr. Chairman, through the MLA for the area we

have really a three-way liaison going: Imperial Oil, the government, and the community advisory group. The community advisory group is made up of the municipalities in the area — Cold Lake, Grand Centre, Bonnyville; the improvement districts; and a representative of the native groups. There's a broad community advisory committee. The MLA has been meeting with them regularly. They meet with officials of the Department of Energy and Natural Resources. The government, Imperial, and the advisory group meet together.

As a matter of fact, recently we've had a request from them to make them a little more formalized, and they've asked for funding. It would have been my expectation that they would want to be their own man, so to speak, and have those organizations they represent put up the money to cover their costs. However, we have suggested that at least for a 12-month period we would come up with half the dollars of a reasonable budget that would in fact allow them to meet on some regular basis, keep minutes and liaison with the government and Imperial Oil.

They seem to feel this now meets the very thing the Leader of the Opposition has been talking about. If he has a more recent comment, I'd be happy to hear about it. But I think a very good three-way relationship is now in place. Obviously there will be times when these things may either break down or we may disagree on something. But at least I think the good intentions of all three groups, if you can call them three groups, are to work together.

MR. CLARK: Just one last question to the minister right now. Mr. Minister, you recall earlier in the session we asked a question about funding for a local group. I take it from your comments now that the government is prepared to meet half their request as far as funds are concerned, and that it's the government's expectation that the other half of the funding would come from local municipalities and the native organization in the area. Is the minister in a position to indicate what kind of dollars the government has agreed to?

MR. GETTY: The MLA is actually representing the government with the community advisory group. The chairman and representative of the community advisory group had asked for either a three-month budget of somewhere around \$3,000, or a full year's budget of somewhere around \$12,000. We said either one would be okay with us. They may want to adjust it, because they're learning more and more each day about the various expenses they may have. So they're reassessing what they might require in a reasonable budget for 12 months, and we have indicated we're prepared to come up with half of that.

MR. ZANDER: Mr. Chairman, to the minister. There are some conflicting reports regarding government policy in the West Pembina field. I wonder if the minister would inform the committee, if he has this information today. If not, can he get it later? It would certainly have a bearing on the constituency, and that is three questions. What are the spacings in the West Pembina field? What are the terms of tenure regarding gas and oil leases and reservations; are they two or are they one, or are they all the same?

Are these reservations or leases sold on the basis of certain formations, or are they on all other zones below or including the Mississippian?

MR. GETTY: Mr. Chairman, as of right now the West Pembina field is really only two wells, and I don't believe the conservation board has yet specified a spacing unit. However, following normal practice, I think it may well be the alternative between 80 and 160 acres; one of the two, depending on the narrow nature of the pool.

I think we're now speculating as to the way this West Pembina reservoir may be developed. There may be many individual pools which may take different spacing units. It's too early. I can understand the hon. member may want to know, but it's too early to know. So they're going to have to live with some indecision, because it's just impossible to tell.

As for tenure of leases, some of the leases are the old 21-year leases, some are the newer 10-year leases, and some the new 5-year leases. Unless he gave me a particular area — a township, or a particular four sections, or something in that nature — I'd be unable to tell him exactly what the leases were in a general West Pembina area description.

MR. ZANDER: Supplementary to the minister. You mentioned 20-year leases. Are these still in effect? I thought they all concluded somewhere around 1982. Perhaps there are some of the newer ones that were sold by the previous government. Are these leases still in effect, including the cardium formations, where the lease was sold by the former government on the basis of the cardium formation and everything below it?

MR. GETTY: Yes, Mr. Chairman, we didn't have the severance of zones until the new lease tenure arrangements which, I believe, went through in 1976. So they would have been for all zones. Again, West Pembina is a broad area, so it's difficult for me to respond specifically in any way. It is true that some of the 21-year leases are still in existence and will run out. I don't know the latest year when one will.

MR. CLARK: Mr. Chairman, I have a couple of other general areas, if no other member wants to. Mr. Minister, the next area deals with the whole question of timing. We've talked about Cold Lake and the possibility of some decision coming there, let's say within a year's time. Then there's Shell, and I appreciate they haven't yet put together a proposition as to a plant north of Fort McMurray, which on some occasions has been referred to as the 'Russellville' area. Thirdly there are the heavy oil possibilities in the Lloydminster area. My question, Mr. Minister — and the government has expressed concern about this — is the timing. Of course, Alberta Energy Company has set up a heavy oil division within its operation. That indicates to me that they are very interested in what's going to happen in Lloydminster and flowing south from there. Mr. Minister, what information can you give the committee with regard to relative timing between the Imperial Oil venture, the Shell venture, and a possible heavy oil proposition, and tie that in with the pipeline also?

MR. GETTY: Well it's difficult, Mr. Chairman, because there isn't one that has been approved to go ahead. So I guess you want an educated guess — you can make your own judgment — on the timing. I would assume the companies themselves will really judge on the timing. I think it's far better, upon assessment of the economic climate, the availability of labor, materials, and so on, that they decide, than for the government to try to illustrate some remarkable wisdom and do it better than the companies actually working it out in their own best interests.

But I would say that Imperial, if they get a go-ahead, would go into a full year of engineering planning. We have talked earlier in the estimates of a go-ahead, if it all went, perhaps by the end of the year or sometime early next year. A full year of engineering work: so now we have gone from '79 to '80, then perhaps construction in '81 or '82 — Imperial Oil in Cold Lake. When I say construction, it's different than in the case of an oil sands plant. Imperial has two things to do: one is a tremendous amount of drilling, and the other is an upgrading plant to handle the heavy oil, and then coming into production some three years after that.

Shell hasn't made an application to the ERCB, and I don't know for sure it is going to. But assuming they did sometime this year, that would take a hearing, at least the same kind of regulatory process I've talked about with Imperial Oil. I'm not sure if Shell has its engineering in a more advanced stage than Imperial Oil. However, let's guess they start a little sooner than Imperial. They may well be prepared to start in late '79 or early '80, if everything goes well for them.

Pipeline: I just don't know. The Husky plant and a possible Pacific plant: I think they would probably beat in commencing the Husky plant. If it did go, it could commence sooner than either of the others because it isn't as massive a project, nor does it require the kind of planning. It's really like constructing a refinery, a small upgrading facility. Therefore they might be sooner.

Other than that, the Leader of the Opposition or any member could get up and take issue and say, he has other dates in mind. And they may well have. But that's if it's of any assistance.

MR. CLARK: Mr. Chairman, I appreciate the minister's frankness. We'll leave it as an educated guess.

