

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: Thursday, October 15, 1981 2:30 p.m.

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

**PRAYERS**

[Mr. Speaker in the Chair]

**head: TABLING RETURNS AND REPORTS**

MR. BOGLE: Mr. Speaker, I would like to file with the Legislature Library the final response of Social Services and Community Health to the special report of the Ombudsman on foster care. In addition, I would like to file a copy of the Ombudsman's reply of September 16, 1981, to this final response.

MR. LEITCH: Mr. Speaker, I wish to file a response to Motion for a Return No. 135.

MR. HARLE: Mr. Speaker, I'd like to file three reports for the Legislature Library: A Compendium of Criminal Justice Statistics, Supplement 1980; Current Crime Trends in Alberta; and Current Crime Trends in Alberta: An Addendum.

MR. McCRAE: Mr. Speaker, I'd like to file a response to Motion for a Return No. 124.

**head: INTRODUCTION OF SPECIAL GUESTS**

MR. DIACHUK: Mr. Speaker, it is my pleasure today to introduce some 63 grade 6 students from Belmont elementary school in the constituency of Edmonton Beverly. After spending an hour or so with me some two weeks ago in their classroom, they are here visiting the Assembly. Accompanied by their teachers Mr. Bill French, Roy Oslend, Scott Zachary, Brian Aaberg, and Mrs. Valerie Behiels, they're seated in the members gallery. I'd ask them to rise and receive the usual welcome of this Assembly.

MRS. CHICHAK: Mr. Speaker, it gives me great pleasure today to introduce to you and to members of the Assembly a group of 15 students, with their group leader Don Whalen, from Grant MacEwan Community College, Cromdale Campus, which is within my constituency of Edmonton Norwood. I'd just like to say that during the sittings of the session, Mr. Whalen has been an avid supporter of constantly bringing students from the campus who might otherwise not have been afforded the opportunity to attend the Legislature and observe, for at least some short period of time, the proceedings in the Assembly. For that I have to say congratulations. I'm grateful. On many occasions the students have expressed to me that they were very happy to have had the opportunity. I'd like to ask you and members of the Assembly welcome them.

MR. GOGO: Mr. Speaker, I would like to introduce to you, and through you to members of the Assembly, Mr.

Dick Gruenwald, a former Member of the Legislative Assembly for Lethbridge West who served from 1971 to 1975. He is seated in the public gallery.

MR. KROEGER: Mr. Speaker, in the visitors gallery is a special group from the village of Cereal. They're here to watch the workings of the House and, as well, to test our Premier today. I ask them to stand and be recognized.

MR. R. CLARK: Is there a written exam?

**head: ORAL QUESTION PERIOD****Interest Rates — Treasury Branches**

MR. R. SPEAKER: Mr. Speaker, today I wish to direct my question to the Provincial Treasurer. It's in line with the theme we have established for this session; that is, the question from the man on the street, when the man on the street considers high interest rates. We heard yesterday there's going to be no help for cattlemen. [interjections] We heard there's going to be no help ...

SOME HON. MEMBERS: Question.

MR. SPEAKER: Order please. I'm not aware of any rule that requires the hon. leader to give a lengthy caption to the nature of the question about to follow. Perhaps he would come directly to the question.

DR. BUCK: Mr. Speaker, on a point of order. We would like ...

MR. COOK: Sit down, Walt.

DR. BUCK: Mr. Kooky, will you just wait. We'll all get a chance to speak.

Mr. Speaker, seriously, many times in this Assembly we have asked if we are or if we are not following the precedents of the House of Commons in Ottawa. [interjections] In the House of Commons, our Mother Parliament ... [interjections] Well, Mr. Speaker, there are some Albertans who think they are Canadians. The Tories think they're Albertans and not Canadians. I'd like to say that I am a Canadian. [interjections]

The point I'm trying to make is: when the Leader of the Opposition in the House of Commons rises to place a question, you know, Mr. Speaker, and members of this Assembly know that they have much latitude in a pre-amble. Otherwise, the question period in this Legislature becomes sterile and futile. What we are trying to do ... [interjections] Well, fine. You get cut off all the time. If that isn't futile, I don't know what futile is.

Mr. Speaker, the Leader of the Opposition is trying to ask a question with some background. I think the people in this province are entitled to have an answer to a question that's far ranging.

MR. SPEAKER: As far as I'm aware, there is a Parliament known as the Mother of Parliaments at Westminster, although the Parliament on the Isle of Man, which goes back a thousand years, sometimes disputes that title. Also, as far as I'm aware, among the Canadian parliaments there are no mommas and papas. Although we do pay some regard to precedents in the House of Commons, especially in cases where they've had experience and perhaps we have not had identical situations to contend

with, we don't follow those precedents slavishly. They work under a different set of Standing Orders, also under a different set of traditions, and I'm not responsible for what happens in that House.

We are departing from the rules quite considerably, the ordinary rules of a question period, as it was envisaged when rules were written about it. There is considerable latitude.

We've gone through this question of whether there was enough latitude a number of times in the past. Certainly, within limits, a member, and sometimes a minister in answering, will work a sort of barb into the question or something that isn't necessary to either ask or answer the question. But when you go so far afield as to repeat a policy declaration time after time in asking the question, then I must intervene; I have no choice.

MR. R. SPEAKER: Mr. Speaker, in continuing to ask my question, the preamble was most necessary because yesterday I sat in this Legislature for over two hours attempting to hear solutions to current problems.

MR. SPEAKER: Order please. If the hon. Leader of the Opposition wishes to ask his question, would he please come to the question.

MR. R. SPEAKER: Mr. Speaker, the question is very direct to the Provincial Treasurer. It relates to the interest rates as one of the items I had hoped would have some air of answer yesterday, but didn't. What plans does the Provincial Treasurer have to provide through the treasury branches some type of relief for the interest rates that are pressing Albertans into the ground at the present time? Has the Provincial Treasurer any plans? In the last spring Legislature the Provincial Treasurer said there were some actions we could take. Are those actions continuing, and if they are, what are they; and if not, why not?

MR. HYNDMAN: Mr. Speaker, this government has continually been aware of and concerned about the negative impact of high interest rates on Albertans and western Canadians in particular. The province will continue its very significant shielding of farmers, small businesses, home-owners, and municipalities. The responsibility, though, with respect to interest rates must be clearly placed where it belongs; that is, with the federal government of this country in Ottawa. Mr. Speaker, as the Premier very effectively indicated yesterday, there is no need for the federal government of this country to have to automatically track American-made interest rates if we had policies from Ottawa that would come to grips with the problems of this country, and build on the strengths and use the . . .

MR. SPEAKER: Order please. As I perceive the question, it was relating to actions of this government.

MR. HYNDMAN: As the hon. member knows, the responsibility in respect of interest rates clearly belongs in Ottawa. This government will continue the many programs of rifling, shielding, and support for Albertans done over the last many months.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. In the earlier part of this Legislature the minister indicated that the treasury branch interest would be held at 14 per cent, in terms of certain loans. Is that policy still

in place? Or has that policy changed, where the loans are now at a floating interest rate?

MR. HYNDMAN: The hon. member is in error in making that assertion, Mr. Speaker. In the spring, when we were discussing the fact of 6 per cent loans for beginning farmers, 9 per cent loans under other farm programs, and very significant subsidies for municipalities of 11 per cent, I indicated that treasury branches were loaning at 1 per cent less than prime, which was a major and significant reduction for those customers in the treasury branch.

MR. R. SPEAKER: Mr. Speaker, a supplementary. Is the minister proposing any new approaches with regard to the use of the treasury branches to meet interest relief at the present time, or is the 1 per cent below prime policy still in effect and will it continue?

MR. HYNDMAN: Mr. Speaker, the 1 per cent below prime policy, which is not only very useful and beneficial but responsible, will continue. The treasury branches continue to be sensitive to modifications of existing programs, as they've done, for example, with regard to mortgages, and will continue to do so for the benefit of Albertans.

MR. R. SPEAKER: Mr. Speaker, a supplementary question, specifically with regard to mortgages. Is the minister looking at using the treasury branches as an instrument to provide low-interest mortgages for Albertans at the present time?

MR. HYNDMAN: Mr. Speaker, I'm not sure whether the question period is the place to indicate the benefits of the treasury branch residential mortgage loans program, which has a number of features completely unique and beneficial to Albertans through the treasury branch as a financial institution. But on the basis of the inquiry — and I can suggest that that is a special, beneficial program — I'll make it more widely known to the hon. member and to all Albertans.

MR. R. SPEAKER: Mr. Speaker, can the hon. Provincial Treasurer assure the members of this Legislature that the treasury branches are providing mortgages at rates lower than any other financial institution in this province?

MR. HYNDMAN: On average they're certainly comparable or better than all other financial institutions. I can assure the Assembly of that, Mr. Speaker. The treasury branch has been and continues to be in the forefront of being equal to or better than any other lending institution with regard to the provision of funds — remembering as well that the treasury branch has a responsibility to those people who have savings accounts in it.

#### **Rental Rates**

MR. R. SPEAKER: Mr. Speaker, my second question is in line with the same type of questioning. It's a concern that is out on the street level of our cities and rural Alberta at the present time. My question with regard to rental rates, is to the Minister of Consumer and Corporate Affairs. Could the minister indicate what actions, if any, are being taken with regard to rental rates, and what actions are being contemplated by the department?

MR. KOZIAK: Well, Mr. Speaker, I share the concerns of the hon. member, together with others in this Assembly who've expressed concerns to me about the rising rental rates in the province, particularly in the city of Calgary where the influx of a large population has added to problems which accompany the lack of availability of apartment space. I'm sure, by his earlier questions, that the hon. Leader of the Opposition is aware that Canadians and Albertans are concerned about the abnormally high levels of interest rates that we're now paying. It's those abnormally high levels of interest rates that are affecting not only the people in agriculture and business, and home-owners and their mortgage renewals, but also the landlord/tenant relationships, resulting in increased rents and, at the same time, as a disincentive to the construction of new apartment facilities.

Mr. Speaker, the hon. Leader of the Opposition asked what the government is doing. Of course my response — and perhaps the Minister of Housing and Public Works would want to add to my comments — is that we have put tremendous efforts into the provision of accommodation in this province. Our budget for housing for this year exceeds by 70 per cent the entire budget of the government of Alberta when we took office 10 years ago. And I'm sure that had we not embarked upon the programs to provide for housing in Alberta that we did, rents would probably be in the vicinity of \$100 to \$200 a month higher than they are today.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. Has any consideration been given to re-establishing a rent review board to monitor the happenings at the present time, or are the happenings so obvious that that type of board is not required?

MR. KOZIAK: Mr. Speaker, it doesn't take a financial genius to determine that if an average apartment costs approximately \$50,000 to build, including the land, if you're paying 20 per cent interest on the money for that \$50,000, you've got \$10,000 a year in interest alone.\* When you add to that all the other expenses in operating an apartment, the rents are approaching \$1,000 a month. We do not have reports anywhere in the province of rentals approaching or exceeding what one might term the economic rent required for an apartment. Although there are substantial increases, in all cases the market rent is still substantially lower than the economic rent that would have to be charged in order to justify that type of investment. So at this point we see no benefits that can be gained from providing funds, employees, and manpower in the area of rent review. We're directing all our funds and manpower in the area of construction.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. It's an anomaly that's been brought to my attention. It's with regard to the 6 per cent interest paid on renters' deposits. I wonder if the minister has considered that that interest rate should be raised in line with current interest rates, or whether there will be a change in policy in that regard.

MR. KOZIAK: Mr. Speaker, in response to questions that were posed to me during the course of the spring session, I indicated that it was not my intention to do so. I had real hopes that by the time fall session came about we would see a substantial drop in interest rates. That drop has not taken place. My colleague the Provincial Treasurer and the Premier have indicated that there is no

need for our rates to follow and track American rates. It was suggested that we could have a Canadian oil price, that surely we can have a Canadian interest rate.

But it seems that that's not to be, and the high interest rates we're now paying will probably extend somewhat into the future, although there's some hope for some minor but not significant drops in the immediate future. Under those circumstances, when one considers that the interest rate pegged on damage deposits, security deposits, when the Act was first introduced and passed at the beginning of this Session of the Legislature — the rate was set at 6 per cent then. If one assumes that the rate was correct, having regard to the change in rates since then, perhaps a review of that has to be made. I'll be undertaking a review of the interest rate we are requiring to be paid under The Landlord and Tenant Act, with perhaps some legislation being introduced this fall.

#### Interest Rates — Mortgages

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Housing and Public Works. Could the minister indicate whether he's had any recent communications with federal officials with regard to giving some aid to home-owners now renewing their mortgages?

MR. CHAMBERS: No, Mr. Speaker, other than media reports. I would say, though, that the provincial housing ministers have tried to encourage, in a very significant way, the federal housing minister to assume his responsibilities in terms of interest rates and to do something about it. He has indicated he hopes — at least this is what I understand he is saying — that in the fall budget something will be done to alleviate hardship cases, so one would look with some anticipation to what might be done in that area.

MR. MANDEVILLE: Mr. Speaker, a supplementary question to the minister. Has the minister had an opportunity to study the proposal that was presented to the federal finance minister by the Bank of Nova Scotia and the Bank of Montreal with regard to giving credits to loan certificates and passing the credits back to the mortgage holders?

MR. CHAMBERS: Mr. Speaker, I've had nothing on that in a direct way, so I don't think it would be a particularly good idea for me to comment on the basis of something I might have read without seeing anything definitive. I would like to underline the fact that, as the Provincial Treasurer said, interest rates are obviously a responsibility of the federal government. I'm sure there are hardship cases, and I think everyone in this Assembly is concerned. It has to be a responsibility of the federal government to solve the problem of high interest rates. And again, I completely agree that there should be no reason the Canadian interest rates have to track the American rates.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. If they had this relief as far as tax rates are concerned, the province would be picking up a third of this. If the finance minister goes ahead with this program, would it be the intention of the province to approve it, since the Alberta government would be obligated to pay a third of it?

\*See page 1103, right column, paragraph 3

MR. CHAMBERS: Mr. Speaker, I really can't comment on a hypothetical area. I have no idea whether the federal minister is going to propose anything like that. I think we just have to wait to see what's contained in that area in the federal budget. But again, I'd like to underline that high interest rates are a responsibility of the federal government, a policy of the federal government, and therefore it's up to the federal government to solve that high interest policy.

MR. MANDEVILLE: A supplementary question to the minister, Mr. Speaker. In light of the interest rate decreases we've had with the Bank of Canada over the past month and a half, and today they went down another 0.64 points, is it the intent of the minister to decrease our mortgage loans to home-owners that right now are 19.5 per cent? With the Bank of Canada rates the way they are now, I think mortgage rates with other lending institutes are more preferable.

MR. CHAMBERS: Mr. Speaker, I'm glad that question was raised, because I think it's useful to clarify that the mortgage rate through the family home purchase program, which I'm assuming the hon. member is asking about, is a floating rate. It's adjusted at one point over the borrowing rate of the Home Mortgage Corporation. The massive subsidies which exist are related to affordability. In other words, at the very lowest income level of \$14,000 a year, the rate has been as high as \$585 a month, and that's direct subsidy payment to the home-owner.

I hope I'm clear on this. The rate floats and is adjusted from time to time depending on what the borrowing rate of the corporation is, recognizing that the rate would never exceed the lowest available commercial rate. All of the subsidy appears in one direct payment.

MR. MANDEVILLE: One final supplementary question, Mr. Speaker. I understand from the minister's office that in the past when these increases were put on they were phoning Home Mortgage personnel and telling them that this day they increase the rates, and it caused such a hardship on so many applicants. I wonder if the minister had any complaints from applicants, where their applications came in the day after the phone call and they weren't processed at the old rates. I got a lot of phone calls on the last increase, from 18.5 to 19.5 per cent. Is the minister planning to take some steps to give some notice before the increases are applied in this area?

