

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Monday, November 3, 1980 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: TABLING RETURNS AND REPORTS

MR. HYNDMAN: Mr. Speaker, I wish to table the annual report of the Treasury Department for the fiscal year ended March 31, 1980, and as well file with the Legislature Library two copies of a capsule history of the Treasury Department in the 75 years since 1905.

MR. LEITCH: Mr. Speaker, I wish to table the annual report of the Department of Energy and Natural Resources for the fiscal year ended March 31, 1980.

MR. COOKSON: Mr. Speaker, it's a pleasure to table the annual report for Environment for the year ended March 31, and the annual report of the surface reclamation fund from April 1, 1979 to March 31, 1980.

head: INTRODUCTION OF SPECIAL GUESTS

MR. KOZIAK: Mr. Speaker, it's my pleasure this afternoon to introduce to Members of the Assembly students in the members gallery from the constituency of Edmonton Strathcona. These students are attending the University of Alberta and are taking Recreation 455, a course which exposes them to the laws and administrative aspects of recreation. I'm sure they'll be excellent candidates for future positions in the Department of Recreation and Parks, and I hope that my colleague will take note of these students for future purposes. Mr. Speaker, I would ask that they rise and receive the traditional welcome of the Assembly.

MR. STROMBERG: Mr. Speaker, we have with us today 28 grade 10 students from Bawlf high school, seated in the members gallery. Accompanying them are their principal, Lyle Erga, his good wife, and bus driver Larry Uglem. This morning these students visited the AGT building, rode the LSD, and now this afternoon, the Legislature. [interjections] For your information, Mr. Speaker, Bawlf is one of the fastest growing communities in Alberta, situated at the eastern end of my constituency. I would ask them to rise and be recognized by the Assembly.

head: ORAL QUESTION PERIOD**Federal Budget**

DR. BUCK: Mr. Speaker, to the hon. Member for Camrose. I think he meant LRT, not LSD. The hon. Attorney General says it depends what kind of a trip you're on. [laughter]

Mr. Speaker, my first question is to the hon. Premier.

It flows from the statement by the federal Minister of Finance on the weekend that the federal government will proceed with the energy pricing schedule which is contained in the national energy policy. In light of the fact that it seems that the federal government has started negotiations through the press rather than around the table, can the minister indicate if the Premier's office has had any communication up to this time to start renegotiations on energy pricing?

MR. LOUGHEED: Mr. Speaker, neither I nor any member of Executive Council has had any such communication.

DR. BUCK: Mr. Speaker, is the Premier in a position to indicate when and if the Premier, members of Executive Council, or the Minister of Energy and Natural Resources will start negotiations, or at least extend the invitation to the federal government to start renegotiation?

MR. LOUGHEED: Mr. Speaker, at this time I'd rather defer answering that question for perhaps a week, to give a breathing space here while we proceed with the motion that is on the Order Paper and, if approved, the order that would result, and consider carefully the most appropriate way in which negotiations can be undertaken. It seems to me that in order to have any chance of success, it will be important to have some reasonable progress at the official level initially, and then at the ministerial level.

It certainly has been my experience that those circumstances where we have been successful in negotiation occurred when that was developing, in the sense that the officials would be ensuring, first of all, that there was a common data base. The ministers were then moving closer to positions that would warrant finalization by first ministers. That was our experience in the negotiations between '74 and '79, and I rather feel that it would be the better way to proceed in these difficult situations. Further than that, I'd like to defer responding until more thought could be given to it.

DR. BUCK: Mr. Speaker, then I will not ask any more supplementaries on that issue.

As a response to the questions we've already asked on the economic impact of the federal budget on Albertans and the impasse we have now, I'd like to know if the Premier can indicate when we will receive information as to the economic impact on the consumers, farmers, and all the other groups we were asking about last week? Will the government be in a position to have that information available to the Assembly relatively soon?

MR. LOUGHEED: Mr. Speaker, I doubt that it would be possible to do that except in a very general way, because they really involve the aggregate decision-making process of budget makers throughout, first of all, the conventional oil and gas industry and their multiplier effect on the service and drilling industry in the province primarily. I'm advised that those decisions will take some time to be made in the first place, then having been made, to be communicated, and then having been communicated, to be effectively assessed so that we could give some meaningful response to the hon. member and to Members of the Legislative Assembly.

MR. NOTLEY: A supplementary question to the hon. Premier. The Premier indicated that before useful nego-

tiations could take place between first ministers, officials should be meeting. Is the Premier in a position to advise the Assembly whether any meetings are now scheduled between the officials of the two governments, or will they be planned shortly?

MR. LOUGHEED: Mr. Speaker, I think that really relates to my view that I'd like to give some more thought to this process, to assure that it has the largest possible prospect of success.

DR. BUCK: Mr. Speaker, a supplementary question to the Premier. Is the Premier indicating that in light of the fact that we were negotiating for increased prices, the provincial government did not have any idea what the economic impact would be on farmers, gas users, and service industries? Is the Premier saying that the government had no information, or had done no studies to see what that impact would be?

MR. LOUGHEED: Mr. Speaker, it's hard to respond to that question without debate, if I understand the hon. member's question properly. We're talking about the economic impact of a federal budget that was presented last Tuesday evening, if I understand the thrust of the question. The emphasis that has been taken by and through the debate under Motion 19 on the Order Paper relates to the impact in the initial circumstances, with regard to the conventional oil and gas industry and the resulting service industry that will follow. As I mentioned in my telecast and as is reflected in the transcript tabled in this Legislature, that is a matter of determining the degree to which the explorers in this province will determine, in their assessment, the extent to which their exploration and development budgets will be reduced in the future.

I am given to understand that the members of the conventional oil and gas industry, in their very diverse nature, are making their own evaluation of the situation, that they are requesting further information from the federal financial and energy people, and that it will be some time before they're able to reach a conclusion. The assessment that this government has taken and has presented is an assessment that, as a result of the federal budget, decisions will be made that agree — as yet not able to be ascertained — in reducing exploration budgets with its multiplier effect.

With regard to the other aspects of the federal budget, if the hon. member is asking as to the impact upon the province of Alberta from a consumer point of view, that is of course an assessment that will be ongoing by the Treasury Department in relation to the actual budget document which was in fact presented last Tuesday. I am sure that will take some time to complete.

DR. BUCK: Mr. Speaker, a further supplementary on a point of clarification to the hon. Premier. In light of the fact that negotiations were going on with the former Prime Minister, the Rt. Hon. Joe Clark, and the present government, is the Premier saying that the departments of the Minister of Utilities and Telephones and the Minister of Agriculture had not done any studies as to the increased cost to Alberta farmers and natural gas users and that some plan to shield the Alberta consumer was not looked at?

MR. LOUGHEED: Mr. Speaker, again I find a difficulty in responding to the question in the sense that it has been directed, since I presume now that the direction has to do

with the extent to which consumers or agriculture producers in the province are affected by the federal budget measures.

The measures with regard to protecting Albertans from increased fuel costs have been the subject of decisions made this summer and duly announced by the Minister of Utilities and Telephones with regard to the natural gas pricing proposals that have been placed in an announcement way before the House. If the request now is for information as to its impact on consumers other than in that area, that's certainly a matter that has to be evaluated subsequent to the federal budget.

MR. NOTLEY: A supplementary question to the hon. Minister of Utilities and Telephones with respect to the announcements made some time ago. Was the data base the department used to develop the changes the minister announced the pricing schedule set out by the Premier in his discussions with the Prime Minister in the latter part of July?

MR. SHABEN: Mr. Speaker, the development of the new natural gas price protection plan commenced last fall; it didn't start this summer. In developing our projections, the extent of protection we anticipated for citizens was based on our best estimates of what would be fair and reasonable increases in natural gas prices and fuel prices to Canadians.

As I indicated last week in response to questions from members in the Assembly, trying to assess the impact of the federal budget of last Tuesday is pretty difficult to do. We have some general feeling of the impact on our consumers; for example, we expect the average homeowner to have to pay, effective November 1, an additional \$60 to \$70 per year in home heating costs to the federal treasury. Those are rough figures.

We have done some projections as a result of the federal program, but it's difficult to be precise because there are other measures in the document, such as the tax on producing companies. As all hon. members know, some of the gas distributors are also producing companies, so that impact has not yet been assessed; nor has the impact on the electric utility user, because some utilities in the province use natural gas for generating power.

MR. NOTLEY: Mr. Speaker, my supplementary question to the hon. minister, though, is to try to elicit from the government the data base on which the government obviously came to the conclusions which were announced a few weeks ago.

My question is: since the consideration took place before the meeting between the Premier and the Prime Minister, was the data base the pricing schedule which was contained in the federal budget in the fall, which was not passed by the House of Commons? Was it independent of those pricing figures? And if so, will the government make that information available to the Assembly?

MR. SHABEN: Mr. Speaker, there will be ample opportunity to discuss the detail of the hon. member's question when the amendments to the rebates Act will be brought before the House later in the session. In terms of the specifics of the data base, it's customary for the government to use a great deal of information in developing programs, and the specifics may not necessarily be made available in that sense.

MR. R. SPEAKER: Mr. Speaker, my supplementary question is to the Minister of Agriculture. It is in light of the response last week by the Minister of Energy and Natural Resources, indicating that we would be getting impact information, potentially this week, and also the Premier's remark with regard to the Provincial Treasurer indicating that we would have some idea of the impact on consumers.

I was wondering if the Minister of Agriculture has the professionals or the people in his department working on the impact of the federal budget with regard to farmers in Alberta or the agricultural industry in general.

MR. SCHMIDT: Mr. Speaker, it's a little early to arrive at any figure that would be definite with regard to the direct increase to agriculture resulting from the federal budget. The most direct will of course come with the Minister of Energy and Natural Resources, as we realize the change of actual energy products used by agriculture in the province in a dollar-and-cent increase. The balance of the increases that will take some time to arrive at will be those that are more indirect, that are tied to not only the companies processing the material but the future down-the-road impact it could have on the price of fertilizer that people in agriculture are of course very dependent upon.

MR. LEITCH: Mr. Speaker, I wonder if I might supplement my colleague's answer by simply pointing out to the hon. Member for Little Bow that the numbers and assessments I was talking about during the question period on an earlier occasion in the House were really questions of revenue and apportionment of revenue of a nature similar to those I had published a few weeks earlier, relating to our energy package offer of July 24, 1980, to the current distribution of revenue from the petroleum and natural gas industry, and were really not of the nature that he had included in his question to the Minister of Agriculture.

MR. R. SPEAKER: Mr. Speaker, a supplementary then to the Premier, partly as a suggestion, also as a question. Would the Premier be prepared to request the various ministers in the related departments affected by the federal budget to assign a task force, possibly in each department, to look at these economic impacts that will come from the federal budget? I say it in terms of discussions with my constituents over the weekend. They are quite concerned, and they would like to hear some relevant information from the government at this time.

MR. LOUGHEED: Mr. Speaker, we'll take that into consideration. But because the thrust of the question has been towards the impact on both consumers and agriculture producers, I think it's only appropriate to point out, as I believe has been pointed out on a number of occasions, that as far as Albertans are concerned, in a multitude of ways they receive the benefit of our position of ownership of resources and, as far as farm input costs relative to energy are concerned, have by far the lowest of those costs of any competing producers anywhere in Canada, the United States or, for that matter, in any developed country. We will give consideration to that matter. I think the concern of Albertans rests with their interests in the total economic activity in the province, and rests with them in terms of their ownership rights as individual citizens of the province.

MR. KNAAK: Mr. Speaker, a supplementary to the Minister of Energy and Natural Resources. The Premier answered part of the question I was going to ask. On the supplementary matter, I think it is understood that the national and provincial energy goal for self-sufficiency by the 1990s, which is being injured by the budget, had one component, the reduction in the growth of demand. I am wondering if the minister or his department has prepared any studies which tend to indicate the relationship between an increase in the price of oil and the reduction in the growth of demand in the consumption of oil.

MR. LEITCH: Mr. Speaker, a number of studies have been done on that issue. I think I would limit my response today simply to pointing out that in the United States there was a very marked reduction in the consumption of oil products, which was directly related to the increase in prices.

Government Residences — Disease Control

DR. BUCK: Mr. Speaker, my second question is to the hon. Minister of Social Services and Community Health, and has to do with the flu outbreak at Michener Centre. Can the minister indicate what procedures the department has in place to attempt to curtail the transmission of communicable diseases of people in government residences?

MR. BOGLE: Mr. Speaker, as I indicated during the questioning on this very important subject last week, assessments are made first by the professional people both on staff and on contract at the facility. That was done at Michener Centre. Through the Red Deer health unit association, the local authorities were brought into play, as was the expertise of Health and Welfare Canada.

Mr. Speaker, I might mention that one of the primary concerns when dealing with a possible outbreak of a disease we know very little about is to take all precautions and to isolate the area. Of course, that was done.

I might mention for clarification that the information I have as of today is that seven patients are still ill. All seven are in stable condition. They will be kept for the next three to four days for observation. There have been no new outbreaks of illness since Monday, October 20.

DR. BUCK: Mr. Speaker, a supplementary question to the minister. Can he indicate what procedures take place when new admissions and residents come into government facilities? Is there a thorough investigation of which vaccinations they have received, and do all these people have booster shots or any such procedure when they come in as new admissions?

MR. BOGLE: Yes, Mr. Speaker. All precautions are made to ensure that when new patients or clients come into one of the facilities, they are not inadvertently bringing with them some disease that might be transmitted to other patients. Of course at Michener Centre, where we're dealing with the largest single institution we operate as a department, there are separate lodges. Therefore, we are able to isolate any problems that do exist. That is what was done in this particular case.

DR. BUCK: Mr. Speaker, a short supplementary to the minister. In light of the fact that the flu virus seems to be rather unique, can the minister indicate the status of the Atlanta, Georgia, group coming in to act as consultants?

MR. BOGLE: Mr. Speaker, to clarify any misunderstanding the hon. member might have had, we have not actually brought in anyone from Atlanta, Georgia. Because of the expertise the disease control centre in the United States has, in particular with the so-called Legionnaires' disease, it was decided that we should call upon their services.

As I've indicated, there is no firm evidence to indicate that's what we are dealing with. We are taking every precaution. Of course, Legionnaires' may be treated through the administration of an antibiotic. It is one of a number of possibilities that cannot be ruled out at this time. It will probably be another one to two weeks before we have conclusive evidence as to whether that's what we're dealing with.

Nursing Homes

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Hospitals and Medical Care. It flows from the request of the United Nurses of Alberta for a public inquiry into Alberta nursing homes. My question to the minister is: is the government in a position to advise the Assembly today whether some form of public inquiry into the operations of Alberta's nursing homes is going to be considered?

MR. RUSSELL: Mr. Speaker, I'm unable to respond directly to the inquiry reference, because we haven't received the request yet. I did hear a radio broadcast over the weekend that it was coming, but we haven't got it yet.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. What assessment has the department made of the concerns expressed by the United Nurses — not necessarily this weekend but over a period of time — that nurses' salaries in nursing homes are approximately three-quarters of salaries in hospitals in the province, and that as a consequence there is a very serious turnover rate, which is far too high? Has any assessment of this been made by the department?

MR. RUSSELL: Yes, Mr. Speaker, that's under way right now. When the effects of the settlement with the United Nurses Association and the Alberta Hospital Association were known to the health care system, I met with a group representing the private nursing home operators. We agreed to set up a task force comprised of some of their members and some of the departmental staff. That task force is at work now, looking at not only that aspect but the total labor costs in private nursing homes today.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Will the possibility of some kind of province-wide bargaining for nurses who work for private nursing homes be among the considerations of this task force? In view of the fact that the government subsidy is consistent, would the government review the possibility of province-wide negotiations?

MR. RUSSELL: Mr. Speaker, I haven't received any report from the task force yet, so I hesitate to respond to any specific suggestion that might come forward.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. What follow-up has been taken by the government subsequent to the CUPE interim workers'

inquiry report with respect to the operation of nursing homes, particularly the concern of the workers' inquiry that due to staff shortages unqualified people were dispensing the medication?

MR. RUSSELL: Mr. Speaker, there has been a fair amount of ongoing follow-up. I think the hon. member is aware that we have a standing committee chaired by the hon. Member for Edmonton Norwood and comprised of a number of citizens from throughout the province who regularly and continually visit and inspect not only nursing homes but other health care facilities throughout the province. In addition of course, department personnel are continually responding to specific complaints and making inspection trips.

I think I'm able to say that generally the concerns raised in that interim report have been responded to and followed up. In some cases they were found to be valid, and in many other cases they were found not to be valid. But there was follow-up by the two committees I've mentioned.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. The minister indicated that he hadn't received the request from the United Nurses of Alberta and that a task force is undertaking a review of many of these issues. However, is the minister advising the Assembly today that the question of a public inquiry is in fact open, or is it the view of the government that as a consequence of the CUPE workers' report and the UNA recommendation — is there a possibility that the government will in fact call a public inquiry?

MR. RUSSELL: Mr. Speaker, I have to say that as of today I've had no evidence placed before me that the nursing home industry or system in Alberta merits a public inquiry, and I've kept fairly close to that system. I haven't received the brief of the UNA, so I don't know what new information might be in it.

MR. NOTLEY: Mr. Speaker, I'd like to put one supplementary question to the chairman of the Health Facilities Review Committee. [interjections] I guess she's not here. Well, in that case I guess I'll hold it until she is.

Kinbrook Island Park

MR. MANDEVILLE: Thank you, Mr. Speaker. My question is to the hon. Minister of Recreation and Parks. What progress has the department made with regard to the development of Kinbrook Island Park?

MR. TRYNCHY: Mr. Speaker, since our meeting at Kinbrook Island some weeks ago, I instructed my department to move with all speed to live up to the request of the committee and the community in that regard. It's my understanding that the department has been meeting with the people at the local level, and work and construction is ongoing.

MR. MANDEVILLE: Those are pleasing remarks to hear, Mr. Speaker. A supplementary question. Could the minister indicate whether anyone from his department has had any discussions with the Eastern Irrigation District with regard to acquiring more land for park expansion?

MR. TRYNCHY: Yes, Mr. Speaker. I believe that work also is ongoing at the present time.

Credit Cards

MRS. EMBURY: Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs. A concern has come to my attention from some of my constituents who have received unsolicited credit cards from a national oil company, Petro-Canada. Could the minister please clarify this procedure and how it conflicts with our provincial legislation?

MR. KOZIAK: Mr. Speaker, hon. members will be aware that the issuance and delivery of an unsolicited credit card is contrary to the provisions of The Credit and Loan Agreements Act. If individuals are in fact receiving credit cards they haven't solicited from Petro-Canada — or, for that matter, from any company that issues them — I would encourage them to contact the regional offices of the Department of Consumer and Corporate Affairs.

I've had word that 21 people called today in response to the concern which had been voiced over the media yesterday and this morning. Of the investigations we've been able to accomplish so far, 20 of the 21 were in fact previous holders of Pacific 66 credit cards. So the company is using its list, so to speak, because Petro-Canada has assumed the responsibility of Pacific 66. One case bears further investigation. But if there are any indications that the laws of the province of Alberta are not being complied with, those indications should be brought to the attention of our department.

MRS. EMBURY: A supplementary question, Mr. Speaker. I too have some indications that they're not all owners of Pacific Petroleum credit cards. The minister mentioned there will be an investigation. Could you please indicate exactly what that will include?

MR. KOZIAK: Mr. Speaker, it's not our style to embark on an investigation without a complaint. What we do is respond to complaints received. Individuals who have in fact received such credit cards should contact our department. We will then investigate, on a case by case basis, the complaints received and respond accordingly.

Alberta Research Council

MR. R. CLARK: Mr. Speaker, I'd like to direct a question to the hon. Member for Calgary McKnight in his responsibility as chairman of the Research Council, and ask if the hon. member could indicate to the Assembly the status of Dr. Eastman, the director of administration of the Research Council.

MR. MUSGREAVE: Mr. Speaker, I'd like to know just what he would like to know about the status of Dr. Eastman.

MR. R. CLARK: Mr. Speaker, we could start by wanting to know if Dr. Eastman is still on staff at the Research Council. If he has left, did he leave on his own, or was he asked to leave by the Research Council? If he left at the government's request, did the government enter into an arrangement to pay some additional money so he would leave?

MR. MUSGREAVE: Mr. Speaker, I would take that under notice and report back to the hon. member.

MR. R. CLARK: Mr. Speaker, can the hon. gentleman indicate to the Assembly whether Dr. Eastman is still an employee of the Research Council, or whether the stories making the rounds at the Research Council that Dr. Eastman has resigned are accurate?

MR. MUSGREAVE: Mr. Speaker, Dr. Eastman is leaving the Research Council, but I cannot tell under what terms at this time.

Alberta Human Rights Commission

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Labour, with regard to clarification of an earlier remark by the minister. In reference to the Human Rights Commission, the minister indicated that there was a question as to whether or not it was a department, and what its official status was within his responsibility. I wonder if the minister could clarify that interpretation at this time?

MR. YOUNG: Mr. Speaker, I believe the hon. Member for Little Bow is referring to some discussion in this Assembly about a week ago on another matter. To come to the point of his question, it's quite clear, legislatively, what the status of the commission is. The commissioners — that is, those appointed to form policy — are independent commissioners. The execution of the policy and the administration of The Individual's Rights Protection Act is carried out by staff who are employees of the government and who report in one sense to the commission and in another sense to government, in the normal course of any agency.

ORDERS OF THE DAY

head: GOVERNMENT MOTIONS

21. Moved by Mr. Leitch:

Be it resolved that because of the discriminatory and punitive provisions against the people of Alberta in the federal budget and the proposed energy program of October 28, 1980, the Legislative Assembly of Alberta recommend to the Lieutenant Governor in Council that it is in the public interest to make regulations pursuant to The Mines and Minerals Act fixing the maximum amount of petroleum that may be produced under Crown agreements and recommending that

- (a) any limitation on the maximum amount of production of petroleum be only implemented after a minimum of three months' notice; and
- (b) the initial limitation be approximately 60,000 barrels per day and the maximum limitation be approximately 180,000 barrels per day; and
- (c) the limitation of production be in effect only during such time as the Lieutenant Governor in Council is satisfied that replacement barrels of oil can be purchased by the federal government, its hoards or agencies, or anyone on its behalf in the international oil market.

MR. LEITCH: Mr. Speaker, in moving Motion No. 21, I would like to echo the comments of my colleague the

Provincial Treasurer when he moved Motion No. 19 standing in his name on the Order Paper, and say that I take no personal satisfaction in moving Motion No. 21. I move it only after having been driven to the conclusion that we have no acceptable alternative. I say we have no acceptable alternative, Mr. Speaker, because we've been unable to reach an energy agreement with the Ottawa government and that government has chosen, in the most arbitrary and discriminatory manner, a manner unparalleled in the history of our country, to expropriate for itself the resources of a province.