A second question to the minister, in a different area. It deals with the effectiveness of the recovery programs. If I recall, a year ago in estimates we discussed an instance of giving some royalty advantages to encourage companies to become involved in a variety of recovery schemes. I'd appreciate very much if the minister would give us some indication as to the success — or at the least the interest; it may be too early to look at the success. But it was a step in the right direction, as far as I'm concerned.

MR. GETTY: Just for the other members of the committee, Mr. Chairman, I understand this was an enhanced recovery incentive we developed, in which we said that for those things above normal secondary recovery, we would allow a certain royalty incentive to cover the additional costs, on the understanding that in the long run more oil and royalty would occur than would have been recovered without the scheme going ahead. To my knowledge, subject to checking,

two have been approved, three applied for. The third wasn't turned down; it was approved, but the company is still assessing whether they wish to go ahead. There may be another one or two in front of the Energy Resources Conservation Board, but I'm not aware of it.

MR. BRADLEY: Mr. Chairman, I'd like to ask the hon. minister about the energy resources research fund. Perhaps he can give us a review of where those funds are going to be expended in the next year. I've looked under Vote 1 and don't find an allocation there. I wonder if perhaps it's been transferred to another department or another part of his budget.

MR. GETTY: Mr. Chairman, the energy resources research fund will come as a result of a special warrant. Where the funds for the coming year will be spent is presently under consideration. The reason that happens is that the funds will flow from the federal government to the Provincial Treasurer, into the general revenue fund, and, upon the research projects being decided, will be appropriated by way of a special warrant. They haven't been completed this year. Obviously, if we'd had them in time we might have been able to get them in the budget; but we haven't.

MR. PLANCHE: Thank you, Mr. Chairman. One quick question. With the new discoveries we've been having, I know the minister's having difficulties trying to get some rules in place. But one of the concerns I have had expressed to me, Mr. Minister, is that in at least one case the eastern slopes wildlife policy is superimposing on a lease in terms accessibility during the winter in terms of weather. I wonder if the minister would perhaps consider an exemption to the tenure rules in this case?

MR. GETTY: Mr. Chairman, that flexibility is built into The Mines and Minerals Act, under which the leases are disposed to industry. I'd be happy to tell the member and say publicly right now, that should anybody be kept off a lease as a result of a mixture of interests — for instance, should it be a critical wildlife zone, a watershed area at a certain time of the year — we will not enforce a drilling obligation which would cause the company to lose its lease because it couldn't get on under the terms of the lease. We've indicated to industry — and perhaps it hasn't been widespread enough — that we are prepared to be very flexible in this regard.

MR. PLANCHE: Mr. Chairman, has the minister been approached by anyone to extend tenure, because of a lack of drilling equipment?

MR. GETTY: No, Chairman, I haven't.

Agreed to:

Vote 1 — Departmental Support Services:

1.1.1 — Minister's Office	\$153,516
1.1.2 — Associate Minister's Office	\$107,204
1.1.3 — Deputy Ministers' Offices	\$395,418
Total 1.1 — Central Support	\$656,138

1.2.1 — Budget and Accounts	\$1,806,004
1.2.2 — Personnel Services	\$1,197,111

1.2.3 — Drafting Services	\$89,452
1.2.4 — Computer Systems	\$404,364
1.2.5 — Records Management	\$1,241,233
1.2.6 — Executive Director —	
Administrative Services	\$50,604
Total 1.2 — Administrative Services	\$4,788,768

Vote 2 — Resource Evaluation and Planning:

2.1 — Program Support	\$239,296
2.2 — Resource Evaluation	\$4,096,079
2.3 — Resource Planning	\$533,717
Total Vote 2 — Resource Evaluation and Planning	\$4,869,092

Vote 3 — Minerals Management:

3.1 — Mineral Dispositions	\$5,150,128
3.2 — Mineral Revenue	\$2,316,466
Total Vote 3 — Minerals Management	\$7,466,594
Total Vote 3 — Capital	\$44,700

#### Vote 4 — Forest Resources Management

MR. CLARK: Whether 4.1 is the appropriate place, it is certainly someplace in Forest Resources Management. My question deals with the operation of the forestry service in Forestry. The minister recalls a rather continuing feud I've had with the Forestry people with regard to having centralized their offices a number of years ago.

My question to the minister: is the department now moving toward placing Forestry wage people back in Forestry during the summer and fall of the year? I raise the question because I see a pretty hefty increase here in supplies and services, and also because of discussions I've had — I hasten to emphasize, not with people in my own constituency; but when I was in the southern part of the province not long ago, a number of ranchers raised the question with me. They said, we centralized several years ago — in fact, they reminded me when we centralized — and then made the point: during the summer and fall we're going to put people back in Forestry. So my question to the minister is: is that, in fact, what's happening now?

MR. GETTY: Yes, Mr. Chairman, but they aren't forest rangers or as highly trained people as were redeployed for more efficiency and administrative purposes. They are people who are necessary in the forested areas during the most active period of time. They are, in fact, going back and will be spending the summer and fall in more remote areas.

MR. CLARK: Mr. Chairman, two specific questions to the minister. Mr. Minister, I appreciate this being done on a wage basis. I take it they are not on permanent staff. Could the minister give us the number of people involved, the qualifications, and the cost?

MR. GETTY: Mr. Chairman, without going further into it with staff people, I can only give the hon. leader this information: we are redeploying total numbers of people; we are not adding more people. As a matter of fact, over last year we are only adding four new positions for the Pine Ridge Nursery and one new position in the office. Those are new full-time posi-

tions. I would have to check the increase in wage earners who would not be permanent people. If the Leader of the Opposition would agree, I'd check into that and provide him with the information.

MR. CLARK: Mr. Chairman, that's agreeable. But in the course of providing me with the information, could the minister be fairly specific with regard to the redeployment factor? Those would be permanent full-time people, as I understand it. Then can you give us the cost and the numbers you're looking at for summer and fall staff, and the locations you're putting people in?

MR. GETTY: Yes.

Agreed to:

4.1 — Program Support	\$14,759,924
4.2 — Forest Land Use	\$1,764,524
4.3 — Reforestation and Reclamation	\$5,378,774
4.4 — Timber Management	\$2,792,972
4.5 — Forest Protection	\$8,897,164
Total Vote 4 — Forest Resources Management	\$33,593,358
Total Vote 4 — Capital	\$1,523,538

Vote 5 — Public Lands Management:

5.1 — Program Support	\$4,266,046
5.2 — Land Disposition	\$1,323,332
5.3 — Land Management	\$2,038,054
Total Vote 5 — Public Lands Management	\$7,627,432
Total Vote 5 — Capital	\$1,584,230

Total Vote 6 — Syncrude Equity Management

\$441,123

Total Vote 6 — Capital

\$2,000

Total Vote 7 — Foreign Ownership of Land Administration

\$194,699

Total Vote 7 — Capital

\$1,000

Total Vote 8 — Oil Sands Research Fund Management

\$852,400

Total, Vote 8 — Capital

\$15,000

#### **Vote 9 — Petroleum Marketing and Market Research**

MR. NOTLEY: Mr. Chairman, I'd just like to make a few very brief comments on this vote. Let me say that during subcommittee I thought the minister did an excellent job. As a matter of fact, he explained everything. In contrast to the "yes" and "no" answers in the House, I thought his comments were extremely useful.