MR. CHAMBERS: Mr. Speaker, I think the only way it's possible for the corporation to operate in this field is that when an adjustment is required the adjustment has to be made at that point in time. But perhaps there's a misconception in terms of affordability, because the subsidy levels are adjusted along with the mortgage rate. In other words, if the mortgage rate goes up the subsidy goes up. So affordability remains the same throughout the spectrum. Once people understand that, there's no difficulty. No, quite frankly I haven't had complaints in that area that I'm aware of.

#### **School Bus Regulations**

DR. BUCK: Mr. Speaker, I'd like to address my question to the Minister of Transportation. This is a follow-up to the question I asked yesterday about the use of flashing lights on school buses. Will the minister first differentiate

between using flashing lights in urban centres and using them in towns and villages. Is there a difference?

MR. KROEGER: Well, Mr. Speaker, I think the best way to answer the question is that we are presently reviewing the total Act, with the view of clarification and improvement. So what exists today may not exist when we finish the review, and we're right in the middle of that at the moment.

DR. BUCK: Mr. Speaker, I don't know if we can wait that long. My question is: is the minister in a position to indicate right now if enabling legislation will be passed in this session so that towns and villages can, if they so wish, instruct their school bus drivers to use flashing lights? As it stands now, Mr. Speaker and Mr. Minister, they do not have that power. Will that be brought in at this sitting of the Legislature?

MR. KROEGER: First of all, Mr. Speaker, I'm not sure this will require legislation. I think it can be done by regulation, and that's the reason we're into the review at the moment. The power a municipality, town, city, et cetera has, if they don't have it now, is to pass a by-law that flashing lights can be actuated if the speed limit is above 50 kilometres an hour. If the question is, what is the reason for this as it exists now, the thinking is that the interruptions of traffic, requiring all traffic at 30 miles per hour or under to stop in all cases, are themselves a hazard. Keeping in mind that school buses unload on the side where the traffic wouldn't be, alongside sidewalks, and that there are intersections marked for pedestrian crossing now, to require school buses to stop all traffic is a little unrealistic. Nevertheless, we are reviewing the process now, and if it requires a change, certainly we will respond.

DR. BUCK: Maybe the minister can let the municipalities decide if that's unrealistic or not.

A supplementary question. Can the minister or this government give us a commitment that the municipality can decide if it's reasonable or unreasonable to have this legislation? We are asking if the minister can make legislation at this fall sitting or regulations — if he deems it fit — that the municipality, the town, or village can decide if they would like their school buses to patrol the traffic so there's not a danger of children being killed.

MR. KROEGER: Mr. Speaker, of course any regulations or legislation we have are aimed at that very concept: to remove the danger for the school children. But again, as I've already indicated, we're in the process of doing the review to see what flexibility we can give. Certainly we can't have wide-ranging powers change from the department and that responsibility to each jurisdiction doing their own. We do have the situation now where the regulations are standardized. I think a mix of new regulations that would be different in every jurisdiction would add to the danger. We have to have standardization.

DR. BUCK: Mr. Speaker, a supplementary question to the Solicitor General. Yesterday I asked if the minister could indicate if there is a significant number of prosecutions as to violators, people passing school buses that have flashing lights on. Can the minister answer that question today?

MR. HARLE: Mr. Speaker, I can't. The reason is that there are 11 different municipalities that have their own police forces, plus the RCMP. It will take some time to circulate all those entities.

#### **Rapid Transit**

MR. ZAOZIRNY: Mr. Speaker, my question, on the subject of urban transportation, is also to the hon. Minister of Transportation. Could the minister advise the Assembly when he anticipates receipt of the report of his study group on LRT, and how soon thereafter he will be able to advise the Assembly as to the government's decision on the provision of additional funding for urban transportation?

DR. BUCK: Don't forget, he's up for nomination tonight.

MR. KROEGER: Mr. Speaker, the task force the hon. member referred to is working. As a matter of fact, they're away on their second tour now. The information to us is in the form of a verbal report every time they return from an inspection. When they finish, which should be sometime in November, a final report will be developed. The interim ones are not written reports; they're verbal. The mayors of Edmonton and Calgary and I are in attendance. The task force reports to us. When the final report is in, the decision on how to handle that will have to be taken. I would see, though, that it should be public information, because the object of the exercise is to make the kind of pressures on cities public. I hope the kind of information they develop will help us to solve, or at least cope with, those problems.

The second part of the question that relates to funding is of course a separate question and will have to be dealt with by government policy. I think the member is aware that we're halfway through a six-year program of funding urban transportation. It has been reviewed. It has been increased. But if there are good and sufficient reasons, I'm sure any extra funding that would have to be used will be considered.

MR. ZAOZIRNY: A supplementary question, Mr. Speaker. In light of the successful bid by Calgary for the 1988 Olympics, which will put added pressure on the northwest part of the city, and in light of the serious traffic and transportation problems in the northeast, can the minister at least assure the Assembly that in the course of its deliberations the government will be willing to give consideration to sufficient funding to allow both the northwest and northeast legs to proceed simultaneously?

MR. KROEGER: Mr. Speaker, I would not necessarily see any relationship between the proposed northwest-northeast LRT service in Calgary and the development of the Olympic program. It may very well have an impact, and I would expect to hear from people in Calgary. I have not yet heard any direct representation that says this route is important to the developing of the Olympic program. I'm expecting to hear something about that. Nevertheless, unless a route could be identified that has specific bearing on the Olympic program as it will unfold, I think we would be governed in the ordinary way. It would be difficult to make decisions in isolation in one city. We've got 12 cities. Our urban program is built

around the concept of urban transportation around all of them. There could be a special consideration for Calgary.

#### **Livestock Industry Study**

MR. R. CLARK: Mr. Speaker, I'd like to direct a question to either the Minister of Agriculture or the Minister of Economic Development. It flows from the question I asked the Minister of Agriculture yesterday about the percentage of the Canadian meat supply generating from Alberta, that 43 to 45 per cent the minister responded to. My question deals with the study being done by Dr. Horner. I ask either minister for the status of that report. When will it be made public?

MR. SCHMIDT: Mr. Speaker, I understand the report in total will be available to us very shortly. After we've had an opportunity to go through the report, it would be made public.

MR. R. CLARK: Mr. Speaker, has the minister had discussions with Dr. Horner with regard to the recommendations, so that some of the anticipated recommendations from Dr. Horner hopefully can be incorporated, hopefully, into a program the province will put in place to help both the feedlot and the cow-calf operators?

MR. SCHMIDT: Mr. Speaker, we've had the opportunity to discuss forthcoming parts of the report, recognizing the report wasn't complete — an opportunity to get some of the background material which we felt was necessary in trying to assess the livestock industry, where it is and where it should be going.

MR. R. CLARK: Mr. Speaker, is the minister in a position to indicate to the Assembly whether Dr. Horner has recommended that there be a program to help protect the feedlot industry and the cow-calf industry in the province?

MR. SCHMIDT: Mr. Speaker, as yet there's been no direct recommendation along those lines.

MR. R. CLARK: Mr. Speaker, a supplementary question to the minister, just so there is no misunderstanding. There has been no recommendation to the government from Dr. Horner and the report he is doing for the government on the preservation of the red meat industry in Alberta that in fact there should be assistance to the feedlot and the cow-calf operators. There's been no recommendation from Dr. Horner for that kind of assistance. Is that what the minister is saying?

MR. SCHMIDT: Mr. Speaker, if there were any recommendation for a long term, I would assume it would be in the total report. The discussions we've had in regard to the direction of the industry in total dealt with a few recommendations that were involved in some of the collection of data over the period of the report itself, some numbers available to the industry from a packing point of view, and some of the information that was gathered on behalf of industries across Canada.

MR. R. CLARK: Mr. Speaker, one last question. In the course of the discussions, has the minister asked Dr. Horner whether he will be including recommendation for some assistance of the kind mentioned in the House

yesterday and today? Or has the minister not sought Dr. Horner's advice in that area?

MR. SCHMIDT: Mr. Speaker, I'm sure the hon. member is aware that Dr. Horner made some comments to one of the meetings that was held in Boyle, I believe, on behalf of the livestock industry and on some of the work he had done. I'm sure some recommendations for some long-term solutions to the industry would be included in the report.

MR. R. CLARK: Mr. Speaker, one last, last supplementary question. Very specifically, has the Alberta Minister of Agriculture asked Dr. Horner, the government's consultant in the area of the red meat industry, for recommendations as to how to help the cattle industry out of the jam it's in today? Has the minister asked Dr. Horner specifically that question? Because I take from the answer we had to date that that has not happened.

MR. SCHMIDT: Mr. Speaker, I would assume that the basic report Dr. Horner has been working on — first of all, on behalf of government. The reason for a study was on behalf of the industry, and I'm sure that if the recommendations covered the total industry in recognizing the industry as it is today, recommendations would be contained in there as to what the future plans should be on recommendations for the industry.

MR. R. CLARK: Why haven't you asked him, Dallas?

MR. SCHMIDT: It's not important that I have to ask. The recommendations and the terms of reference for the report dealt directly with recommendations as to where the livestock industry should be going. Knowing Dr. Horner, I can only assume that he will follow those terms of reference and will make some recommendations.

### ORDERS OF THE DAY

MR. R. SPEAKER: Mr. Speaker, prior to moving to Orders of the Day, I gave notice yesterday that I would like to raise a point of privilege, and I would like to do that at this time. According to the rules, I've given adequate notice and, I believe, adequate explanation with regard to the point of privilege, and I'd now like to make this statement with regard to it.

The point of privilege I wish to raise is regarding a clear contradiction between statements made to members of this Legislative Assembly last May 27 and 28 by the Attorney General, and a subsequent argument made on behalf of the Attorney General before the Court of Queen's Bench in Calgary. The statements relate to the argument put forward by the Attorney General in defence of taking action during the Committee of Supply on Vote 4 in Housing and Public Works estimates. That is the matter of the special warrant for the purchase of McDougall school in Calgary.

During Committee of Supply debate, members of this Assembly were told quite unequivocally that the question which was before the courts regarding the validity of the special warrant would not be affected by being referred to in this Assembly. This argument overcame misgivings by government members as to whether this vote could proceed without prejudicing the same issue. However, when the matter did come before the courts, Mr. Speaker, the

defence presented on behalf of the Attorney General was based entirely on the position that because the Assembly had already voted on the matter, it did not fall within the jurisdiction of the court to make a ruling on it. Indeed, that defence was accepted by the judge and no ruling was given.

Mr. Speaker, on this side of the House we regard this change of argument as a serious and willful deception of the members of this Assembly by the Attorney General on a matter involving a very important principle of fiscal responsibility and accountability.

MR. CRAWFORD: Mr. Speaker, I'd like to address just a few remarks in response to the point raised by the hon. Leader of the Opposition. I note that he has limited his point not to what the Assembly did on that occasion but only to certain language used by me. Therefore, the point is quite a narrow one.

Mr. Speaker, I think I would sum up what is raised in the point of order simply by noting that the expressions used in the discussion here at the time were with reference to two distinct procedures. I referred to the fact that the matter being attacked by the hon. leader was an executive act and that we were in the process of a legislative act at the time. I pointed out that no parliament has ever put itself in a position where an estimate of proposed budgetary expenditure on behalf of a government could not be voted upon. No parliament has ever put itself in that position.

I was interested in the fact that in making argument in respect of the case, the legal counsel for the hon. leader suggested that by dealing with the matter the entire Assembly might have been out of order relative to Standing Order 22. I think that argument may distinguish itself by being the first time it has ever been uttered anywhere, because it has no merit whatever.

I wonder if the distinctions made at that time need be dwelt upon, but I want to place them once again in the immediate memory of hon. members in order that the balance of what I have to say might be in that perspective. In the process of debate, Mr. Speaker, I don't think the leader should have drawn any conclusion that I was, in effect, advising him as to what he should do. I may have opinions that I may express as to what he should do, but to call them advice is another matter.

It was the hon. leader who commenced a lawsuit and decided to conduct it in accordance with the instructions he gave to his legal counsel. In all respects, I found it not a difficult matter to differentiate between that and the process the House was going through. I pointed out that in the event all it took was a lawsuit to stall a budgetary procedure, no parliament could function, and suggested to the hon. leader that if at some future time, because a special warrant related to, say, some requirement to pay public service salaries, he proposed commencing a lawsuit he could stop the Assembly from paying its employees. He could stop the Assembly from agreeing to the construction of a hospital anywhere in the province merely by commencing a lawsuit. Of course, the hon. leader says, I suppose, I would never do that. He says, I'm a school site man myself and would not do this in other circumstances.

Mr. Speaker, I hope the hon. leader didn't draw from anything I said on any previous occasion — and by the way, the legal counsel on behalf of the government raised a number of points, not only the one the hon. leader has chosen to refer to. I hope he could see the matter in the way I understand the observations of the judge who

heard the application took it into account. I believe that when the matter was referred to him in court, he commented that the statements made by me did not mean that the courts have exclusive jurisdiction in the matter but that in due course the matter would be in the courts, whatever the result might be there. As far as I was concerned, that was certainly the expression I conveyed to members of the Assembly, in substantially similar language, Mr. Speaker.

MR. SPEAKER: As I see the essentials of this situation, there had been an action commenced questioning or attacking the validity of a certain special warrant which had been issued, agreed to, and executed by His Honour the Lieutenant Governor in Council. As the hon. Attorney General has mentioned, when that amount came before the Committee of Supply, the question of Rule 22(g)(1) was raised because the matter was already before the courts. There is a parliamentary custom, and it's mentioned in our *Standing Orders*, not to deal with matters which are before the courts in such a way that might be perceived to influence a court's decision, either by showing its independence in going the other way or perhaps by following what was suggested.

As I understand the remarks made by the hon. Attorney General, which are the subject of this complaint or point of privilege, he was expressing an opinion. He was saying what was before the court, and that's always a matter of opinion because it's not always easy to say just exactly what is the question the court is supposed to decide. It's different if the court gets a written set of questions. I think we had a clear example recently in the Supreme Court of Canada where, I think, the widespread opinion held among Canadians was that the question was whether the constitutional package was legal. We got a judgment which said, well, yes, it was barely legal. But evidently the court agreed that another point that was before the court — and it's quite easy to see from the submissions — was whether it was constitutional. Now that doesn't mean to say that people who thought it was just legal were telling lies or anything like that. Moreover there wouldn't be anything which would prevent a minister or any other member of the Assembly from expressing an opinion here and then expressing another opinion outside. In this particular case, the opinion outside was expressed by a solicitor, who may or may not have gotten his lines written by the Attorney General but presumably he wrote his own lines because he was asked to act as counsel.

It seems to me that what we're trying to say here is that a subsequent statement by counsel for the Attorney General has turned a previous statement into a falsehood, and possibly even a deliberate falsehood. That does not seem to me to be a valid argument, in any event, and especially so when what was expressed here, according to its very plain text, was simply a matter of opinion and it was a point on which anyone in the Assembly was entitled to have his or her own opinion whether or not they wanted to go along with what was said. So I am unable to say that there is here, on the face of it, any question of a breach of privilege, and that's all I'm supposed to decide.

In passing, one of the things that crossed my mind — and it may not be directly relevant, but it certainly does arise from this question of privilege. It would cause one to wonder what would happen to one of the parliaments of Canada, which includes our own of course, if someone were to start a lawsuit and question the legality of all the

estimates. Would that mean that the parliament could not go ahead and deal with the estimates and couldn't vote supply until it was given leave to do so by the court or there was a favorable judgment? It would seem to me that that would be a rather untenable position.

But to come back to the essentials, I am unable to see here any question of a breach of privilege. Perhaps it would be possible to put a construction on it that might give rise to an allegation of a grievance, and that is a distinction that has also been made elsewhere, both in Canada and, I suppose, in the United Kingdom. As far as breach of privilege is concerned, I'm unable to say that on the face of it that has occurred.