Mr. Speaker, I have no hesitation in saying to members of this Assembly that I'm convinced the present Ottawa government decided shortly after the last election that they were not going to reach an energy agreement with the province of Alberta and, indeed, did not want to reach an energy agreement with the province of Alberta. I am convinced that shortly after the election they concluded that now was the time, and oil and natural gas, were the issues upon which to ensure that the provinces with small populations would be dominated by the provinces with large populations.

Mr. Speaker, one cannot divorce the energy issue from the constitutional proposals. I view those proposals, in essence, as saying that if a provincial government, if Alberta, endeavors to stand on its ownership rights, its ownership over natural resources, to resist the decisions of the Ottawa government, they will then have in place a means whereby the constitution can be amended again by the majority population, by those provinces having a majority of Canada's population. What I've said is a harsh judgment of the Ottawa government, but I'm convinced that the history of our energy negotiations, the budget of October 28, the energy program of October 28, and the constitutional proposals, leave us with no other conclusion.

This afternoon I will be referring to a number of documents. I think it appropriate that I now file those in the Assembly so that each member will have one at the time I refer to them. There are a large number of them here, and will require a number of Pages to distribute them. The first is a proposed order in council, which would be passed in a form similar to the form that's being distributed if the Assembly passes Motion 21. The second is a letter from the Petroleum Marketing Commission, dated October 23, 1980, in which the commission advises me that there would be sufficient oil available in the international oil market today to enable the federal government, its boards or agencies, or anyone acting on its behalf, to purchase any reduction cutback that would flow from the adoption of Resolution No. 21.

In addition, Mr. Speaker, I would like to file with members of the Assembly a document entitled Federal Oil and Gas Pricing Proposals, which was given to me by Mr. Lalonde, the Minister of Energy, Mines and Resources, during our negotiations. I would also like to file a release issued from the Prime Minister's office on October 31, 1980, and an assessment of various energy-pricing and revenue-distribution proposals which I released in August 1980.

Mr. Speaker, I would like to begin my remarks this afternoon by recalling the energy negotiations we had with the administration of Mr. Clark. Members of the Assembly will be aware that those negotiations went on for a number of months; they were very tough and difficult negotiations. There were occasions during those negotiations when I felt we had reached the kind of impasse we have now reached with the present administration. I

think that is useful background for the members of the Assembly to keep in mind when they consider the way in which the negotiations proceeded with the present federal administration. It is also worth while keeping in mind that all the federal officials who were involved in the negotiations with Mr. Clark's administration are with the present administration. In short, the present federal administration was totally aware of all that had gone on during those negotiations: fully appreciated the difficulty, fully appreciated how tense they were, fully appreciated the occasions on which we had come near to breaking off discussions, and fully appreciated the moves our government had made during the course of those negotiations in an effort to reach an agreement.

With that as background, Mr. Speaker, we come to the opening of negotiations between the present federal administration and ourselves. That occurred on March 18, 1980, when Mr. Lalonde paid a visit to Edmonton. I can describe that meeting very accurately as a get-acquainted session. No proposals were put on the table by either the federal government or ourselves. We talked generally of things such as prebuild, the pricing of natural gas going into the United States, some general comments about each government's position, but really no negotiations.

Mr. Speaker, the second meeting occurred in Edmonton on May 13, 1980. Again it was a short meeting and really a follow-up to the earlier get-acquainted meeting. It was part of a series of meetings that Mr. Lalonde was having with other provincial energy ministers. Again, no formal proposal was presented, although Mr. Lalonde did talk about different pricing proposals for different kinds of oil — for example, conventional oil as compared with non-conventional oil — and suggested that a price increase of \$2 a barrel per year would be appropriate for conventional oil. He also suggested a price of \$20 to \$25 per barrel, plus consumer price index increases, for non-conventional oil. I think this is important for members of the Assembly to reflect upon. In May 1980, the suggestion was that the price for oil sands plant oil ought to be \$20 to \$25 per barrel.

I was totally amazed by any such suggestion, because I don't know of anyone in May 1980 who, for a moment, would have entertained the thought that oil could be produced from the sands at those prices. I questioned why that price was being referred to and was told it was based on a letter that had been written a few months earlier by an official of Syncrude. I checked into the letter and found that what the letter was referring to was roughly the operating costs; that is, it was costing \$20 to \$25 per barrel on the operating side alone to produce the oil.

During that same discussion, Mr. Lalonde proposed an export tax on natural gas. I should tell members of the Assembly that in our first meeting, and again in the second meeting, I reiterated the position that had been well known, stated so many times publicly, that we would not be able to negotiate an energy agreement if it contained a natural gas export tax. In any event, at the conclusion of that meeting and following my advising Mr. Lalonde of our very strong position with respect to a natural gas export tax, a two-day meeting was proposed in Ottawa. My position in respect of that, Mr. Speaker, was simply that I was delighted and pleased to meet anyplace at any time to carry on negotiations with respect to any or all the elements of the energy package. But I did point out to Mr. Lalonde that any discussions about an energy agreement that contained an export tax on natural gas would be a waste of time. We wouldn't be able to

move closer to an agreement if that was part of the proposed agreement.

In any event, the third meeting between Mr. Lalonde and me was scheduled for June 18 and 19 in Ottawa. That was about 12 days before the expiration of the oil pricing agreement. The natural gas pricing agreement would expire a month following that. We went to Ottawa and began that meeting. It was a startling meeting, Mr. Speaker. It was very obvious after the first half hour or so of that meeting that it was so structured that it was going to have to last two days and would not make any progress towards an energy agreement. That was so clear that after we'd been in the meeting for half an hour, I sent a note to my officials expressing just that view.

The morning of June 18 was taken up talking about anything but the items that were in the energy package. We talked about the prebuild, which formed no part of the energy package. We talked about the Alaska gas pipeline in total, we talked about the pricing of natural gas going into the United States, and about other matters, none of which related to the energy package or formed any part of it. It was clear that that discussion was structured so that it would go on for the morning. We then adjourned at lunch, as a result of Mr. Lalonde having a previous luncheon meeting, and the meeting resumed at 2:30 that afternoon.

Members will now have before them a document entitled Federal Oil and Gas Pricing Proposal, which was laid before us at 2 o'clock in the afternoon of June 18. Members might be interested in running through the highlights of that document. The offer was that conventional oil would increase at \$2 per year until July 1, 1983, and thereafter be tied to a reference price which is defined in the document. I think it important to observe, Mr. Speaker, that an export tax on natural gas was very much present in the proposal and in fact would have involved taking approximately half the selling price of natural gas going into the United States as it would have taken all above \$2.60 in U.S. terms. Under the formula applicable between Canada and the United States to determine the price of natural gas flowing into the United States, that price would shortly exceed \$5 per MCF.

Mr. Speaker, it's interesting to note that the proposal contains an export tax on electricity at 4 mills per kilowatt-hour. I think it more than interesting that that proposal is not found in the current federal budget or in the energy program. I think it worth while observing that two of the provinces which currently export electricity to the United States are the provinces that have sent far and away the vast majority of the Members of Parliament that form the Liberal majority. Members will also observe that the offer with respect to oil sands production is still \$25 per barrel, plus increases in accordance with the consumer price increase.

Mr. Speaker, we are now about 12 days from the termination of our oil pricing agreement. We have an offer placed before us that contains a pricing proposal that is a fraction of the pricing contained in the agreement we had reached with Mr. Clark's administration, and contains a very significant export tax on natural gas. I'm sure it won't come as a surprise to any members of the Assembly to know that I advised Mr. Lalonde that that proposal would not be acceptable to Alberta. I also suggested to him that we appeared to be simply wasting our time in these negotiations and that perhaps we should, as we'd earlier agreed, now report to the Prime Minister and the Premier that we'd been unable to make any progress, to narrow the field, to narrow the number

of issues and reduce them for discussion by the Prime Minister and the Premier. This was the end of the meetings on June 18. This is why I was saying earlier that the meetings for those two days were structured to make sure they would last the two days, but with the federal government being totally aware we would not be able to make any progress and not be able to reach any agreement, because it was at the end of the 18th that Mr. Lalonde said: if that proposal is not acceptable to you, I've got a new one for you; I will talk to my colleagues tonight and try to develop the new proposal and bring it back to you tomorrow. In those circumstances one really doesn't have much choice but to wait over, come back tomorrow, and see what the new proposal might be. We did that.

I'd like to draw members' attention to what is described as Document No. 3 in the Federal Oil and Gas Pricing Proposal. This proposal was put before us on the morning of June 19, a fascinating document. It proposes that we enter into a new arrangement whereby a portion of provincial revenues from oil and gas, or natural resources of all kinds, or all sources, both resources and non-resources, would be distributed to provinces under the fiscal equalization program, or provinces under a separate program, or individuals in all parts of Canada.

Mr. Speaker, if all 11 heads of government looked at this proposal and said, it's great, we think that is a tremendous idea, we shall implement it as quickly as possible; it would clearly take several years before they could ever reach an agreement. Can you imagine discussions by 11 heads of government about how you're going to take revenue from all sources — from manufacturing, from any economic activity at all — and distribute it to individuals across Canada. In my judgment, no one could put such a proposal seriously thinking it could be implemented or take the place of an energy agreement which was within days of expiry.

On a number of occasions, today included, members in the Assembly have asked questions along the line of, why don't you resume negotiations — trying to create the impression that if you really got in there and negotiated, you could find a solution to this impasse. I simply say to members who have been making those suggestions, both in and out of the Assembly, to take a look at the history that brings us up to June 19 of this year, and ask themselves whether they think there is anything in the history of the actions by the Ottawa government that would lead them in any way whatsoever to think that by getting in there and negotiating, you could have reached an agreement with this government.

Mr. Speaker, I think too that members of the Assembly might reflect that this offer — these offers, if you like — came from someone who'd been saying across Canada what a great effort was being made to reach agreement with the province of Alberta; who was talking about the number of proposals that had been put to the province of Alberta; who was saying, I'm going to walk the last mile. I ask you: what do you think of that mile?

The meeting on June 19 broke up at about 11:15. It was clear to both Mr. Lalonde and myself that in view of the time before the agreement expired, nothing was to be gained by our scheduling additional meetings. We then discussed the possibility of the Prime Minister and the Premier meeting. Of course, not enough time was left for them to do that before the expiration of the oil and natural gas pricing agreements. I then proposed that those agreements be extended for a month, in order to provide time for the Prime Minister and the Premier to

meet, in the hope that they would be able to find a resolution.

Mr. Speaker, that brings us to the meeting between the Prime Minister and the Premier in Ottawa on July 24, 1980. Our attitude throughout these negotiations, and certainly as we approached the meeting of July 24, 1980, was that we wanted to get the issue settled. We wanted it settled on a basis that Albertans would regard as fair and acceptable. We wanted to get on with doing our part in supplying Canada's future oil and natural gas requirements. Prior to that meeting of July 24, 1980, we sat down and tried to structure an offer we thought would meet those tests: be regarded as fair and acceptable to Albertans, and acceptable to the federal government. In doing that, we considered the comments and commitments made by the present federal administration in the course of the election campaign. We considered their financial problem, which really arises from the fact that they spent money when they didn't have it. We considered all those things and endeavored to structure an offer that would be significantly different from the agreement we had with Mr. Clark's administration, and that we hoped the federal government would find attractive.

What changes did we make in the agreement we had with Mr. Clark? First of all, we offered smaller price increases for 1980, in recognition that the Ottawa government had made a commitment about prices during 1980. In recognition of the criticism of tying Canadian oil prices to international oil prices at too high levels, we also lowered the 75 per cent equivalent for Canadian oil with international oil on January 1, 1983, and the 85 per cent equivalent on January 1, 1984, to 75 per cent and 65 per cent respectively on those dates, not to international oil but to North American production. We also added a \$2 billion transportation grant fund to the agreement we'd reached with Mr. Clark's administration. Now we had in effect taken the \$2 billion drawing account out of our agreement with Mr. Clark, which the federal government was entitled to ask for from Alberta during the four-year term of the agreement. We excluded that simply because the present Ottawa government had not indicated any interest in it. In short, we made major alterations to our agreement with Mr. Clark in the hope that the new arrangement would be acceptable to the Ottawa government. And even if it wasn't acceptable in that form, Mr. Speaker, frankly I hoped it was signalling a very honest intention to negotiate seriously, and indicated some flexibility on our part.

As we all know, Mr. Speaker that offer wasn't acceptable. That discussion ended, and no further meetings were scheduled between the Prime Minister and the Premier. During the meeting on July 24, 1980, the offer put forward by the Prime Minister was in substance — although the terms varied slightly — the same offer referred to in the document I've already filed, with the exception that the natural gas export tax was referred to as a significant and substantial tax, without having numbers put to it as are contained in that document.

Following that meeting, Mr. Lalonde was still talking about last-ditch efforts to negotiate a settlement, still talking about walking the extra mile, and proposed a meeting with me in Edmonton on October 2. A new proposal was put forward on that occasion, Mr. Speaker, but not in relation to conventional oil or natural gas. The only item that proposal dealt with was oil sands production, and increased the offer, which incidentally had been increased by the Prime Minister on July 24, 1980, from \$25 per barrel plus CPI to \$32 per barrel plus CPI. In the meeting

with Mr. Lalonde here on October 2, that was further increased to \$38 plus CPI and, in addition to that, tertiary oil or certain oil recovered by enhanced recovery schemes was increased from an earlier offer of \$25 to \$30. But absolutely no movement or suggestion of movement in connection with the very important items of conventional oil pricing and natural gas pricing.

Mr. Speaker, that meeting was followed by the budget on October 28 and the energy program of the same date. There's no question that the budget contains an export tax on natural gas, despite protestations to the contrary. It not only contains an export tax on natural gas, but in effect contains a wellhead tax on natural gas, again, despite protestations to the contrary. In fact, it's worth while taking a look at the pricing proposal for domestic natural gas, contained on page 35 of the energy program. Members of the Assembly will note that the price of natural gas at the Toronto city gate, which is now \$2.60 per MCF, is frozen at that level until February 1, 1982. But the price to the consumer is not frozen. The price to the consumer will increase by 30 cents on November 1, 1980, by a further 15 cents on July 1, 1981, and a further 15 cents on January 1, 1982. So what has really occurred is that the price of natural gas will go up to the consumer by those amounts, over that time frame, while the price of natural gas at the wellhead stays frozen. If you put the tax on at the wellhead, the effect is precisely the same. To argue that because it's been moved down the system a bit, it is not a wellhead tax, simply totally ignores the facts.

I should say too that the result of this taxing proposal for natural gas used domestically, is that natural gas producers in Alberta will receive less by February 1, 1982, for natural gas used in Canada than they are receiving now. Less. So between now and February 1, 1982, the natural gas producer receives less than he is receiving today in actual terms. And during all that period, the natural gas producer absorbs all the inflationary increases. The reason they receive less is quite simple: the price is frozen at Toronto, and the cost of getting it to Toronto is borne by the Alberta producer, deducted from what the Alberta producer gets. And that price — that is, the transportation cost from the Alberta wellhead to the Toronto city gate — has to go up. The trans-Canada tariff will inevitably go up between now and February 1, 1982, which means the producer will get less. Well, Mr. Speaker, that is the pricing proposal put forward in the budget for natural gas and oil and non-conventional oil. And we're told that that's the result of the best efforts the Ottawa government can make to meet our net benefits tests, that that is really the result of their honest efforts to negotiate an agreement with Alberta.

I'd now like to turn for a moment to the release issued by the Prime Minister's office on October 31, 1980. All I can say is that this release must have been written by the same people who wrote that now infamous document for ministers' eyes only, which was dated August 30, 1980, and which became public during the first ministers' conference on the constitution in September. Both documents, this release and the document of August 30, are classic examples of the theory that it really doesn't matter what you do, as long as you describe it in nice words.

For example, Mr. Speaker, on page 2 of this release there's a statement:

The province of Alberta took the view, outlined as recently as October 17th, in a letter to me from Premier Lougheed that the government of Canada should secure any new revenues it needed from the oil and gas industry alone What the province

seems to be saying is that the government of Canada should not secure new revenues at all. I cannot accept that proposition; nor I think would most Canadians.

Mr. Speaker, I'd like to refer to the words our Premier used in the letter of October 17, 1980, which has been filed earlier in the Assembly, and on which that statement was based:

When I left you on July 25th, you did say you would consider further my views with respect to the extent of federal funding required for energy programs, and also that the traditional "profits" taxation approach could provide the federal government with adequate revenues without resorting to tax measures such as a natural gas "export tax", that are highly objectionable to the producing provinces.

No suggestion at all that the federal government should seek any additional or new revenues from the industry alone.

Mr. Speaker, I appreciate your sending me a note pointing out that my time is nearly up. I'd simply say to Members of the Assembly . . .

MR. R. SPEAKER: Mr. Speaker, on a point of order. I'd like to move that the hon. minister be allowed to continue as long as he wishes, because I think this debate is very significant, and the information being provided for us is appreciated very much.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. LEITCH: Thank you, Mr. Speaker and members of the Assembly.

The suggestion that the province of Alberta had said the government of Canada should not secure new revenues at all is . . . Well nothing, in my mind, could be further from the facts. If members of the Assembly would look at the revenue comparison document, which I earlier released publicly and have distributed today, they will find that Table 1 sets out the revenue distribution as it existed for the year 1979. According to our calculations, the federal government's share of the total oil and natural gas revenues was 13.3 per cent. Then if members of the Assembly will turn to Table 2, they will find that the share of revenues, as contained in the proposal of Mr. Clark's administration and his budget of 1979, would have risen to 21.8 per cent. They will also find that the Alberta proposal of July 25, 1980, as submitted to the federal government by the Premier, again contained a significant increase in the federal government's share of oil and natural gas revenues. In short, we agreed to a very substantial increase in the federal government's share of natural resource revenues.

In addition to that, Mr. Speaker, we had agreed during our discussions with Mr. Clark that we had no objection, once we'd settled on a pricing proposal, to the federal government adding taxes of whatever kind in respect of natural resources. Mr. Clark's administration, members will remember, proposed an 18 cent per gallon tax on gasoline. In short, our position was that if an energy package agreement could be reached, the federal government was free to raise revenues in any way they chose in respect of oil and natural gas.

Now we had made one condition only in that respect, Mr. Speaker, relating to taxation of the industry. As part of our agreement with Mr. Clark's administration, we

had required a commitment that there would not be punitive taxation on the industry within Alberta — only within Alberta. Again, our position was that it was the federal government's business to decide what taxes it might level in respect of the industry outside Alberta. But it was very important for us not to conclude an energy agreement fixing prices and then find a federal government taxation regime that would be punitive on industry within Alberta and that we would need to provide some relief, as we did when royalties were made non-deductible following our reaching an energy pricing agreement with the federal government in 1973, and we had to come with ALPEP to offset some of the damage done by making royalties non-deductible.

Again, Mr. Speaker, in response to the suggestion in the Prime Minister's release that we did not think the federal government should get any new revenues, I want to point out to members of the Assembly that we have proposed a different royalty arrangement for new oil sands plants from that applicable to the Syncrude plant. Over the lifetime of those plants, that change in the royalty arrangement would provide the federal government with billions in additional taxation revenue, as compared with the Syncrude plant, given the same profitability for the two plants. In short, we responded to their argument that as a result of the terms of the taxation arrangements, their taxation room in respect of Syncrude was too small and that they ought to have a larger share, by altering our royalty arrangements to give them the opportunity to take a larger share.

In addition to that, Mr. Speaker, we had made a commitment throughout all these energy negotiations not to increase royalty levels within the province of Alberta. Again, we made that commitment to enable the federal government to have taxation room if increased prices were leading to profit levels higher than necessary for the industry to get on with the task of providing new supplies.

So we had done all those things in recognition of the valid federal role in acquiring additional revenues from non-renewable resources such as oil and natural gas. But we took the position very firmly, that they should not have a taxation regime such as an export tax on natural gas or a wellhead tax, that would in effect amount to federal royalties on a provincially owned resource.

I am still with the release, Mr. Speaker, and I would like to refer to the comment on page 5: "Naturally we are surprised at the Alberta government's response", referring to the response outlined by the hon. Premier in his recent speech relating to the cutback in production that we're debating today. Well, Mr. Speaker, I don't know the lines of communication in the Ottawa government, but I'm astonished at their astonishment. Because when I met with Mr. Lalonde in Edmonton on October 2, the meeting I described earlier, when the meeting had concluded and it was clear there was no possibility of our reaching an agreement, I outlined to him what our response might and would likely be. I said to him that I had not raised that with him at any earlier time during discussions because I didn't feel I could ever put him in the position of negotiating with a gun to his head. So only when it was clear that there was no longer any possibility of our negotiating an agreement, did I say to him that we'd discussed the action we might take in the event of the kind of federal government action we are now witnessing. We'd discussed it for hours in our cabinet, we'd discussed it for hours in our caucus, and while final decisions have not been made and wouldn't be made until later by

cabinet and caucus and by this Legislative Assembly, I was totally convinced as a result of those discussions that if there were export taxes or wellhead taxes in the federal budget, one of the responses of the province of Alberta would be a reduction in production. That was said to Mr. Lalonde on October 2 by me. So how it can be said today that that response comes as a surprise, is beyond me.

Again, Mr. Speaker, in the release there is a statement in reference to the oil sands. The statement reads:

The National Energy Program offers a pricing program which all sides appear to agree is attractive — a program which in our view makes the projects economically viable.

Well I know from discussions I have had, and from numbers, studies, and mathematics that I have had run, that neither the Alsands project nor the Cold Lake project is economically viable or can proceed with a price of \$38 as of January 1, 1980, escalating in accordance with the consumer price index. In short, from the numbers I've looked at, I am satisfied that those projects are not attractive and cannot proceed with the proposal in the energy program.

Finally, with respect to the release, I want to call the members' attention to the last sentence on page 2:

There must be a more reasonable sharing of revenues between governments. This means that the provinces must give up some of their share, in favour of the Government of Canada.

In short, and I think perhaps inadvertently, the Prime Minister's office has said that despite the constitution, despite all their statements about recognizing that the provinces own the resources, the provinces must give up part of the resources to the federal government.

Finally, Mr. Speaker, in support of my contention that it was the Ottawa government's will, formed shortly after their election, to impose their will upon the province of Alberta and not to enter into an agreement, I want to refer to one line from the ministers' eyes only document I mentioned earlier, and it's found on page 43. This document is dated August 30, 1980, Mr. Speaker. It says:

The political climate in Canada is likely to be poisoned by a major energy conflict throughout the fall of this year and at least the early months of next year.