I don't rise here to launch any major attack. There are obviously differences between my point of view and the government's on the approach we should take in the petroleum industry. Quite frankly, I think the time and place to discuss those differences will be a few months from now, and not necessarily at any great length in the House. However, I do want to make a pitch for something I know the minister doesn't agree with. I would like to see the government carefully consider a proposal, made a number of years ago by the former chairman of the Saskatchewan Power Corporation, that we establish a national gas bank through both federal and provincial co-

operation. In my view it's necessary to move in that direction, admitting first of all that the 30-year supply is itself a huge start toward the gas bank.

Some have suggested to me, don't worry about a gas bank *per se*, where we buy up reserves. All you have to do is perhaps increase the number of years. Some have suggested it should be 40 years, 50 years, or what have you. Mr. Chairman, I suppose the question really becomes one of judgment. I would say that if we increased the number of years that would be set aside to 50, 60, or 100, this would probably act as a major disincentive to the industry. In establishing a gas bank or rolling reserves, I'm willing to admit we have to make a judgment between the necessary return to whomever has invested, whether it's PetroCan, Saskoil, Imperial Oil, or a small group of people in a very tiny oil or gas company. So I think we do have to make that trade-off.

I would suggest that one of the advantages of a gas bank above the 30-year supply would be . . . First of all, look at the surpluses we discussed in subcommittee. Personally, I'm fully in favor of the Q and M line, if that's practical, so we can take that surplus into Quebec and the Atlantic region of Canada. We all realize there are certain short-term problems of supplying that market. But over the long run I think the primary concern of this government and of all members of the House should be supplying Canadian markets first, before we get into exports in the United States.

I see a beginning assessment of a gas bank, not on the basis of the temporary surpluses that have been talked about, but the temporary surpluses assuming the Q and M line becomes a feasible proposition. Then it seems to me that we can take a look at Mr. Cass-Beggs' concept. Are there risks involved? I suppose there are some risks. But I don't think those risks are insurmountable.

I say that because, if the information I've read in oil journals is correct, and I'm sure it is — it seems to be confirmed by federal officials — somewhere in the mid-1980s we're going to see a crossing of the world supply-and-demand curves for energy products. There's no doubt in my mind that when that happens, regardless of who's in office — even if we have a socialist government in office — the price of energy will go up worldwide.

That being the case, it seems to me we seriously reduce the risk of a gas bank. If the worldwide market situation were uncertain, there might be some significant risk in buying off a certain portion of our surplus and saying, we're going to take another three, four, or five years, add that to the 30-year supply, and put it in a gas bank.

But I say to you, Mr. Minister, and I say this very sincerely: with the probable crossing of world supply-and-demand curves in the 1980s, it seems to me that the risk of underwriting a gas bank is eliminated to a very large extent. In my view, Mr. Chairman and members of the Assembly, one of the advantages of such a course of action is that it would provide opportunity for smaller concerns to market additional gas without necessarily having to get us drawn into long-term export commitments with the United States.

Again I emphasize that as I visualize the gas bank, there would undoubtedly be export from Alberta. But

I would see the bulk of that export going to the rest of Canada. Only in very limited situations could I personally support additional export to the United States. If there were major concessions in some of these other areas, we'd have to take a second look at it. But I don't think it would be proper or prudent to get into export first, in hopes of negotiating some concessions in the second place. The long-term industrial future of the entire Canadian nation is so completely tied up with the availability of energy that it makes sense to me that we should take the risk now to ensure those supplies are there, not just on the rolling 30-year supply basis but perhaps for that extra five or six years a gas bank could provide.

MR. GETTY: Mr. Chairman, I guess it's obviously something the hon. Member for Spirit River-Fairview would feel has been considered. We disagree on whether it's something we should do. I only point out there are some problems with it. The very feeling that we need to buy something we now own; I wonder why we should. We have it. Why put up more money to get it when we have it? Secondly, putting a price on it is not as simple a matter as one might think. Thirdly, there is an investment philosophy not to put all your eggs in one basket, to take energy dollars and put them into energy. Maybe this is more philosophical and well into the future, but when the price goes up to the point where I gather the hon. Member for Spirit River-Fairview feels you really would start to make a profit, at that point you would be a very wealthy province reaching down into its bank, if you like. The crunch is on in energy, the price has really taken off. To get your profits you would have to demand that other Canadians pay those high, high prices, because the crunch is on.

I've only touched on four. There are a whole list of pros and cons on this matter. I only say to the hon. member that it is one view of some people. Mr. Cass-Beggs is a well-known socialist who would think along certain lines. I have great respect for him as an individual; nevertheless, I happen to disagree with his concept.

MR. CLARK: Mr. Minister, you'll recall when we were doing Vote 9 in committee, I asked about a report recently done by the Alberta Petroleum Marketing Commission. Has the minister had a chance to review the report yet?

MR. GETTY: No, I haven't, Mr. Chairman.

MR. CLARK: Mr. Minister, could I take just a minute to ask the minister's point of view, with regard to the future also, looking at this gas swap situation. A proposal has been put forward that has some appeal to me. If and when the reserves are agreed upon, and the approval of the province and the federal government is worked out in a manner that meets the concerns, and we get down to this nitty-gritty of a swap, one of the concerns that bothers me is the very matter the minister raised a minute ago. That's the price we put on.

The suggestion has been made that the province may very well want to take its royalty in kind; in fact, that would be the gas that could be involved in a swap and, rather than place a price on that gas, we should negotiate to get an equal volume out of the

pipeline at some time in the future, plus a rate of interest. I'm sure the minister has heard the suggestion previously; but I'd be interested in his reaction to that proposal, because at least on the surface it makes a considerable amount of sense.

MR. GETTY: Mr. Chairman, on the matter of swap, we should be clear about one thing: the Alberta government will not want the gas back. The swap will be something I assume the National Energy Board and the federal government will be asking for. The Alberta government will find the gas surplus to Alberta's needs. Therefore, presumably we will allow a natural gas removal permit. If it's found surplus, we will only do that if we obtain additional access for agricultural markets. Assuming that goes ahead, then it will go to the National Energy Board.