MR. KOZIAK: Mr. Speaker, I wonder if I might just rise on a point of privilege and correct a portion of the answer I gave earlier today. It has been brought to my attention that when I mentioned the construction costs of apartments, I said apartment "building" at \$50,000. I should have said apartment "unit" at \$50,000.\*

While I'm on my feet, I might add that I was searching for the proper definition relative to the timing of the introduction of The Landlord and Tenant Act, and that was at the beginning of this Legislature rather than at the beginning of the session, as I suggested.

#### head: MOTIONS FOR RETURNS

MR. HORSMAN: Mr. Speaker, I wonder if I might move that Motion 137 stand and retain its place on the Order Paper.

[Motion carried]

#### head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

MR. L. CLARK: I'm very pleased today to move Motion 210. With your permission, Mr. Speaker, I'd like to read the motion into the record, because it has been a while since it was placed on the Order Paper. Motion 210 reads this way:

Be it resolved that the Legislative Assembly urge the government to give consideration to the funding of an experimental project to develop wind-driven turbine pumps, with a view to replacing electrically operated pumps now used in southern Alberta for the pumping of water for irrigation.

In speaking to the motion, Mr. Speaker, I would like to concentrate on about six points. The first would be the reasons for the motion, what the motion is really asking for, and how it would be funded; four, the potential of windpower in southern Alberta; and, very briefly, what developments have occurred in the rest of Canada and in other countries in the world; six, the Alberta/Canada energy resources research fund, better known as ERRF.

Mr. Speaker, to go back to the reasons for the motion being here today, the government has long recognized a need to diversify the Alberta economy through the expansion of agriculture, secondary industries, and Alberta-based technologies and scientific expertise. Conventional oil resources in western Canada are rapidly being used up. The government has stressed the need and finally received, after much negotiation with our federal government — very hard negotiation, I might add — a realistic price for oil. Two of the main reasons for this are to

\*See page 1099, left column, paragraph 4

encourage exploration and to promote conservation.

Why have we been so concerned about conventional oil? One of the main reasons is that light and medium crude oils, which are the most in demand in Canada today for our diesel fuels and gasoline, are also in shortest supply. These oils are the only mobile fuel we have. Possibly we have new inventions down the road to replace it, but until that happens there should be some effort to conserve some of our light and medium crude oils for transportation and the production of foodstuffs. Coal, of course, is also an important alternative for our thermal power generation. But even at 32 per cent efficiency, it takes a large capital investment of 800 to 1,000 per kilowatt to develop it. It's also unfortunate — after being around on the surface rights committee for a year — that most of our coal lies under some very good agricultural land that would have to go out of food production. That leaves us with two alternatives, solar and wind power, that are yet undeveloped.

The second point is: what does this motion ask for? It simply asks the government to fund, from a fund already set up, a small project on wind power. There have been several small requests from private businesses to fund small projects out of the ERRF. But the one we have before us today has been a small project and is being put before the ERRF program to test, design, and prove the reliability and economic feasibility of pumping water for irrigation and for the expansion of drainage and irrigation in southern Alberta. If successful, it will expand wind energy into an environmentally acceptable and unlimited supply of renewable energy.

How would this be funded? As I said, in the province of Alberta we now have a fund called the energy resources research fund, which was set up for the purpose of supporting and promoting existing and potential energy resources in Alberta. I would like to come back to that ERRF program a little later in my address, because I feel it is very important to the part of this motion.

Point four is: what potential is there for wind power in southern Alberta? The Lethbridge area has a much greater wind-speed average than any other place in Canada except for Saskatchewan and parts of Newfoundland. That may be because of all the members we have down there; I'm not sure.

MRS. CRIPPS: What about Drumheller?

MR. L. CLARK: But only Newfoundland and Saskatchewan have a higher wind average. According to the Wiggins report, *Prospects for Solar and Wind Energy Utilization in Alberta*, published by Alberta Energy and Natural Resources, solar wind in Alberta, if developed, is 500 times greater than the production of all other energy in the province. With technology, that energy can be developed. It can be produced anywhere with no harmful effects to the environment. It can be developed as it's needed with no great capital outlay.

I would like to give you a couple of examples of some of the windmills we're talking about. I think the average wind in southern Alberta is 13.6 miles per hour. If you took a 15 mile an hour wind average and a 200 foot diameter fan, which is small by today's standards, you could produce 200 horsepower year round in southern Alberta. Another example: if you took the same 200 foot diameter blade and put it to pumping water, you could pump 400 acre-feet per day, 8,000 acre-feet in a six-month period. This is enough to irrigate 5,000 acres at a foot and a half per acre.

[Mr. Appleby in the Chair]

Now I would like to make point five: what developments have already taken place in Canada and the other countries in the world? I'm just going to touch on this very briefly, because I feel it will be brought up later, maybe by the next speaker. Wind turbines are being developed today in Holland, Great Britain, Denmark, Sweden, the U.S.A., and even Canada, where they have quite a project to develop a large Darrieus or eggbeater type of windmill in Quebec. In Goodnoe Hills, Washington, they have developed three 300-foot diameter wind turbines at a cost of \$30 million. This is just a quick overview of some of the research being done in other countries and parts of Canada.

I'd now like to spend a little time on the ERRF program, energy resources research fund. Before I do, I would like to say that the amount of money being spent on wind research in other parts of the world and other countries is in the tens of millions of dollars. Alberta's commitment in this area has been slightly more than a million dollars in the last four years. With that, let us look at the ERRF program: why it came to be set up, what it's being used for, and its objectives and guidelines.

The Alberta energy resources research fund was created as a result of the March 1974 oil pricing agreement between the provincial and federal governments, to minimize the crude oil price increases at that time and admitting that Alberta was the owner of a resource and was selling it at lower than world price. In recognition that Alberta was selling its oil at lower than world price, the federal government set out funds to assist Alberta in strengthening and diversifying its economy. These monies amounted to \$144 million, with \$96 million directed to energy-related research projects to be used over a six-year period, starting in the fiscal year '76-77. Agreement was reached on the terms of reference for the fund, and the Alberta energy resources research fund was formed.

What I believe is important to understand — and I suppose many of you know it, because you were probably in this Legislature in '76 when that came down — is that the \$96 million is available to Alberta with very few strings attached. In other words, Alberta may initiate proposals for research and decide which proposals are acceptable and which are not. When looking at this motion, I believe it's important to remember that fact.

What are the guidelines of the ERRF program? Mr. Speaker, with your permission, I would like to read these into the record from the Alberta resources research fund fourth annual report. The two main objectives were:

- to promote and support research into the development and efficient use of Alberta's existing and potential energy resources, having regard for the province's and Canada's medium and longer-term energy needs; and

This is the second point:

- to encourage the development of Alberta-based scientific and technical expertise in the field of energy research and development.

Now, the guidelines in this were very simply: one, to develop potential energy resources; two, to give preference to applied projects rather than research, to encourage Alberta's private sector to participate — I think it's very important you remember that it was there to encourage the private sector to get into the act — and to give maximum preference to Alberta-based engineering and scientific expertise. It excluded the oil sands projects.



Keeping these objectives in mind, let us look at one of the proposals that has been before this fund since 1978 and briefly follow it through to its present stage. The project was for the designing and testing of a 75-foot prototype delta blade wind turbine, coupled with a variable-capacity pump. The objective: to demonstrate under actual field conditions the reliability and cost of pumping large volumes of water for use in irrigation, storage, drainage, hydropower, commercial use, and recreation. This is the first stage of what could well be a major development of an extensive use of Alberta's wind energy. The proposal: to install a 75-foot prototype wind turbine in the Bow River Irrigation District at Lost Lake, where the basic water facilities were already in place.

You might ask: does this proposal meet all the guidelines under this program? Well, let's look at it. It was proposed by a Calgary-based engineering firm, and the fan was invented and designed by Dr. Kentfield of the University of Alberta. In co-operation with the Calgary-based firm, they went ahead and built a 130-inch diameter delta-blade prototype. This prototype windmill was sent to the National Research Council, tested in their wind tunnel, and proved its aerodynamic efficiencies to be somewhat greater than the Darrieus and almost equal to the variable pitch. It also had several other advantages over its competitors. It was self-starting, even under load; it could produce power through a full range of speeds, rather than relying on the narrow band of high speeds that was required by the Darrieus; and it was a very slow-turning fan which produced power but less noise. It would seem that this project would ideally fit under, and be helped and encouraged by, a program such as ERRF. As I stated, assistance was asked for under this program in May of [1978].

Now, you might say: where is the program at present? At the time this motion was put on the Order Paper last fall, there had been no progress whatever in assistance with this project, although only about \$14 million of the \$96 million had been expended and there was less than one year to go in the agreement. Since that time, however, the project has received assistance for the first stage. I would like to compliment those people involved for doing this, because I think it shows they are interested in bringing another resource to Alberta. The first stage is really just the planning and designing, but what is really uncertain now is whether or not the assistance will be continued to the completed project.

In closing, Mr. Speaker, I would like to say that I believe it's very important that Alberta begin to look at alternate forms of energy in Alberta, so when the time arrives that we are faced with a shortage of light and medium crude oils that we use for food production and transportation, we won't have to go outside and import the technology. I would also like to add that I would hate to see a project of this importance fail or stop for lack of support. Now that it has been deemed important enough to be funded for the first stage, surely we should continue to support the complete proposal and see if we cannot get a real step into an alternate energy source in Alberta before we're forced into it.

With that, Mr. Speaker, I would urge the Assembly to support this motion.

MR. KUSHNER: Mr. Speaker, I wish to thank the hon. Member for Drumheller for bringing Motion 210 before the Assembly today. I think it's not only an interesting subject but a timely and important one, and I am pleased to have the opportunity to speak to this motion this

afternoon.

The motion before us deals with one very specific application of wind energy in the agricultural sector; that is, the use of wind-driven turbine pumps to pump water for irrigation purposes in southern Alberta. As an urban member of this Legislature, I don't propose to stand in my place this afternoon and pretend to be an expert on agriculture. If I did that, my remarks would be met with well-deserved skepticism. Therefore, my comments regarding the use of energy in the agricultural sector and the feasibility of using wind power to meet some of the energy requirements of agriculture in Alberta will be very brief, very general, and based upon expert advice given to me in the course of preparing for this debate.

Mr. Speaker, my real interest in this motion goes beyond the very specific use of wind energy mentioned in the hon. member's motion. The motion asks us to urge the government to support a research project. It is the very nature of research that it can often open up new avenues of inquiry, exciting new possibilities for improving our way of life which no one ever dreamed of at the time the research was first begun. So I want to devote most of my time this afternoon to discussing not so much what the motion actually calls for but what it implies potentially for the energy future of this province. I intend to point out a number of other possible applications of wind energy in Alberta which a research project like this might very well lead to. I also intend to focus on the economic side of the picture, the question of marketability of wind energy technology, in an effort to show that there are strong arguments in favor of devoting more of our time and money to applied research in this area. Finally, Mr. Speaker, I intend to conclude with a few observations on the way in which energy-related research is funded by this government, and how this government's sound performance so far might be made even better.

Let me begin by quoting briefly from an Alberta agricultural report entitled *Energy Requirements of Agriculture in Alberta* which was presented to the energy resource requirements hearing of the ERCB earlier this year. According to this report, forecast increases in agricultural output will require increased energy use of close to 100 per cent within the next 25 years. Higher energy prices will have the largest impact upon the most intensive production systems. Indirect energy costs in the form of chemicals and machinery are as significant as direct increases in fuel costs. Farmers' response to higher energy prices may well include a reduction in the use of energy-intensive inputs, particularly fertilizer, which would result in decreased production.

Mr. Speaker, I am especially concerned about the implication of the last sentence of this quotation. The world in general certainly cannot accept any decrease in agriculture production at this point in time. For Alberta in particular, a falling-off of agriculture production would mean a very serious blow to our economy. Consumers in the urban areas would feel the effects when food prices begin to rise far more dramatically than they have in the past few years.

I feel very strongly, Mr. Speaker, that this scenario must not be allowed to take place here in Alberta. It is our responsibility as legislators to do all we can to prevent it from taking place. This is precisely why I am convinced that wind energy is an alternative we should be pursuing now, especially in southern Alberta where the wind blows hard enough, often enough, and sometimes in unlimited supply, if I may use that expression.

Going back to the report I quoted earlier, it stated that

energy requirements for agriculture in Alberta will double by the turn of the century. Surely we cannot expect all these energy requirements to be supplied from current conventional sources. For one thing, there's every chance conventional sources will be depleted by that time and, for another thing, the cost of the conventional energy sources that remain will most likely be extremely high, much higher than we should ask the farmers to bear. No, Mr. Speaker, we simply cannot go that route. We must explore alternate energy sources for agriculture, and we have to start now.

As I said, I'm convinced that wind energy is a very promising possibility in this respect, and I would like to give my reasons for thinking this way. I note, for example, that the report I referred to earlier goes on to state, and I will quote: wind energy is well-suited to the farm environment. Indeed there are pumping applications in southern Alberta where wind energy is already a practical alternative, such as the use of small wind pumps for low-lift drainage outlets along irrigation canals. A number of sites have been identified where large-scale wind systems could be used for control of lake levels. These are ideal applications for wind energy because intermittent pumping is acceptable, thus eliminating the need for expensive energy storage systems.

Mr. Speaker, I wanted to know more about those sites which have been identified, and officials in the Department of Agriculture were glad to help. A report on irrigation development in the Milk River basin, to mention one example, identifies 87 different locations where wind-driven pumping systems could be installed, resulting in some 90,000 additional acres being brought under irrigation. And that is in the Milk River basin only. If we look at all southern Alberta, there is a potential to increase irrigated land from the present 1 million acres to 9 million acres.

Mr. Speaker, if we have to rely on conventional fossil fuels to supply the energy for this vast increase in irrigation pumping, I just don't see how we're going to be able to afford it. The great advantage of wind is that you pay for the initial cost of putting in the wind machine, and after that, with the exception of a little bit of maintenance, your energy costs are nil.

Mr. Speaker, allow me to be even more specific by giving some examples of private sector involvement, companies that are taking advantage of our free enterprise system and that have enough confidence in the future of wind power to put their own money at risk. An Ontario company has invested \$15 million in the manufacture of large propeller blades, up to 300 feet in diameter. A Montreal firm has devoted five years and over \$1 million toward development of large wind machines, and is only now starting to show a return on that investment. They have just signed a contract to deliver a number of machines to Hydro-Quebec. The machines will provide a total power output of 30,000 kilowatts. The company is presently negotiating contracts with utility companies in Ontario and the maritimes.

To the south of us, an American-based firm has spent approximately \$15 million on wind energy research, and they too are now finding excellent markets for their product. They have sold 20 large wind machines to the state of Hawaii, an additional 16 machines to the southern California Edison Utility Company, and 12 others to the Pacific Gas and Electric Company. All of this has taken place within the past year. That manufacturer is now negotiating contracts for over 100 more machines with various other utility companies throughout the

U.S.A. In addition, there is a Seattle-based firm which last year signed a contract with the U.S. Department of Energy to build a 300-foot wind propeller, with first option on additional units if the prototype proves successful.

Mr. Speaker, there are many, many other examples of the kind of confidence being shown by the private sector in wind energy, not only in North America but throughout the world. But I think my point is made. We all know that the private sector would not put in risk capital of that magnitude unless they are able to satisfy themselves that the project would be a viable, paying proposition.