Now this is dated August 30 and obviously written before that by a senior member of Ottawa officialdom. It's indicative of what they were thinking the situation was in Canada as of that date. Does anyone, hearing that and looking at all the other items I have referred to in connection with these negotiations, really believe there was an intention, a will, or a determination of the Ottawa government to reach an agreement with Alberta on energy matters?

As I said, Mr. Speaker, their game plan, in my view, was much different. In response to that, do we have any choice other than that put forward in Motion No. 21? Of course we have the choice of accepting what's been done by the Ottawa government in the budget and the energy program. But I don't think for a minute that that choice is acceptable to very many Albertans. If it's not acceptable, the only other choice I can see is the one I am proposing today.

Mr. Speaker, I'll now spend a few moments on that order. I filed it with members of the Assembly as a sample of the form that any order issued by Executive Council is likely to take. I particularly want to draw attention to the fact that the pools are appended to the order and form part of it. Incidentally, a ministerial order

would also be issued following the passage of the O.C. by Executive Council. I call members' attention to the fact that the order applies only to Crown-owned pools; that is, only pools totally owned by the Crown. That is done to avoid any argument that action such as this by a provincial government, which is being taken as the owner of the resource, wouldn't be valid if it affected freehold production. So the order is restricted to totally Crown-owned pools.

I also want to call members' attention again to the letter I earlier referred to from Mr. Minion, the chairman of the Alberta Petroleum Marketing Commission, pointing out that in the commission's view replacement barrels are available in the international market to be purchased by the federal government, its boards, or agencies. I should call members' attention to the paragraph in the order that says the order will not be effective, will terminate, in the event that I receive information from the Alberta Petroleum Marketing Commission that such replacement barrels are not available in the international market. Upon receiving that information and upon my making it public, the order ceases to be effective.

Mr. Speaker, a word or two about the effect of this order on the industry. I think I will limit my comments in that area to comparing it to the effect on the industry of the Ottawa budget of October 28 and the energy program of October 28. There is no question at all in my mind that the industry, the question of jobs in the industry, is going to be far, far more seriously affected by the provisions in the budget and the energy program than they would be by this reduction in production. Remember, the wells still produce. They still require the people to operate the wells, look after them, and service them. What really happens with the reduction in production, is that there will be a reduction in the cash flow of a segment of the industry. In my judgment, that is by no means as serious for the industry as the pricing and taxation proposals contained in the budget and the energy program.

In that connection, Mr. Speaker, I would like to refer to a comment made by Mr. Lalonde on November 1:

I can tell you we're damned determined to achieve the broad objectives that are in our energy program. We believe that it is the right thing to do for the country and it will not be a plunge of 90 points in the market one morning, or a few rigs that are going to pack up and cross the border that will make us run for cover.

Mr. Speaker and members of the Assembly, when I heard that, I was mad. I thought of what's done by the Ottawa government when the textile industry in Quebec has a problem. I recall, being the Provincial Treasurer, the then Minister of Finance adding to the tariff protection for that industry, an order restricting imports because there was some threat to it. We now know what the Ottawa government is doing for the car manufacturing industry in Ontario, which threatens a loss of jobs there. But here the attitude is: "we're damned determined", "rigs leaving Alberta", loss of jobs in Alberta. Incidentally, the drilling industry is primarily Canadian-owned. It's something they're going to go ahead with in spite of. I don't know how anyone could respond to that approach, save with anger.

In conclusion, then, members of the Assembly: looking at the history of our negotiations, the kind of proposals we've received, the kind of propaganda war being waged by the Ottawa government, and considering the attitude of the federal Minister of Energy, Mines and Resources, that I just referred to, does anyone in this Assembly really

have any choice but to support this resolution?
Thank you.

MR. SINDLINGER: Mr. Speaker and Members of the Legislative Assembly, I'd like to commend the Minister of Energy and Natural Resources on the very thorough review he has given us. I must say that it leaves a lot of doubt in my mind, very confused. I wonder how people who aren't as close to the subject matter as we are could understand it.

Mr. Speaker, if I may, I'd like to read a brief excerpt from a letter written on November 6, 1979, almost one year ago. The letter is from myself to the Hon. Peter Lougheed, Premier of Alberta. It's in regard to oil pricing. The letter reads:

I am generally in accord with Alberta's tactics with the federal government in regard to oil pricing. I have studied western Canadian economics and been professionally involved in natural resource development and transportation for fifteen years. During that time, I became aware of and concerned by the trade imbalance between Alberta and eastern Canada. I therefore support the toughest, hardest negotiating stance Alberta can take. Alberta oil should receive a price at least equal to the Chicago crude composite price. Furthermore, the distribution of that price should be in the same proportions as the present price is distributed.

Notwithstanding a strong desire to see the highest possible price for oil achieved, and to see some of the historical east/west trade imbalances remedied, I have reservations about the extent to which Alberta should act to reach those ends. I do not support a move by Alberta to artificially restrain the export of oil to other parts of Canada or retard the development of unconventional oil supplies to achieve a desired price level or revenue share. These reservations are based on two reasons. First, artificially restraining export or retarding development does not leave the federal government with any latitude to continue negotiations. It would force the federal government to resolve the matter unilaterally. Such a resolution would be, in my opinion, unsatisfactory to Alberta in terms of revenue share, and undesirable in terms of the stress that would be placed on Canadian unity.

Second, artificially restraining export or retarding development adversely affects the welfare of Canadians to an unacceptable degree. There's no question that Alberta has ownership of its natural resources. Furthermore, the argument that oil should be treated as are other resources is sound. However, because oil is such an essential commodity, almost like food, it would be improvident and morally questionable to withhold it under any [circumstances]. I therefore hope that we never reach that point.

The letter then goes on, Mr. Speaker, in regard to an alternate approach, which I wish to make. This letter was sent on November 6, 1979, a year ago, with copies to the Minister of Energy and Natural Resources and the Minister of Federal and Intergovernmental Affairs. The alternate approach which was suggested in this memorandum, was followed up more than half a year later, on July 11, 1980, in this document, Predicted Economic Impact from Higher Prices for Canadian Oil: a Survey of the Literature, authored by myself and Karen Walker. Section 5 deals with an oil pricing scheme to soften the adverse economic impact of higher prices for Canadian oil. Sec-

tion 5.1 refers to a deferred payment proposal in regard to oil and natural gas.

Mr. Speaker, I have considerable expertise in this area. I've been involved in natural resource negotiations for many years; negotiations of a large magnitude, not only nationally but internationally. It was my wish to participate in the decision-making. I have attempted to the best of my ability to participate in the decision-making leading up to now. I can't stand here and say I'm right or wrong, Mr. Speaker, any more than I believe any of the members of this Legislature can say with absolute certainty that in this situation they are absolutely right or wrong. But I do know how I feel about this thing, and the only way I can act is on the feelings I have about the situation.

I'm in a rather unique position in this Legislative Assembly, in that I was elected as a Progressive Conservative member and no longer am. I therefore could be questioned about the point of view I represent. And those would be valid questions; there's no doubt about that. I have tried to explore the opinions of as many members of Calgary Buffalo as I've been able to talk to, and have found as many responses as people I've spoken to. It's therefore my intention, Mr. Speaker, sometime in March 1981 to conduct a mini-referendum of constituents of Calgary Buffalo to find out what they wish me to represent in this Legislative Assembly in regard to energy pricing and the constitution. As the minister noted before me, sir, I believe the questions of energy and the constitution are inextricably linked. In my judgment, I don't believe energy pricing is the issue. I believe it's the constitution. And I believe both parties have used the energy situation for leverage to gain what they wish in the constitutional talks.

I've had the funniest feeling over the last year and a half that when these parties were going into a room to negotiate, they were not gearing up to make a deal but were going in to not make a deal. When we're asked to condemn one party for presenting a budget that's not appropriate for this province, I can condemn that budget because I don't believe it's appropriate for the province. But I can't stand and condemn just one party for the failure to come to terms. I believe that like a marriage or a divorce, it takes two people, two parties. I'm not too certain that both parties have extended 100 per cent effort in this case.

Mr. Speaker, this letter I wrote to the Premier a year ago says that

I do not support a move by Alberta to artificially restrain the export of oil to other parts of Canada or retard the development of unconventional oil supplies to achieve a desired price level or revenue share.

To the best of my ability, I've tried to inform myself on this subject over the last year, anticipating this moment in our province's history, so I could make a very informed and very responsible decision. Mr. Speaker, I still have the same position today as I had on November 6, 1979.

MR. PAHL: Mr. Speaker, it's with a sense of sadness and dismay that I stand in my place on behalf of the Canadians in Edmonton Mill Woods to speak on this motion. It is saddening to me because I entered public life with the desire to help in the happy challenge of building a strong and free society within the larger community of our country, in the hope of contributing to building a future for my family, my community, my province, and my country: a future unequalled in the world. However, it is with a sense of pride and determination that I stand in my place as part of a team of elected men and women

solidly behind a great Canadian leader who is willing to take a stand for the people of Alberta against an Ottawa government that wants to seize the resources and the very future of Albertans.

Mr. Speaker, this motion is in response to discriminatory and punitive provisions against the people of Alberta in the federal budget and the proposed energy program of October 28, 1980. This motion, in addition to Motion 19 proposed by the hon. Provincial Treasurer, condemns the federal government for the same budget, the same energy proposal, and the same constitutional reforms.

I think it's worth while to note, as feelings grow in these troubled times, that this is the first time I've had a chance to stand in my place to acknowledge and mourn the loss of the Hon. Judy LaMarsh who, as a respected federal politician in this country, added strength and color to the fabric of our country. I mourn her loss. It's also worth noting that contemporary history has proved her an eminent good judge of character. In view of the problems the hon. Member for Smoky River had in this Assembly the other day, I assure the House that it is my understanding that the late Hon. Judy LaMarsh never had an opportunity of meeting the Member for Spirit River-Fairview. So I would stand there too.

Mr. Speaker, the strong language of these resolutions is unfortunate, but it is strong words that I unequivocally support. For it characterizes that slick and clever Ottawa document, a *Mein Kampf* blueprint, if you will, for invading the very economic base of western Canada and any other region of this country that would hope to develop its own resources for its own people.

What's wrong with that national energy program, Mr. Speaker? As the very learned and hon. Member for Calgary Buffalo pointed out, certainly it's a confusing document, well designed to do so. But I would submit, sir, that only the most uncritical and naive reader could miss its message. That message is that it's a national energy sham. That's what's wrong with that budget. This sham will do nothing to further the vital goal of energy self-sufficiency for this country. This sham has slammed the door on foreign investment vitally needed to take the risks to find and develop potential oil and gas reserves. Until those reserves are found and put on stream, potential will not heat one home nor drive one automobile one foot. This sham has propped open the door for Canadian investment capital now bound to leave Canada because the incentive to risk money has been displaced by unilateral taxation measures and the prospect of bureaucratically designed and administered incentives to do the bidding of a central administration.

I note that the ... I didn't want to interrupt the caucus meeting over there, Mr. Speaker.

MR. R. SPEAKER: Mr. Speaker, on a point of privilege. The hon. member certainly has the freedom to speak in the Assembly, and we'd appreciate if he would continue. There's no indication from this side of the House that we were ready to interrupt his remarks in any way.

MR. R. CLARK: When he says something important, we'll listen.

MR. PAHL: Thank you, sir.

The most charitable description of that Ottawa administration, Mr. Speaker, is that it doesn't understand Alberta or the oil industry. I think the hon. Minister of Energy and Natural Resources pointed that out quite aptly when he indicated they don't understand the dif-

ference between operating and total costs for our oil sands plants. In addition, this sham will provide the opportunity for Albertans to continue to receive less than half the commodity value for their rapidly depleting non-renewable heritage of conventional crude oil for another four years. At present rates of production, that four years is nearly half the life of our proven conventional crude oil reserves. Does anyone in this Assembly seriously think the people of Alberta will be offered a better deal in four years?

This sham, called a national energy program, approaches the laudable goal of more Canadian participation in the oil and gas industry by confiscating 25 per cent of the assets of companies working in the high-risk frontier areas and by holding a sell-or-else cannon or gun at the heads of those Canadian companies that are suddenly deemed to be insufficiently Canadian. Perhaps worst of all, Mr. Speaker, this sham has as its roots the preposterous assumption that the swollen, deficit-ridden Ottawa government can somehow do a better job of managing the resources of the people of Alberta than they can. Perhaps a constituent of mine best expressed that doubt when he said that if the post office eliminated its deficit next year, he would believe Ottawa's impossible dream of a non-plan of energy self-sufficiency by 1990.

In that context, Mr. Speaker, it may be instructive for members of the Assembly to look at the Ottawa government's resource management performance in the Yukon Territory, because that's where Ottawa wants to put Albertans — back 50 years. The Ottawa government owns and controls resources of the Yukon Territory for the benefit of Yukoners, and presumably of all Canadians. Gold production in the Yukon this year could be conservatively estimated at \$1 million.* At world and Canadian price — and by the way, on gold they're both the same, around \$750 Canadian per ounce — the Yukon's Ottawa resource managers collect a whopping 22 cents an ounce; that's right, 22 cents on behalf of the resource owners. God please spare us from that kind of help in Edmonton Mill Woods.

Mr. Speaker, Edmonton Mill Woods is symbolic of our province's relatively short time of oil- and gas-based rapid growth. At the start of the 1970s, Mill Woods did not exist. Today approximately 40,000 Albertans, mainly from other parts of Canada, and some from other lands, expect to build a future in Mill Woods. Why did they leave the familiar comfort of home and family roots, sometimes thousands of miles and even oceans away, to face high shelter costs, high living costs, and sometimes high social and family costs associated with living in a rapid-growth suburban area? At the risk of simplifying, I submit that the bottom line was the opportunity for a better life and a better future for themselves and their children.

Mr. Speaker, the Albertans living in Edmonton Mill Woods have not been selfish or greedy while working hard to build and participate in the exciting and challenging future Edmonton and our province have had up till now. Not one Canadian living in Edmonton Mill Woods has seriously begrudged the \$20 billion transfer of wealth to other Canadians by way of the sale of our underpriced oil and gas since 1973. Mr. Speaker, not one Canadian living in Edmonton Mill Woods has criticized their representative or this government for the very generous offer of July 25, 1980, made by the Premier on their behalf, to continue sharing their opportunities and resources with the rest of Canada. By the way, that very generous offer included the cost in terms of foregone resource revenues

*See page 1396, left column, paragraph 8

of \$24,000 for every person in Alberta. Why, Mr. Speaker? Because Albertans living in Edmonton Mill Woods are as good and as fair Canadians as any other citizen in this great land. The Canadians of Edmonton Mill Woods are most willing to share the opportunities they have created, while working hard to build and control their future by building a strong Alberta in a strong Canada.

But Canadians in Edmonton Mill Woods do not want the rules and prospects for their children's future to be unilaterally and unfairly changed. Their contract with the future cannot be terminated by an Ottawa government that in effect wants to control their resource heritage by imposing a new set of rules. Canadians in Edmonton Mill Woods, as fair and generous as they are, cannot be taxed and controlled without representation, as the present Ottawa government would will. Mr. Speaker, the Ottawa government's budget, constitutional changes, and energy sham, cannot fairly impose such conditions.

What has been the measured response of this government, Mr. Speaker? The response is to reduce the sale of our heritage at fire-sale prices, through enacting the provisions of Bill 50. The decline in production is a trend that is already in motion. Resources are finite. Wells are drying up; wells are sanding off; wells are watering off. The incentive to work over and thus extend the useful life of these wells was doubtful. And now, with the federal government, that incentive has gone. The oil industry at the margin is probably not covering its finding and development costs, and the federal budget has put the lid on that industry and would threaten to do the very same to Alberta. For example, for every 10 jobs in the industry in Alberta, another 10 are created and supported in Alberta, and another six in the rest of Canada. Our economy in Alberta, particularly in Edmonton Mill Woods, is dependent upon the oil industry. Something like three out of four wage jobs in our province is related to the oil industry. So why should we not want to take the stand and stand the line for the future of our province?

Mr. Speaker, I supported Bill 50 because in my view two examples of the public interest were at stake when I spoke to that motion in the spring. The first was that you want to make sure you don't sell the barrel of oil you may want next week or next month or next year. A barrel of oil is not like a crop of wheat or a stand of timber; once it's gone, it's gone forever. The second thing goes without saying; that is, there is a right to receive a fair return for your resources. What has the federal government said to us by the nature of the negotiations — and I wonder why the hon. Minister of Energy and Natural Resources continues to remain a gentleman. They've said, if you don't take what we gave you the first time, we'll give you less. That's negotiation? I hardly think so.

The motion I supported as a Bill, I continue to support and urge the House to do so. In conclusion, in support of this motion before this Assembly, on behalf of the citizens of Edmonton Mill Woods, I say to the Prime Minister of Canada, of course, Mr. Speaker, through you and *Hansard*: Prime Minister, do not call us greedy and selfish; Prime Minister, do not wrap yourself in the flag and call us un-Canadian. Prime Minister, there's no real difference between being a good Albertan and a good Canadian; the two are one and the same. Prime Minister, there is no dilemma here, no difficult choice. The problem comes from those who think or would pretend that a strong Canada must have weak provinces. It's like saying you can have a healthy family by making the members sick. Prime Minister, treat us fairly and honestly, and the Canadians living in Alberta will respond with generous

hearts and positive energetic spirits, from pioneers to new arrivals, to build together a strong and free Alberta in a stronger and better Canada.

Thank you.

MR. STEWART: Mr. Speaker, the course of events in the last week has had a very sobering effect on the people of Alberta. I think the federal budget was the culmination of a series of events that have been taking place throughout the summer. The energy negotiations and the constitutional talks have all come to the same ultimate end, an impasse. The resulting budget last Tuesday night signifies to me the first step by the Ottawa government in the process of remaking Canada. We've heard the Minister of Energy and Natural Resources speak this afternoon of the fact that the feds did not seem to be bargaining in good faith. In the budget, I think we've seen for the first time in public print an admission on their part that they intended to take from the provinces some of the rights that under our constitution were strictly provincially controlled. We've seen the discussion of how the constitution would be amended. Quite clearly, we would end up as second-class citizens in western Canada.

Truly, the federal budget was a public admission of an intrusion on provincial rights. In the name of unity, we are developing a centralist system. It was obviously a money grab by the federal government to redistribute it at their whim, literally to buy the votes that will keep them in power. In history we've seen other governments in other lands change the face of the country, change their constitution, and wreak havoc with the administration of rights in those countries. We can list a few that have taken place in recent history: Rhodesia, Italy, Spain and Germany, all within our lifetime. We've seen what happens when somebody struggling for power decides to throw the constitution of that country away and remake it in his own fashion.

Mr. Speaker, as of last Tuesday night and that federal budget, I think we all had to ask ourselves: where do we stand on this issue? I think the people expect leadership from this government, to protect their interests and represent them in the days to come, in a manner that will protect Albertans and take a lead in showing the rest of Canada the unjust decisions that have been made by the gang of four in Ottawa.

I was pleased, Mr. Speaker, to see the Acting Leader of the Opposition stand up the other day and recognize that when there's a crisis in Alberta, political blinds are not going to get in the way of acting in a responsible manner. His declaration of being prepared to support this government in protecting the natural resources of the people of Alberta for their use indicates that most Albertans agree with the philosophy of what we're doing.

The Member for Spirit River-Fairview, striving for any political advantage on every issue regardless of the effects on the people of Alberta, took a different view. In trying to describe him and his position, and to draw an analogy, I came to the conclusion of something I'd seen recently on television, repeated quite often so that it stuck in my mind: the sleazy detective in the Rice Krispie ads looking for the snap, crackle, pop at every opportunity — a socialist solution to the problem. I was not impressed.

To the Member for Calgary Buffalo, who sees fit to sit by himself and be a freethinker, I suggest that action has to be taken by a responsible government before the inevitable happens. I think of Nero fiddling while Rome burned.

Who will benefit from this budget? Job opportunities

throughout Canada will be lost as a result of the federal government's striving to get their hands on the dollars that the industry and Alberta were deriving from the oil industry. Every time one of those drilling rigs pulls up stakes and goes across the line, a good number of people who do not go with it are going to be out of a job. The unfortunate part of it is that it's not totally the jobs directly related to the drilling programs of oil companies that are affected. The spinoff throughout our economy — the trucks built in Oshawa, that the oil companies use by the hundreds on a daily basis throughout this province, will be another commodity that will not be needed. There will be more jobs lost in Ontario than in Alberta. I think the message has got to be that the net result of the federal budget is going to be a loss of job opportunities throughout Canada.

I've looked at the people in my constituency and listened to their reactions over the weekend. Watching the press and the reactions of people in the business community, I think there's a shocking realization that the proposed nationalization of the oil industry in this country is going to have a devastating effect on our economy. It was suggested to me that if the people who are going to run the oil industry are of the same cut as the people who deliver our mail, the people in Ontario may well be frozen in the dark at some point in time.

The reaction of the people who have pioneered the oil industry in this province — not the multinationals, but the multitude of small Alberta-born Alberta-based companies that will go bankrupt before the tide can be turned if this goes on for any length of time, and will completely destroy job opportunities after any changes are made. Because small companies cannot withstand any period of complete inactivity without going bankrupt. I'm not particularly concerned that this would bring the multinationals to their knees, but I'm certainly concerned that the Alberta-based companies — and we have many of them — will not survive this type of action by the federal government for any degree of time.

It's the long-term effect about our Canada that concerns me. I feel we were in a fairly competitive position to survive the energy crisis the world is talking about. With the right effort, we could have been self-sufficient, or close enough that it would not have been a drain on our federal budget, as it is today. But with the actions of the federal government last Tuesday night, I'm convinced we'll be a long way from self-sufficiency, probably to the extent that other forms of energy may have to replace fossil fuel before we can ever achieve it on a national scale.

I guess the message to all Albertans today is that we're liable to lose our heritage to a centralist form of government. After spending 75 years as a province, we'll be delegated to a status similar to a territory, under the whim and control of the government of the day in Ottawa. I'm not looking forward to that happening with any great anticipation. I hope the people in Canada will realize that not only is Alberta being hurt; we're just the first province to bear the brunt of this type of discrimination. Let's hope the rest of Canada realizes that that approach will only bring this country down and not unite us.

Thank you.

MR. NOTLEY: Mr. Speaker, in taking part in the debate this afternoon, I don't intend to try to answer some of the rather unfortunate comments made by hon. members. I know people feel very strongly about this issue, but I

would simply suggest that when we have words used last Friday in the House, such as "cowardly", "sleazy", those, Mr. Speaker, with great respect . . .

MR. SPEAKER: Order please. It would seem to me that an incident like that of last Friday is over and done with. There's no use stirring it up again. I thought we had dealt with it finally. If it's going to be resurrected on a number of further occasions, I don't know what remedy there might be for that.