I wouldn't propose that Alberta would get involved with the National Energy Board problems, and the federal government, on the swap at that point. I think that will . . . [interjections] No, I think we should not. I think they will be bringing the gas back, presumably for others than Albertans, because we will already have found it surplus to every foreseeable Alberta need. Therefore the swap is for them to work out.

One place the Alberta government will have to be involved is in the mechanics of returning the gas to a market in Canada that we may well be selling to. In other words, if we're selling 400 million cubic feet a day to some part of Canada in, I'll guess, 1988, and gas starts to come back from the United States to that market, obviously we won't want to immediately shut down 400 million cubic feet of Alberta production. Rather there will have to be some means of handling that, either by storage, intermittent deliveries, or a variety of technical matters. Those are the matters that I see we would want to be interested in, not the other parts of a swap. Because Alberta will not be asking for a swap itself.

Agreed to:

Total Vote 9 — Petroleum Marketing and Market Research	\$1,726,774
Total Vote 9 — Capital	—

MR. CHAIRMAN: If you would turn back to page 123, Vote 1, there are two or three items we missed. If it is agreeable to the committee, we will finish Vote 1.

1.3.1 — Legal Services	\$65,804
1.3.2 — Scientific/Engineering Services	\$259,695
1.3.3 — Economic/Financial Services	\$693,205
1.3.4 — Information Services	\$528,096
1.3.5 — Research Support and Co-ordination	\$1,787,050
1.3.6 — Energy Resources Research Fund	—
Total 1.3 — Advisory Services and Research	\$3,333,850
Total Vote 1 — Departmental Support Services	\$8,778,756
Total Vote 1 — Capital	\$109,198
Department Total	\$65,550,228

Capital Estimates:

1.1 — Central Support	\$5,400
1.2 — Administrative Services	\$85,928
1.3 — Advisory Services and Research	\$17,870

Total Vote 1 — Departmental Support Services	\$109,198
2.1 — Program Support	\$7,900
2.2 — Resource Evaluation	\$139,550
2.3 — Resource Planning	\$2,800
Total Vote 2 — Resource Evaluation and Planning	\$150,250
3.1 — Minerals Disposition	\$27,500
3.2 — Mineral Revenue	\$17,200
Total Vote 3 — Minerals Management	\$44,700
4.1 — Program Support	\$707,132
4.2 — Forest Land Use	\$189,409
4.3 — Reforestation and Reclamation	\$137,285
4.4 — Timber Management	\$22,860
4.5 — Forest Protection	\$466,852
Total Vote 4 — Forest Resources Management	\$1,523,538
5.1 — Program Support	\$129,400
5.2 — Land Disposition	\$3,000
5.3 — Land Management	\$1,451,830
Total Vote 5 — Public Lands Management	\$1,584,230
Total Vote 6 — Syncrude Equity Management	\$2,000
Total Vote 7 — Foreign Ownership of Land Administration	\$1,000
Total Department — Vote 7	\$3,414,916
Total Vote 8 — Oil Sands Research Fund Management	\$15,000
Total Vote 9 — Petroleum Marketing and Marketing Research	—
Total Capital Estimates	\$3,429,916

MR. CHAIRMAN: That completes Energy and Natural Resources. Mr. Minister, would you care to make a motion?

MRS. CHICHAK: Mr. Chairman, on behalf of the chairman of Subcommittee A, the Member for Sedgewick-Coronation, I wish to advise that Subcommittee A of the Committee of Supply has had under consideration the estimates of expenditures for the fiscal year ending March 31, 1979, for the Department of Energy and Natural Resources. The subcommittee recommends to the Committee of Supply the estimates of expenditures of \$65,550,228.

MR. CHAIRMAN: Does the committee agree that we receive the recommendation from Subcommittee A?

HON. MEMBERS: Agreed.

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

[Motion carried]

## Department of Labour

MR. CHAIRMAN: Does the chairman of Subcommittee B care to report to the committee?

MR. DONNELLY: Mr. Chairman, Subcommittee B of the Committee of Supply has had under consideration the estimates of expenditures for the fiscal year ending March 31, 1979, for the Department of Labour. The subcommittee recommends to the Committee of Supply the estimates of expenditure of \$27,105,918.

MR. CHAIRMAN: You have heard the report from the chairman of Subcommittee B. Is it agreed that the report be received by the Committee of Supply?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Mr. Minister, do you have any opening remarks?

MR. CRAWFORD: Thank you, Mr. Chairman. I thought I might make a very brief opening statement just to touch on the highlights. Some of the members present, of course, were not in Subcommittee B.

The estimates this year are the occasion upon which the government is implementing the third year of a three-year program of expansion in regard to occupational health and safety. It has at all times been a very important priority thrust of the government and of the Department of Labour. In particular, the year brings the consolidation, into the Department of Labour services in respect to health and safety, of the work previously done by the mine inspection branch of the Energy Resources Conservation Board. That involves a move of nine employees between the two agencies. The growth, in addition to that consolidation of the department's own staff, amounts to 17 more people in order better to carry out the rapidly expanding work of that division.

The other areas in the department also of interest, of course: the general safety services will increase by 18 people this year to a total of 336. The growth is in response to the very considerable growth in rural areas in all types of construction. In some of the smaller cities, it involves the placing of new employees of the department into those communities in order that more local inspection services are available to the people in those growing communities.

The labor relations section of the department has also found that with the growing economic activity which has continued in the province in the last several years at an unprecedented rate, a lot of collective agreements and bargaining situations call upon the resources of the department for some assistance. Because of that, which constitutes a major volume increase, 10 new employees in that division are provided for.

In respect to capital, I might just note that Vermilion is the site of the fire training school for Alberta. It's been there for many years and has served the people of Alberta very well, particularly in the sense of the volunteer firefighters in smaller communities being able to take upgrading courses there. Indeed, in many cases it is perhaps almost the only instruction they would be able to get. So an expansion is proposed for the fire training school at Vermilion. It will not be completed during this fiscal year but will

begin, and it is provided for under these estimates.

In the recent year and going into this year our labor standards division has emphasized the public education services. From time to time as they're able, they provide to employers and employees in communities throughout the province, or at least in a number of locations, seminars and other types of informational get-togethers specifically designed to increase the awareness of both employers and employees, and groups of employers and employees, in regard to labor standards. This is a positive approach to the idea of enforcement, in that we believe full awareness and appreciation of the standards and the reasons for them are most helpful in enforcement. The desire to comply with the regulations is of course greater in the case where they've been discussed and explained and where department people are not solely in the position of enforcing the letter of the law, so to speak.