Let me cite just one more example, which I consider very relevant to the province of Alberta. The MAN Company of West Germany is currently working under government contract to produce a variable-pitch wind propeller system similar to the U.S. models I referred to earlier. The plan is to make use of these for electrical power generation along the north shore of Germany. The significance of this for Alberta is that both the West German government and the MAN Company consider the north shore winds to be economically viable as a source of energy. The average wind speed in that part of Germany, Mr. Speaker, is only 11 miles per hour, whereas, as my colleague the hon. Member for Drumheller mentioned earlier, the average wind speed for that portion of Alberta from Red Deer to the U.S. border is 14 miles per hour. And there are many places in southern Alberta where the average wind speed is more than 20 miles per hour, as my hon. colleagues from Lethbridge, Pincher Creek, Crowsnest, Cardston, and Macleod will probably confirm.

If an average wind speed of 11 miles per hour in Germany is sufficient to prompt the government and the private sector into spending millions on harnessing wind energy there, surely the kind of wind regime we are fortunate to have in southern Alberta would be, if anything, more adaptable to harness as an energy source. I'm not a scientist or an engineer, Mr. Speaker, but I can say that the scientific and engineering literature I have examined in preparing for this debate most definitely indicates that this in fact is the case.

To summarize, I suppose I could say that my enthusiasm for wind energy is based on two factors, technical and economic. The literature I've examined has convinced me that wind as an energy source is technically feasible, especially in southern Alberta. When I discovered what kind of private sector commitment is being made to wind energy elsewhere in the world, that was enough to convince me that wind energy technology can be not only technically possible, but also economically viable and marketable. With these two things in its favor, Mr. Speaker, I would suggest that the province of Alberta ought to have a major involvement in this area.

At this point, I can anticipate that some hon. members might raise a few objections, one being that since the technology is being or has been developed elsewhere, how can we justify putting money into research? Wouldn't we just end up duplicating the research that has already been done? Why can't the private sector or government, as the case may be, simply purchase the wind machines already on the market? Another objection might be that since the private sector elsewhere has enough confidence to spend its money on wind energy technology, why can't the Alberta private sector do likewise? Why should public funds be spent if the private sector can carry the ball on its own?

These are important points, Mr. Speaker, and I would

like to take a few moments to deal with them. First, the question of duplication of research: let me begin that the point is certainly well taken. There are wind machines of varying sizes now on the market at cost-competitive prices available through Canadian distributors. I have seen advertisements for an Australian line of wind machines available through a Vancouver distributor. In addition, Swiss-made wind machines are distributed in Canada by an Ontario-based company. Therefore, we do indeed have to be careful that our research is not geared to developing something for which an acceptable substitute already exists.

However, that being said, there are two rebuttals which could be made in response. The first is that Alberta's climate is more unusual in many respects than many members may realize. Not only do we have extremes of temperature as great as anywhere in the world, but we also have the chinook, a very unique kind of wind in terms of velocity and the time of year that it occurs. So, when we talk about wind energy research here in Alberta, we're talking in part about discovering how to take existing technology and apply it to Alberta conditions.

I'm talking about applied as opposed to basic research. I'm sure hon. members will appreciate that the problem of duplication becomes quite irrelevant in this context. But, Mr. Speaker, I also wish to make the point that Alberta now has the opportunity to make a meaningful contribution even to basic research into wind technology.

About four years ago, as my hon. colleague from Drumheller mentioned, Dr. J. Kentfield of the University of Calgary invented a new type of wind propeller, known as the delta blade. This wasn't the type of discovery that gets flashy headlines like insulin or polio vaccine, but it was a very significant breakthrough. As I understand it, the delta blade has two very important advantages over other types of wind systems. One, it is self-starting; that is, it doesn't require an initial boost from some other energy source. Two, it is able to operate through a full range of wind speeds, anywhere from 8 miles per hour to 45 miles per hour, unlike most other systems, which are able to operate effectively only within a much narrower range of wind speed.

I should point out that I am not simply repeating here in this Assembly the claims made by the inventor himself or by the Alberta-based companies that want to develop and market this new invention. Mr. Speaker, tests completed in Ottawa by the National Research Council indicated that the delta-blade turbine is potentially 30 to 50 per cent more efficient than the most common type of wind propeller, a model known as the Darrieus. I guess what I'm saying is that we do indeed have to be careful to avoid duplication of research but, at the same time, there's a lot of scope for both innovative research based on an idea born right here in Alberta and applied research which seeks to adapt existing technology to Alberta conditions.

With proper care, duplication of research should not be a problem. I urge hon. members to set their minds at ease, should they have any hesitation about this motion from this point of view.

Let me make a few remarks now on the second possible objection, being that the private sector ought to be able to carry out this sort of activity at its own resource. I would begin by saying, Mr. Speaker, that we must realize what sort of skill we're discussing here. The companies I mentioned earlier that are presently negotiating contracts for the manufacture and supply of various wind systems are very large firms, able to generate substantial amounts

of internal funding for projects that will not show a return for a number of years. We must therefore be realistic and accept the fact that we don't have firms in that particular situation in the province of Alberta. However, there are Alberta-based companies that do possess the necessary engineering know-how, and have the enthusiasm and desire to forge ahead. But these companies do not have the required internal cash flow that would allow them the luxury of waiting a few years for a return on that investment. That is especially true in the kind of miserable economic climate that now exists in this country, for which we have the Ottawa government to thank.

Mr. Speaker, another point to note is that even though these large companies do not always depend on government grants to fund their research, they often look to government or government-owned utilities as a potential market for their product. Once again, we must be realistic and remember the fact that government now accounts for over 40 per cent of the gross national product in Canada and the U.S. Like it or not, government is involved with the economic prospects of companies of all sizes.

My final point in dealing with the objection, Mr. Speaker, arises from a reading of the objectives and guidelines of the energy resources research fund, to which the hon. Member for Drumheller referred in speaking to his motion. The program lists eight objectives. With your indulgence, Mr. Speaker, I would like to quote just two:

3. Preference will be given to applied or mission-oriented research projects, although some consideration will be given to funding of appropriate basic research projects.
7. The Alberta-based private sector will be encouraged to participate directly in the program, through submission of appropriate research proposals and through representation on specific project management and technical advisory committees.

Mr. Speaker, it seems to me that the situation is pretty clear. Here we have \$96 million specifically earmarked for research, and the objectives clearly state that the private sector is to be encouraged to participate. Therefore, in response to the objection that government should not or cannot afford to provide funds to the private sector for the type of research called for in this motion, I suppose I have several rebuttals, Mr. Speaker. It seems to me that what it really boils down to is that we should do what is necessary to bring together the technical expertise and the financial support so that we can go on with the research. In the present Alberta context I feel the simple way to approach this is to provide research grants to private firms that have the expertise and are willing to do the work. There are private firms in Alberta that are anxious to put their efforts into wind energy development, and that have real prospects for success. I think it's time we gave them a boost.

Since I've already mentioned the energy resources research fund program, Mr. Speaker, I'd like to raise a concern I have with regard to that fund. According to the latest annual report of the ERRF, less than \$14 million of the total federal commitment of \$96 million had actually been spent or committed to be spent on energy research projects. More than \$3 million of the \$14 million was spent on buildings. My understanding is that there has been no problem with receiving the transfer payments from the federal government, and that only the final instalment of \$24 million remains to be received. My concern is simply that we don't seem to be taking full advantage of these federal funds, for which Alberta in

effect has the authority to decide how to spend. I can understand that we can't just spend money for the sake of spending money, also that we simply can't fund every proposal that comes along. But I have to wonder, Mr. Speaker; is there such a lack of ideas and good, promising research proposals from Albertans that we have only been able to make use of such a small fraction of the \$96 million energy research fund available to us? I don't think so. I'm personally familiar with proposals that have been before the ERRF committee for many months and have not received a final decision one way or the other. I'd like to suggest that we should take a good look at this fund to see if we could in fact be a little bolder, show a little leadership, and be a little more innovative in the way we use it. It seems to me that an experimental project such as the one called for by this motion would be an excellent place to start.

I'd like to touch on just one more area, Mr. Speaker, and that's the possible long-term applications of wind energy over and above the agricultural sector. What I'm talking about is the possibility of eventually taking electrical power produced by wind energy and feeding it into the province's main utility grid. I have no illusions that wind-generated electricity will be able to supply the power needs of major projects such as the oil sands plants. Obviously, this will not happen in the immediate future. A 1978 report by the Department of Energy and Natural Resources states: the large-scale central generation of electricity from solar or wind energy is likely to be far in the future in Alberta, for a number of technical and economic reasons.

I make these comments simply to emphasize the fact that there is no magic solution for our future energy supply requirements. I would not want hon. members to think I am suggesting that wind energy is the complete answer. That is certainly not the case. Nevertheless, I think we should consider that wind energy research might very well lead to such developments.

It is my understanding that the technical problems of integrating wind-generated electricity into the utility grid, to which I alluded in the report I quoted earlier, have been pretty well resolved in the three years since the report came out. Certainly the fact that the three large American utilities I referred to earlier are moving ahead in this area would indicate to me that technical or engineering problems are no longer a serious obstacle. I am told that the real problem now is producing wind-generated electricity on a large scale at cost-competitive prices to the consumer. I suspect that if we go into it in a big enough way, wind energy will prove to be cost competitive as compared to conventional fossil fuels, at least in the long run.

I might also point out to hon. members that my inquiries have revealed to me that utilities in Alberta have no objection to the concept of wind-generated electricity. I stress the word "concept", Mr. Speaker, because even though a company like Calgary Power, now known as TransAlta, may have no problem with the idea in theory, it is quite another thing to actually go ahead at this time. TransAlta just doesn't have the time, resources, or expertise to devote to this kind of prospect when the return would be several years down the road. To me, this is all the more reason we should seriously consider providing the funding for the type of project called for by this motion. If we push the idea, help the development, show by example that the idea can work, then the private sector can pick up on that point. Should the reasons show that the idea won't work, that's okay too. We'll

have learned something. That's exactly what research is all about, to help people make good decisions on future development.

In conclusion, Mr. Speaker, I would like to say that wind energy is not just airy-fairy stuff. It's a very real possibility, especially for southern Alberta. I fully support this motion, and I urge all hon. members to do the same.

MR. HYLAND: Mr. Speaker, I'm happy to rise and speak on Motion No. 210, brought forward by the hon. Member for Drumheller. I've heard the Member for Drumheller and the Member for Calgary Mountain View talking about how good such a turbine would be in windy southern Alberta. I would suggest that if you take the roof off this Chamber, attach a turbine to it, it might be far more effective here than in windy southern Alberta. We are dealing with hot air, and there seems to be a great amount of hot air released from here.

MR. COOK: You're from southern Alberta.

MR. HYLAND: Well, some of them from Edmonton have a lot of hot air, too.

MRS. CRIPPS: Hot air rises.

MR. HYLAND: Mr. Speaker, speaking to the motion, we've heard the previous two speakers deal a lot with the history and a certain amount of mechanics that would be involved in such a project. I would like to deal for a short while with its possible use in irrigation. It would probably work well for large amounts of water being lifted, as has been suggested, either from a reservoir or into a reservoir. The project at Lost Lake is a project where water is sitting, and it just builds up year after year. It has to be drained to save other areas from being flooded. I can see a project such as this being of great assistance. I can see it being of great assistance along a canal system where a drainage tile has been installed and you may have one or two miles of canal running into a sump, where it would cost a lot of money to get power in and the amount of water that would have to be moved wouldn't be that great. A small wind-driven pump could indeed work well to lift the water out of such an area.

I can see it working where you would use an open-ditch system of irrigation, where the amount and frequency of water coming wouldn't be as crucial as it would with the sprinkler. I can see it being used with a gated-pipe system. But to use it with a sprinkler system, the wind blowing at the proper times — once you start sprinkling, you have to keep going. You can't stop for a day and start again. You have to do something with the water that's there.

Unless technology is vastly changed so that it would indeed take very little wind to operate the system at full pressure, I can see problems there. But these kinds of problems I said I could see are indeed things that such a motion might be able to answer, because the motion requests "funding of an experimental project", a project that would take place in Alberta. Regardless if the units are built elsewhere, they could be tested here. They would be tested under our wind and weather conditions, and see if they work. Maybe some of them can be built in Alberta. I know some of them are. Some units built here look as if they're as far advanced, or further advanced in many cases, as units built elsewhere in Canada or the world. But we could still test them here and see how they stand up to our wind conditions.

I think history may almost be going around in a circle

in some 20 years. It wasn't all that many years ago — and I'm sure there are members of this Assembly who were on the first REA councils when they were formed in their area to bring power to the farm. Previously they had wind generators, a lot different technology than is proposed now; the technology now being supposedly far superior in the production and use of the generator and the amount of wind it takes to turn it. But we could almost be going in a circle in our looking for alternate energy uses.

Mr. Speaker, I suggest this might be an opportunity where we could lead Canada or the world in technology. We have spent a great deal of money in the Health Sciences Centre in Edmonton, for example, hoping to lead the world, at least Canada, in medicine and new ways of practising medicine. I think this would be an opportunity to lead the world in another form of technology and to be able to partake quickly of the technology, because technology changes. We could be in on the ground floor to do something in this technology. Previous members have said we are a country where we have lots of wind. We have it all year, maybe not steady. What some people call a breeze, in southern Alberta we would think there was no wind. What we would call a breeze, other parts of Alberta would call a storm.

So, all over the province this kind of technology could be tested. I think this one, even just exploring the use for the pumping of irrigation water, would be a start, though I wouldn't like to see it stop at that. I'd like to see an experiment carried further and the technology tried in other aspects of drainage water, the lifting of drainage water, and any other way that wind and wind generation could be used in the province in future.

Mr. Speaker, I'd like to urge members of the Legislature to support the motion by the hon. Member for Drumheller, in requesting funds for an experimental project, funds that could be either totally paid by the government or shared on cost-sharing dollars with industry interested in developing such technology and development of such projects.

MR. CAMPBELL: Mr. Speaker, I'm pleased to participate in the debate on Motion 210. I'd also like to congratulate the Member for Drumheller for bringing this important motion to the floor of the Legislature.

To supplement an energy-based economy in the long term, the government of Alberta has recognized a need to diversify Alberta's economy through expansion of agriculture, secondary industry, and Alberta-based technological and scientific expertise. Oil is presently the only mobile fuel we have. Possible new inventions will replace it, but until that happens every effort should be made to conserve it for transportation and farming. Of course, coal is an important alternative for thermal power generation, even at 32 per cent energy efficiency with large capital investments of \$800 to \$1,000 per kilowatt. Mr. Speaker, that leaves our solar and wind powers a yet undeveloped source of power.

Fortunately, wind energy in Alberta is greater than in most provinces and states. That energy occurs mostly in southern Alberta, which also has 40 per cent of the electrical power demand but only 20 per cent of our power generation. An Alberta-based wind energy development project promises to be a major step in developing our wind energy, and ties in directly with expansion of agriculture, greater use of available water resources, and the development of Alberta's secondary industry and technological expertise as well.

There are now 1 million acres of irrigation in 13 irrigation districts, and immediate potential to add 100,000 acres within the districts, plus 300,000 to 400,000 acres of expansion. Total potential for irrigation in the province is approximately 9 million acres. Currently under way is the irrigation reclamation program by Alberta Agriculture in the irrigation districts. A reservoir and canal program by Alberta Environment is also under way. Individual irrigation systems have proved successful, pumping directly from rivers. Considerably more land could be irrigated by separate systems if the long-term economics of pumping are favorable. The use of sprinkler systems increased the areas of land otherwise not suitable for irrigation by gravity, resulting in increased demand for electrical power and water, a demand that even now cannot be met.

The Wiggins report, *Prospects for Solar and Wind Energy Utilization in Alberta*, published by Alberta Energy and Natural Resources in 1978, shows that solar and wind energy in Alberta is 500 times greater than our present total energy production in all forms. It has no harmful environmental effects. The wind energy in southern Alberta is greater than most populated areas of Canada, with an average wind speed over the year of 13.6 miles per hour. Only in Newfoundland and a part of Saskatchewan are the average wind speeds higher. For example, even one wind turbine of 100 feet in diameter can be expected to produce about 200 horsepower year round. That is not a large turbine compared with the 200- to 300-foot diameters being developed in other countries.