MR. NOTLEY: Mr. Speaker, I'm simply making the point, and I'll make it again: while hon. members may feel very strongly about the issue, I think temperate language must be used. We're talking about a very important matter. I regret very much the language used this afternoon by the hon. Member for Wainwright, whom I respect. Quite frankly, I think this kind of discussion is sufficiently important that it should be carried out in a serious way, and not as if we were on the campaign hustings attempting to lobby for votes.

Mr. Speaker, I want to begin by dealing with the Bill presented to this House last spring, and point out that in that particular debate I ended up very reluctantly supporting Bill 50. I'll go into that in a little more detail. But in that debate, those of us in the opposition expressed the concern that there should be full and total debate in the Legislative Assembly before Bill 50 was used.

I raise that very deliberately because as a member of this House I find it extremely unfortunate that we have the debate today, after the Provincial Treasurer has tabled documents. I appreciate those documents being tabled, but I suggest to government members that it would have been far better for this discussion if the initial speech had been made, the tabled documents given to all members of the House, and then the order of business going on to something else for a day or two, so that those of us who have not yet had an opportunity to review fairly lengthy and comprehensive documents would in fact have an opportunity to assess them fully.

Mr. Speaker, I raise that issue now because when we debated Bill 50 last spring, we got an assurance that there would be a debate. As I recall my years in this Legislature, with almost every major debate there is at least a minimum of courtesy given to opposition members or members of the government caucus who are not party to this information. Surely it would not have been too much to have delayed this debate for a day or so, so our research staffs could have fully examined and assessed the documentation we have today. But I gather that that's not possible. The government members want to proceed and have a vote tonight. So be it. But as one member of this House who felt we had an assurance last spring, I must stand in my place and express no small amount of regret.

Mr. Speaker, were Bill 50 and the resolution we have before this House used, were its use to be part of a fairly carefully thought-out effort at conservation, then I would say that my attitude and the attitude of others who have some real concerns about this resolution, would be different. I think I mentioned in the spring debate that as long as I've been a member of this House, I've felt we should have some kind of oil resources preservation Act. As a matter of fact I remember first raising that in 1972, during the first session I sat in the House as a member, because I think there is a case for conservation. Ironically enough, as I look over the Premier's speech — most of which I don't agree with — at least one element is

important: that an effort at conservation is clearly going to be extremely useful to Alberta and Canada in the years ahead, as energy prices rise and as security of international supply becomes more doubtful.

But while that point can be made by the Premier, and it was on Thursday night, the track record of this government is really not one that would give us any encouragement. For this administration making it — all of a sudden we see this total change on the road to Damascus; suddenly the government is interested in conservation. Unfortunately, members in this House will have to realize that not only in Oshawa, Toronto, or Montreal, but also in Vegreville, Calgary, or Red Deer, a lot of Albertans will question this government's commitment to conservation when over the last number of years there has been an almost pell-mell approach to export everything that isn't nailed down.

We had the hon. Minister of Energy and Natural Resources tell us what a great deal the prebuild would be. I could never understand why this government was so enthusiastic about prebuild, because of all the talk at the time about a natural gas export tax. That struck me as a strange approach for our Tory government in Alberta to take. I could understand why there was a change of opinion on the part of federal Liberals. Last December they were totally opposed to any export of natural gas. Then they get back in power and have a natural gas export tax in mind, and all of a sudden they changed their minds. They're now in favor of the export of natural gas. Mr. Speaker, I could understand why they suddenly found a different policy. But frankly why this government was so committed to additional natural gas exports in May, June, and July of this year, I still have not had a reasonable explanation, especially now when I look over this documentation and know perfectly well that the prospect of a major natural gas export tax was a very real probability. So now we say we are converted to conversion. Well I'm glad we are. But I don't think too many Albertans are going to see conservation as the reason for this Bill. Very few Canadians are going to see it as the reason for this resolution.

Mr. Speaker, I now want to come to the question of the negotiations themselves. Let me say that I have some real concerns about the way the Trudeau government has carried on negotiations. I don't like the use of the expression — I notice it's probably party line now, because all the members are talking about the "Ottawa government". I think all of us are of that frame of mind, because we all belong to political parties that had candidates against the present government. But the Ottawa government is the government of Canada, whether we like it or not. I think that using those sorts of expressions, or the kind of expression the Minister of Municipal Affairs used the other day when he talked about the Prime Minister not fighting in World War II, is just wrong. Let's have a little bit of class in carrying on this discussion. We're talking about the government of Canada. We may disagree with that government, but we're not, as they say, out on the hustings yet. We should be seriously debating this issue.

The question is: has the government led by the present Prime Minister, been reasonable in their negotiations? I think quite frankly that they haven't. I don't think they have. As I look over the documentation and watching the events unfold over the last seven or eight months, I would agree with many of the things the Minister of Energy and Natural Resources told us today about the negotiation tactics of the federal government. Certainly they did not go that second mile. They didn't go anything like the last

mile in their negotiations. But, Mr. Speaker, what troubles me as I look over the documentation, is that I'm not so sure the Alberta government was prepared to go that second mile either. Like the hon. Member for Calgary Buffalo, it strikes me that perhaps we had two sides, and when they got into the room, instead of getting down to serious negotiations we had a repetition of rather inflexible positions on the part of each. I think most of us know that since the Liberal government took over — as a matter of fact, among many of the so-called officials, the term "eclipse" has been used by the Liberals to define the short Clark administration. I think that betrays a certain amount of arrogance. When I see the so-called document for ministers' eyes only, that was made available at the time of the constitutional conference, I'm offended by that too.

But, Mr. Speaker, the fact of the matter is that while negotiations have not been aided by federal tactics — and nobody in this room is going to argue the case for Mr. LaLonde's and Mr. Trudeau's tactics over the last seven months — we have to ask: have we been more than ready to negotiate? Much is made in this House about the letter the hon. Premier sent, that he would be prepared to jump on an airplane at an hour's notice and go down to meet with the Prime Minister. Had that commitment been made on October 3, after the meeting with Mr. Lalonde that the provincial Minister of Energy and Natural Resources told us about, then I would stand and say, yes, I think that's a reasonable thing to do. But unfortunately that commitment wasn't made. The letter got to the federal government just a few days before the budget was made. I could well imagine members in this House — I've been around here long enough to know that if someone from the opposition were to suggest, six days before the Provincial Treasurer brings in his budget next spring, that there should be some major change, that proposal would bring forth the ridicule of all members of the government caucus. I could just hear the chorus of ridicule now. Yet here we have a letter a few days before the budget comes in, Mr. Speaker, and we are telling everybody in Alberta that we're going that extra mile. I know that position will carry the day in the Tory caucus, but I don't think it's going to carry the judgment of a large number of Albertans who are troubled by what they see as intransigence on both sides of this issue.

Mr. Speaker, the question that has to be addressed now is: what do we do as a consequence of what is clearly a very serious breakdown in relations between our province and the federal government, no doubt the most serious breakdown in the history of Alberta. What is a proper response? As I said on Friday when I spoke in the debate on the budget, I think there are certain things we should do. I happen to agree with a legal test on the constitutionality, if you like, of what is basically a well-head tax. I think that's a reasonable step. I think there is another alternative to acting upon Bill 50 at this time, and that is to suspend any action on our part for a period of time and to ask the federal government not to impose the regulations contained under the Petroleum Administration Act. Let's go back to the bargaining table. We all know we have to do that. We're told by the Treasurer and the Minister of Energy and Natural Resources that's what we hope to achieve by passing this resolution and gradually beginning the process of turning down the taps. I suppose government members are arguing that it's absolutely necessary to have this or else, or we're not going to get the federal government back to the bargaining table.

Mr. Speaker, as I read the comments in the House of

Commons on Friday, it seems to me there is a willingness on the part of the federal government. Let's explore that. Members in this House must not only react to the heat of passion, which obviously exists in Alberta today, but they must be able to justify it three, four, five, six, or nine months down the road, fully assessing the implications of what we are doing.

One of the implications is that it is going to have a very adverse effect on our petroleum industry. The minister assures us in his very careful way that since most of the people servicing the wells are going to have to carry on because we're only going to cut it by 15 per cent — although that's a little unclear; ultimately it's 180,000 barrels a day — the bulk of the jobs will still be there. That's true in that particular part of the industry, Mr. Speaker. But what about the many, many thousands of Albertans who are employed in exploration and development? What about the investment decisions? Over the weekend, in talking to people in the oil community in Calgary, I discovered a good deal of concern about the failure to work out an agreement.

We hear, from Tories especially, the need for stability and certainty. Well at the present time with our cutting back oil production by 180,000 barrels a day and a federal budget that has many serious provisions, very few oil companies indeed will look forward to investment in this province. That is going to have an impact, and the minister knows it's going to have an impact on exploration. It's going to have an impact on the number of people who are employed in the seismic industry, even the little brushing contractors I referred to on Friday. Thousands of people are going to be affected. Whether we get into an argument of whether it's mainly Ottawa's fault, or just a little bit our fault but the bulk Ottawa's fault, is irrelevant to the fact that the uncertainty is going to cost jobs. Members of this House must bear that in mind, because we're going to be asked questions about it by Albertans and other Canadians, and rightly so.

Then, Mr. Speaker, there is the issue of what happens. What is the government's scenario? We turn the taps down by 60,000 barrels a day. Since the government wants to ram this thing through tonight, I gather that means that on February 3, or thereabouts, we're going to have the first turndown of 60,000 barrels a day. I'm not surprised, Mr. Speaker, that the federal government reacted in a reasonably calm way. I'm not surprised at all, because I think they're going to let the winter create the emergency — and it may even be a phony emergency — that will allow them to use the emergency powers.

Mr. Trudeau, whether one likes him or not, is no fool. He's not going to use emergency powers now because there is no perceived emergency. But if we cut back oil production by 60,000 barrels a day on the February 3, we have a cold winter and all sorts of potential supply problems; you've got various bureaucracies involved — the federal bureaucracy, the provincial bureaucracy, and the company bureaucracies themselves. The potential for technical problems is just enormous.

I noticed, Mr. Speaker, when I asked questions on Friday, that the hon. Minister of Energy and Natural Resources seemed to imply that we would look after Canadians in the event of some international war breaking out, or problems between countries in the Middle East. I asked him specifically what this government would do about the technical problems, and here's what the minister said:

... I would say we would give consideration to the question of shortages as a result of technical prob-

lems, but I wanted to draw a very clear distinction between shortages in Canada, say as a result of the action or decisions of the federal government, and the availability of oil in the international market.

Mr. Speaker, 10 years after the War Measures Act, surely any of us who know anything at all about history know that much of the so-called perceived insurrection was, to put it mildly, exaggerated. I don't think anybody would argue that point, even Mr. Trudeau. Mr. Stanfield, the former leader of the Conservative Party, probably argued it more eloquently than anyone else three or four years [ago] on a national television program.

Mr. Speaker, it really doesn't make a great deal of difference what the emergency is and who's to blame. If the federal government wants to use the emergency powers and the emergency is there, they'll use them. Members who are concerned about maintaining some measure of control over natural resource development have to keep that in mind. Whether or not we want to admit it, we have to keep it in mind.

I say to the members of the House: even from a tactical point of view, it's one thing to begin a program under Bill 50 so we're dealing with the summer use of petroleum. That's still going to cost the federal government money. But the potential for the kind of emotional issue developing if we have a cold winter, and people are going, even for a few hours — you are simply, in my view, offering the whole game to a leader who has proven he is more skilled in PR. This bunch here are rank amateurs compared to the federal Liberals when it comes to major issues. I think the War Measures Act surely proved that. We could all pound the desk in here — maybe it's not very easy for some of us, in this particular climate, to say the things I am saying, but they're going to be said none the less. From a tactical point of view, I think this government is getting itself and the province into a good deal of unnecessary trouble. [interjections]

Mr. Speaker, what in fact should be done? I just reiterate what I believe should be done. We've waited a long time to reach an agreement. It's not going to be the end of the world if several more months go by. Taking a careful review of Mr. MacEachen's budget, there's a provision there. It's not an olive branch by any means, and shouldn't be interpreted as an olive branch. It's simply an opening which says the federal government would not invoke the regulations under the Petroleum Administration Act, provided the pricing schedule were accepted.

It's important that they not invoke those regulations, Mr. Speaker, because that sets a precedent. Once set, precedents are very important when the court interprets, as they will in the years ahead, whether or not action should be taken. I suggested that one counter-offer we could make, because the bottom-line consumer price — not the total, because the total is different, and I would be willing to admit that, between the \$2 and the \$2.50 which is different than the Alberta figures. But the bottom-line price that would be paid by refiners would be almost identical for a period of two years.

People ask me what I think should be done, and I say, all right, let us in this Legislature say to Mr. MacEachen and the federal Liberals: don't invoke the regulations under the Petroleum Administration Act, because we want to go back to the bargaining table. And as a sign of good faith that every Canadian will understand and recognize is a sign of good faith, we're going to leave this resolution in abeyance for a period of a month. Let's have a cooling-off period for a month.

AN HON. MEMBER: We're cool.

MR. NOTLEY: Well, I haven't noticed that by most of the heckling, hon. member, or most of the speeches I have heard today.

Mr. Speaker, in my view, what has to be done if this province is to protect its resources at this time, is we have to try to win the battle of Canadian public opinion. We don't do that by passing a resolution that is going to be interpreted elsewhere in the country as threatening to Canadians. We don't do that, because what we are involved in today is the most important political battle our province has ever seen. You do not throw away access to the only ultimate card we can have, and that is Canadian public opinion.

I notice one of the members attacked the fact that I supported the idea of an advertising campaign. I certainly felt that if we're going to have the Premier on television, we should have equal access to other political people in this province too. As an Albertan, I think that there are things we agree upon as Albertans that should be said to other Canadians. But you are not going to say them very effectively, Mr. Speaker, if you've closed off the minds of other Canadians by ramming this resolution through the Legislature, especially tonight.

I conclude my remarks, Mr. Speaker, by saying — and I know we're going to have a whole hallelujah chorus getting up and making very bold, as they can in a group of people who all agree, except for a tiny, tiny minority. We can always be very brave in that situation. It's like those of us in the opposition speaking to a protest group in front of the Legislature: they always boo the minister and cheer the opposition. I don't think I'm very bold by speaking to those groups, and I don't think hon. members are especially bold when they take the kind of cheap shots that have been taken in this House, Mr. Speaker.

[interjection]

MR. KNAAK: I think the member is suggesting that if we were acting independently we would not take the same views, and that our strength lies in numbers. I can assure the hon. member that even if . . . [interjection] Walter, let me say my piece, you'll get your turn.

DR. BUCK: Mr. Speaker, the member was on a personal point of privilege. What is that personal point of privilege, Mr. Speaker?

MR. KNAAK: I'm making the point right now.

MR. SPEAKER: With great respect to the hon. Member for Clover Bar, I am not quite sure, just yet, what the member is asking.

MR. KNAAK: Mr. Speaker, I think it was a statement that we as independent MLAs, as opposed to a caucus, would not hold the same point of view, and that he is suggesting . . . [interjections]

MR. SPEAKER: Is that the hon. member's point of order: an accusation of some kind of improper unanimity, or something of that . . . I would respectfully suggest to the hon. member that that could be raised when he reaches his turn in the debate.

MR. NOTLEY: Mr. Speaker, I think the hon. Member for Edmonton Whitemud has made the point I have

attempted to make throughout my comments; that is, I know the members on the government side are very concerned about this, as they should be. I know their emotions are running high in this House, probably higher than I've seen in a long time. But let's remain as cool and reasonable as we can, and not go off half-cocked.

Mr. Speaker, in concluding my remarks: even though I supported Bill 50 last spring because I feel legislation that will act as conservation legislation is necessary, and even though I think there are times when perhaps this sort of thing must be considered by any government looking at the options, I do not believe that passing this resolution today is in the public interest of the people of Alberta. Therefore I will not be able to support the motion before the House.

DR. REID: Mr. Speaker, it's said on many occasions in political forums, legislatures, and parliaments that we are living in momentous times for our country or our province. Probably never in the last 50 years, since the return of our natural resources to this province, has it been more true than it is on this particular occasion.

Over the past 10 months, many speeches have been made by both federal and provincial politicians. I cannot think of two more significant speeches that could have been made than the address by the Premier of the province last Thursday night, and the speech of our hon. Minister of Energy and Natural Resources this afternoon. In addition to all those speeches, we've positively had a flood of position papers from the federal government on the constitution, energy, the budget, and anything else they could think of; in large measure a flow of propaganda on their part. The most recent part of that propaganda machine has been the Prime Minister's response of October 31. We've also had a "plethora" of negotiations. The hon. Minister of Federal and Intergovernmental Affairs wasted his whole summer in the negotiations on the constitution. Quite rightfully, he and the rest of us thought he was getting somewhere.

DR. BUCK: He was in Japan.

DR. REID: There was a feeling that agreement was at hand. [interjections]

Walter, I think the minister has spoken well enough on his own behalf on this matter on several occasions.

We've also had alleged negotiations on the part of the Minister of Energy and Natural Resources with his federal counterpart. The litany of duplicity described and documented by the Minister of Energy and Natural Resources this afternoon indicated how useless all this alleged negotiation had been. I'm quite sure that before the very first meeting, the federal government had made their mind on what they wanted to do. They carried on and did it, and everything else was a useless front. In fact it would seem they were determined from the beginning to walk that last mile, but the mile was to the edge of the cliff, nowhere else.

When Bill 50, The Mines and Minerals Act, was passed this spring, I am sure none of us expected it to be required as soon as this. All of us hoped very sincerely that it would not be required. It has come to us so quickly because we have been pushed to this action by the federal government, by their pseudo budget and their non-policy on energy. The proposals by the Ottawa government — and I use the term "Ottawa government" in spite of the warning from the hon. Member for Spirit River-Fairview, because it is the Ottawa government; it

has no representation west of Winnipeg and very little west of the Lakehead. What we were seeing last Tuesday night is essentially what resulted in the development of the United States of America: taxation without representation, which led to the Boston Tea Party, among other tea parties.

The proposals by Ottawa were completely at odds with the proposals made by the provincial government in July of this year. Those proposals were reasonable, reasoned, and of such a nature that they should have been acceptable to all the parties involved. They assured the result that we as people living in Canada most needed: the assurance of future supplies of oil and gas for our country. They were dismissed by Trudeau, MacEachen, and Lalonde, this unholy trinity in Ottawa. They were dismissed out of hand for reasons we have to investigate.

I was interested in the remarks of the hon. Member for Spirit River-Fairview when he said his answer to the problem was to walk a second mile. I did some figuring of the documents given to us — incidentally, I think we had adequate time to consider them. The second mile this province did walk was to suggest that, whereas in the last fiscal year the federal revenues from resource energy in this province were some \$1.6 billion, they be increased to \$20.5 billion over a 4-year period. That's from \$1.6 to \$5.1 billion a year, a pretty fair second mile by anybody's count. The only other answer he had was to capitulate under the escape clause put forward in the federal document by the Minister of Finance, that trickster from Nova Scotia. His remarks about conservation — what greater conservation could there be than having the price of oil within this country rise to some reasonable level below world price? As a province we've already contributed some \$20 billion to a cause which has been a complete failure: to give the economy of Canada time to adjust to a higher price. There has been no evidence of conservation by the federal government until this date. That \$20 billion contribution has been all for naught.

Mr. Speaker, I came to Canada 25 years ago, and I came to Alberta by choice and as a conscious decision. Many came with me in the 1950s. They came from Europe and other parts of the world to a country that offered them something. It was a free-enterprise country, economically stable both internally and externally. It had a duality of origin but a multicultural background. People in Canada spoke civilly to each other whether they were Alberta talking to Quebec, or Albertan talking to Quebecois.

When I came here, I came with some informed basis. I was not like a Vietnam refugee, nor like the people who ran from Hungary in 1956. I had read a lot about Canada; I had met Canadians during the war and after it. And I had a particular interest in this province — maybe that's why I'm here — because I understand a great-uncle of my father was an early mayor of the city of Calgary when it was a small community and just a town. Perhaps that gave me the interest to find out about this province and this country.

When I came here, this was a united country. We talked civilly between groups. We compromised on situations, and we behaved as civilized people. I don't want to fan the flames of western separatism. I think the Prime Minister is trying to do that well enough himself. After last weekend, talking to people in my constituency — many of them immigrants like myself — and listening to their reactions, I'm going to try to walk the same tightrope our Premier did last Thursday evening. I have to, because when I became a Canadian citizen I took an

oath:

I swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth the Second, Queen of Canada, Her Heirs and Successors, according to law and that I will faithfully observe the laws of Canada and fulfil my duties as a Canadian citizen.

I take oaths very seriously when they're of that nature, and for that reason I am specifically saying that I am not in favor of western separatism. I want this country to stay together and so do the vast majority of immigrants who have come to this country since World War II.

Louis St. Laurent, John George Diefenbaker, and Lester Bowles Pearson, to my mind epitomize the attitude that federal politicians should have to this country. It's a federation; it is not a matter of setting one group against another, one province against another for political advantage in Ottawa. The responsibility of a federal politician is to hold this country together in conjunction with the provincial parliaments or assemblies.

We've had many federal/provincial first ministers' meetings over the years. I particularly remember one unfortunate occurrence in 1967. It was perhaps a harbinger of what was to come. The then Minister of Justice, the same Pierre Elliot Trudeau who is now our Prime Minister, attacked the elected Prime Minister of the province of Quebec in a most unseemly fashion at that conference. He showed the confrontative nature of his personality then, and we should perhaps have been well warned 13 years ago about what was to come from this Machiavelli from Montreal.

In relation, particularly to the constitution, as I said, we've had discussions masquerading under the word "negotiation". As I said, the hon. Minister of Federal and Intergovernmental Affairs along with the other provincial ministers felt there were grounds for agreement. But as he stated in this Assembly, every time they came close to an agreement on anything, that particular item was withdrawn from the table. Presumably it would be dangerous to the preplanned strategy of the federal government. On energy we had an almost identical occurrence. This afternoon the minister has well detailed what happened. He's documented it for proof, not just to Albertans but to the rest of Canada, of what was going on through this long summer of 1980.

The response of this government in introducing a motion under Bill 50 is, I think, reasoned and reasonable. I think the rest of Canadians will understand the reason for it and hopefully support it, because without this type of response there is indeed little hope for the future of this country that I'm so proud to be a citizen of. I think our response was reasonable, and I would hope that it would be thought so by the federal government, by that government in Ottawa. But we've seen little indication of it so far, either in the response of the Prime Minister through his office in the document tabled today, or by remarks by the Minister of Finance in Ottawa, who has said there will be no change. That's a fine start to negotiations.

Of course there was the famed remark of the Minister of Justice that if we take a little revenue from you, maybe we'll save you having the problems of prosperity. The little revenue amounts to some \$6 billion a year. That's quite a price to pay for getting rid of some problems. I sincerely hope I'm wrong when I say that unfortunately it appears the Ottawa government is committed to confrontation. I sincerely hope the appearance is just as deceptive on this occasion as it has been on all others during this long summer and fall of 1980.