Mr. Chairman, I think those are a few of the principal items I wanted to express to hon. members by way of overview. Thank you.

MR. CHAIRMAN: Are there any general questions to the minister before we go into the estimates vote by vote?

MR. NOTLEY: Mr. Chairman, in leading off discussion on this particular question, I'd like to raise a number of separate issues, then ask the minister to respond. Then I may have some follow-up questions.

Might I just say at the outset, Mr. Chairman, that I have no doubt the minister is going to have a very busy year. Without getting drawn into the debate we had last Thursday, the guidelines are going to keep the Department of Labour extremely busy. There's no doubt in my mind that when the year is completed the minister who will be bearing the burden and getting gray and weary with those onerous responsibilities will be the Minister of Labour. Nevertheless he's a gamey type of individual, so I'm sure he'll undertake probably the most difficult, horrendous job in the cabinet with that spirit of enthusiasm which has always characterized his political career to date. He will need all the optimism, however, for the coming months.

MR. DIACHUK: You'll make sure it's that way, too.

MR. NOTLEY: I'll make sure it's that way, yes.

Mr. Chairman, first of all I want to take just a minute or two to say one thing I said during the budget speech, and to express some modest degree of support for a government position. The modest degree of support I want to express is with respect to the need to deal with capital works expenditures to bridge the gap. We're going to have some major construction projects winding down, and before other ones get off the ground there is going to be a period of slackness in certain parts of the economy, particularly in the construction trades. I would be less than honest if I didn't say it makes a heck of a lot more sense to me that we have public projects ready to bridge that gap rather than have people collecting unemployment insurance. Therefore, in my uncustomary position of not being the government's most ardent admirer, at least in this respect I would have to say that's a sensible position to take, and I think it

should be supported by members of the House.

However, dealing with the issues I want to put forward for response by the minister, first of all we have the question of the outside workers' dispute in Calgary. I realize it's not going to be possible for the minister to give us a blow-by-blow account of the current state of negotiations. It is my understanding, though, that last week a tentative agreement had been worked out as a result of the excellent mediation efforts of Mr. d'Esterre, who is probably one of the most competent and qualified people in his field in the province of Alberta. It was a memorandum of agreement signed by the union representatives and the chief commissioner of the city of Calgary on behalf of the city, as well as the gentleman in charge of their labor negotiations. That memorandum of agreement was taken to city council and voted down by a vote of eight to five. It's now my understanding, in talking to various people, that there's some shift in the position of city council and that as many as eight members of city council would now be in favor of the memorandum of agreement.

I think probably it would be useful — I know it's a fairly difficult question for the minister to respond to — if we took a moment today to discuss where things now stand on that very important matter. I would hope an agreement can be made. I would say to members of the government that if the Department of Labour is to have any latitude at all, if the whole mediation process is to be of even fleeting relevance, there are going to be settlements substantially above the 6 and 7 per cent guidelines. I think that just happens to be the whole process of collective bargaining. Agreements will be made which will be beyond those guidelines. If we're going to say, stick to the guidelines and there is no bending beyond the guidelines, then in my judgment, Mr. Chairman, we're going to have very few agreements and a lot of time lost through strikes this year.

I'd like to move from the whole issue of the CUPE Local 37 versus the city of Calgary dispute, to examine the issues now before the Labour Department with respect to the unfair labor practices charge being levelled against the Syncrude consortium by the Oil, Chemical and Atomic Workers Union. Mr. Chairman, I realize it is not for this Legislature to determine the validity of that charge. That particular allegation is now before the board and will be ruled on accordingly. I would say, however, that I find it disappointing that we're even in a situation where that kind of charge would be laid by people who . . . Whether [or not] the minister agrees with the people who laid the charges, I know he would have a great deal of respect for both the competence and the integrity of the people who felt constrained to bring the matter to the attention of the proper authorities. But having said that, I think it is unfortunate, because in my view any suggestion that anybody other than the workers in Syncrude should decide who will represent them offends all the legislation the western world has developed over many, many years of evolving sensible labor/management relations. I know that Imperial Oil has a certain approach they would prefer to use in dealing with their workers, the so-called team management concept. But in my judgment, as I read the Labour Act, it is very clear that it's not for this Legislature to determine who will represent workers, and it's not for outside union interests

and not for management. It is for the workers, and in making that decision they have to be free from undue influence from management, from government, or from anybody.

Mr. Minister, I would say that in the case of Syncrude it is particularly important that the entire issue be played by the book, by the rulebook, by the Marquis of Queensbury rulebook; because with our 10 per cent equity investment in Syncrude, and the fact that two other governments, Ontario and Canada, have an additional 20 per cent, with 30 per cent public investment it is just inconceivable in my view that we could stand by in this important question of who will represent the workers there and allow any kind of conduct that gives even the appearance of offending not just the spirit but the letter of The Alberta Labour Act. If we're not in a position to make that kind of firm position known, where we have direct equity investment, then it's pretty hard to be taken seriously by the private sector as far as the whole certification process is concerned.

Mr. Chairman, moving to another area, I noticed in subcommittee that the minister raised the question of the industrial health and safety program and the worksites. I believe there are now 150 worksites that cover approximately 14,500 workers. That's certainly a step in the right direction. I would say, however, that if industrial health and safety is to have really significant meaning, we have to move somewhat faster than our progress to date. One hundred and fifty worksites is, in my opinion anyway, very modest progress, and 14,500 workers being covered is a long way from what should be a reasonable target in a province where we have a significant number of people in the work force.

I realize there are problems. No one in this House would suggest that by fiat we say, tomorrow every place must have a worksite. But again I say there is a difference, there's a distinction, between the modest progress we have been making and doing it all at once.

On the question of The Individual's Rights Protection Act, I would be interested in the minister outlining to the Assembly whether at the moment any changes are being proposed in the review of that legislation. I see there will be a very, very modest increase of 4.4 per cent in the estimates. Are there any changes in the coverage of the act; that is, the type of thing we would consider a violation of The Individual's Rights Protection Act? I think a report on that question would be useful at this stage.

I would like to pose two other issues before closing my initial remarks. One is the pockets of unemployment in Alberta. I realize this is partly an issue that comes under the responsibility of the Minister of Advanced Education and Manpower, but it seems to me we still have in the province the problem of those communities that plague us with pockets of unemployment. We're just not going to be able to deal with those problems by hoping the general prosperity of the rest of the economy will eventually sift down. Those areas are unfortunately very resistant to the sort of trickle-down approach.