In the U.S.A., several news articles report that NASA and the U.S. department of energy are sponsoring the development of large propeller wind turbines. The American wind energy association also expects that 13 million smaller wind turbines will be in operation, with a fuel saving — and listen to this — of 490,000 barrels of oil per day. Confidence in the wind energy developments is indicated by the investment of \$15 million by one company, Hamilton Standard. To start making the large turbine propeller blades, the powerhouse as large as a boxcar and weighing 150 tons holds the propeller, gearbox, and generator on top of the 260-foot pole, and it is being made in Sweden. They expect wind power generation in many areas of the United States, with the most favorable along the Rockies on the west coast.

In Canada, the National Research Council is supporting several projects to develop large Darrieus turbines, the appearance of a large eggbeater to generate electricity. Several units constructed at a Toronto firm are operating in Newfoundland and Saskatchewan. One such unit, 30 feet high, is being tested on Vancouver Island as a joint project of the National Research Council and B.C. Hydro. Experiments show that the larger the machine, the cheaper the power. A Darrieus turbine 350 feet high is proposed to be built in Quebec by the National Research Council and Hydro-Quebec at a cost of \$18 million, and is expected to generate 3,800 kilowatts of power.

In Europe, wind turbines are being developed by several countries, Sweden, Denmark, Holland, and Great Britain. In Germany, as in Japan, large centres employing up to 30,000 people are constantly working in research and development. They consider the north shore winds averaging 11 miles per hour as economically viable for wind energy — winds less than in southern Alberta, I might add.

In expanding Alberta's economy, Alberta industry is hard-pressed not only to catch up with the industrialized centres in Ontario and Quebec but also to compete in new developments. Canada Supply and Services reports

that a total of \$148 million federal funds were awarded for the resource and development projects, and \$116 million went to projects based in Ontario and Quebec. At the same time, only \$3.5 million was awarded for Alberta-based work. This order of support has been provided for many years.

Alberta has higher levels of available wind energy than most provinces and states, and there is little doubt that some time in the future that energy will be harnessed. With 41.6 per cent of the gross national product being reported as government expenditures at all levels, industry must rely to a great extent on government support and incentives to advance technology and development, at least for the initial higher-risk stages. This applies particularly to smaller companies if there is no immediate return on investment or where new developments are primarily for general benefit.

The present Alberta energy resources research program provides incentives in this direction. The objectives of the 1976 energy resources research fund program are to promote and support energy-related research and development and efficient use of energy to diversify Alberta's economy. Briefly, the objectives are: to develop potential energy resources, to give preference to applied projects rather than basic research for both short- and long-range pay-out results; to encourage the Alberta private sector to participate directly; to give maximum preference to Alberta-based engineering and scientific expertise. The program is administered by the manager of research programs, Alberta Energy and Natural Resources, with approval in principle by the energy resources research fund committee on the scope of the program and the list of projects to be carried out.

The Alberta delta blade turbine wind energy proposal: the project which was proposed in May 1978 is for the design, installation, and testing of a 75-foot diameter delta blade wind turbine coupled with a variable capacity pump. It is to demonstrate under actual field conditions the reliability and the cost of pumping large volumes of water for use in irrigation, storage for hydro power, and commercial and recreational use. The proposal is to install a large prototype in the Bow River Irrigation District at Lost Lake, where the basic water facilities are already in place.

An Alberta-based project: the project is based entirely in Alberta. The delta blade turbine shape was invented by Dr. Kentfield, who is a professional engineer and colleague at the University of Calgary, with design construction and testing by Abacus Engineering Limited of Calgary. The Alberta delta wind blade turbine proposal meets all the criteria of the energy resources reserve fund and the fundamental requirements for successful research and development.

The Alberta delta blade turbine has several technical advantages compared with the high speed Darrieus or the propeller.

MR. DEPUTY SPEAKER: I regret to interrupt the hon. member, but the time for consideration of the motion for today has expired. The member will, of course, retain his speaking order on the next day the motion is called.

head: **PUBLIC BILLS AND ORDERS**  
**OTHER THAN**  
**GOVERNMENT BILLS AND ORDERS**  
(Second Reading)

**Bill 220**  
**The Energy Conservation**  
**Building Standards Act**

MR. COOK: Mr. Speaker, the last time I rose in the House to present an idea, I got into hot water with some of my rural colleagues. In the interests of conserving energy, I thought I'd tone down my remarks a little and try to conserve some of the hot water that I hope not to get into. I'd like to also point out that there are a number of comments that the Minister of Labour, and perhaps the Minister of Housing and Public Works, will probably take some issue with. I might still succeed in generating some hot water this afternoon. We'll take it from there, Mr. Speaker.

Bill 220 is before the House for the first time this year. It provides for energy conservation or energy consumption standards for buildings. It's a performance-oriented piece of legislation. That means it attempts to set out objectives for design and construction of new buildings. It does not set out the specific mechanics for doing that, Mr. Speaker. For example, it does not say to an architect that you have to provide for a given amount of insulation, so much glass area in a building, or any number of technical details. It simply states that there is a BTU value that can be assigned for a building in per-square-footage terms and that the building cannot exceed those consumption standards.

It's a concept that was pioneered in the United States and is now being taken up by the province of Quebec. Its genius is that it frees the engineer and the architect to do as he or she will to meet those objectives. It encourages creativity and innovation rather than slavish adherence to some regulations. I think all good free enterprise Progressive Conservative members of this Assembly would like to see that: get away from prescriptive standards which are regulatory to performance standards which provide for incentive and innovation. Surely those are key points in the Progressive Conservative philosophy. This bill has that inherent beauty in it. It's performance oriented rather than prescriptive.

Mr. Speaker, the standards will be set for commercial, industrial, and residential buildings in this province. The standards should be set after a series of public hearings are held by the Minister of Labour, in this case, designed to elicit from the public what they think is practical and efficient in terms of setting those consumption standards, those objectives, that we would provide for architects and engineers.

Members are probably asking themselves why Alberta has to worry about energy conservation. I think there are a couple of answers to that. This bill is part of a package of programs that has been presented to the House over the last few months to encourage a debate on energy conservation. This province has a leadership role as a producer of energy. We should be setting a standard for other provinces to follow. We have a good conservation record in our production of energy, but I'm sad to say that this province is falling behind. It's certainly not a leader when it comes to conservation in consumption. Other Canadian provinces are way ahead of us — Quebec and Ontario, sad to say.

There are a number of reasons. This province sub-

dizes inefficiency. That seems incongruous for a free enterprise party, but we subsidize inefficiency. We do not use the market system, the pricing system, to discipline our consumers. We subsidize the cost of home heating by about one-third through our natural gas price protection plan. Secondly, because Alberta is such a hot place in terms of construction, a lot of outside architects, people from New York, Los Angeles, and Toronto, are hired by developers, and they do not consider the climatic conditions, the very harsh prairie winter. So we have a lot of people from the outside basically packaging a building, and planting the same building down in Minneapolis, Kansas City, Edmonton, or Calgary. I've talked to the architectural association about this problem. I'm told that up to half the large commercial buildings in this province are designed not by Albertans, not even by western Canadians, rather by people from the United States and eastern Canada. They are simply buildings that they just take the wraps off — same design, same standards they would have in another jurisdiction.

We're faced with a building boom in this province. I understand we're going to double the commercial and industrial building space over the next 15 or 20 years. We're going to reproduce once again what we've got now. That infrastructure, those buildings, is going to be with us for the next 50 years. What we do today, Mr. Speaker, will affect not just people with us in the province in 1981 but will affect people well into the next century.

Alberta's energy conservation program has some good intentions and has some very good people working to develop ideas, but it has a couple of major flaws. It relies almost exclusively on public awareness and education programs. There have been some very minor prescriptive changes in our building code for new home construction. We've upgraded the insulation standards, but that's about all. We have not tried to use pricing as an incentive for consumers to become more efficient in their use of energy. And efficiency, Mr. Speaker — again, I go back to the point — is surely the inherent quality in the philosophy of the Progressive Conservative, and I emphasize "conservative", Party that I am a member of. Some members of my party might wonder about my philosophical bent at times, but I think in this sense I am more conservative than some of my more right-wing colleagues, in the sense that I am trying to develop efficiency and conserve a very valuable resource.

We know, Mr. Speaker, that by designing energy efficiency into a building before it's constructed we can save as much as 60 per cent of the fuel costs of a similar sized building that doesn't have those design features. I'm thinking of a couple of examples here in Alberta. Gulf Canada Square in Calgary consumes less than half the energy a building like Principle Plaza here in Edmonton would. The new Scotia Bank building in Edmonton is going to be a good building from an energy conservation point of view. But, sad to say, those are the exceptions, not the rule. They feature heat insulation. They feature reflective windows so summer heat build-up is prevented; cooling costs are very great in summer. They use and recycle body and machine heat. They have heat pumps. There are a number of very simple features that engineers and architects can build into a building, at very little cost at the outset but are very, very expensive to try to retrofit.

Let me try to put this down to a political level, and this is going to scare some of my colleagues, or at least it should. On the basis of the new energy pricing agreement negotiated on September 1, the city of Edmonton esti-

mates that the costs to heat an average 1,200 square foot home in the city of Edmonton — this is a modest bungalow — will go from about \$440 in 1981 to almost three times that, \$1,225. Those numbers are based on the energy agreement we've already negotiated. We know those are the prices that are going to be charged.

Mr. Speaker, can you imagine the impact of an irate constituent, especially a senior citizen on a fixed income, calling the hon. Member for Three Hills, for Edmonton Gold Bar, or for Calgary North Hill and saying, I have a heating bill of \$1,200 this year and I can't afford that. I'm a pensioner on a fixed income. My heating costs have risen by a factor of three, but my income hasn't. What are you going to do to help me? That's not an isolated case, Mr. Speaker. There are going to be a lot of people in this province.

There are cases in New York state of senior citizens actually turning their thermostat down during some very cold winter days and being found frozen in their homes the next day from hypothermia. I don't want to be scary, but we're seeing it happen in other jurisdictions where they have faced the high energy costs we're going to face. Senior citizens on fixed incomes have reacted in precisely that way. That should scare members of the Assembly.

There are only two ways to solve that kind of problem. We can shelter them by cutting some of the costs, by paying out rebates. Or we can be a little bit gutsy now and perhaps take on some of the building contractors who are very conservative in their nature; conservative not in the sense of conserving a resource, but somewhat stodgy. We can take some political heat now and save ourselves a lot of political heat later — again, conserving energy.

Let me make a couple of other quick points. The energy saved in Alberta can be exported at a premium price to the United States. Thanks to the Minister of Energy and Natural Resources and the Premier, we successfully negotiated a feature of the new agreement, which is simply that we do not have an export tax on natural gas sales. Gas is probably our ace in the hole as an Alberta economy based on the export of energy. Instead of encouraging domestic consumption, with no appreciable rise in the standard of living for Albertans, we should really be trying to encourage conservation, because we could earn money with that saved energy. There is in fact a cost in not following that course of action. Right now we pay out some \$120 million to \$140 million in the natural gas price protection plan. That's a cost. But over and above that, the energy that is wasted, that is not exported, is lost to us as well. We derive a considerable amount of revenue as a province from that.

This province is dragging its feet on energy conservation. As I mentioned, we have a tremendous record as a province in the supply side. We have a tremendous record with the Energy Resources Conservation Board. But this province really has a pretty dismal record when it comes to helping citizens save energy in their consumption.

I'd like to turn briefly to Bill 220, examine a couple of its features, and point out why it is a worth-while venture. I mentioned earlier that it's performance oriented rather than prescriptive. Performance standards basically just set global or block consumption standards and allow freedom and innovation, as I mentioned. Prescriptive standards are the way we've handled building codes in the past, and they set out very detailed regulations on what you may or may not do. For example, it might say you have to have 6 inches of insulation as opposed to 3, 4, 5, 7, 8, or 9. A performance code is more flexible. That's

what Bill 220 is: a performance code. It sets out a number of features. The performance code would only be set after public hearings and only after we have determined what is readily available in the way of technology and what is economically practical. For example, we might design an energy code that would have features that would pay themselves back in about five or six years.

[Mr. Speaker in the Chair]

I think we would have one other feature in this Bill. It calls for natural gas rebates not to be paid to any buildings, whether old or new, that do not meet standards. This province should not be in the business of subsidizing inefficiency. Another piece of legislation I introduced in the House earlier would provide for grants and loans which, in effect, would take the place of those lost natural gas rebates, the one-third price support, and roll that back to the consumer in the form of a loan or grant to retrofit their buildings. So if this Bill were to be passed, natural gas rebates would not be given out to inefficient users of energy in commercial, industrial, or residential buildings. It's very simple in its concept, Mr. Speaker, and that's the essence of the Bill.

Let me just try to wrap up my points. I'd like to quote from Walter Levy, who wrote in the *Foreign Affairs* quarterly this summer. Mr. Levy is a pretty well respected economist and consultant on energy.

AN HON. MEMBER: Very expensive.

MR. COOK: Yes, he is very expensive. He's very good, and I like his ideas. He said — I think he wrote this article in June or July of this year — the Middle East is unstable. The experience of the 1970s has taught us that. In spite of the present oil glut that we enjoy in the world market today, the outlook in the 1980s looks very precarious. It would be extremely imprudent if oil importers were to base their planning for the future on current market conditions. Those aren't my ideas. Those are the ideas of a pretty well respected energy consultant.

He goes on to say that optimum energy conservation efforts must be pursued through the operation of the price mechanism, tax incentives, and other suitable measures. Again, those are not the ideas of the hon. Member for Edmonton Glengarry but of a pretty well respected energy consultant, and this province is not following any of those suggestions. Finally, he goes on with a few other points and suggests that major research efforts should be made. Here is a good example of the point of the hon. Member for Drumheller on wind turbines or fusion, which is an idea that has been put before this House. Alberta and Canada should be developing major research programs to develop wind power, tidal power, nuclear power, and fusion.

Walter Levy points out that the Middle East is unstable and we cannot rely on Saudi Arabia. For example, the royal family there is politically vulnerable; it's unstable. We may ask ourselves, what has that got to do with us? If Canada imports oil and energy, it's the east coast that's going to suffer. My friends, that may be true in a sense. But if energy supplies are seriously disrupted on the international market place, we have an agreement with the International Energy Agency which states briefly this: if there's a 7 per cent reduction in the world oil supply due to some catastrophic event, all nations must share that loss equally. That means Canada has an international commitment to ship any available energy supplies it

can to those countries that are even more seriously affected than we are; for example, Japan, or western Europe. So while we may suffer initially on the east coast, Albertans are going to share in that international responsibility we have, by having to cut their consumption of energy here so that we can ship it abroad to our allies and assist them through some difficult times.

Mr. Speaker, there have been three energy cuts by the OPEC nations in the '60s and '70s. History is of no value to us unless we profit from history and not repeat earlier mistakes. I think we should realize, by looking at the Iranian and Iraqi war, for example, or the crisis in Egypt of a few weeks ago, that we're going to be faced with some very difficult international times ahead, and we're vulnerable. If anything happens to the Saudis, western Canada — Albertans — are going to be suffering by having to ship energy supplies to our allies.