The hon. minister spoke in somber tones of the action we are considering. Some may say that Albertans are trying to break up this country, that we're trying to break Confederation. Mr. Speaker, I say that if we do not take this action, then we will break up the country. We will destroy it as it now exists and as we want it to exist. We will destroy the country I came to 25 years ago if we do not take this form of action to try to bring the federal government to its senses, and to truly negotiate in the real meaning of that word. In view of my oath to fulfil my duties as a Canadian citizen and what that responsibility means, I am proud to support the motion presented to us this afternoon by the hon. minister.

MR. R. SPEAKER: Mr. Speaker, I beg leave to adjourn the debate until this evening.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, I move we call it 5:30.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

[The House recessed at 5:22 p.m. and resumed at 8 p.m.]

[Mr. Appleby in the Chair]

MR. R. SPEAKER: Mr. Speaker, in speaking to Motion 21, first of all I think the situation we are examining and the sequence of events that have led to the decision of the government to say that at this point in our time we must limit oil production by producers here in Alberta and in turn potentially affect the future and the energy possibilities for many Canadians, is a serious decision, and certainly one that we should not take very lightly. I believe that in the next three months it's going to be very incumbent upon the Premier and the Prime Minister to try with every means and with every capability to bring about some kind of agreement that will accommodate the needs of Albertans and certainly the needs of other Canadians.

Albertans at this time in our history are very adamant that we must stand on a basic principle: that the natural resources are owned by Albertans and that we have determination as to the revenue that comes from those natural resources, oil and gas specifically, and how we are able to use them as Canadians in this land of ours, Canada.

Albertans are also saying that at this point in time we must be tough in our negotiations, because over the years we as people out in the hinterland have felt that we have been neglected, and haven't felt that some of our points of view, with regard to agriculture particularly and — I hear this quite often — with regard to transportation and costs of transportation between western and central Canada. They feel at this point in time it's incumbent upon their leaders in the political field to speak loudly to Ottawa and say, look, we want to be equal in the partnership of Canada.

So we're speaking this evening not only to the resolu-

tion itself, but I think we're also speaking to a broader concern of Albertans in the total organization of Canada and in their place as part of the Canadian group of people.

Let's look for a few moments at the resolution before us. I want to repeat one of the remarks I made on Friday in this Legislature, that we must assure ourselves when we support this resolution, and the government must assure itself at all times, that following the three-month period when the resolution and the legislation take effect, there are no Canadians, in eastern or central Canada, who are without energy to meet their basic need of warmth and shelter. I think it's incumbent upon us as Albertans to repeat that in this Legislature. It may be a very simple thing, but it is a great responsibility we have as Albertans, and certainly a great responsibility the government has as the persons who must enact and follow through on the recommendation of this Legislature in support of this resolution. I'm sure that if in six months we find that some part of Canada is short of energy and certain people have had to sacrifice for whatever reason, the lines between the people of central Canada or even eastern Canada and Alberta will harden significantly.

I'd like to expand further on that point. I believe at the present time in Canada we have two levels of politics taking place. One is between the more formal politicians, the Premier, the cabinet ministers, the Prime Minister, and the cabinet ministers in Ottawa. There is a type of politics going on at that level. I would say the politics at that level of discussion are more a politics of power. At the present time there's discussion as to what powers the province should have, what powers Ottawa should have, whether or not the constitution should be patriated — a basic power struggle is going on at the present time, both attempting to get their own way. That position may not meet with some compromise or solution. Those two groups of players on the political scene at the present time could cause some great difficulties.

But at the same time, there is another type of politics going on in Canada. I also see it going on in Alberta at the present time. This is the grass roots politics. In Alberta, as you wander around in your community and talk to the people at the grass roots, they may not understand all the technicalities and statistics about what's happening with regard to oil production, energy production, and what we're doing. But they know there is a fight between Alberta and Ottawa, and they're willing to stand up for that. At the present time, a lot of Albertans are willing to go some distance to stand up for provincial rights for the province of Alberta.

At the same time, I would say there is a feeling at the grass roots in other parts of Canada that Alberta is being somewhat unfair, and that is going to create a certain type of uprising. At the grass roots of Canadians it could harden political action between central Canada and western Canada, that the politicians at this higher level, at this level of power in politics, will not be able to handle. I think that makes the negotiations and the results of our vote on this resolution somewhat significant. I think it also calls upon all of us here in this Legislature to take a greater responsibility.

After we pass this resolution — and we on this side of the House, the Sacred caucus, have said that we will support this resolution. I said that last week. We have said that if the negotiations are at a point where the government needs this kind of tool to negotiate further with Ottawa and to protect our rights to our natural resources, specifically oil and gas, then we'll support that

and go with the government at this point in time, because that's most necessary. If we have disharmony in our own house and in our own Legislature, I think that gives the government a very weak position to present their case in Ottawa at the present time.

However, I also want to say that — and I've tried to define the situation — there is a very tender balance of attitudes among the people. If our negotiations with Ottawa become very hard and very set from Alberta, we could have Albertans rise up on their own and say, we're getting fed up with what Ottawa is doing. We could have a political action from the grass roots that as politicians we could not control. I'm sure we could see other political parties. We could see western Canadian movements occur. I don't think anybody in this Legislature wants that kind of thing to happen.

We can see the movement that's called western separatism gain greater support. Nobody wants that to happen. When we think about what Canada really is, we all recognize that we must have a large piece of land. We have assets all the way across Canada, not only in people but in physical resources. We have mental capabilities that all work together, that can continue to be a strong power in the world community. I think it would be an unfortunate thing if we lost that because of the negotiations we're having between Alberta and Ottawa at the present time with regard to oil and gas.

So I only say, as a warning to the ministers and certainly to the Premier, in their negotiations — and I'm sure they're aware of this — that the situation is tender. Our politics are not only with the leaders of the country, but the politics we're dealing with in what we do with this resolution are at the grass roots of all of Canada, not only Alberta. Those grass roots are the power that really makes political change when things begin to happen. I can only emphasize that point so that all care is taken in the negotiations.

Mr. Speaker, as I have said from this side of the House, we're prepared to go along with the resolution. But in giving that support, I want to raise our concern about the potential political action that can occur, and certainly our concern about the needs of other Canadians.

head: INTRODUCTION OF SPECIAL GUESTS

(reversion)

MR. ISLEY: Mr. Speaker, before I address Motion No. 21, I would like to take this opportunity to welcome back to the House the former MLA for the Bonnyville constituency who served from 1971 to 1979, Mr. Don Hansen and his lovely wife, Vi. Would you stand and receive the welcome of the House.

head: GOVERNMENT MOTIONS

(continued)

MR. ISLEY: Now, Mr. Speaker, I would like to state that I stand solidly in support of Motion No. 21, a motion to reduce oil production as a result of the discriminatory and punitive provision in the federal budget against Albertans.

Mr. Speaker, a new Canada is being imposed upon us by an Ottawa government with virtually no elected representatives west of the Ontario border. It is becoming clearer, from the Ottawa government's constitutional

package and the recently announced budget and energy program, that this new Canada is being built on the backs of western Canadians, particularly Albertans. In simple terms, the Trudeau constitutional package makes Albertans second-class citizens, and the Trudeau budget should be bluntly labelled the rape of Alberta. It was presented in such a devious way, and in such complex terms, that the average individual did not immediately feel the shaft.

How does the Ottawa government's constitutional package make you a second-class citizen? The amending formula in the Trudeau constitutional package is the Victoria formula. The Victoria formula gives the provinces of Ontario and Quebec the right to veto constitutional changes. This right is not extended to any other province. The Canada I grew up in and learned to love and be proud of recognized all Canadians as equal, regardless of the region in which they lived. The new Canada being imposed by the Ottawa government changes this. It creates first- and second-class citizens, and you and I would become second class. I ask you, can one trust an Ottawa government that in the same package wants to entrench a charter of rights and then goes on to create special status for the citizens of Quebec and Ontario?

Why do I label the Trudeau budget the rape of Alberta? First of all, is it a budget or is it a national energy program brought in under the pretext of a budget? I would suggest it is the latter. What effect does it have on us as Albertans? Number one, it invokes the federal Petroleum Administration Act and unilaterally sets the price of our resources — this after a series of ultimatums, no sincere effort being made by either Trudeau or Lalonde to negotiate energy prices. I think that was well presented and well documented in the House today by the hon. Minister of Energy and Natural Resources. Two, it imposes on our natural gas both an export tax and a wellhead tax under the label of a natural gas tax. Thirdly, it proposes to take our money to finance Petro-Canada's takeover of existing oil companies. This does nothing to achieve oil self-sufficiency. We should be finding and developing new reserves and technologies in Canada, not sending billions of dollars out of the country. Fourthly, it proposes to take \$33,000 from each man, woman, and child in Alberta over the next four years. That is the impact of the resource grab to you, your children, and your children's children.

If the Ottawa government succeeds with their national energy program, they will have successfully taken control of our natural resources, will bleed our revenues off to central Canada, and will ensure that the west remains a colony of central Canada forever. I ask the Alberta people, is that what you want for your children?

Now let me spend a few moments on nationalization of the oil industry as proposed in the national energy program. I use the term "nationalization" specifically, as opposed to Canadianization of the industry. Mr. Speaker, I support Canadianization of the energy industry. A review of our energy package as presented to Prime Minister Trudeau by our hon. Premier last July makes a commitment to major Canadian ownership in the next three oil sands plants. The Alberta Energy Company shows this government's commitment toward Canadianization. In the national energy program we have a proposal for Petro-Canada to take your money and buy out existing oil companies. To me, this makes little sense. Petro-Canada should be building investor confidence in itself and competing with privately-owned companies in the oil patch.

Let us speculate as to what would happen if the Ontario government achieved its long-term objective of nationalization and had Petro-Canada as the only actor in the oil patch. Look at the track record of the Ottawa government in the administration of our post office, of the western transportation system, and of our Canadian armed forces. Every one of them, I suggest to you, is currently in a mess. Is that what we want in our oil industry?

Mr. Speaker, I represent a constituency which is directly affected by the current conflict over energy pricing between our government in Alberta and the federal government. How are they reacting? Let me give you an example. I'll quote from the *Edmonton Journal* of Friday, October 31. Mayor Bill Slawuta of the town of Bonnyville was interviewed, and his response went something like this:

Bonnyville Mayor Bill Slawuta says: "It's going to hurt — I know personally it's going to hurt financially.

"I am disappointed but I back Lougheed up. Albertans just can't give in completely.

The town will continue planning for anticipated growth, he says.

"Next spring we are tendering for a new water treatment plant which will be able to accommodate a population of 16,000. We just have to go ahead with it.

"We're also going ahead with the construction of an agriplex. We're going to be okay for the next six months, but if a decision isn't made within the next year we will have financial trouble."

Population, now 4,200, has grown ... 50 per cent in [the past] three years.

Mr. Speaker, that is a reaction of an individual who has spent his entire lifetime in northeastern Alberta and has just recently been re-elected to his third term as mayor of the town of Bonnyville. I think it shows the confidence he and his council have in their own community and in the government of this province to ensure the continued economic development of the province.

Mr. Speaker, I checked to make sure those were the correct comments of Mayor Slawuta, and he verified that they were. The mayor of the town of Grand Centre was also quoted in the same article. Said Grand Centre Mayor Neil Kowal:

We're looking at expenditures of \$10-12 million in three areas. And no commitment from the provincial government.

When I checked with Mayor Kowal, he told me that what I just read is not what he said in the interview. He claims that his statements were that the council was looking at projects that would cost somewhere in the range of \$3 million to \$12 million, that the provincial government had made commitments to some of those projects, and that they were anticipating support on others. However, I must say that when the *Edmonton Journal* only quotes one of my mayors wrong, they're doing well. After all, that gives them a track record of 50 per cent which, compared to their past record, probably makes it almost passable.

Mr. Speaker, it took guts, determination, and hard work on the part of our forefathers to develop this province to the point where it is today. Most of my constituents are offsprings of those forefathers and are prepared to show the same guts and determination in maintaining our resource ownership rights and in helping Alberta develop and mature to take a proper place in

Canadian Confederation. These are the same breed of people whose guts, determination, and hard work opened this land of Alberta and developed an agricultural industry second to none, in spite of the fact that that industry has been subject to a similar form of rape for 75 years.

I offer to you a little comic, that was in the 1939 issue of the *The Country Guide and Nor-West Farmer*. It was presented to us this morning by the Western Stock Growers, which shows you the type of things which have been going on in agriculture.

They are not prepared to sit back and lose their resource ownership rights and witness the rape of another major industry. That's the position of most of my constituents. I believe they're strongly supportive of this motion.

I do have a number of constituents who, like the hon. Member for Spirit River-Fairview, do not have the intestinal fortitude to stand up and be counted. Fortunately, I have no experts like the hon. Member for Calgary Buffalo who, in the face of the explanation and the documents tabled by the hon. Minister of Energy and Natural Resources, would question the sincerity of negotiations on this side of the House. I would remind both hon. gentlemen — and I note they're both absent — of the hazards of trying to walk a barbed wire fence: if you ever slip with a leg on each side, the result could be disastrous.

In closing, Mr. Speaker, allow me to reiterate that I fully support the move being taken by Motion 21 and that I, for one, am prepared to take harsher actions if necessary to protect the Canada I know and love, and fight the new Canada that is being imposed from Ottawa.

DR. McCRIMMON: Mr. Speaker, I am grateful for the opportunity to be able to speak on this motion tonight. This is not, however, a particularly pleasant task we face in this Legislature. The motion before us expresses in few words the sense of frustration and disappointment felt by all Albertans after a long summer of frustration and disappointment with the constitutional debate. The fall budget courts antagonism and financial folly.

In responding to the budget measures last Thursday night, the Premier stressed the fact that this budget and its discriminatory measures are of concern to all Albertans. Well they should be, Mr. Speaker. Albertans have contributed much over the years to strengthen the fabric of this country. We lived through many difficult days as a nation: the war, the Depression, uncertain times, and times filled with worry and concern. We've seriously assumed the responsibilities as citizens of this country and always without hesitation. We know all too well the long list of sacrifices that western Canadians have endured over the years, often to the benefit of the central regions of this nation. We take pride, however, that at key points in its history this nation recognized and appreciated the mood of its citizens and its provincial governments. The Natural Resources Transfer Act of 1930 is symbolic of the growing up of this country as Alberta gained control over its resource heritage.

Mr. Speaker, that sense of the spirit of this nation, that understanding of its potential, and that feeling for the aspiration has been seriously damaged by the present government in Ottawa, damaged by the Liberal group that has no understanding of the west, of Albertans, and of our aspirations. The federal budget is a step back in time. We had thought it had been long forgotten. The west is no longer a colony or a hinterland to be exploited in the central Canadian interest. The Liberal government lives in the past. In Alberta we are living in the present

and looking forward to the future. In Alberta we are striving to build a vision for the future, as full partners in a confederation. That is at the root of this conflict; that is a sorry source.

The federal Liberals have mounted a slick, cynical campaign to convince Albertans and Canadians that the budget could have been much worse. We thought we were going to face higher income taxes, and an export tax on natural gas was threatened. Nevertheless, we will be confronted with significantly higher food and living costs as farmers and consumers subsidize a bankrupt federal treasury. The export tax has come through the back door as a wellhead tax.

Is this good for Canada? I don't think so. It certainly isn't. Mr. McEachen has opted for shell game economics that result in heavy burdens for the taxpayer and places doubt on the capacity to accelerate resource exploration in this province.

Mr. Speaker, at this time I would like to address some of my concerns as Minister responsible for Native Affairs. As you may know, a number of Indian bands in this province receive revenues from the sale of the natural resources of oil and gas located on reserve lands. In the past few years, this has been a much needed source of funds. In many cases, these resource revenues have given Indian people a significant opportunity to upgrade their standard of living and participate in the economic life of this province. In the past week the Samson band officially opened the first trust company under the control of and belonging to Indians in Canada, with an initial capitalization of \$7 million to \$10 million. This would not have been possible without the assured source of the sale of their natural resources.

Since the imposition of this budget, concern has been voiced that the additional taxes on oil and gas will jeopardize the financial security of this and other bands. It is ironic that at a time when many Indian bands are on the threshold of some potential for increased economic opportunity and prosperity, the federal government sours the prospect for this brighter future.

My colleague the Provincial Treasurer made reference last week to attempts by Ottawa to reduce its involvement in cost-shared agreements with the provinces. Decisions such as this, made in the cold light of an Ottawa boardroom, have serious consequences that go beyond the considerations of a balanced budget and clever political objectives.

I sense in the Indian people of this province a pronounced concern about their future welfare. At a conference of provincial ministers of social services that I attended in Charlottetown recently with my colleague the hon. Member for Taber-Warner, there was unanimity of concern that the federal government continue to fully discharge its special responsibility to treaty Indians. It's difficult to build on a trust relationship, with either the Indian people or the Alberta government, when the basis of such trust is subjected to continued challenges by the federal government.

I will close my remarks, Mr. Speaker, with the hope that we can weather this storm, that there remains much to be accomplished in this province for all its people. A further concern, although I have had my people work on it and try to research it, is this 25 per cent tax on the frontier elements of the country. I have some difficulty understanding this, because I don't know what Ottawa calls the frontier of this nation. Is it on the edge of Ontario? Does it encompass Alberta? Or are they speaking only of the Beaufort Sea and northern areas of our

country? I don't know, Mr. Speaker. They treat us like colonists. Does this frontier tax include the Crown lands in Alberta, our 42 native colonies in 42 reserves?

I hope the east wind will blow some good soon, and that we can get on with the job of making this both a better province and a stronger country.

Thank you, Mr. Speaker.

MR. WOLSTENHOLME: Mr. Speaker, I am indeed saddened that today I find it necessary to stand in my place and debate this motion which has been made necessary by the Ottawa group. When I decided to become a representative of the Highwood constituency in this Assembly, I never dreamed or thought that one day would come when I would have to stand here in my place and repudiate the actions of the Ottawa group in their commencement of the takeover of Alberta resources. I find it incredible that we must defend our right to the ownership of the resources which we were given 50 years ago. As a Canadian and an Albertan, I'm very unhappy with it. We must repudiate, vigorously oppose this unprecedented intrusion into our provincial rights by an Ottawa group who refer to themselves as responsible Canadians who practise co-operative federalism.

I'd like to compliment the hon. Premier and the Minister of Energy and Natural Resources on their excellent explanation. They did an excellent job in my mind. It sure helped me understand a lot better.

As part of my responsibilities as an M.L.A., I recently attended a hospital board meeting and a town council meeting. They are very concerned about what this budget can do to their financial arrangements and their economy and the funding. So the concerns are really out there, Mr. Speaker.

There's also considerable seismic exploration in the Highwood constituency. I talked to some of them, and they tell me they are moving to the United States as soon as they possibly can. They are concerned that an Ottawa group who would intrude into our provincial affairs is likely to invoke measures to prohibit the movement of equipment and/or finances and funds out of Canada. What a sad state of affairs it's come to.

My secretary had a phone call in my absence. With your permission, I'd like to read the remarks she recorded. It's in reply to the Premier's speech: the Premier did not go far enough. Number two: the Premier should call for a referendum immediately. A new party has sprung up called the Independent Move of Canada, and a lot of people that this chap knows are joining it. In other words, he's talking about separatism. At this stage of the Ottawa group's intended takeover of our resources, I am very concerned with this line of thinking. Mind you. I have no intention of capitulation, now or ever.

This morning at a meeting with the Western Stock Growers, they made it very clear to us that they backed the stand Alberta had taken, as given by our Premier on TV last Thursday evening. On the weekend I presented gold medallions to the deserving recipients at Turner Valley, Black Diamond, and Okotoks. They all expressed very much concern, but they also told me they hoped we would maintain a firm stand.

I wasn't present on Friday to hear the hon. Member for Little Bow express his concerns, say that he and his caucus would lay aside political differences and all stand firm. But I've read *Hansard*, and I applaud him and his caucus for their stand.

I am disappointed, though, with the hon. Member for Spirit River-Fairview. He is of the view that we are inept

compared to the Ottawa group. I feel I'd be quite inept at maybe defending myself in a physical contest or confrontation. But after all, I'd only take so much pushing; then I must defend myself. I may take a tremendous beating, but at least I would know in my heart that I wasn't trampled on by default.

From what the constituents of Highwood who have spoken to me have told me, I'm sure they would not want me to represent them by being pushed around and walked over by default. I support this motion.

Thank you.

MR. L. CLARK: Mr. Speaker, it gives me a great deal of pleasure to enter the debate tonight on this very important issue. I listened very carefully — and I think everybody did — as the minister outlined the step-by-step procedure of the negotiations that took place between the government of Ottawa and himself. Anybody can really see that no meaningful negotiations were ever entered into by the Ottawa government and that from the very start they had never intended to reach any agreement with Alberta. I guess you have to ask yourself why. Why would they take one resource and subject it to this callous treatment? I believe the answer is quite simple: they are trying to nationalize the petroleum industry in Canada and are using a lack of agreement with Alberta to reach that end.

What's next? Will it be the hydro in Quebec, the forest products in B.C., the fisheries in Nova Scotia and Newfoundland? I am really concerned about what is happening to Canada today, the Canada we all know and love. I feel our country is slowly but surely being changed from within. I believe it is being done deliberately and systematically, and unless Canadians and the provinces of this country decide to speak up, we're going to wake up some morning and find that Canada will no longer be the democratic nation it was designed to be.

What's happened to the Canada we knew? The Member for Bonnyville, in his news release entitled, *The Rape of Alberta*, made this comment: A new Canada is being imposed upon us by the Ottawa government. I ask you, what happened to the old Canada, a land in which every province, regardless of its size had equal rights that were guaranteed under a constitution in this country? It seems that every year the federal Liberal government has slowly encroached upon the rights given to the provinces in the constitution, until we're now in danger of going back to the status of a colony or a territory, a status our forefathers and the founders of this province fought so hard to overcome.

The Ottawa government's constitutional package with its amending formula would guarantee for all time that the provinces of Quebec and Ontario have a veto on any constitutional changes. This right is not extended to any other province within Canada. We now have an Ottawa government that in the same package wants to entrench a charter of rights and create a special status for citizens of Quebec and Ontario that makes all other Canadians into second-class citizens. I guess we have to ask ourselves what has happened to this democratic country we once knew where everybody is treated equally.

MR. KUSHNER: Down the tube.

MR. L. CLARK: Maybe my colleague at the right is right; maybe it is going down the tube.