It seems to me if we are going to have a program that will provide opportunities in many of these communities — it would probably be unfair to enumerate the communities, but most of the members in this House would be able to identify them — we're

going to have to look at some kind of public sector investment. We're going to have to look at the same sort of approach. As a matter of fact, it is interesting to note that the Northern Alberta Development Council made that observation as well, and I think it was a reasonable one. You have to look at some of these places in precisely the same way as the federal government has to look at Cape Breton Island or large parts of Newfoundland. It just isn't possible to say to the private sector, you go into these communities. You're not going to go to the corporate sector and say, take over the Sydney steel mill, because the private corporate sector said, no, we don't want the Sydney steel mill. If we're going to provide jobs in some of these areas where there is a long-standing problem of unemployment and a whole series of barriers to providing work and jobs, there has to be a deliberate planned program, a public sector investment. If that program isn't there, we're going to end up paying for it through unemployment insurance, welfare, or the combination of social programs which, while necessary for people who have no other income, nevertheless rob not only people but communities of a sense of dignity.

Mr. Chairman, the other point I'd like to raise in concluding my initial remarks is the present situation at Parkland. This strike has dragged on. It began on March 18, when the initial matter arose. I'd like the minister to perhaps bring us up to date on where things now stand in the Parkland negotiations. Six or seven weeks ago he indicated in the House that his officials had checked out a list CUPE had given him as to the number of people who had passed away and that some of them were alive. In fact just two of them in the list were. There was unfortunately an increase. I don't know whether or not that has any relationship to the current dispute at Parkland, but the figures would seem to indicate that there has been a significant increase in the mortality rate. I don't want to dramatize or exaggerate it, because that would be unfair, I think, to both the workers who are on the picket line and the people in the home. But at this stage of the game it does seem to be a troubling situation. An impasse has now been in existence for over a year.

Now I've looked over the issue. Albeit perhaps I have a slight bias or prejudice; I hope not. But it seems to me that we have not had a meaningful attitude on the part of management toward the collective bargaining process. They just do not seem to be ready to bargain in good faith. I don't know how long we can stand back and allow this process to drag on; it's now been over a year. As the minister knows all too well, the trade union movement is very quick to juxtapose the almost 13-month dispute at Parkland with the fact that it took four days to put the nurses back to work under the emergency provisions of The Alberta Labour Act.

I say, Mr. Minister, with a great deal of respect: I know efforts have been made to get the show on the road. But it's almost 13 months now, and it does seem to me it is a dispute that in the public interest should be settled as soon as possible.

MR. CRAWFORD: Thank you, Mr. Chairman. I would like to comment on a number of these points and perhaps should do them in the order in which they were raised.



Firstly, as the hon. member would anticipate with respect to the dispute in Calgary and to the Parkland one, I feel it's very difficult to present information which is more than a vague generalization of what has occurred between the parties without either breaching a confidence or dealing specifically with matters that the parties are entitled to consider, [which] is their own information to discuss in a public forum if they wish, but not, in the unique position that conciliators and mediators work, open to them to provide the same information to the general public.

However, I would indicate that in the Calgary dispute I think one or the other of the parties did make public that negotiations had got so far as a tentative agreement. But as hon. members would all fully appreciate, a tentative agreement is nothing more. It requires the ratification or otherwise of the principals of the negotiating teams, and, as matters turn out, it certainly happens on frequent occasions that one or another of the parties turns it down. Then it's sort of back to the drawing board. The memorandum reached in any given dispute at any time may hopefully help in generating the next step in the negotiations. But I don't think the examination of a specific proposal that was turned down by one or both of the parties, as also happens from time to time, can be made without somebody implying a criticism of one or the other party for not making it fly.

On that basis, I think the report I should give to this committee at the present time is to indicate that discussions are indeed very current. The parties are continuing to meet; if not directly across the table, then certainly with the staff of the Department of Labour who are available for that purpose. I share the view I'm sure all members of the House and of this committee have, Mr. Chairman: that the bargaining process, as difficult as it may be over the short term and as uncertain as it is at any time, is the best way to bring the parties to their final conclusion. That process is being undertaken at the present time. We're assisting it to the best of our ability, and no doubt in due course it will bear fruit, as we would all hope and expect. In noting that, also note that any attempts to guess just how soon that should be is virtually impossible.

The hon. member made another remark. I suppose he makes remarks like this to bait people over here and, when he makes them, wonders whether there will be any response or just an attempt to go on to another point and skip them. But I don't agree; I can't agree with him that it's a certainty — I think I picked that word right from his remarks — that there would be numerous settlements substantially above the guidelines in Alberta this year. I don't know why that would be. I suggest to hon. members that in their original framing and promulgation the guidelines were very realistic, and that situation has not changed. I think it's an extraordinary argument to make, and I believe the hon. member did not limit his remarks to public sector negotiations when he indicated his view that a number of settlements would be substantially above the guidelines.

Looking at the total economy — public and private sectors — to resolve everything always in the terms of overall broad percentages is difficult. To generalize in regard to the whole broad prospects of the economy is indeed difficult. Percentages sometimes are not the greatest help, because one industry may

be healthier than another, one industry may be behind in its normal evolution, and so on. There are very many things that can affect it. But we're at a time when, given the limitations of percentages in expressing what the development should be in regard to settlement, some means of expressing it must be considered to be useful.

Reflecting on the private sector's settlements, I think it has become abundantly clear in Canada that the increases in the cost of Canadians competing with others have to be accommodated in some way. It's not perhaps the most pleasant thing to pay for it all in a devaluation of the dollar, in unemployment, or whatever. For those reasons thoughtful people will say that the wage and salary levels themselves, the return the individual gets, whether he be a small businessman, a shareholder, a manager, an owner, or the worker who is producing the wealth — whichever one he happens to be, the amount taken out of the production process is so clearly a factor in the cost of it, and a factor of course in the ability of the economy to compete. It's not very worth while producing anything, whether it be a basic resource or the most sophisticated thing at the other end of the process, which is perhaps a finally completed manufactured product; there's not really much point in producing any of that if it's produced at such a cost that no one wants to buy it or can't afford it. So those are the considerations that go into thoughtful people saying that some restraint is the order of the day. Whatever the deficiencies in expressing them in percentages, it has to be undertaken, and we've done that.