Energy conservation works, and we should be trying to design into our buildings a system where we can cut energy use. Wind turbines are a good way. Incentives for housing retrofits are invaluable. These are just a couple of quick ideas, Mr. Speaker. They're not in Bill 220, but I'm making reference to them in this debate to try to prompt the debate in the Legislature and in the government caucus. There are a number of things we should be doing, and we are not. We are not developing wind turbines, a housing retrofit program, and a teleride system, which advises consumers of bus services — and I'm one today, because my car is rather ill. The teleride system will allow a bus user to know when the next available bus will be coming along. It encourages bus usage and has been shown to be very effective. We should be providing bus passes rather than parking stalls to government employees. The Minister responsible for Personnel Administration might consider that in the next negotiations. We should be eliminating all price shelters if we possibly can. Again, if this is a free enterprise and conservative government, we should be trying to let the market provide some discipline to consumers. We should be providing grants and loans of equivalent value to the rebates we will have foregone for retrofitting buildings. We should consider the imposition of a gas tax, to allow the market mechanism, the price mechanism, to discipline consumers, and use that revenue to pay for very expensive items like LRT, which the hon. Member for Calgary Forest Lawn alluded to today in question period.

We should be trying to provide van pooling incentives. People from St. Albert, for example, should be given priority, I would think, if they want to travel on the freeway to Edmonton. If they are in a van pooling system or a car pool, I think those people should get a priority lane right through to the heart of Edmonton. That's common in most major cities in the United States. We should be changing our urban design so that our cities are more compact, so we don't have the urban sprawl we see today. We should be looking at smaller lots, smaller homes, and less roadway space. We should be trying to change our building codes, Mr. Speaker. That's what this Bill is an attempt to do.

For my rural member friends, we should be trying to change our farm practices to reduce tillage and fertilizer inputs. We can do that very easily, with more emphasis on legumes to fix nitrogen in our soils. It would be beneficial both from an energy cost point of view and to the soils, because our farmers are literally mining the soil. I made this comment earlier, Mr. Speaker. Our farmers are literally mining the soils, and energy is being wasted by very aggressive tillage. Also, we're finding that our soil



structures are breaking down, and we're faced with dust storms in the spring. Mr. Speaker, all I advocate in that section is more research into the development of legume crops that are practical and economical in Alberta and more research into different tillage techniques.

I'd like to wrap up my contribution and debate this afternoon, Mr. Speaker, by basically making these points. Alberta is embarking on a construction boom. We're going to double the commercial, industrial, and residential stock we have in place now, and if we don't design in energy efficiency today, we're going to be saddled with an inefficient housing stock and inefficient commercial and industrial stock for the next 50 years. It's cheaper for us to design in those simple conservation techniques now, before we build those buildings. That's what the building code should be used for. Alberta, this government, has interfered with the market place by providing subsidies on high energy costs. We're sheltering consumers, and we've sheltered our consumers from reality. We should be going back to our free enterprise ethics and using the market system to discipline consumers. By intervening in the market place, Mr. Speaker, I think a countervailing, corrective action is necessary. That is in actions like the program I outlined a little earlier in my speech.

Finally, the tremendous advantage of Bill 220 is that it is a performance oriented building code rather than a prescriptive building code, and sets design standards and allows architects and engineers the freedom they need to be innovative. Also, it allows them to change their technologies as new ideas develop.

So, Mr. Speaker, in wrapping up my comments, I think Bill 220 is simply part of a package that has to be developed by this government and is long overdue. This government has a leadership role as the producer of energy in this country, and we have not yet met that responsibility. I'm confident we will, and I'm looking forward to the comments and remarks of my colleagues in the House. I hope to hear positive suggestions on how we can implement this Bill and perhaps improve it. With that, Mr. Speaker, I'll finish my comments.

Thank you.

MR. MUSGREAVE: Mr. Speaker, it was not my intention to engage in this debate because I felt I owed it to the hon. Member for Edmonton Glengarry not to cross swords with him too much this fall session. The reason I'm speaking, though, is that he asked me to participate. I told him I would be glad to but I wouldn't necessarily support his point of view. So that's why I'm on my feet. Someday I hope the hon. member will introduce Bills into this Legislature that will be aimed at reducing the amount of government regulation, that will try to limit the size of our civil service, that will do what he says he is suggesting; that is, disciplining the consumer but not by having more government.

As an aside, I make a point of leaving my car in Calgary when I come to Edmonton. I walk wherever I can, and if it's too far to walk, I scrounge rides with whoever happens to be going my way. So I think I'm doing my bit as far as conserving energy is concerned. [interjections] Yes, a true Scotsman.

Mr. Speaker, I see this Bill as another intrusion into private lives and private business. I read just recently that government is like cooking fish: you need a light touch, and if you're too heavy-handed, you end up with mush. This is what is worrying me.

In many parts of the world today, Mr. Speaker, many people are trying to get freedom. All we need to do is

think about Afghanistan or some of the problems in South America; think of Poland wrestling with the Russians right now trying to get freedom.

Mr. Speaker, this Bill has noble objectives. The longer I listened to the hon. member, the more I was beginning to agree with him. However, I agree we should all be good stewards of the earth's resources and all the rest of it, but that's where the Bill starts to fall down. I would suggest that if he had been in my shoes for the last year or so and known the frustrations and problems I've had with getting a simple occupancy permit from the city of Calgary — if I then had to get an energy efficiency permit on a building, I would not want to be involved in building anything, including a doghouse. What he's suggesting is more government employees, more government regulations, that slavish adherence to more and more and more. And we want less and less and less. He wants to give a very significant amount of ministerial power, that the minister in effect would be able to cut off a very strong source of money for a company that, say, is using gas to heat its building and doesn't happen to have enough solar windows on the roof. Solar windows are really not of that much value in Alberta because the sun is at the wrong angle when you need the heat, and when you don't need the heat the sun is right there. So solar panels create more problems, and yet he has that in his Bill. [interjection] He mentions insulation; I'll get to that later.

In Europe they have a system in hallways and hotels, and in public meeting places. On the surface rights committee, we learned many things other than just surface rights. We learned that when you're in meeting rooms in government buildings, they have a lighting system whereby the lights go off when you leave a certain area. You just flick a switch, the light goes off, and that's it. We could start introducing things like that. These switches are placed in key areas so that if you want to go up some stairs, you flick a switch and get enough light to get up there. By the time you get there it's gone off, so you've got to flick it again.

I would like to refute a few things the hon. member mentioned. First of all, he complained that he'd talked to the local architects. I have some business partners who are architects, and I've listened to their cries *ad infinitum* and *ad nauseum*. They'll tell you it's the developer, and they don't like these fellows who came from eastern Canada because they've taken all their big projects away from them. Then in the same breath we talk about developing our own technology to export it. Now, when you do that, you're obviously going to be a foreigner somewhere else. So it's a two-way street.

He mentioned how efficient the Gulf Square building is. It uses heat from the bodies of individuals working there; it uses heat from the lights; it uses heat from various machines: the copying machines, elevators, whatever you have in the building. He mentioned that it's well insulated. I also understand they're having real problems with that building because the bills to cool it in summertime are astronomical. So you have to balance one thing off against another.

He mentioned the suffering of aged people. I think we are able to make sure that their incomes are such that they won't be suffering as people in New York state. If you take a look at the situation in New York state, you'll find that the economic support of their elderly has no comparison with ours.

Mr. Speaker, I'd like to suggest a way the hon. member could achieve what he's after. Last fall I was honored to

represent the Minister of Government Services at a 3M conference in Calgary, a 3M products show. I'd like to tell members in the House that I'm not an owner or shareholder of 3M products, nor ever have been.

AN HON. MEMBER: Do you use Scotchtape?

MR. MUSGREAVE: Yes, I use Scotchtape.

Mr. Speaker, this company has a fantastic array of products that are used in hospitals, offices, businesses: every imaginable place you can think of. They have thousands of employees, and are a world-wide organization. They have a competitive system within their company whereby individual groups are competing against one another, and the challenge is to come up with new products and make money for the company. I have a letter written in September from Abraham, the corporate and public affairs manager. He said to me:

Some companies have little contact with the governmental process. They pay their taxes and obey laws and regulations affecting their activities, but otherwise remain very much in the private sector.

He goes on to say:

This is not the case with 3M. Governments and public agencies at all levels are major users of many of the products we manufacture, and public sector purchasing is a very important part of our business.

He goes on to say that almost all purchasing decisions in Alberta are made on a competitive basis, with appropriate regard for cost and quantity. He also says that they realize the importance of keeping elected officials aware of advances in technology which affect particular areas of government activity. They feel we should be made aware of the fact that we have to be responsible for the prudent expenditure of public funds, and the company is going to try to keep us abreast of developments which can improve the delivery of services to the public. And obviously, they're going to try to make money, and that's what they should be doing.

Mr. Speaker, here are some of the things this company is doing. I would suggest to the hon. member that these kinds of approaches are going to be important to the conservation of energy. First of all, they've come up with a new product that provides for efficient heating and cooling of offices and apartment buildings. They have developed a system in London, Ontario, called Commute-A-Van service. One hundred and eighty-eight workers have a system whereby they band together and move back and forth to work, to their place of business, using vans supplied by the company and insured and covered in the normal way. In one year, they are saving 432,000 litres of gasoline. Mr. Speaker, I suggest those are the kinds of savings that are going to be generated by the market place because of the costs of the product.

Another interesting one is a metalized window-fill, which they market under the trade name of Scotchint. By precision-coating clear polyester film with a micro-thin layer of aluminum, they are able to create a sort of two-way mirror. This film, applied to windows, uses a water-activated or pressure-sensitive backing, and allows a passage of visible light while reflecting solar rays from the outside. It comes in a variety of densities and colors and is fast and easy to apply. This would really appeal to the hon. member from Edmonton. It can lower summer air conditioning costs by reducing the solar heat entering buildings up to 75 per cent. In winter it helps eliminate the hot spot problems created by large windows in high-rise apartments or office towers where local heating is

difficult to control.

These are some of the things just one company is doing. As I said earlier, the reason they're doing it is to make money. But these are the kinds of things we shouldn't be encouraging by giving another minister more power and hiring more civil servants. We should be encouraging it by letting the market place provide its discipline, as the hon. member has said. If the government wants to get into the business of encouraging improved efficiency in buildings, we could give tax write-offs for research in that area. We could give tax write-offs by way of accelerated depreciation on those kinds of buildings that have followed a certain code. But we don't need to be hiring a government agency to police this.

If we're trying to save money in the government area, maybe a novel approach would be to, first of all, say we're going to have small cars for all government employees, excluding those who have to travel long distances in rural areas. We should say that any time a building is refurbished, a cost/benefit analysis has to be made and that new materials have to be a long wearing, low maintenance, of a durable type. We could insist that we print on both sides of paper. We could ban all fancy, glossy, multi-colored reports, which are terribly expensive, from government agencies and departments. If we want to apply ourselves, the possibilities are endless. I would like to suggest, maybe facetiously, but just the same it might be a significant way to do things — if a cabinet minister came up with a saving of, say, \$5 million in his department, he would be given a one-time, once a year bonus of, say, \$50,000.

The point I'm trying to make, Mr. Speaker, is that we have to do this by a carrot approach, not by a legislative approach, not by the heavy-handedness of a bureaucracy. There are other ways of achieving what the hon. member mentioned.

I could go on at great length and argue some of the other points he made, but I'm sure other members will participate in this debate and perhaps offset some of his comments. I don't necessarily agree that they're significantly of a free enterprise nature, as he suggests. They certainly don't come into the category of the kinds of attempts the 3M Company is making. Mr. Speaker, I would suggest to the hon. member: let him go back and take a look at his desired objective, which is to achieve wise use of our resources on this earth. I think that's a noble and very wise thing. But I think there are other ways of doing it, and certainly not by increasing the representatives of the people in the Legislature.

MRS. FYFE: I have a few brief words I'd like to add to this debate. I compliment the member for bringing forward such an important topic on which members can participate and bring forward their ideas, which maybe we'll all benefit from.

When the member mentioned there perhaps was an idea of setting forth a travelling lane for commuters coming from St. Albert, I envisioned perhaps a travelling lane for this new type of bicycle they have now developed, where you lie down and push the pedals instead of going up and down. If you could enclose them with some type of battery and snow tires for winter travelling, it probably would be quite efficient and be good for all of us. Maybe we'll pursue that over the next number of months.

AN HON. MEMBER: Rollie would still be late. [laughter]

MRS. FYFE: But he'd have to pedal a little faster.

When the Member for Calgary McKnight mentioned energy-efficient ideas in Europe, I'm sure the Member for Edson and a few others in the Assembly remember the experience we had in Stockholm, Sweden, with their energy-efficient program when, at the end of the meeting, we hadn't quite finished our discussions and tried to find our coats in the darkness, and then found out that the elevator was also affected by their energy cutback. We had to wind our way down five sets of stairs in total darkness. It was quite a challenge.

One more comment, supplementing the comments made by the Member for Calgary McKnight related to the senior citizens' plight in New York city. I guess most of us in the Assembly are quite aware that the seniors in Alberta have a very different system of support for those who require additional income, and that in most of the American states and in many other parts of Canada and the world support for social services comes from the property tax, where in Alberta there is almost nothing paid for through the property tax. So in a New York system, where they developed very extensive social programming that put a tremendous drain on the city, we know there was a tremendous crisis the city went through and it also meant that services were cut back for individuals. It's very difficult to compare that type of situation with what could happen in the province of Alberta.

One of the concerns I would have related to the Bill — first, I think trying to reduce energy is a very positive objective. I don't think anyone would disagree with that. While they may have had a little fun this afternoon making some comments, we're all very serious that conservation is a very positive thing. The "how" is the important factor. If we were to adopt this type of Bill — and some of the material I've read on this subject — there certainly would be a factor faced by new home-owners, particularly the young home-owners who are having a great deal of difficulty with high interest rates and the inflation factor that has affected houses in this province. If we have compared houses in the province of Alberta with housing in Nova Scotia, for example, we notice it's much higher here. The demand for housing has put tremendous pressure on supply, and consequently the cost is much greater. So together with the high interest rates and the higher cost, by proceeding in this direction at this point in time, that also would contribute to the cost which you amortize or mortgage over a period of years, and would have serious effects on families trying to meet the cost of living.

I'm not saying we shouldn't look at ways of making the houses more efficient. But to build it into the basic costs, not as an incentive approach but mandatory, I think would cause us some difficulties. Even though there may be arguments on both sides of the question, I think that has to be set out.

I think Alberta has tried to deal with the housing program in a very wide variety of ways, and as mentioned many times in this Legislature, we have an extremely generous housing program that has tried to come to grips with the problem. But I think it has to be something similar to how we deal with higher gasoline costs. As soon as gasoline costs go up, we don't all go out and sell the larger cars we have and say, well, I can't afford the cost of the gasoline. Over the first year, the increased costs for a particular increase may amount to only a few dollars. As those costs increase significantly, and as we look towards the purchase of a new car, that's the time we normally take that into consideration. Gee, I don't

want to replace that with the same engine size, and the same weight; I'm going to look at something that is going to be more efficient over the future. I think the same principle can apply to conservation in the house-building industry.

Those of us who remember a few years ago when there was a great move for government to get involved in forcing a home warranty program — and there were some threats, particularly by the senior level of government, that they would get involved in the establishment of some statutes related to home warranties. As a result the industry, recognizing that if they didn't look upon this as a challenge and get on with it — they did establish a program, which I think has been relatively successful. I think if we looked at industry in this same way and looked at ways to find incentives to build conservation mechanisms and items into the construction industry, it will happen over a period of time. Our values and our attitudes change. With much of the material that we read now, it is very expensive and extremely costly to build a solar house. I'm sure 20 years down the road, we will look at it in a very different way than we look at solar heating today. The costs and the mechanisms, the technology that will have been developed over that period of time, will make it far less expensive. In addition, the cost of our heating fuels will have increased, so it's a completely different factor we look at today.

In summary, I just wanted to make those few comments. I think the idea of conservation is good, but the method of imposing this type of statute on the industry would lead us to a great deal of grief, not only for the industry, for government and for those new home-owners.