Where are we going when the government in Ottawa in its energy policies evokes a federal Petroleum Adminis-

tration Act that unilaterally sets a price for our natural resources and imposes an import tax and a wellhead tax under the guise of a natural gas tax — a tax, I'm happy to say, that this province will be challenging in the courts. Where are we going when the Ottawa government suggests they tax what amounts to about 25 per cent of the income from some oil companies and use this income to finance Petro-Canada's takeover of their competitors, the very companies on which the tax is being levied? That's like your neighbor coming over and buying your farm and asking you to keep up the payments. I just can't understand that type of policy.

They are taking money from some multinational company and giving it to another multinational company, Petro-Canada, to buy out their competition. There is no guarantee that Petro-Canada, as a multinational company, will be spending all their resources in Canada to develop Canada's oil. They'll go where the money is, like the rest of the multinational companies. I don't believe for one minute that Petro-Canada is going to be any more efficient than Gulf Oil, or Shell Oil.

MR. KUSHNER: It will be like the post office.

MR. L. CLARK: And if the Ottawa government successfully manages a takeover of the petroleum industry in Canada, I don't believe Canadians will be getting their energy one bit cheaper than any other place in the world. Mr. Speaker, in my opinion, the only ones who are going to suffer will be the Canadian people. With this type of policy, Canada will never become self-sufficient in energy. These policies they have come out with will do away with competition and drive out the very companies that have developed the energy and petroleum industry within Alberta, but they will not make one more barrel of oil for Canada.

Where would we be in Canada today if our present government — and, yes, the Social Credit government had not shown some leadership in the development of our oil industry within this province? It might be well to reflect that 85 per cent of Canadian oil supply today comes from the province of Alberta. The other 15 per cent has to be imported from offshore. Can you imagine the position this country would be in today if Alberta had not developed its petroleum industry, and we had to import 85 to 90 per cent of our oil from offshore? If the Ottawa government continues to develop policies in the energy field to the detriment of that industry, all Canada will suffer.

Mr. Speaker, I would like to say that I have always been proud to be an Albertan and a Canadian. I suppose we all have our own reasons to be proud of our country that we live in; mine is that I have always been proud to be a Canadian because of the freedom and equality Canada has given to her people.

He isn't here tonight, but as the hon. Member for Medicine Hat said, the formation of Canada did not come easily. That is true. It was only with great forethought and effort that our forefathers brought together widely separated areas, provinces, and states under the umbrella of Confederation. Canada was formed when a group of districts, or provinces, by mutual agreement decided to join together for their mutual benefit to form one country. To do this, they brought the federal government into being. It was the provinces that formed the federal government and gave that federal government certain rights under the constitution. At the same time, realizing the great differences in culture, language, and

economics throughout this widely separated land, the provinces kept unto themselves certain rights. One of them was the ownership of our natural resources, and that also was enshrined in the constitution. If they had not done so, Mr. Speaker, this country as we know it today would never have been formed in the first place.

I believe it's time the provinces and the people of this country stop, forget for one minute their political leanings, and ask themselves a question: what did our forefathers really see as the role of the federal government they created with so much effort? What should the role of the federal government be today within Canada? Did the founders of this country of ours feel the federal government should be an all-powerful body controlling the day-to-day action in all the provinces?

I'd say no, Mr. Speaker. That is not what the founders of this country intended. Under these conditions, Canada would never have been formed because of the differences they had in the different provinces and areas. It was formed by equal partners sitting down by mutual agreement to form the country of Canada. To do this, realizing the great differences that existed in the provinces, they knew if this new country was to survive at all, all partners had to be treated equally and fairly. If any organization, for that matter, is to survive — be it a community club, a church, or a nation — the members of that organization must be treated equally.

What concerns me is that the Ottawa government today is singling out provinces of this nation, members of our Confederation, and saying to them, you will not be treated equally any longer; you will not have the same rights; some provinces will have more rights than others. They are saying this not only in the budget they brought down where they unilaterally set the price of gas. They are also trying to enshrine that right and make it legal by amending the constitution.

Mr. Speaker, I say again, maybe it's time the provinces and the people of Canada joined together to say to the Ottawa government in no uncertain terms, you have gone too far; you've overstepped the authority given to you by the provinces in the formation of Canada and the constitution. I believe the provinces, working together, must stop this trend of the all-powerful central government and return this nation to the democracy it was intended to be in the first place, before they tear our land apart.

Thank you, Mr. Speaker.

[Mr. Purdy in the Chair]

DR. BUCK: Mr. Speaker, I'd like to take part in the debate this evening. My remarks shall be short, because a person could combine this debate with the other motion. But I will try to stick as close to the resolution as I can.

First of all, I would like to say that as a member of our caucus and this Legislature, I support the resolution. I support the resolution only on the principle. [interjections] Fine. Let's just remember the purpose of a legislature. It's not to have a bunch of people on one side who think they have all the answers. Mr. Speaker, the purpose of a legislature is to debate the issues. If we're going to do nothing but say amen, we are not doing the job the Legislature set out to do.

So I am saying from the outset that I support the resolution. But that does not mean I have to agree with everything the government does. The government's got enough people on its back benches to pat each other on the shoulders.

Mr. Speaker, I am concerned with the principle that

has been violated by the federal government, the principle that the resources belong to the provinces. We always supported that principle as a former government, and we support that as a party.

Mr. Speaker, I predicted six months ago that this confrontation, the direction we were heading, we were going to reach this point. What do we have? We have two leaders. One, the Prime Minister of Canada, even though the Tories like to call it Ottawa. Like it or lump it, he is the Prime Minister of Canada. I do not support what he stands for or what he proposes to do, but he is the Prime Minister. And we have the Premier of the province. He has a responsibility to protect the interests of the people of this province, and he is doing that using this mechanism. Both men have responsibilities.

I wish to compliment the federal government in its very skilful presentation of the budget the other night. You had to marvel at what a skilful job it was. If you were not as closely involved with politics as we are, and you sat there as a layman, you had to say what a great budget it was; it was that skilfully and subtly done. Somebody used the expression: you were being raped so gently, you didn't realize what was happening to you. That's how skilful it was. But the principle of violating the resources belonging to the provinces was there.

In speaking to the Ontario task force of MPPs who were out here, when we talked about Canadianism those people said, you know, this is the first time we have been in western Canada when anyone has talked about Canadianism; all we've been hearing is Albertanism. I said, gentlemen and ladies; maybe we are trying to tell you something; maybe we are trying to tell you that we are Canadians, but we think that maybe you don't know what is going on in this Canada of ours; maybe you don't know the deep feelings that we have here as Albertans. So they came back and said, we are starting to hear really what your problems are. They said, in fairness to you people here in Alberta, we have not been able to understand the problems, how you have this deep-seated fear of losing your resources. They said, we are starting to hear that loud and clear. But, they said, we are glad to hear you speak of fellow Canadians.

What grieves me as a Canadian and as an Albertan is that we may be setting off a chain reaction that we as politicians may not be able to control. In this game of confrontation we may set off that kind of reaction and lose control of it.

Mr. Speaker, I'll stand in my place and say I am the last person who would want to see this great country broken up. I would be the last person to want to see it broken up. But in this crystal ball gazing of mine about where we're going to end up, I could see the Prime Minister of Canada saying to our Premier: Mr. Lougheed, you can go back home and play in your little sandbox with the oil deposits in it. I could see that confrontation was going to come to this point where nobody was going to give.

So who's going to suffer? In the short run Albertans are going to suffer because of the slowdown in our economic expansion, the loss of jobs, the uncertainty of investment climate. But who is going to lose in the long run? All Canadians are going to lose, because we will not be self-sufficient in energy without Alberta's production, without the development of the tar sands, without the development of the heavy oil sands, the heavy crudes and, in generations to come, our coal deposits. This is an opportunity for Canada to become self-sufficient, or close to self-sufficiency, but we can't fiddle and fool around.

This is why I say to the Prime Minister and the Premier, it is never too late to negotiate.

I support the resolution because we have to try to bring to the attention of Canadians that a principle is being violated, that resources are being threatened, but we must never quit negotiating. It's very similar to a buyer and seller in any endeavor. We have something to sell; they have something to buy. We need each other. In the short term the disruption in our economy will be relatively drastic. It will be real; it will be here. In the long term it will affect all of Canada.

But what will happen in one year, in two years, when the people in the rest of Canada wake up to the fact that we have an energy shortage? Again we will see an upheaval in our social structure in this province, in our manpower shortages, and in our economic input, because then the federal government, the other parts of Canada, will suddenly realize we have to have the tar sands plants. Instead of their coming on stream every seven or eight years, we will suddenly have a panic situation where we must have them on stream every five years. That's when we will certainly threaten the social fibre of this province. The manpower shortages and all the problems that come with that escalated development will become real.

Mr. Speaker, as a Canadian and as an Albertan, we have to remember that we had to negotiate to develop our oil industry, we had to nurture that infant industry. I will say to the members of the Assembly and the people of Alberta that under the leadership of the former Premier of this province Mr. Manning, we had to negotiate exports, we had to negotiate markets. The word I use, Mr. Speaker, is negotiate, negotiate, negotiate. Really what are politicians for? It is to negotiate.

Mr. Speaker, with those brief remarks, I would like to say in closing that I support this resolution before us. I do it with trepidation because I know it will cause a downturn in our economy in this province. I know that because of the action of the federal government, and the resolution we have before us at this time, we will have a downturn in our economy in this province. Unfortunately we have to use this mechanism; unfortunately it had to come to this.

I'm glad to see that the Minister of Federal and Intergovernmental Affairs is with us this evening, because when the constitution is before us, when the resource pricing question is before us, I was really quite taken aback that the Premier would allow the Minister of Federal and Intergovernmental Affairs to go abroad. I say that not with any malice or forethought Mr. Minister. I say that because we should have been negotiating and getting down to the short strokes. Mr. Minister, that is your responsibility and your prior commitment. You should have laid aside and been at those negotiating tables. Mr. Speaker, I am saying that this is what people elect us for. This is our responsibility.

It's also very interesting to get a cross section of opinion from Albertans. The first question asked of me the morning after the federal budget was what I thought of the budget. So I told them what I thought of the budget. The next comment that came to me — and this was six out of 10 people — when are you politicians going to get your act together. What I meant to say is: when are you going to get your butts in gear and get your act together? That's what they said. We've been hearing about nothing except oil pricing. Get your act together and get something settled.

Mr. Speaker, we support the resolution. But as Canadians and as Albertans, we must never quit negotiating,

because that is our responsibility.

Thank you, Mr. Speaker.

MR. COOK: Mr. Speaker, all the members who have participated in this debate, leading off with the Minister of Energy and Natural Resources, have prefaced their remarks by saying they really regret having to participate in this debate and taking the kinds of steps that we're contemplating this evening. I'd like to share that sentiment. This is something we do very reluctantly. I think we're trying to communicate to the rest of the country a desire to negotiate in good faith, but to bring home the point that we don't think we've been treated fairly.

The word "negotiate" has come up repeatedly. I was intrigued by the word. The hon. Member for Clover Bar used it several times in his speech this evening. It occurred to me that it would be interesting to look up the dictionary definition, to consult the Oxford dictionary, and just see what's under "negotiate". Oxford tells us that the word means to compromise, to come to an agreement, to transfer into cash for some product. Mr. Speaker, I think that suggests some spirit of fair play on both sides. I think the Minister of Energy and Natural Resources very convincingly suggested this afternoon that the other side wasn't playing fair and doesn't have that same spirit of fair play. I resent the tone that the hon. Member for Clover Bar and his seatmate from Spirit River-Fairview injected — very subtly, I admit — to suggest this side of the process has not been negotiating in good faith. He repeatedly used the line, get your blankety-blank together, which suggested that we have not been negotiating in good faith. Hon. member, I trust I'm misinterpreting you, because if not ...

DR. BUCK: You have a little trouble, I realize.

MR. COOK: Walt, you're awfully good with ...

MR. ACTING DEPUTY SPEAKER: Order please.

MR. COOK: But my point, Mr. Speaker, is that I resent the tone, the innuendo, the mere suggestion that this side has not been trying to negotiate in good faith, as good Canadians. I resent that remark very deeply. I think this government has been trying to play fair with the rest of the country. We have gone out of our way. If the hon. Member for Clover Bar or the hon. Member for Spirit River-Fairview would consult the oil pricing package of July 25 presented by our minister to the federal government, they would see we have gone out of our way to compromise. That is in the spirit of the dictionary definition of "negotiate" that Oxford provides for us.

So I think we have met that test. We have negotiated. We have tried to play fair. I think it takes two. It's also fair to say, Mr. Speaker, that the other side of the partnership in this country has not been playing fair with the province.

Mr. Speaker, I'm not an economist, a lawyer, or a businessman, so I can't offer any observations from that kind of perspective. Perhaps I'll offer some observations just as a citizen of Alberta who is also a member of the Assembly. For me the question before us is not dollars, not barrels of oil. For me the question is purely power. Is this province, this community, going to have the ability to shape its destiny, to interpret its destiny in its own way for its own particular advantage?

Throughout the debate, I think some hon. members have tried to bang home the point that Canada would be

better for 10 strong provinces, rather than simply having one view of the country imposed on it from Ottawa. I think that's the real question before us, Mr. Speaker.

I'd like to ask hon. members to think back on the development of the province in the last 15 years. We've seen remarkable growth in towns — their maturity, social services, universities. Our agricultural sector has become much more mature and vibrant. We've seen a strong cultural community develop; I'm thinking of the many artists, musicians, and playwrights we have in this province that we didn't have 15 years ago. Medical care research is taking place now. Mr. Speaker, all these things were there in their infancy 15 years ago, but were really not that well developed. I think we see the natural resources of this province bring opportunities for growth for us; not growth in pure, cold, capital terms, but in terms of maturity as a province.

I really want to ask members, are we going to be the stunted child of Confederation? Are we going to accept that kind of role? I think it's instructive to think back to some observations Machiavelli provided to his patrons, the Medicis, in Italy about 400 years ago, at a time when Italy was being tortured by a lot of civil and political unrest. Machiavelli had three observations for the prince who has just taken control of a new province. I think it's instructive to think back to this gentleman's observations, because he's quoted in the document for ministers' eyes only by the Privy Council Office as being the philosopher who has instructed the Prime Minister to take a certain course of action. It's instructive to see some of the things the Privy Council Office left out of that document.

Machiavelli, in *The Prince*, says that the prince has three choices to rule a province when he takes control of it. He is talking about a prince who has just seized control of a new territory and has not administered it before. He said, you have three choices. The first, and probably the most desirable, is to crush the province and extinguish the population. He recognized, though, that that's a little messy and perhaps not so easily done.

The second alternative was to find people to do the prince's bidding. He made this observation, which is very salutary, I think. Machiavelli offers the observation that that kind of individual, the sort of uncle tom — the hon. Member for Spirit River-Fairview might fill that role nicely — can be removed at will by the prince when he's no longer doing his bidding or when he's become a liability. I'm thinking people like the senator from Alberta, Bud Olson, would probably fill that role quite nicely. The individual's role is to do the prince's bidding, spread the gospel; but he can be disposed of, trashed at the prince's pleasure when he's become a political liability, when he's done too many things that have antagonized or alienated people. The prince suggested that's the most desirable way to rule a new province. Mr. Speaker, I think we have some people who are fulfilling that role for the Prime Minister very nicely; Bud Olson comes to mind.

The third, and perhaps least attractive of all, is to offer some measure of liberty and merely to exact some tribute. Machiavelli observes that people, when they're used to self-government, become rebellious and ungovernable. He suggests that in the long run, a prince would be well advised not to adopt that course of action. The document for ministers' eyes only is instructive for what's there and for what's not there.

I'm saying that I think we have to take the course of action the Minister of Energy and Natural Resources recommends to us, because if we do not we are going to be in that role that the prince foretold so many hundreds

of years ago. That is, we are going to be a tribute territory; we're going to have no real control over our future; we're going to be governed by the uncle toms of the province who are willing to sell this province out for a few pieces of silver, only to be removed when it's convenient for the master in Ottawa to remove him. Mr. Speaker, it's a sad thing to contemplate. None of us in this House feels any great spirit of partisanship; I certainly don't. It doesn't give me any great sense of pleasure to think on these things, to dwell on these things and relate my concerns.

We hope the motion before us will try to bring some reason into the debate; will try to force the Ottawa government to bargain in good faith, to negotiate, as the Member for Clover Bar said, which suggests some spirit of good will on both sides.

Mr. Speaker, I want to close by saying that I have one concern. Three months from now, when the first production cuts start hitting the consumers in Ontario, we members here in the Assembly should be ready to communicate again and again and again, because we are going to be undermined from within by the Bud Olsons, the uncle toms, the Liberals and New Democrats who come bearing gifts and trying to take away our resolve, to put questions and doubts in our minds. We have to recognize as members that we have a responsibility to put our case, not just this evening but in our constituencies, block by block, house by house. We have to communicate.

Secondly, and I'm sure the Executive Council is considering this, we have to start communicating much more effectively with our fellow citizens in the rest of the country. Ultimately the question is not going to be decided in Alberta. We have very little influence in the political happenings of the country. We have to try to communicate to the rest of our citizens that it's for them as well that we take up this fight. As the hon. Member for Drumheller so rightly pointed out, it's Alberta's turn this time, but it will be somebody else's turn next time. When it's not convenient for the people in Ottawa to govern a territory benignly, they will take to heart the lessons that Machiavelli provided for despots 400 years ago; that is, to extinguish the flames of liberty, to extinguish any resistance, to extinguish the opportunity for people to mature politically, socially, economically.

That, Mr. Speaker, is the real danger. It's not the danger for Alberta today; it's a danger for provincial governments across the country. They should all be aware that the prince still lives on in the form of one Pierre Elliott Trudeau, and their time will be coming.

MR. BOGLE: On Friday last our Minister of Energy and Natural Resources served notice of the resolution which is currently being debated. Over the weekend I spent some time going over that resolution and, in my own mind, trying to retrace some of the steps that have brought us to this point. Like so many others who have spoken before me, I do not rise today with the same kind of enthusiasm I have had on many other issues and occasions.

Mr. Speaker, I think it's incumbent on all members of this Assembly to weigh very carefully why we are debating Resolution No. 21 today. In my view, we're not debating over dollars. We're debating over a much more basic issue, an issue that means so much to all Albertans, and people in western Canada and, I hope, the entire nation, and that's one of principle. We're talking about the principles of ownership, free enterprise versus socia-

lism, and fair play.

When this great nation of ours was founded in 1867 it was a true partnership among four equal provinces, a partnership that saw the strengths and weaknesses and in it the dreams and aspirations of our Fathers of Confederation, who saw an opportunity to do something collectively which none of them could do in an individual way. And through the turbulent and exciting history of this country we have seen many developments. We have seen examples of greatness and examples we're not very proud of as a nation.

In 1972 I had an opportunity to travel through the maritimes. I saw first-hand some of the things I read about in my history books: empty factories that had lost their viability after Confederation, empty dreams, and jobs sent on to central Canada. I grew up in the same kind of environment, Mr. Speaker, where many people from my graduating class in high school had to leave this province to gain employment and opportunities.

Now we find that for a short period of time things are going very well in western Canada. Our economy is strong, we have a viable set of surroundings, jobs are plentiful for skilled people, and we see our communities flourishing. I ask all members to think of their own constituencies — as I do of mine, Taber-Warner — and the growth taking place.

That's all being threatened, Mr. Speaker, and we are being pushed to the edge of a cliff. We're being pushed by an Ottawa government that lacks elected representation west of Winnipeg, a government that seems completely insensitive to the needs and aspirations of the people of western Canada. We are being pushed by constitutional blackmail, which threatens to create second-class citizens out of people who reside in eight provinces, while retaining that first-class status for the people of the two larger provinces in central Canada. We are seeing our federal Parliament gagged with closure, so the very motion cannot be debated fully and openly. We are further insulted by the fact that out of 15 members of the House of Commons portion of the select committee, not one is from the province of Alberta.

DR. BUCK: Ask Joe Clark about that.

MR. BOGLE: We are being pushed by a federal budget that discriminates against western Canada in general, and Alberta in specific terms. We are being pushed by a so-called national energy program which is, firstly, a wholesale steal of our control of the resources in this province and, secondly, the rape of our industry in the name of nationalization. Albertans are being pushed, and we are at the edge of the cliff.

Mr. Speaker, what is at stake? In my view, the first and fundamental principle is ownership: the rights, responsibilities, control and development of our natural resources. What does the Ottawa government say? They indicate very clearly that the producing provinces are entitled to substantial revenues by virtue of their ownership of resources. But then they go on to say that at the same time there must be a recognition of a national claim, a claim by all Canadians, to a share in these revenues and benefits. They talk about the present system being inappropriate and unfair. I'm sure if the Prime Minister and the small group of advisers from central Canada around him have their way, we would not be dealing with the major energy issues today. They'd much rather have seen the constitutional reforms gone through quickly; then the robbery could have taken place in

another way.

How can we relate these actions by the federal government to our own constituencies, to the men and women in main street? I like to use the analogy that came to me in discussing the matter with a farmer from the Taber area, who said to me: My land is a little better than my neighbor's land. I'm lucky; I'm able to irrigate it. My neighbor can't. But if my neighbor can lay claim to part of my produce because I happen to have better land than he has, what does ownership mean? What does the fact that I have a title to my piece of property really mean?

That's what it's all about. The Ottawa government is telling us the present system is inappropriate and unfair. We are told the Ottawa government needs to gain access to the funds we have. Why do they need these funds? It's very simple. As all members are aware, the federal government in Ottawa is bankrupt — of ideas and of any kind of initiative to get its own house in order. But, through good management and skilled entrepreneurship, they see an opportunity to steal something that belongs to a neighbor.

Let's not be fooled by the terminology used when reference is made to Canadianizing the industry or allowing Canadians to seize control of their own energy future. We're really talking about nationalizing the industry. Dome Petroleum, a Canadian company, will lose one-quarter of its holdings in the Beaufort Sea to Petro-Canada under this plan.

[Mr. Speaker in the Chair]

I'm certain that as the days wear on, we will unravel more of the Machiavellian tactics in the federal blueprint. Take a look at one aspect: the Petroleum Incentives Board, a board that's to be responsible for the collection of new charges to increase Canadian public ownership in the oil and gas industry. Who's to sit on the board? Not people from the oil industry; not people from across this great country. No, no. They are all to be officials from the Department of Energy, Mines and Resources. Keep it in-house; keep control.

The second major principle at stake is one of philosophy, the philosophy of free enterprise versus socialism, the philosophy of who can do the job best. We're being asked by the Ottawa government to trust the people who deliver our mail to pump our gas. We're being asked to place faith in a system so tied up in its own red tape, that it's completely inefficient. We're being asked to take away from those people who have provided the initiative, incentives, and resources, and give up one-quarter of all new resources found to Petro-Canada, a company that can't even decide who to send its credit cards to.