Another issue raised by the hon. member, which I agree is an important one, is the action taken by the Oil, Chemical and Atomic Workers Union in respect to the operation of the Syncrude plant and the hiring practices involved there. I think the law is that the work force has the right to choose who will represent them and that that right is within the spirit of the Labour Act. My difficulty, of course, is that I don't immediately leap over the broad gulf the hon. member is already on the other side of: that the workers in this particular case are being influenced by the employer or prospective employer in such a way — I think he used the words "undue influence". When the whole matter is to be made the subject of a hearing and the mechanism is there for it to be heard, I think it would be a serious thing if anyone in the Assembly, but particularly myself by way of any remarks made here, tried to indicate that some of the things the hon. member may believe to be true are in fact true. Because the whole question of a hearing is to determine those very things, and prejudging is a grievous sin in the successful operation of any of these agencies, as it is with the courts. I wouldn't want to be party to that, and at this point I wouldn't want to add anything to what I've said in that respect. I acknowledge the importance of the issue and certainly watch the result of it, as I know all hon. members would like to do.

In respect to occupational health and safety, it seems to me we've discussed that from time to time in this room, and I feel rather pleased with the approximately 150 sites that have now been designated as sites where joint employer/employee committees must be established. That was done on a basis of priority, with very careful estimation of the

hazards or likely hazards on the sites, based on inspections of the sites themselves plus the nature of the processes, the industries, and the existence of safe practices or otherwise on the sites prior to the inspection. I don't disagree that more must be done. However, we have been somewhat cautious in respect to making certain assumptions which aren't necessarily borne out by the facts in program development in this area. We did not want to assume — and I don't think the Gale commission assumed it either. They recommended it. It was to the best of their ability at that time as a commission to make that recommendation. They did, and we accept it in that light.

But without an evaluation I don't think anyone can really come to the conclusion that the existence of a joint committee, without reference to the site, the form of committee, its terms of reference, procedures, follow-up, and interlock with the government inspection services . . . Without counting all those variables, weighing each of them and their bearing on the issue, no one could even come to the conclusion that a safer site would necessarily result. That's so important that we have deliberately set up an evaluation procedure for the ones that have been designated, and treat the amount we can learn from those evaluations as being critical to the rate at which future expansion should take place, as I believe it must and should.

However, if we learn something truly valuable from the first evaluations about the terms of reference, the procedures, follow-up procedures or the like, it will have been worth while studying those before implementing a number of others that might get off on the wrong foot, because it's easy to do in these things.

I might say our evaluation has already shown that in those sites where the committee is working effectively and well together, regular meetings are being held, and so on, there is a noticeable improvement. We have also observed some sites where the committees have clearly failed. This is a matter for evaluation to determine the reasons. I call that progress, and I acknowledge the philosophy. One that we've adopted might lead one to think that the 14,500 workers is not a large number in the present work force in the province, but the reasons are the ones I've stated for the beginning that may be referred to as modest.

The Individual's Rights Protection Act amendments: I would have to say to the House that I don't think I should be discussing that until such time as the bill comes forward. The question was innocent enough, in that the hon. member was in a very general way asking about changes that might be proposed. He noted that the increase in the estimates was modest this year and wondered if that meant any changes proposed might not be significant. I don't think that conclusion should be drawn, because the operation of the commission, in the scope of what its responsibilities are, doesn't necessarily relate precisely to the variation in the estimates from one year to the next.

I should make it clear, though, that although there has been some general public awareness or knowledge of the recommendations made to me by the Human Rights Commission in respect to proposed changes, those are still under consideration by the caucus and it has not been determined in what form the changes might be recommended to the House.

For that reason it would be more than difficult, it would be impossible, to try to outline much in respect to what might be proposed in any bill coming forward in this session.

The hon. member dealt with another question, noting that perhaps by its nature it is also of interest to others of my colleagues. The reference was to pockets of unemployment. It interested me that when he decided to refer to pockets of unemployment, it was a moment before he elaborated on the fact that he was speaking of geographic pockets. I wondered if we were talking about what could also be a pocket of unemployment, and that is the group of people in the work force who are not available for the work that requires more training than in the usual case they have. It's true there are also some out of work because they have more training than the job offers. But we'll worry less about them and more about the ones who are undertrained.

He made reference to the need for public investment to look after some of these. I noted the fact that the pocket might indeed be both types of pockets. It might be the group of people who have no training for jobs that could perhaps be done, but it may also — and I'm speaking in particular of the northern areas and the native population — in fact be a geographic pocket as well.

In respect to that I can only say two things. One is that we feel the strong development primarily of resource-based industries in the north and medium-north part of the province is actually still the best prospect for gainful employment of people in those areas. The Syncrude plant employs at least 1,800 people — I think that figure is about right — when it's in full operation. I believe a large number of those people, as at GCOS, are going to be native people.

Surely that type of employment, looking forward to continued development in the north, is better than some pump-priming device that many, many governments have tried over and over again in make-work types of programs that may transfer some money for a certain period of time — usually governments are so scared of the programs they call them experimental anyway — and then are not there as a continuing employer over the years.

Although I don't criticize the modest involvement or inclusion of government in that make-work type of proposal, I don't think it's the large answer. Surely it's the large overall answer that we must look for, the answer in terms of the economy and the social fabric as a whole. If we believe, as we do, that the answer to employment opportunities lies primarily in the private sector, I think that answers the question in regard to public investment; namely, it would be our view that one should move cautiously in that, and yet vigorously in the area of persuading the private sector to develop its own programs, some of which have been very good in regard to the employment of native people.

In regard to Parkland, I'm afraid my remarks are getting almost as long as that dispute. So I'll be very brief and say that I believe the mediation meetings I have attended personally in recent months now number five. A further meeting or meetings will be held. Having said that, I think it is really difficult, as with the outside workers' strike in Calgary, to discuss the matter without getting into an area that might sound like criticism of one side or the other for conduct

during the negotiations which they would have every right to expect me to retain in complete confidence. I would always rather make the mistake of assuming more than less in respect to what the parties would expect to remain confidential before a dispute is resolved.

It's a very difficult dispute and one that is extremely hard on both parties in the sense of the stresses and strains of the situation. But our approach to it has been to continue to attempt mediation, even though some past mediation attempts have failed. That is the way the matter is still being handled.

MR. MUSGREAVE: Mr. Chairman, I just want to make a few comments or ask the minister a few questions. On the last subject he was speaking on: as a citizen of Calgary I just hope the strike is settled reasonably soon. It's starting to affect our environment. We're getting a lot of garbage on the streets and in the periphery. The roads are in pretty bad shape. I just hope the message gets through that 7 per cent is 7 per cent, and regardless of all the gyrations we go through we still have to try to come within that guideline. I hope that message becomes more obvious as the days go by.

Mr. Chairman, what I really want to ask the minister . . . I'm in a very difficult area because I'm not that well informed on the subject. But I'll pass it to the minister for what it's worth. I have some concerns about the National Building Code and the Alberta Building Code. During committee the minister explained to me, I thought, that the changes in the code were just a sort of amplification or a method or making it easier or more acceptable — or easier to work with for Calgary — for the construction people in the province of Alberta.