One other question that really doesn't fit into the comments — and it may just be I didn't understand, but I thought it was rather glaring. I notice this Bill says:

No new building may be occupied unless it meets  
or exceeds the standard set by the energy rating  
which applies to it.

So in addition to the additional administration that would have to be established to administer this type of program — once again, adding to the comments made by the Member for Calgary McKnight — that would be a very difficult thing to establish. How do you keep people from occupying the house or the houses they have built? Legislation without any type of penalty is a very difficult thing to enforce. Unless you can enforce legislation, don't pass it.

MR. YOUNG: Mr. Speaker, in rising to address a few comments to the Bill before us this afternoon, let me first indicate that, in my judgment, the Bill has one great merit. It focusses attention on energy conservation in buildings. That's a very useful thing to do, whether one is looking at the total amount of energy which is available to society in the form we usually think of it, or whether we're thinking about the cost of heating of homes or office buildings or whatever, just the operating cost from a somewhat less societal point of view and a very much personal, commercial, selfish point of view. That is to some degree, by far and away, the greatest merit of the Bill.

May I make a few observations now to indicate why I take that point of view. The first observation is that this Bill, if it were to proceed and I became responsible for it, would considerably increase the army of inspectors in the Department of Labour or elsewhere in the province. I think that should give us all cause for thought.

To back up for a moment and talk about the nature of the challenge before us, the situation is that we are in a very fast-changing state of technology in terms of energy conservation — changing so rapidly that we really don't fully understand what is efficient and what is not efficient when we begin to put the separate components, the separate modules by which we may gain efficiency, together in one whole. To give you an illustration, in Canada we've taken some initiatives with respect to energy conservation, the prescriptive type of conservation — how much insulation must be required to conform in certain circumstances. It has recently come to my attention that the end result of some of the initiatives has been to create a humidity problem — it doesn't happen in Alberta, so we can relax; at least, we don't think it is happening in Alberta, but it is happening in Newfoundland, which has a very humid climate — of the humidity getting into the wood of the house and rotting the wood. That's because we have developed means which prevent the passage of air through the wall. We put this plastic sheathing in, and that's fine and good. But if it isn't done the right way, it can lead to this problem. I've just recently seen an expert recommendation to the subcommittee of the National Research Council which is asking for another regulation. That regulation is that in Newfoundland they not be permitted to clad buildings with aluminium siding unless the siding is put on strapping, which keeps an air space between the siding and the building, to help to prevent the rot they've now identified as occurring.

I'm really saying that it would be possible to develop a building which would have a low energy usage component or rating, but which would have a high cost to society and to its owner because it would self-destruct in a relatively short period of time. Surely that's not the end objective we're working to.

There is another potential problem in our existing situation. In our effort to eliminate the flow of air around windows and doors, through walls, and that sort of thing in some of our housing, some risk is developing that we can close houses so tightly that we can generate a situation leading to carbon monoxide poisoning because there isn't enough air intake to provide for air exchange. Ideally, I guess, one has an air exchanger, which transfers the warmth from the hot air going out of the building into the cold air coming in without losing it outside the building, and provides the exchange of air at the same time. The problem is that the way we're proceeding, there has been some promotion of efforts to prevent air exchange without adding the rider that to do that also requires that a system be provided for intake of fresh air into the building.

So there are balances that need to be kept in this challenge. Regrettably, I think we in society are not well enough aware of all the different factors to keep those in balance. I want to emphasize, though, that in terms of what we are not doing we in Alberta perhaps are not as badly off as the hon. Member for Edmonton Glengarry would have us believe. In fact, through an interdepartmental committee, involving a number of departments, we are participating in quite a number of fairs and displays, showing how energy may be conserved with respect to buildings. It's true that this is an educational program. It's also true that it directs itself to some degree, I believe, to the portions concept I've just had some difficulty with in mentioning that it is not a total solution. Nevertheless, it is a reflection of the state of the technology and our knowledge of it at the present time, and

efforts in that direction are being made. Equally, some very significant studies have been done of government buildings, hospitals, and schools in the province. Some considerable wealth of knowledge is being developed as to how to save energy in the operation of those buildings.

The hon. member also mentioned the Gulf tower. Another hon. member has challenged that by saying the information that was first mooted about that tower is now under some cloud of suspicion because of the operating experience, and I come back to the question of the technology. So the bottom line I want to make here is that we have to be cautious as we proceed. Just to underline what kind of difficulty we as government can get into by bringing upon us too quickly Orwell's *1984* is to reflect upon the urea formaldehyde insulation, which we as a government were not involved in, except in a passive way, but certainly the federal government encouraged. And the program has since come to haunt them in a very significant and major way.

I think the two questions we must address are the following. First, should we undertake a rating or evaluation program before the technology is complete? No question we should work on the technology, no question we should try to improve our understanding, and no question we should encourage people to do just that in the private sector. But should government get into that situation when we don't know the long-term impacts of some of the systems for energy conservation, which come readily to mind at the moment?

However, if we did that, we would have a deeper question to ask ourselves: should we prohibit the construction of inefficient buildings? Let me take that to what some will allege is a far-fetched distance. If we should say that as a society we can prohibit individuals from dealing with their private material possessions for the purpose of saving energy in this manner, can we then — maybe it's a significantly larger step — go the extra mile and say that no citizen of Alberta should have a vacation in Hawaii, except every five years on the occasion of their birthday, because to do otherwise is a waste of energy which should not be condoned. While that may sound far-fetched, I think the principle at issue is not too different. It would be my opinion that the preferred route to go would be to provide, to continue to develop as we have, our understanding of energy conservation; how to design technology into buildings to conserve energy, to make that bodily available, and to do so in a manner which creates the best opportunity for the buyer to know what they're purchasing and be aware. But to go further and prohibit is a difficult one.

I would just close with this observation. We went the prescriptive route, which is not a route that I particularly like to go. But again, having due regard to the need to alert people about energy conservation, we went the prescriptive route and in the building code required a certain quantity of insulation. We did this after some pretty careful review with industry. What we didn't realize in doing that was that because the insulation standards were such that they could not meet them, we put the log housing industry out of business until we created an exemption so they could go back into business. One of the problems we have even with that is that our technology is such that we really don't know for sure what the insulation values of logs are in the manner they are being used in different houses.

So we have a problem: a deficiency of information and, secondly, despite our best intentions, we have created a situation where we had to have exemptions. To me that

lesson in itself was enough to make me very, very cautious about imposing strict regulations of a very prescriptive nature upon our private sector. So I come back to the point: the hon. member has done us a service by alerting us to the need for education and an awareness about energy conservation in building construction and operation.

MR. PAHL: Mr. Speaker, in speaking to Bill 220, The Proposed Energy Conservation Standards Act, I'd first like to indicate that I will be complimenting my colleague on his objectives, but I also think I'll be pointing out some of the flaws in his argument and perhaps proposing some additional items he may wish to think about.

In view of the time, Mr. Speaker, I beg leave to adjourn the debate.

[The House recessed at 5:30 and resumed at 8 p.m.]

#### head: **GOVERNMENT MOTIONS**

11. Moved by Mr. Lougheed:

Be it resolved that the Assembly approve in general the operations of the government since the adjournment of the spring sitting.

[Adjourned debate October 14: Mr. Lougheed]

MR. LOUGHEED: Mr. Speaker, at the time of adjournment I had been reviewing, for the Legislature, a full and complete report of the operations of the government since the adjournment of the session on June 2. It obviously was an extremely busy and very active period of time for the government and for public affairs in this province.

On that occasion, I reviewed with the Legislature the progress made by the government in people programs. I then discussed the nature of the Alberta economy, first in an international and Canadian perspective, and dwelt at some length with regard to the issue of interest rates and the view of the Alberta government on what should be the made-in-Canada interest rate policy for Canada.

I went on from that point of view to review some important aspects in agriculture, including the very significant Crow rate issue and the question of the Alberta government being significantly involved in trying to bring the various parties together over the course of the months ahead to attempt to resolve that important issue for the benefit of agriculture in Alberta and in western Canada.

I discussed transportation generally, and went on from there to a discussion of other aspects of economic development in the province. From that point, I reviewed with the Legislature, by way of a full report, perhaps the most important agreement this government has been involved in, in the period of time it has been in office. That was the energy agreement between Alberta and Ottawa, involving revenue sharing of some \$212 billion over a period of five years and some four months. I want to move now to the consequence of that energy agreement from a revenue point of view, and to the Alberta fiscal position.

Despite the energy agreement, the demands by Albertans to have the highest level of government services obviously continue unabated, and certainly that is so in the area of education, health, and other people services. It

appears to be equally true with regard to issues of roads and urban transportation, and I'm sure we can see a continuation of those demands upon the MLAs in this Legislature and upon the government.

In addition, the next phase of economic growth, and I want to make a few observations with regard to that, will put further stress upon the provincial budget. This will involve the impact of population increase in the province. In our provincial budgets over the course of the last number of years, we have seen reflected in the budget the very large sums of money that arise from what we have referred to as volume increases. They spread throughout the entire budgetary position of the province.

It's interesting to compare two facts, which seem to be very much at odds in terms of the financial position of the province in comparison with other provincial governments. In Alberta, we have by far the highest provincial budget per capita, per person, per citizen. But in the last decade, provincial government spending as a proportion of total gross provincial product has risen in every single province but Alberta. Isn't that interesting? In other words, the government with the largest budget per capita, with the increases we have seen, is still the only province which has seen a decrease in the proportion of total expenditure, or gross provincial product if you like, in the total province as compared to the provincial government portion of spending. In every other province, the public-sector spending by the provincial government has increased.

I think it's important for legislators to think, why? And the very significant answer to that, obviously, is that despite the demands here for high public services by our citizens, we've had an incredible degree of private-sector investment which has paved the way for economic growth by a very significant involvement in the private sector in many, many ways. And that's the way the philosophy of this administration wants to continue, and wants it to be continued in the course of the 1980s.

That brings me to the Heritage Savings Trust Fund, with the emphasis on "savings" and "trust". I welcomed the opportunity to appear before the select committee, and will welcome, as will the other Members of the Legislative Assembly, the report of the select committee. The Treasurer, myself, and my colleagues will welcome, as well, the debate on the resolution during the course of this fall session as to the appropriation of further funds from our resource revenues to the Heritage Savings Trust Fund.

It is evident to me that the need we perceived back in 1975 and 1976 for the Heritage Savings Trust Fund, to set aside a portion of revenues from depleting resources, is even more important in 1981, '82, '83, and the years ahead. But at the same time, as I mentioned in my appearance before the Heritage Savings Trust Fund, as did the Provincial Treasurer, it is obvious that the demands that have been placed upon this government to provide services and infrastructure for growth, particularly demands emanating from the Alberta Home Mortgage Corporation, the Alberta Municipal Financing Corporation, and Alberta Government Telephones, will cause a situation where some important choices and difficult trade-offs will have to be made with regard to the Heritage Savings Trust Fund. On one hand, it is obvious that we will have to carefully consider these demands for the various Crown corporations, and how they should be financed; and, on the other hand, recognize that if our pursuit of yield should be the overriding policy direction, we will have to make some difficult choices and

trade-offs.

If we are right in our forecasts of economic growth for Alberta in the period of the early 1980s, the pressure on our provincial budget from a capital point of view will be considerable as well, perhaps even greater than we've seen in the latter half of the '70s. This is obvious in terms of roads and in terms of urban transportation, particularly in the metropolitan centres but in the other areas.

During the question period today, we had some questions about light rail transit. I took the opportunity during the course of this summer to experience first-hand both LRT systems in both metropolitan cities. I'm not precisely sure that the time of my testing was completely effective, but I selected 7 in the morning in Calgary to test the LRT, and found that it was fully crowded at the outset, at the very first station, and rode in with it. I'd have to say I was very impressed with it. I also took the opportunity to go out to an Edmonton Eskimo football game on the Edmonton LRT and saw how effectively that system worked. And I was impressed.

But as I did some helicopter touring of both metropolitan areas this summer in terms of urban transportation, it occurred to me that although the provincial government has a responsibility to participate with municipal government in financing light rail transit, if the decision is to leave it to the local municipality to make the decisions as to the priorities and the routes that are to be established in the expansion of light rail transit, then I believe it is incumbent upon municipal government to have a sense of cost consciousness. I can hardly conceive that tunnelling in certain areas of cities under a million people in semisuburban situations can at all be a valid expenditure for any jurisdiction. Mr. Speaker, I await with interest the report, mentioned in the question period today, of the advisory committee reporting to the Minister of Transportation which is reviewing urban transportation policy and investment decisions in other places, with a view to making recommendations as to the transit requirements for Edmonton and Calgary.

Mr. Speaker, I mentioned at the conclusion of my remarks yesterday that we had put a full stop to one of the apparent attempts by the federal government to shift this nation from a federal to a unitary state with our energy agreement. There are obviously two other very important parts of the federal strategy that, I would sense, it developed post-February 18, 1980. The second element is the nature of the fiscal arrangements and the equalization arrangements between the federal government and the provinces.

A word of background. Many of you will be acquainted fully with this, but I think background is important. As you are aware, on March 31, 1982, a five-year agreement expires between the federal government and the provinces, in which the federal government had agreed to transfer tax points and other payments to the provinces to provide adequate financing with the provinces in the areas of postsecondary education, medicare, and health programs. In addition to what is known as the established program financing is, of course, the Canada Assistance Plan. This fiscal arrangement has now been under way for a period of five years, from April 1, 1977, to March 30, 1982. It's important to remember that in the negotiations leading up to that arrangement — those negotiations occurred primarily during 1976, in which this provincial government played an important role of leadership — all the provinces worked together cooperatively to develop an arrangement that the federal government agreed with.

The percentage of revenues within provincial budgets that are dependent upon these fiscal arrangements — the established program financing, and the Canada Assistance Plan — varies widely across Canada. In the province of Alberta, we are fortunate that it is a small percentage, but it is an important 9.5 per cent of our Alberta revenues in the current fiscal year. But it is very much more in many other provinces, particularly in Atlantic Canada.

This matter was the subject of discussion at a number of conferences. It was certainly discussed at the western premiers' conference in Thompson, Manitoba, and the communique was tabled in this Legislature in the spring session. Since the Legislature adjourned for the summer recess, we had the 22nd premiers' conference in Victoria, and we issued a communique, Federal-Provincial Fiscal Arrangements. This basically in its essence, without quoting from the document, was to the effect that all 10 provincial governments felt that the system, perhaps subject to some modifications, had worked well and should be continued. That was the essence of that communique.

During the course of the last number of months, the federal government . . . Perhaps I should go back to their budget of October 28, 1980, when the federal Minister of Finance — and we were concentrating, of course, on the energy aspects of the budget of October 28, 1980 — made the statement that it was his intention in due course to see a significant reduction in federal participation in financing in the areas of established program financing. So the federal government established a task force, which consisted of seven members of Parliament. It was a task force on fiscal federalism in Canada, entitled Parliamentary Task Force on Federal-Provincial Fiscal [Arrangements]. This task force consisted of four Liberal members of Parliament, two Progressive Conservative members, and one New Democratic member. It was set up to respond, I'm sure, to the aspirations of the federal Minister of Finance.

Well, what did they say? They came out with their report, which is very significant in terms of federal/provincial relations. I want to refer to the elements regarding established program financing, but also equalization. With regard to established program financing, it stated:

The Task Force did not interpret current challenges to the system as calling for fundamental change in existing arrangements, nor did it consider dramatic innovations necessary or appropriate at present.

In short, it agreed with the provincial governments that the system is working well and that there was not a need to make dramatic changes. I thought that was a very significant report.

The finance ministers of Canada, including our Provincial Treasurer, met just recently in Ottawa on October 1. I am advised by the Provincial Treasurer that his interpretation of the discussions is that the federal Minister of Finance intends to ignore the report of the parliamentary task force. We are anticipating a federal budget within a number of weeks, and this will be a very important matter for all provinces and for Canada. I just want to say that unlike the energy agreement, which was essentially an agreement involving Alberta with the Ottawa government, this is a situation in which I believe all 10 provinces take a similar position in opposing major changes or major restructuring in the financing of this established program situation of postsecondary, medicare, and health, and Canada assistance.