As Albertans, we must take the necessary steps to protect our ownership and our belief in the free-enterprise system. Resolution 21 is a restrained response. It's our responsibility as the trustees for all the people of Alberta, who own the natural resources of this province, not to sell our resources at fire sale prices. Resolution 21 is a balanced response. For if there's any threat to the supply of offshore oil to other Canadians, we have committed, through our Premier, to resume full production immediately. That's clearly set out in the resolution under (c), which gives the Lieutenant Governor in Council the authority to replace those barrels which are necessary due to shortages.

Mr. Speaker, let us all hope and pray that the Ottawa government will come back to its senses, will come back to the negotiating table, and will work together with us to

try to work out a fair and equitable energy package — fair to Albertans and, yes, fair to Canadians in all parts of this country. Let us hope and pray that the Ottawa government does not underestimate the resolve of the people of Alberta, for I firmly believe, Mr. Speaker, that we must stand up for what we know to be right and oppose what we believe to be wrong.

As the MLA for the people of the Taber-Warner constituency, I endorse Resolution 21.

MRS. FYFE: Mr. Speaker, whether Albertans have their roots planted in pioneer years — born in a sod house on the prairies, as my mother was — or as new Canadians, as are my colleague beside me today, and my colleague in front of me, they chose to come to Canada because it was a vibrant and exciting place to labor, to invest, and to see the tangible efforts of the hard work Canadians are noted for. But there's a basic understanding of the people in western Canada, that they have not always enjoyed fairness in transportation rates, tariffs and, now, in resource ownership.

In accepting the Victoria Charter, the Prime Minister has proposed special powers for Ontario and Quebec. This would make Alberta a second- or maybe a third-class province, when you look at the population balances that charter proposes. Maybe it is not easy for the people of Alberta, the Marthas and the Henrys, to understand the specifics of that concept. But there's one thing they do understand. They understand the word "unfair". Over the weekend, I talked to quite a number of my constituents, and the words that were spoken to me in reference to last week's budget and the recent constitutional talks were: saddened, sickened, frustrated, and mad. I was asked to pass on many messages of congratulation to the Premier, who spoke in such a meaningful way to the many Albertans who watched that program.

I would also like to add congratulations to our Minister of Energy and Natural Resources, who has represented us so well. I think only he knows the tremendous pressure that has been on his shoulders. At least some of us can stand up and say how much we appreciate what he's doing for all people in Alberta.

The constituency of St. Albert is the largest constituency in Alberta as far as population is concerned, falling just under 60,000 now. As I've said in the House before, it certainly is one of the most diverse constituencies. In my constituency one group more than any other recognizes the value of resources, and that's the farming community. The farm families understand the analogies we've made many times about the topsoil: what happens if it blows away, what happens if they sell it.

I don't watch too much TV, but this summer I happened to watch a few programs. A few times I happened to notice the geese flying across the television screen. I think that message was meant to try to get across the idea of unity. I didn't think of unity with those geese flying east and west, because we all know that geese fly north and south. So I don't know what that message really should mean. While I was watching, another bird came to mind. It was a bird of a different feather. It was the little red hen. I thought of the little red hen who tried hard to find assistance to sow, reap, grind, and bake, but she could find participants only when it was time to eat that delicious loaf.

During the '50s, when the developing industries in Alberta were searching for financing to unlock the energy key, was eastern Canada interested in investing? No. Was eastern Canada anxious to assist a western industry by

producing new markets? No. Members will recall the famous pipeline debate — which has been mentioned in this debate — which ended in closure also. Eastern Canada was not interested in investing capital or using western natural gas because imported crude oil was cheaper. Today, with the world demand exceeding the supply and the price of crude oil having risen dramatically, those same easterners are looking at Alberta and saying, Alberta is not entitled to 75 per cent of its value. Even though hundreds of billions of dollars are going to be necessary to make Canada an energy self-sufficient country, what do we get from Ottawa? Reductions of cash flow and nationalization of oil.

Like the little red hen, I'm annoyed too. Alberta doesn't say, I'll eat it myself. But Alberta is willing to share. In a document of July 25, we were willing to share. We put forward one of the most generous packages any province has in the past and any province could possibly wish to make toward this Confederation of ours.

Let's remember. As the Member for Medicine Hat said on Friday, if we forget our history we are doomed to relive it. If we remember the days of Prime Minister John Diefenbaker, he wanted to Canadianize Canada. Our neighbors to the south played a very significant role in frustrating that dream. But he was not trying to nationalize oil companies. He was proposing a dream of ownership of Canadians by investment. There's a very significant difference. Albertans don't oppose Canadian ownership. In fact we proposed that a minimum of 50 per cent of the ownership of the tar sands would be held by Canadians.

The Member for Calgary Buffalo suggested last week that he thought it would be wise to have a cost/benefit on the proposed reduction of crude oil. I don't know about having a cost/benefit analysis on the reduction. I think the information we have is fairly straightforward. We know the results are not going to be positive for Canada, but what choice do we have in trying to make a federal government, oblivious to the feelings of western Canada, recognize our feelings? Perhaps we should have a cost/benefit analysis on the nationalization of an oil company. What result will that have? What result has that had on our stock market already? What result has that had on the retirement savings plans and the small investor in this country? No province in Canada, Mr. Speaker, has had to face such a challenge. If Alberta is not successful in this challenge, the Canada we have loved and known will not exist.

Mr. Speaker, I lived in the Mackenzie District of the Northwest Territories for a number of years. I can assure the Member for Spirit River-Fairview that living under the paternalistic care of the federal government called Ottawa, not Canada, was just not that pleasant. The decision-making was remote and unresponsive, and the people there certainly [referred] to it as Ottawa and not the government of the Northwest Territories or the government of Canada. It was a group of people who controlled a large territory from a very long distance.

But is Alberta concerned about the deficit Ottawa has? You bet your boots we are. But where do those deficits come from? They've come from a variety of areas: expensive cost-sharing programs — perhaps another cost/benefit analysis would be in order to analyse whether these programs have been effective, or is it necessary? — deficits from protection from high energy — surely that makes the conservationists laugh, doesn't it? — and high balance of payments.

But the federal government can have revenue. In fact

the government under Joe Clark worked out a plan that was acceptable to many Canadians. That government recognized the necessity of a strong investor climate and the need for capital for tar sands projects. I believe at this point we should congratulate our federal Members of Parliament from Alberta who have endeavored very vigorously to put forward a point of view now in a very frustrating Canadian Parliament.

It seems to me that in the discussions I've had with people from Ontario who have been visiting this year, there is a general belief that their province has shared for many years, and now that Ontario is experiencing an economic slump, Alberta must, in the national interest, share our resources. Well, I think it's important that record be set straight, and I don't know how we get that message across. It's not an easy one. But firstly, Alberta does agree to equalization sharing as a basic principle. We have and will continue to share. We have shared our personal income, our corporate income, and we've had a lot to share in recent years because of our dynamic and vibrant economy. But Ontario did not share resources with us. They shared through equalization, the same as Alberta. They did not share their manufactured products at a lower cost; they did not share any of their resources with Alberta at a lower cost.

The majority of industrialized countries in the world have begun, or have completed, the process of adjusting to the world price for crude petroleum, yet still remain competitive. Canada has this unique opportunity to become energy self-sufficient, but it won't happen without the enormous capital that's required for the investment. That capital is not going to come from government, because government doesn't generate money. That capital comes from the private sector, together with government.

In an energy package of July 25, Alberta proposed a pricing agreement which over four years would bring the price of Alberta crude oil in Toronto to 75 per cent of the North American price. In addition, this government proposed natural gas pricing, a substitution program for expensive crude oil for eastern Canada, plus an unprecedented package that encouraged explorations, investment of \$7 billion in equity, a debt in the tar sands, many substantial contributions relating to transportation and the fixing of royalty levels on conventional oil and natural gas to ensure that the federal government would have the opportunity to increase its taxation on profits.

Are we not better off having a healthy economy that could be taxed than one that is sad and weak across the country, one without initiative and competition? I believe the intentions of this document would be to make this a very unhealthy country. Whether that's done purposely, whether those intentions are ones that are understood — I guess maybe that's the big question and part of the negotiations that face us, negotiations that include communication and education.

Mr. Speaker, maybe I watch too many of those geese, but it comes to mind that this document stabs the golden goose. If we can influence Ottawa to see that the killing of our natural resource industry is the golden goose, if we can influence or negotiate to save the most vibrant economic activity in our country; so be it. But if we cannot, God save Canada.

MR. HYLAND: Mr. Speaker, as I rise to take part in the debate on Motion No. 21, as do other members, I regret that we have been pushed by the Ottawa government to such an extent as to have to react in such a way as Motion No. 21.

The budget brought down in the federal House a few days ago is not a budget, but an energy policy masquerading as a budget. Approximately four pages in that budget relate to fiscal management. The rest basically relates to energy and energy proposals. Also, Mr. Speaker, another small document, Budget in brief, has six pages related to fiscal matters, two being the front pages with nothing on them but the title and, needless to say, very little else on the other four pages.

The energy proposal tabled at the same time is a document of some 115 pages, much longer than the budget. Both documents use the word "regime". Mr. Speaker, to me that means a plan of action leading to some sort of socialism. One just has to read further to find out that that fear is there. The Canada we all love is slipping away on us. It is the time for us to try to do something about it.

We read through the documents and see phrases such as Canadianization of the industry. That is no more than outright nationalization of an industry that is built on the hard work, luck, and know-how of many people, citizens of Alberta, of other countries and other provinces, who came here because there was a future in the industry, stayed, and became an active part of our province and a very active part of our economy.

Mr. Speaker, the talk of Petro-Canada taking over a major oil company just scares me. As I remember, much of the talk during the previous federal election was about Petro-Canada, certain political parties saying how much good Petro-Canada was doing; it was a wonderful institution; it showed a profit of \$40 million or thereabouts. The one thing they did not say — and my figures may be out, but I don't think they'll be out that much — is that we have somewhere around \$300 million of Canadian taxpayers' money in Petro-Canada and in excess of \$2 billion borrowed on the New York money market to pay for the remainder. Mr. Speaker, \$40 million is hardly a drop in the bucket towards the interest paid on such an investment. Can we afford that group of people to take over another major oil company, invest many billions more dollars and not create one more barrel of oil? I say no, we cannot afford it, and we should not let it happen.

We've heard other members say, will it be run like the post office? Will you pull up to the pumps, put in your dime, and wait two hours for service or gas?

AN HON. MEMBER: Two weeks.

MR. HYLAND: Two weeks, somebody behind me says. That's entirely possible. As I said previously, those actions indicate a new Canada, one that is quickly sliding towards socialism and not free enterprise as we know it and as Canada and the industry has been built.

I just received a book, *The Hunters*, from Canadian Hunter. I think the dedication from the author John A. Masters amply tells the story of the oil industry in a very few words: For my wife, and my children and a way of life. I think that is the very fibre on which the oil industry is built: a way of life.

Mr. Speaker, I'm not sure whether it was Friday or Saturday evening, but on the news I watched Premier Davis commenting in the Ontario Legislature on the intention of Motion 21. Needless to say, he said he was upset with the intent of the motion and what it would do to the Ontario economy, an economy that is built on manufacturing and many other industries, an economy where in many industries the fuel input costs are about 5 to 7 per cent of the cost of production. But he did not tell

the Ontario people that out of a gallon of gasoline sold, Ontario gets 22 cents in tax. We, the people of Alberta, as owners of that resource, get 18.9 cents. If he was so concerned, Mr. Speaker, he could have removed his 22-cent Ontario tax, as we, in the budget approximately a year ago, removed the provincial tax Albertans paid.

You know, Mr. Speaker, out here we could not afford to tax things made in eastern Canada, because nobody would buy them, nobody could afford to buy them. So they have an advantage. They have a product that people need, and they have taxed it heavily for their benefit.

Mr. Speaker, on page 33 of The National Energy Program, a portion reads:

The Program will create a framework for more balanced revenue sharing between the producing provinces, who are entitled to large and growing revenues from their resources, and the Government of Canada, which has a national claim, on behalf of all Canadians, to a share of the industry's revenues.

Mr. Speaker, just a little better than a week before this document was presented, we heard about a deal cooked up between the leader of the NDP, Mr. Broadbent, and Mr. Trudeau, the Prime Minister of Canada, to see that the provinces retained their control over their resources. All that time, this document had to be written. I am sure it is given in the constitution and taken away in the budget, even before the constitution comes anywhere near to being put into place.

As many other members have said, we did not receive through taxation, a share of Ontario hydro, of iron ore, of Quebec hydro, and the list goes on and on. The energy package is an outright grab of Alberta's gas and oil industry. They decide to call it a wellhead tax. We call it stealing a portion of our royalties.

We heard comments that the government of Alberta lost only 3 per cent of their income from royalties, so they shouldn't be worried. Mr. Speaker, that is the problem. It's just a foot in the door of something that is rightly ours.

Our pioneers built this land and this province in a little over 75 years. I think they did a terrific job. They built it with very little help from other parts of the world and other parts of Canada. They worked hard, and they prospered. When there came a time that they had to get competitive, they got competitive. They improved their efficiency, and they competed in the modern world. In a little over 75 years they brought us from a frontier land to, in my opinion, the best standard of living in Canada. That is a major accomplishment.

The Member for Bonnyville related to a cartoon that was in the February 1939 *Country Guide*. Underneath this cartoon it says:

Our artist has here attempted to portray the idea which the Big Interests of Eastern Canada seem to have of the proper function of the Western Provinces. The Bankers, the Railway Corporations and the Manufacturers rejoice to see a big crop in the West because it will increase their own profits, but when the farmers of the West ask for lower rates of interest, lower freight rates and Free Trade, so that they can get the full value of the crops they produce. Big Business, with the aid of the Party Politicians, always succeeds in having their demands refused.

Again, I draw to your attention, Mr. Speaker, that that was in a 1939 paper. How much of that is true today?

Mr. Speaker, I read in a Saturday paper that Senator Olson, of whom the Member for Medicine Hat spoke in his speech on Friday, said: What we need is some good

old give and take. Again, we give; they take.

In the July 25 energy proposal that the Premier offered to the Prime Minister, there was an offer totalling approximately \$24,000 per person in Alberta as part of our offer to the federal government in return for an oil pricing scheme. What did they do? They refused it. They took one equivalent to \$33,000, and trespassed into our industry. If that's what the member calls give and take, no wonder he makes it from the safety of Ottawa, not coming out here to Edmonton, Calgary, or Medicine Hat to make that same statement.

In *The Globe and Mail* Mr. Lalonde is quoted as having made the statement, "We've got friends ... It is good oil. There are possibilities." That's fine, Mr. Speaker, but I'll bet you Mr. Lalonde's good friends — I'm not sure which country they are from; another hon. member has his opinion — are selling us the oil for \$35 a barrel. Maybe we would even be his friends for \$35 a barrel or much less, according to the proposal offered the Prime Minister on July 25.

Mr. Speaker, we then come to the natural gas tax. Throughout the national energy proposal they say that there will not be an export tax, so the Ottawa government can create an export tax under other names. It is still an export tax. Every user of domestic gas in Canada is penalized, to 30 cents per MCF. We've heard questions in this House about how we will protect the farmer and the domestic user. We have no idea how much that 30 cents per MCF is going to cost. I suppose we will find out shortly, when companies start calculating their fertilizer, fuel costs, and everything. We're bound to see an increase.

Mr. Speaker, taking part of our royalties — be they 3 per cent, 1 per cent — is the same difference because it is a foot in the door. It is trespassing on something that is truly Albertan, belonging to every citizen of the province of Alberta. Everybody has an interest in it. Taking this resource will return us to territorial status, and not leave us as equal partners. We will pay the regular price plus, as the Minister of Energy and Natural Resources said this afternoon, in some cases special taxation put on manufactured goods from other parts of Canada, so that goods made elsewhere in the world cannot compete with them, and we have to pay the going price if we want the product.

Mr. Speaker, first we saw an export of our resource — Petro-Canada. We shipped our product and our jobs elsewhere. At that time we thought that was all; now we find that's not enough. They want more money and more control of our resource. Again, just like colonization: first the raw product, and then any profit from it if you happen to be successful.

Possibly the real sleeper in this whole budget and energy proposal is the 8 per cent tax on gas and oil. Nobody really knows what it's going to cost when it comes down through the system. A tax on gross income — a double tax or a triple tax by the time that money comes out of the profit sheets on the industry. I ask you, Mr. Speaker: what other industries in Canada are double or triple taxed?

Cutting production to 180,000 barrels a day maximum will undoubtedly have an effect on our province's economy. But what will happen if the Ottawa government takes more control of our industry, through either nationalization or more income off the royalties next year, the year after, and the year after that — a greater increase now that they have their foot in the door?

Also on the weekend I watched one newscast where a

high official in Petro-Canada was interviewed. He said he suspected that the only way Canadianization of the industry could be achieved — because none of the major companies would sell out to Petro-Canada, they would have to be nationalized. That's a sad situation, Mr. Speaker. As I said previously: to take over an industry that will not create one more barrel of oil in reserve to make us self-sufficient in energy.

On the CTV Saturday night news they had the results of a poll conducted by two of the major papers in Alberta. The first was 60 per cent in favor of the production cutback and 26 per cent against. I believe the poll was done two days following the Premier's television address. But the one that really scared me was their poll on separation from the rest of Canada. Sixty-six per cent were opposed to separation; 26 per cent were for separation. It was commented that that wasn't a great number to be worried about. If I remember correctly, in the Quebec referendum the score was about 46 per cent in favor of separation — that as a result of many months of campaigning led by the major political party in power in the province. Here we are sitting with 26 per cent. It is not promoted by any major political party; it is promoted by a group of individual people, each doing his thing. Mr. Speaker, that should surely tell those people in Ottawa that there is indeed a problem and a strong feeling here in Alberta related to the control and ownership of our natural resource.

Why the cessation in production, Mr. Speaker? Many members have commented on it. As a lever to get people to the bargaining table to start reasonable and honest bargaining related to the price and control of our natural resource, the resource that belongs to the people of Alberta.

Why are we fighting so hard? Well, I have a 9-month-old son, and if we do not fight so hard, he'll never see the Canada that my grandfather, my father, and I have seen. It will be something different, something that I do not wish to hand on to him.

I have talked to many of my constituents this last weekend and they say, we're with you. If we don't stand up now, it could very well be the last chance we have, not only to control our resource but to prove the strength we have in the province, in the government, and in the people of Alberta, so we get a fair shake in the energy and constitution.

Thank you, Mr. Speaker.

MR. KOWALSKI: Mr. Speaker, if there's a group of Canadians who understand sharing, compromise, co-operation, a group that more than any other perhaps has experienced all three of those concepts, lived through them all, and felt it going on for at least seven and a half decades of this 20th century, that group is surely the people of Alberta.

We were settled not too many decades ago by a group of people who came from all parts of the world. They all came with a dream. They all came with a belief that if they worked hard and carved out an existence for themselves and their families, perhaps in the closing decades of the 20th century and the first decades of the 21st century they would be able to leave something better for all. Our people, those who came from nearly every country of the world and settled in nearly all parts of this province, and in fact who are still settling remote areas of Alberta today, traditionally found themselves forgotten by a national government thousands of miles away, and traditionally have been pushed around by mandarins in Ottawa

who have relished and enjoyed their ability and arrogance in pushing around the little people of Canada.

Alberta has been the proverbial cow that has been milked. I compliment my colleague the Member for Bonnyville for finding a cartoon published in the late 1930s. The message of the late 1930s is the same as the message of 1980: we have been milked. The list of injuries inflicted upon our people over the decades is a long and legendary one. We all know them well. Our people, the people of Alberta, know them well. None of us will forget.

Throughout all our history, our people, the people of Alberta, dedicated themselves to this province. Periodically they took the short end of the deal. We've contributed massive numbers of dollars in the form of cheap food at the expense of many: those in Alberta who've maintained that our agricultural producers should have received a fairer return. We've contributed massive amounts of dollars in terms of gas and oil, revenues we've forsaken, plus security of the rest of Canada.

Mr. Speaker, the dangerous aspect about living in Alberta in 1980 is that history may well be very critical of all of us in this House for not seeking world prices for our commodities. In the years to come, those who follow us will look back and review the debate of 1980 and say, why? Why was this group of people prepared to share, prepared to compromise, and prepared to be Canadian for the benefit of all Canadians? At a time of energy shortages in the world, despite what may be the situation in two-, three-, or four-week time frames, why were they prepared to allow others to utilize their resources at less than half the going world price for those resources?

In recent months all of us in Alberta have in essence been put with our backs against the wall. It's been said: but you aren't compromising, you aren't being fair, you're being greedy. How anyone can say to a group of people who are prepared to accept less than half the fair market value that you're being greedy, is incomprehensible to me. It's incredible to me, as it is to large numbers of people in Alberta, why a group of people in Ottawa appears to be determined to take, to isolate, to divide and, presumably, in the end, to destroy our way of life.

Last Tuesday, October 28, a government in Ottawa issued a document, An Energy Program for the People of Canada. The first line in the document emphatically sets out the themes of the so-called budget or energy policy. I want to quote that first line: "This is a set of national decisions by the Government of Canada." This is a set of national decisions. Where is the compromise? Where is the negotiation? Where is the fairness? That's an emphatic statement, and for hundreds of pages thereafter the text goes on to tell us, in Alberta and in Canada, what is going to happen to us.

Last Tuesday night, Wednesday, Thursday, Friday, Saturday, Sunday, and today, Canadians and Albertans have found many, many phrases to describe this so-called budget or energy package. With respect to the decorum of the House, Mr. Speaker, I cannot have written into *Hansard* the phrases that constituents of mine have used in describing the budget. I wish I could, but in regard to your Chair, your office, the decorum of this House, I cannot use the phrases that senior citizens of 71, 72, or 73, widows of 65, young people of 19, young fathers and mothers of 31 and 32, grandparents of 50, 51, and 52 — the phrases they have used would singe your ears, Mr. Speaker. But they have used some that can be written into the record: insulting, divisive, discriminatory, rape, shocking, destructive, and the like. Those phrases can be

read into *Hansard*. It's very unfortunate, because I'm sure the federal Minister of Finance, when he penned that phrase, "This is a set of national decisions by the Government of Canada", penned it with motives other than fairness, co-operation, patriotism, and a desire to unify our country.

Last Thursday our Premier went on province-wide television and spoke to both the people of Alberta and the people of Canada. It was an opportune time for our Premier, the leader of this province, to lash out at a history of injustice done to the people of this province. But he didn't. He responded in a polite, low-key approach. He reacted with fairness. He was constructive and understanding, and there were options for all.