But I understand there was a conference in Edmonton last week to which several building inspectors from the city of Calgary were invited, among other people. I imagine they came from all parts of the province. At this conference one of the minister's senior officials is alleged to have said that a very comprehensive testing department is going to be set up in the city of Edmonton which in effect would be taking the place of the CSA and NUL work, and they mentioned another laboratory, the name of which escapes me.

My concern is this: is the province of Alberta trying to replace the National Research Council? That's number one. My second question is: I hope the province is not trying to bring in standards that are going to make it difficult for manufacturers in other parts of Canada to meet our standards.

Finally, I would like the minister to comment on . . . I'm sure he doesn't feel Alberta is an island in Canada. We've got to live with our neighbors. I think it is going to weaken our marketing position if we adopt standards that are going to curtail the amount of the market that, say, manufacturers in British Columbia or Ontario have enjoyed in the past. If we're going to make our standards so severe, they're not going to be able to meet them, or be able to meet them at high cost.

It's got three things wrong with it: first of all, it's going to make housing and building more expensive; I don't see why we should be duplicating the efforts that have been set up on a federal basis; and it's going to make homes more expensive for Albertans.

MR. CRAWFORD: Thank you very much, Mr. Chairman. In a general comment first, if the building standards in the province of Alberta are the most stringent in Canada — I don't know that to be the case, but if it is the case — then certainly it would be the policy to cap the thing off at this stage, in the sense of the strictness of any requirements. In revising or reducing them, people should be thoughtful and bear in mind that a few years ago we set out as a Legislature to move for uniform provincial standards. We did that for good reasons at the time. There were a lot of communities in the province where the standards were extremely questionable in the sense of enforcement or inspection. So rather than the myriad of municipal standards, which is the real cause of problems to builders . . . For example, I would think a builder who has to know the way he's to build a particular type of structure or part of it in Calgary, without knowing it will be the same in Edmonton, is in a real fix. So the idea of a provincial standard became a good idea. That caused certain problems, in that a number of communities had not been all that attentive to the question of standards prior to that time.

Having sort of covered that particular waterfront, I would agree with the hon. member. I wanted to begin by saying this and referring to my view that it's time to cap our program, at this point, if the code is stringent and cost-creating in the time frame we're working in now, presuming that can be done without creating dangers to buildings and people. I know the debate often whirls around whether or not the public sector in the sense of the enforcement agencies, or the private sector in the sense of the design and structural people, are really in a better position to say what a specific standard should be. Because of reasons like that, we discuss the regulations broadly before they're implemented, and have an advisory council which has a very significant, strong private-sector representation. It's very important to have that in the uniform building standards council. It's a new agency. I think there have been a few wrinkles in getting it operational in the full sense that both the government and the agency itself would like to see. But it's a good concept strongly representative of the private sector, and it should fulfil the purpose.

I say to the hon. Member for Calgary McKnight, Mr. Chairman, that it was unfortunate that my intention of attending the conference of building inspection officers last week was one I couldn't keep. I would very much have liked to have heard the latest thinking on the subject in the province. I am not aware of any statement made there that could lead anyone to the conclusion that Alberta was going to move into testing in a significant way. In the context the hon. member put it, in the sense of trying to replace the existing standards organizations, we work very closely with them and value that relationship and find it extremely useful to be able to relate to them, but would not propose to go our own way.

Agreed to:

Vote 1 — Departmental Support Services:

1.0.1 — Minister's Office	\$111,400
1.0.2 — Administration	\$873,450
Total Vote 1 — Departmental Support Services	\$984,850
Total Vote 1 — Capital	\$20,150

Total Vote 2 — Labor Relations	\$3,164,430	[Motion carried]
Total Vote 2 — Capital	\$13,230	

Total Vote 3 — General Safety Services	\$8,537,770	[Mr. Speaker in the Chair]
Total Vote 3 — Capital	\$124,320	

Total Vote 4 — Occupational Health and Safety	\$5,387,670
Total Vote 4 — Capital	\$97,910

Total Vote 5 — Individual's Rights Protection	\$707,860
Total Vote 5 — Capital	\$1,000

Total Vote 6 — Workers' Compensation	\$7,784,638
Total Vote 6 — Capital	\$2,000

Total Vote 7 — Industrial Relations Adjudication and Regulation	\$538,700
Total Vote 7 — Capital	\$3,750

Department Total	\$27,105,918
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Capital Estimates:

1.0 — Departmental Support Services	\$20,150
2.0 — Labor Relations	\$13,230
3.0 — General Safety Services	\$124,320
4.0 — Occupational Health and Safety	\$97,910
5.0 — Individual's Rights Protection	\$1,000
6.0 — Workers' Compensation	\$2,000
7.0 — Industrial Relations Adjudication and Regulation	\$3,750

Total Capital Estimates	\$262,360
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MR. CHAIRMAN: That completes the Department of Labour.

MR. CRAWFORD: Mr. Chairman, you don't give the total \$27 million at this point, before my motion?

MR. CHAIRMAN: We have voted on the total.

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

[Motion carried]

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

DR. MCCRIMMON: Mr. Speaker, the Committee of Supply has had under consideration the following resolutions, reports the same, and asks leave to sit again:

Resolved that for the fiscal year ending March 31, 1979, amounts not exceeding the following sums be granted to Her Majesty for the Department of Energy and Natural Resources: \$8,778,756 for departmental support services, \$4,869,092 for resource evaluation and planning, \$7,466,594 for minerals management, \$33,593,358 for forest resources management, \$7,627,432 for public lands management, \$441,123 for Syncrude equity management, \$194,699 for foreign ownership of land administration, \$852,400 for oil sands research fund management, \$1,726,774 for petroleum marketing and market research.

Resolved that for the fiscal year ending March 31, 1979, amounts not exceeding the following sums be granted to Her Majesty for the Department of Labour: \$984,850 for departmental support services, \$3,164,430 for labor relations, \$8,537,770 for general safety services, \$5,387,670 for occupational health and safety, \$707,860 for individual's rights protection, \$7,784,638 for workers' compensation, \$538,700 for industrial relations adjudication and regulation.

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

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Speaker, as to the business of the Assembly in consideration of the estimates for the next few days: this evening Subcommittee A will consider the Department of the Environment estimates; Subcommittee B, the Department of the Solicitor General. On Wednesday, on Orders of the Day, we will begin with Advanced Education and Manpower, followed by Environment and Solicitor General if they are then out of subcommittee.

I move that we call it 5:30.

HON. MEMBERS: Agreed.

[At 5:24 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]