Earlier today our Minister of Energy and Natural Resources tabled documentation in this House which proves without a doubt the devious duplicity and conspiratorial approach of the group of people in Ottawa, whom some of my colleagues have phrased earlier today as the Ottawa gang or the gang of four. Earlier in the 1970s there were phrases like the four horsemen. Perhaps in the west we might refer to them as the ghost riders in the sky, and the like. But they are a gang of four, without any doubt.

No one hooted today; no one howled; no one thumped his desk; no one raved, as individual members spoke from their hearts and talked about Alberta, our history, our heritage, and what we see happening to us. No one thumped. That was not part of the decorum of the Assembly today in this debate on this resolution. This is a serious situation for Alberta and Canada. Ottawa is attempting to isolate Alberta and permanently rewrite the political and economic realities of the country we know as Canada.

None of us here can have any doubts whatsoever about the strategy of this Ottawa gang of four. They're out to convince Canadians to turn on Albertans and convince Albertans to turn on their own provincial government. It won't work, Mr. Speaker. Albertans know the truth. Albertans aren't on trial today. This Assembly isn't on trial. Albertans are not divisive within the Canadian context. Albertans aren't trying to legalize discrimination and inequity. Albertans aren't trying to centralize authority in a manner that would even make the world's foremost people's republic blush. That isn't happening here.

On trial today is the gang of four in Ottawa: Mr. Trudeau, Mr. Chretien, Mr. Lalonde, and Mr. MacEachen. I hope this very day that this gang of four in Ottawa is watching the trial occurring in a national capital in a distant country thousands of miles away from Canada where another gang of four is being put on trial for crimes against their state and their country, and for duplicity, in attempting to create a new Machiavelli.

Mr. Speaker, I endorse Motion 21 emphatically and without any reservation. In talking to numerous constituents in the last several days, if anything, they commended our Premier for being a moderate in this. All of them believe and feel in their own hearts that they have righteousness and history on their side to demand that Alberta could have gone further. But moderation is the word of the day. The gang of four is on trial.

Thank you very much, Mr. Speaker.

DR. PAPROSKI: Mr. Speaker, I cannot sit here tonight and allow an historical event of this magnitude that involves every household in Alberta pass without a few comments from me. As the MLA for Edmonton Kings-

way, I add my very strong support, clearly and without equivocation, to the direction that's taken in this motion and, of course, to all the comments made in support of the motion by government members and those other members who are not government members.

Mr. Speaker, there should be no doubt in anyone's mind or in their hearts that Albertans, this government, and our Premier will continue to try, and have tried. I only hope that Ottawa will reconsider its serious misdirection before the damage becomes irrevocable, and its setbacks are so serious and will become a reality. Again I urge every member in the Assembly to support this motion on the key principle, not only for Albertans but for all provinces and, for that matter, for Canada, a Canada we understand and stand for, a Canada whose roots are based on co-operation, whose history is a partnership, whose people respect each other no matter where they live, no matter what their background, a Canada where covenants and conventions in law make an agreement, where agreements are respected.

Thank you, Mr. Speaker.

MR. PAYNE: Mr. Speaker, many of our legislative colleagues this afternoon and this evening have quite appropriately participated in this debate on Motion 21. As a consequence, sir, it is very unlikely that I'll be able to contribute any supporting argument that's new, different, or unique. Despite that likelihood, I feel a great obligation to express not only some of the views in my heart on this subject but an equal obligation to attempt to speak for the constituents of Calgary Fish Creek.

I feel in a reasonable position to do that, Mr. Speaker, by virtue of a recent experience we had in the southeast part of Calgary. My constituency office is located in a suburban shopping centre in southeast Calgary. On Saturday, during a period of six hours — from 10 o'clock in the morning until 4 o'clock in the afternoon — no fewer than 100 of my constituents came into the office. At my suggestion, on a long piece of paper I had provided, many of those penned some of their thoughts on the Premier's address telecast Thursday evening as well as on the import of Motion 21. In the interests of time, Mr. Speaker, it's really not appropriate for me to read into *Hansard* any of those comments. Suffice it to say tonight that 100 per cent of the people I spoke to Saturday in that shopping centre, and all those who penned their feelings on that long sheet of paper, were unanimous in their support of the Premier's address of Thursday night and of the concept of a graduated reduction in our crude oil production in Alberta.

But my support for Motion 21 derives not just from that experience with my constituents on Saturday. My support derives also from a process of logic. I start in that process from the premise that a negotiated settlement on this matter is best for Alberta and for Canada. After a lengthy and careful consideration of the optional courses of action before us, I feel that this action — the modest and phased-in reduction of our crude oil production, with its assurances to the consuming provinces that in no way would they be affected negatively if there were a curtailment of any kind of offshore crude supplies — was the best way to achieve two ends: firstly, to induce the Prime Minister and his associates back to the negotiating table; secondly, and perhaps even more importantly, for the first time to induce them to negotiate genuinely and sincerely.

Some eastern editorialists, and a few Albertans, even some in these chambers, have suggested that there has

been an undue amount of intransigence and not enough flexibility in the way these crucial negotiations have been conducted by the Premier, the Minister of Energy and Natural Resources, and others of our colleagues.

In my view that allegation is simply not justified. I say that for several reasons. First of all, over the six-year period of 1974 to 1979 inclusive, we took far less for our crude oil than it was worth, far less than its commodity value. We staged in our price increases. We provided Canadians with the lowest priced gasoline at the pump of any developed country, as was pointed out in the Premier's address last Thursday.

Late in 1979, in our negotiations with the Clark government, the same reasoned and flexible approach applied. Throughout the early months of 1980, and this was demonstrated in the documents tabled earlier today by the hon. Minister of Energy and Natural Resources, it's apparent and obvious to me and, I hope, to all in the Assembly tonight, that those negotiations have been conducted with as much flexibility as one could possibly expect under the circumstances.

Others have referred tonight, and earlier today, to the energy package presented by the Premier to the Prime Minister on July 25. Within that document was an oil pricing proposal that would see Albertans take only 75 per cent of the value of their crude oil, on a staged-in basis, over a period of four years. That, as others have pointed out, compared to our proposal late in 1979 to the Clark government, clearly demonstrates a flexible approach. Certainly, compared to the market value of our crude oil, we have been flexible, not intransigent.

Just a brief comment, if I may, Mr. Speaker, on the impact of the federal budget and the Ottawa energy plan on Alberta's oil industry. I think the most eloquent statement that could be made about those documents was the plunge of Canadian oil and gas issues on North American stock markets over the two-day period of Wednesday and Thursday following the bringing down of the budget and the energy plan. I might also observe in passing that those same oil and gas issues generally rose the day following the Premier's televised address.

In recent days, Mr. Speaker, I have had several very respected petroleum economists develop some statistical projections as to the impacts of various scenarios related to the federal budget and the energy plan. It is very clear from these projections — and I attach great accuracy to them — that our industry's cash flows and retained earnings will be very seriously impacted as early as next year, 1981, as a consequence of that budget and that energy plan.

In and outside these chambers, others have expressed some puzzlement as they've tried to explain the direction of the federal budget in light of its stated objectives. I shared that dilemma until the moment I put aside the stated objectives and tried to conclude from what I had read what in fact the real objectives were.

It saddens me to observe, Mr. Speaker, and as emotional as this language may sound, I am fully persuaded that the real objectives of the Ottawa energy plan and the federal budget are: firstly to shift decision-making away from Alberta back to Ottawa; two, to reduce, in effect, Alberta to second-class status; and thirdly, to strip us eventually of our natural resources.

Finally, Mr. Speaker, I ask myself, I ask ourselves, three questions. What is our obligation to the pioneers who built the province? What is our obligation, indeed, to future Albertans, our children? My answer to those two obligations is the same: to achieve equal status in Con-

federation and to defend with all our might the principle of resource ownership, as it is the single most effective way to achieve that goal of equal status in this Confederation.

The third question I've asked myself is, what is our duty today in light of those two obligations? Sir, our duty is simply to express our unequivocal and virtually everlasting support of Motion 21.

MR. KNAACK: Mr. Speaker, I rise in my place to speak on this important matter, Motion 21. I, too, express regret that the Ottawa government has put us in a position where we must debate this kind of matter.

Before going into my prepared remarks, I would like to spend just a minute commenting on the position of the Member for Spirit River-Fairview. He has taken the position that the Alberta government should not take the step and in fact should accept the federal government's offer, that if we accept the budget as is, they will not impose the Petroleum Administration Act. As well, his position was that we should continue trying to negotiate, notwithstanding that our Minister of Energy and Natural Resources has very clearly and, I think, convincingly demonstrated there was never any intention of the federal government to reach an agreement with the province of Alberta. I have no doubt about the member's sincerity on most issues, especially the social issues. But it's surprising that in this particular case his position is very similar, if not identical, to that of Mr. Ed Broadbent, the leader of the national NDP. I suppose I would not be prepared to accept the proposition that he has Alberta's interest in mind.

Mr. Speaker, the question before us today is whether the province of Alberta had any choice but to take the steps we have to protect Alberta's interests. I'm saying to protect Alberta's interests; I'm not even suggesting this is in any way a retaliatory measure. We need to do this to protect our own interests. We have no choice. I'd like to demonstrate that by briefly describing the history of the energy negotiations since 1973, and to touch on the constitutional issues. Perhaps I'll do that first.

Some time ago — I forget the exact year; I think 1975 — the federal government appointed a very learned scholar as Chief Justice of the Supreme Court of Canada, notwithstanding that under normal rules and precedent, Mr. Justice Martland from the province of Alberta should have been appointed Chief Justice of Canada. What we really have now is a more centralist court than we otherwise would have had. How is that relevant? That's relevant because the Trudeau government has taken advantage of the shift in the Supreme Court of Canada. In my view, the Ottawa government has enacted legislation they would feel more doubtful about if the composition of the court were different.

I'm not suggesting in any way that the Supreme Court of Canada is in the pocket of the federal Liberal government. They're not. They're honestly held views of the justices on the bench. Nevertheless, it's to the disadvantage of the provincial governments and to the advantage of any government that wants to centralize and reshape Canadian Confederation, as the Trudeau government does.

The first step was in 1973, when the Trudeau government unilaterally imposed price controls on oil. They were called voluntary price controls. There was nothing voluntary about them, because the oil companies were in a position where they had to comply with that arrangement. Shortly thereafter, the federal government passed

the Petroleum Administration Act. The Petroleum Administration Act isn't new; the federal government has used that as a club in its negotiations with Alberta since 1973. At the same time, they imposed an export tax on oil. So we had a low domestic price and the federal government skimming off the profits from the higher export price of oil, again imposed unilaterally without any mention to the Alberta government, the owners of the resource. That's the context this government had to negotiate in.

Through very difficult and capable negotiating, the Premier and the ministers of Federal and Intergovernmental Affairs and of Energy in the past have managed to reach an agreement. What's so surprising is that we needed to negotiate at all. There's no other resource or commodity where the price is set in Canada, only oil and gas — commodities where the province of Alberta owns 85 per cent. That's the history of the debate and of the actions to the present time.

Mr. Speaker, you will recall that when the federal Conservative government took office, we did not have a united federal and provincial caucus on that matter. There was very, very difficult negotiation between the federal government under Joe Clark and this government. It, too, looked like a breakdown and a confrontation. At the last minute an agreement was reached on most points, with a minor exception. Joe Clark had said that his intent was to co-operate with the provinces, not just with the province of Alberta but with all provinces. An agreement was possible, and it was reached.

Subsequent to that, the federal Liberal Party ran on a platform which really almost dictated this budget, but I don't think so. They bought the vote at western Canada's expense. The question is — and it's relevant in the sense of should we try to continue negotiations while the federal budget is in place with the threat of the Petroleum Administration Act being in existence — did the federal government have any real intention to reach an agreement with the province of Alberta? This question was asked before, and the Minister of Energy and Natural Resources suggested that the federal government had no intention to reach an agreement. I have the same views, and these are the reasons.

I use for an analogy the constitution matter. During the whole summer, constitutional conferences took place between the ministers. The Premiers prepared, they came forward with a flexible position. I knew our position was flexible, because I was part of the caucus that devised the strategy. That flexibility was shown in Ottawa. On the last day, I saw on television that the 10 premiers actually agreed to an amending formula and other important matters. The Prime Minister said no. If we were trying to create a country again that day, the 10 provinces had agreed we would have a country. But the federal government refused to accept the 10 provinces' agreement.

We saw the strategy paper. You can go through it day by day, page by page, and identify the federal government's strategy and exactly what it's going to do. That leaked document, for ministers' eyes only, demonstrates that the federal government had no intention of reaching an agreement with the provinces. The strategy was to the contrary. They wanted to show that the provinces were bickering, and we even heard that talk from the opposition. The [Member] for Spirit River-Fairview talked about the provinces bickering. They're not bickering; they had reached an agreement and were protecting their own interests.

Then we have a very glossy document, the resolution

before the House of Commons now. I have been in the department of intergovernmental affairs as an official, and I know how long it takes to prepare a document of that sort, especially with all the i's dotted and t's crossed. It's my submission that that document was complete even before the first ministers met to negotiate the constitutional conference. I suggest to you the same approach was taken with respect to the energy package. There was no intent to ever reach an agreement with the provinces, although we have done our best to reach an agreement.

Not only that. The federal government — and the Ontario government shares in this — is trying to project to the citizens of Canada that Albertans are not good Canadians. That really hurts in a way. We have a depleting resource; there is no doubt that the conventional light and medium crude will be down to half its production within five years. It's been mentioned before that it's like selling our top soil at half the present world price.

The question is, are we prepared to share? Well I think no thinking Canadian would suggest that Albertans aren't willing to share. We're prepared to take a very modest escalation in price, to 75 per cent of the American value — not the world price — 75 per cent of the American value — leaving a permanent competitive advantage to the industrial centre in Canada. Premier Davis suggests that we're trying to take too much. What nonsense.

Going back to the constitutional position, the reason I want to address that is that I want to identify exactly where we are today, what choices we have left. We have a federal Petroleum Administration Act, presumably enacted under the trade and commerce clause; we have an export tax on oil; we have a tax on gas — not called an export tax, when it's both an export tax and has the effect of a royalty at the wellhead — we have an emergency supply allocation Bill; and we have an amending formula in the constitution where the federal government, by referendum, can take away our resources through amendment. Under that amendment, the two provinces in Canada — not even the two governments — can virtually take away our resources just by a simple vote. Only the federal government can initiate such a vote, not the provinces.

Now I'm just going to divert slightly from the theme to talk about whether the federal government has the constitutional right to do all these things. I don't think so. The federal government is confident, but I think they're wrong. The export tax on oil and gas, the Petroleum Administration Act, and the emergency supply allocation Bill, as a package are designed to usurp provincial ownership rights. If you take them one by one, they may be constitutional, but even that's doubtful. If you take them as a package, they're clearly a colorable attempt to usurp the ownership rights of the province of Alberta. I'm not convinced that the Supreme Court of Canada, even under its present constitution, won't strike down the Ottawa government's attempt. I hope they do, because it's necessary to preserve Canadian unity.

We're left now in this position: Alberta owns a resource; it's depleting very rapidly: the federal government is asking us to sell it at half price; there's a threat to impose, or it has been imposed, the federal Petroleum Administration Act to set the price; export taxes on gas and oil. Well, it's totally unreasonable for us to continue selling our depleting oil in that kind of arrangement. Once it's gone, it's gone forever.

I say again, Mr. Speaker, the matter may be complex to some, and some may want to sit on the fence and hide under this guise of complexity, but to me it's very clear

that this Ottawa government is trying to centralize this country. It doesn't care whether it causes division, and it doesn't care whether it's ruining the economy.

Mr. Speaker, we're fortunate that this province is strong, its citizens are strong. We have strong leadership. In the past, we've demonstrated that we're good Canadians and that we're prepared to be leaders within Canada. We're going to continue to try to lead and continue to make Canada strong.

Thank you.

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

HON. MEMBERS: Agreed.

MR. LEITCH: Thank you, Mr. Speaker. First, I would like to compliment and thank all the members who took part in the debate. In my view, their words were well chosen, temperate, and their reasoning was excellent.

Mr. Speaker, in reflecting on my remarks this afternoon, it occurred to me that I may have left an impression I did not want to continue to leave, to the effect that we were not interested or did not care what the oil and natural gas industry was able to do in areas outside Alberta. That may have been the impression I left when I was commenting on the matter of federal taxation of the industry. That's quite the wrong impression, because of course we do care and are interested in what the industry can do by way of exploration and development in areas outside Alberta, and would certainly like to see it bringing on new supplies for Canada in areas outside the province of Alberta.

But the point was, Mr. Speaker, that we did not feel we had any ground on which we could justifiably say, as a condition or part of an energy package, anything about taxation on the industry outside Alberta, as we felt we were limited to commenting on taxation levels on the industry within Alberta. As I said this afternoon, our interest was in ensuring that there wouldn't be such punitive taxation levels that the industry couldn't continue to carry on its current levels of exploration and development within the province of Alberta.

The only other area I want to touch on in closing debate, Mr. Speaker, is the arguments that have been made by a number of members about continuing negotiations. I want to say that I'm certainly willing to continue negotiations, to talk at any time or any place with anyone, if there is the slightest possibility of such discussions moving toward an agreement. But I simply want to caution the members who were saying "resume negotiations" of creating the false impression that if there were some real possibility there, that if we just got back to negotiating there would be a likelihood of an agreement coming about.

I suggest to the hon. members who were saying in the House today that we should be doing more negotiating, that that's an alternative, to be more specific. You've got our offer of July that was made by the hon. Premier to the Prime Minister. Tell us what changes you would make in that. Would you say, accept the lower pricing proposal that was in there? If so, how much lower? Would you say, change the 65 per cent on January 1, 1983, and the 75 per cent on January 1, 1984? Would you say, change those numbers to lower numbers? If so, how much lower? What other areas in that offer would you suggest we change by yielding or giving up?

Or if there are new things that those members who say,

get back to the negotiating table, think should be put on the table, they need to be specific. They need to tell us exactly in what direction they would be prepared to move in the resumption of negotiations. Simply saying get back to the table, in my respectful submission, doesn't advance the matter at all.

Even if they were to decide and specify the areas in which we should give more, I ask them to examine the record and reach a conclusion. Could they honestly say, on the basis of what they're going to recommend be given, that it would likely lead to an agreement? In answering that question, I think they have to look again at what's transpired since the federal government took office. I think they should examine the energy program and reflect on what pricing proposal is in that program after months of negotiation, after hearing the federal government saying they're going to walk last miles, they're going to make every effort to negotiate an agreement.

As I explained this afternoon, Mr. Speaker, the actual price for natural gas consumed domestically will be going down until February 1, 1982. If members examine the pricing proposal for conventional oil contained in the energy program on page 26, they will find that between January 1, 1981, and January 1, 1984 — that is, for about the next three years — the conventional oil pricing proposal is probably not going to be much different from inflation increases. So on the pricing proposal for conventional oil and natural gas contained in the energy program, we're going to get less for domestic sales of natural gas in actual cents between now and February 1, 1982, and probably about inflation increases for conventional oil until January 1, 1984.

There are just two other areas in respect of negotiations I'd like to call attention to, Mr. Speaker. It is true that during the course of the negotiations, the price for oil sands production and the price for tertiary oil, or oil recovered by exotic enhanced recovery schemes, was moved upward. But what did it move upward from? We started with \$20 to \$25 a barrel for oil from the oil sands, and it gradually moved up to \$38, plus consumer price index increases. A similar increase in offers was made in respect to tertiary oil. But it was clear that the first offers were ridiculously low. As I say, you couldn't find anyone I'm aware of who for one moment would think you could talk about \$20 or \$25 oil out of the oil sands and have those projects proceed. Now if you start with a ridiculously low offer and keep increasing it, but never reach an offer that's acceptable — and, as I said this afternoon, no one indicated that the offer of \$30 for tertiary oil or \$38, plus consumer price increases in both cases, would be acceptable to bring on either the tertiary supplies or the new oil sands plants. When you start with an offer that is ridiculous and never reach one that's acceptable, how can one say that you've really done any negotiating?

Finally, Mr. Speaker, I'd just like to call attention to the question of moving from an export tax on natural gas to what we now have, which is a partial export tax plus a tax on domestically used natural gas. If one were comparing those, one has to keep in mind that our present forecasts of revenue flows from the export of natural gas have been reduced dramatically in recent weeks. In the document I filed today, entitled Assessment of Energy Pricing and Revenue Distribution Proposals, in Table II we forecast over the period ending in mid-1984 a total revenue flow of \$102 billion. Using the same parameters to make the forecast today, that total revenue flow would be reduced by about \$11 billion. Virtually all that reduc-

tion is because we have revised our forecast of export volumes of natural gas to the United States. We've done that because of what has happened in the United States in recent weeks and months, which has included a determination by the state public utilities boards to restrict the use of Canadian natural gas until it is the last gas to be purchased by the utilities to meet their customers' requirements, and proceedings being held regarding the question of removing the take-or-pay provisions of the purchasers' contracts. So our view of the volumes of natural gas that will be going to export over the next few years are being dramatically revised downward because of actions within the United States.

When you sum it all up, Mr. Speaker, you can look at what the federal government started with in negotiations and what they ended up with in the budget. I say to those members who argue that somehow we could solve this by getting back into negotiations: is there a single thing about what's transpired, a single thing in the energy program and budget, that could lead any reasonable person to the conclusion that it's likely we can make progress by further negotiations. I wish we could. I wish I could stand in this Assembly and say, I am prepared to get into further negotiations; I think we can make some headway. But looking at that record, can anyone say they're optimistic that could be done?

In conclusion, Mr. Speaker, I again simply want to say that the members who have spoken in support of this motion have expressed much better than I could the reasons each member of this Legislative Assembly should now support, and vote for, Motion 21.

[Mr. Speaker declared the motion carried. Several members rose calling for a division. The division bell was rung]

[Three minutes having elapsed, the House divided]

For the motion:

Adair	Hyndman	Osterman
Anderson, D.	Isley	Pahl
Batiuk	Johnston	Paproski
Bogle	King	Pengelly
Borstad	Knaak	Planche
Bradley	Kowalski	Purdy
Buck	Koziak	Reid
Chambers	Kroeger	Russell
Clark, L.	Kushner	Schmid
Cook	Leitch	Schmidt
Crawford	LeMessurier	Shaben
Diachuk	Little	Speaker, R.
Embury	Lougheed	Stevens
Fjordbotten	Magee	Stewart
Fyfe	McCrae	Stromberg
Gogo	McCrimmon	Thompson
Harle	Miller	Webber
Hiebert	Moore	Wolstenholme
Horsman	Musgreave	Young
Hyland		

Against the motion:

Notley

Totals: Ayes — 58 Noes — 1

MR. CRAWFORD: Mr. Speaker, I should indicate that it's not proposed that the House sit tomorrow evening. I'll be in a position tomorrow to address Wednesday's business for hon. members.

[At 11 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]