There is a second segment or element to this fiscal relationship that's important, and that involves equaliza-

tion. It's a word that has become part of the nature of the Canadian federal/provincial scene. I'm not sure it is as fully understood by Canadians as perhaps one might think. First of all, keep in mind what equalization really involves. It involves payments made by the federal government from revenues collected across Canada by the federal tax payers. These payments are then made to so-called have-not provinces from, and entirely from, the federal Treasury. They're paid to the four Atlantic provinces, Quebec, and Manitoba. Sums are not paid to the provinces of British Columbia, Alberta, Saskatchewan, and Ontario. They're paid entirely from the federal Treasury.

The only difference, if one would look at it in terms of equity, to use the phrase "equalization", is that a federal tax payer in Alberta is contributing to the federal Treasury at the same rate as a federal tax payer in Quebec, but the benefits do not flow back in an even way. They flow back in an uneven way, based on a complicated formula that involves yields, revenue potential yields, and a number of other aspects. It's important to note, to the point I want to make on equalization, that it has traditionally been a matter that has been concurred in and has been concurred in constitutionally by this government, with our concern with regard to the involvement or insertion in the formula of revenues from depleting resources. But it has always been equalization which flows into the federal Treasury and is made by way of payments from the federal Treasury to provincial governments.

Now the tax collection agreement should be mentioned because as part of this total situation, if you like, there has been pressure by the federal government to have the provinces turn over their tax jurisdiction under our constitution to the federal government. We have these tax collection agreements. Quebec, of course, is involved in a situation where it collects both its own corporate and personal tax. Ontario collects its corporate tax, and Alberta is now collecting its corporate tax. Our personal income tax, as you know, is still collected on our behalf by the federal government. That is said by way of an aside, but important to mention.

Mr. Speaker, over the course of the last five months we have been involved in a very interesting series of events, an attempted federal ploy to extract resource revenues from the western provinces — an attempt which has been unsuccessful. It started with an appearance by the federal Minister of Finance on April 23 before the parliamentary task force I was referring to. A phrase was developed, and it's perhaps easier to use that phrase to explain what is involved. The phrase is "second-tier equalization".

That concept is that, because of resource revenues flowing to certain provinces today, there would be another tier of equalization in addition to the traditional first-tier equalization. This is something that is hard to conceive would have been seriously put. It involves the concept that the government of the province of British Columbia would write a cheque to the government of the province of Quebec, and the government of the province of Alberta would write a cheque to the government of the province of Ontario. That was seriously put by the federal Minister of Finance, knowing full well that there was no jurisdiction or legal way in which he could force that to happen, but to try to build public opinion upon the resource provinces, that this would be a second method of extracting resource revenues from the western provinces in addition to what might be worked out on an energy basis.

The western premiers, meeting in Thompson, Manito-

ba, on April 28 and 29, detected that the province of Ontario was an ally in this interesting second-tier approach, and that it was necessary for us to take some steps to protect our interests. We did this in our usual diplomatic way, by suggesting that the system in Canada was that when a particular province became a host province at the premiers' conference, similar meetings, which would be chaired by finance ministers or other ministers, would be chaired by that particular province. I will not go into detail for the members of this Legislative Assembly, but allow them to use their imaginations.

Instead of a meeting of provincial finance ministers being held in June in Toronto, the meeting was held in Victoria on about June 25. At that time we had the benefit of a document, entitled Budget Paper B, of the Ontario government which referred to their strong support for second-tier equalization and for cheques to be issued by the government of Alberta to the government of Ontario, and so forth. At that meeting on June 25-26, that approach was not presented by the government of Ontario because it became clear that there were nine other provinces that did not find that a really logical approach to federal/provincial relations. Then in August, we discussed the matter at the premiers' conference, shortly following a meeting of finance ministers. At the time, the matter — that is, this second-tier concept — was not seriously put forward by any government.

During the course of this time, the parliamentary task force on federal/provincial fiscal relations visited the provinces. We received some criticism from certain quarters that we should have appeared before them, even though they were a committee from the Parliament of Canada. We felt that it would be better if we had a discussion with them in an informal setting.

That discussion occurred during the course of the summer months. I sense that the discussion was rather effective, because we now are able to read the report of the committee on this matter of equalization. It's at pages 169 and 170, and at page 169 I thought it rather surprising to read in a federal task force report:

The Task Force has already noted the massive implicit transfers from Alberta to the rest of Canada that have occurred by virtue of enforced low prices for oil and gas.

Then it goes on to refer to the matter, in discussing the two-tier system, stating "... we would 'nevertheless reject this approach to revenue-sharing on principle'. In short, the two-tier concept was rejected by the parliamentary task force.

Now I suggest that because of the upcoming federal budget, we should still be on our guard and be vigilant. Because what is involved there is a very serious endeavor by the federal government to change fiscal arrangements in Canada in a dramatic way. I believe that any member of this Legislature can understand the ramifications of any feeling that the government of British Columbia should be writing a cheque to the government of Quebec. I thought it was important to describe those developments over the course of this summer.

I'd like to move next to a forecast of the Alberta economy. From the rapid growth in 1978-1980, in 1981 it certainly will be less rapid but still the strongest economy in Canada. During the course of my remarks yesterday, I mentioned the government's economic and fiscal policy shifts, and in particular outlined to the Edmonton Chamber of Commerce in November as a response to the Ottawa energy moves, obviously the shift in direction to petrochemicals, forestry, coal, and public-sector infra-

structure created a window for us that was timely in terms of manpower and materials. And as I stated before, it appears that it would be a period of about 18 months before the conventional oil and gas industry fully recovers.

I want to say a word with regard to the oil and gas servicing industry, because I know a number of Members of the Legislative Assembly are affected. This summer we've had a very significant program, which this Legislature approved by way of appropriation, so that we could put construction equipment to work in a special program of some \$30 million, but restrict the program to only small operators. I am informed that 900 pieces of equipment have been put to work by small operators on that program, involving work on local roads to the extent of 1,000 kilometres. I would like to put the Legislature on notice — because it could involve special funding of a special winter program — to plan and budget during the course of this winter for an additional program to keep these pieces of equipment working.

The budget for oil well servicing may be at a very significant low point this winter, lower than the previous winter, because the previous winter already had the budgets before the federal energy program was announced. It would appear that this winter will be the more difficult time, and the government is considering extending and expanding that program through the winter months.

With regard to the forecast of the Alberta economy generally, I want to say that average weekly earnings are forecast to increase by about 14 per cent in 1981, and 13.5 per cent in 1982. With earnings growing faster than inflation, real incomes in Alberta are expected to continue to rise over the 1981-82 period. During the course of the next 18 months, we will be involved in a situation where perhaps we will have some limited time before we're into an extensive growth period in which we can work on manpower challenges, infrastructure needs, and social service requirements. And I believe it's important that we take advantage to do so.

As we've said on a number of occasions, relative to longer term planning of the Alberta economy, the key to our diversification is that the federal government must be responsive to western Canada. I would hope that the lessons of the energy agreement mean that they would not always be an obstacle in Ottawa to what we in the west wish to do. I think that when we have discussion and, at times, criticism of our diversification progress, we should keep in mind that at all times we have said that in terms of our goals, that diversification simply cannot be realized if we do not have progress on transportation, with regard to markets, reduction in tariffs, and consistency and certainty in federal government policy; and that these matters do not occur by way of obstacle to offset the investor confidence we have here in Alberta.

During the month of September, we made public a document by the Foster research group with regard to economic planning, which we commissioned some time ago. The emphasis there was on diversification that involved high technology. We have made a good start in this area through the Alberta Oil Sands Technology and Research Authority, medical research, the computer groups we have within the province, Alberta Government Telephones, and within our universities.

Mr. Speaker, the challenge in the 1980s for Alberta, its people, and its Legislature will be to manage rapid growth. This growth could accelerate very rapidly in the period of about 1982, '83, '84 — perhaps the latter element there, but certainly in that period of time. During

that period, it will be important for us to balance our material gains with the quality and value of our life. We saw a period of unparalleled growth in Alberta between 1977 and 1980. We are likely to face a similar period, perhaps even more intensified, with more challenges to manage that growth on the basis I've just described. Hopefully, in the course of this period ahead, we can have greater success than we've had in the past, although I believe we've had a significant degree of success, in diversifying our economy so that we can provide more security to our citizens, that we can sustain agriculture in a strong way as the base industry in this province.

In my judgment, Mr. Speaker, it will be impossible for us to do this and to continue with it, unless we can sustain investor confidence from the private sector and continue in this province a climate conducive to the entrepreneur and that encourages the entrepreneur. The entrepreneur in this part of Canada and North America has other places that he can go. It is important for us to sustain that climate of encouragement to the entrepreneur and the risk taker. This will require the provincial government to have its directions clear, its strategy understood, and its policy consistent. With public support, it's my judgment that we can provide the stability and the confidence to Albertans to see that this will occur. More than anything, it will be that stability of government and that commitment to the private sector that will assure for our young people the economic opportunities of the future.

Mr. Speaker, I wish to conclude my report with some remarks about the future of our country. Important as the economy, and fiscal and social policies are, the very nature of Canadian Confederation is subject to assault. Every Albertan is, or should be, concerned about the future of our Confederation, if they believe, as I believe this Legislature does, in our federal system. The federal system as we've known it in our history is under the most significant assault it has ever been under, with the constitutional proposals of the Prime Minister of October 2, 1980.

Some people ask, why is the federal system so important? When you look at other countries and analyse the circumstances, analyse the history, it's obvious that with some 23 million people in this vast land mass and the great abundance of resources, Canada simply could not be governed with any sense of unity, any sense of feeling of community, in a unitary system, or in a system that pretends to be federal but really leaves the basic decision-making on all the major questions to the federal government. It's not overstating the case to say that the Prime Minister proposes "a very different confederation" — and I'll come back to the source of that quote — and to make "an end run around the provinces", and that's my quote.

Mr. Speaker, let's just quickly go over the background of this constitutional issue from the 1867 decision of balance and decision to have a compact, if you like, between provinces to create a confederation, to leave the resources with the provinces under Section 109; to 1930 where after years and years, as we've discussed in this Legislature, the province of Alberta became an equal province with other provinces by having full ownership rights of our resources; to the interesting year 1931 when the various dominions of the Commonwealth, through the Statute of Westminster, approached the then referred to "imperial government" for self-governing status.

Out of that period of time came the 1931 Statute of Westminster, which provides unequivocally to countries such as Australia and New Zealand, full and complete control over their constitution. But we didn't do it in



Canada. And we didn't do it by agreement. When you look at Section 7, we didn't do it in 1931 by agreement between the provinces and the federal government because at that time we were either unable or not prepared to make the effort to come up with an amending formula. So we said to the United Kingdom government, make an exception for Canada because we can't agree yet in Canada as to how we should have a system of amendment. There are a fair number of British parliamentarians who wish we hadn't made that decision and that they hadn't concurred in it, but that's the history of the Statute of Westminster in 1931.

I will be referring to the judgment of the Supreme Court of Canada on September 28, 1981. I'll be referring to it now; I'll be referring to it frequently in the future. And I hope that within our education system and in all corners of this province there's an awareness and understanding about that judgment and what it really means and what it really says.

Mr. Speaker, the judgment is divided in two majority contexts. For ease of communication in my remarks today, I'll refer to the majority judgment on the legal side as the "legal judgment", and the majority judgment on the convention side as the "convention judgment". Pages 19 and 20 of the convention judgment set out the precedents involved, where there was consultation and concurrence with the provinces on changes in a very complete way.

Then history brings us to 1971, before this administration was in office, to a conference in Victoria. At that time, we were sitting over there as the official opposition. We rejected the concept of the Victoria amending formula, which was a concept that would make Alberta a second-class province in relationship to Ontario. We rejected it immediately it was announced, if one wants to do the research on the record. We know what happened then. It didn't proceed because of the decision of Quebec that they did not wish to proceed with the understandings reached in Victoria in 1971.

The matter lay relatively dormant until a dinner I attended in Ottawa in 1976, at which the Prime Minister reinstituted the question of constitutional reform. At that stage, being burdened with the chairmanship of the premiers' conference during the summer and fall of 1976, the 10 provinces worked extensively on the question of constitutional reform — and the word was "reform". We thought we were talking about improvement to reach agreement on an amending formula, to have a better balance in terms of division of powers, to avoid a situation in which we had overlapping jurisdiction. In 1976, we were working on reform.

Mr. Speaker, we met in Toronto on September 30, October 1 and 2, with regard to that matter. Then we came into this Legislature on November 1, 1976, and passed with only one dissenting vote a motion on an amending formula that would protect the existing rights of this provincial government, an amending formula in the constitution as our basic position. Shortly after that, there was an election in Quebec.

Then in 1978, we prepared for the Prime Minister's calling of important conferences on the constitution. In the Alberta Legislature on November 3, 1978, we introduced and approved a document called *Harmony in Diversity*, presented by the then Minister of Federal and Intergovernmental Affairs, that set forth this province's position. It followed a first ministers' conference on the constitution on October 30 and November 1.

On February 5 and 6, 1979, we had another first

ministers' conference on the constitution, just shortly before an Alberta election and a federal election. At that time, we again presented *Harmony in Diversity* with the backing of this Legislature and, for the first time, raised an amending formula that involved the concept that we were not seeking a veto for Alberta. We were seeking an amending formula that would permit us to protect our existing rights and not allow them to be taken away on an amending formula where other provinces could gang up on the province of Alberta and where we would be treated differently than a province such as Ontario, having a larger population and already the strength within the House of Commons. We put that to the people of this province in an election campaign that concluded on March 14, 1979, with obvious results, as one can observe in the Legislature.

Other events occurred federally, and on February 18, 1980, there was an election of the present administration in Ottawa. Mr. Speaker, I am surprised how seldom it is raised in Canada today, but one should check the record of the February 1980 federal election campaign. The constitution was not an issue. The constitution was not raised as an issue by the Prime Minister. During the time he sought that mandate, the Prime Minister did not present his views with regard to the constitution that we now have before the people of Canada.

On May 20, 1980, there was a referendum in Quebec in which the Prime Minister went to that province and said: don't vote "yes", vote "no"; we will provide a new deal for the people of Quebec. In a few minutes I'll come back to their response, to what they think about that new deal.

On June 9, we were summoned — in that case, we were sure summoned — to Sussex [Drive] to talk about the constitution and to set a program for summer discussion. We had that discussion during the summer of 1980, a summer in which the Minister of Federal and Intergovernmental Affairs and others worked toward seeing if we could pull together the 11 governments by way of agreement.

On September 8 and 12, 1980, we had a first ministers' conference many of you will remember. It started, sadly, by the leak of a federal document with Machiavellian tendencies, suggesting: we will present this, separate off that, and get in a confrontation here, and then if it doesn't work, we'll move unilaterally — soured indeed, that particular conference, where constitutional reform could have been developed for Canada. Not a spirit of co-operation but an adversary relationship: that's what we had at that particular time. There was not one of the 11 governments that didn't favor patriation.

There was a meeting to which I was a party, at which all 10 provincial governments were prepared to come up with a situation of agreement, where we had been told on June 9, 1980, that if the provinces can agree, then I the Prime Minister will go along with you. That didn't happen on that Friday morning in that September 1980 convention. Some people said, oh, the provinces didn't do very well. We thought we had done fairly well in speaking as Canadians. We were wrong to respond to some of those reports, but the surveys came out within six weeks and showed clearly that the provinces had in fact communicated to Canadians their deep feelings about their country and not just about their province.

On October 2, 1980, Mr. Trudeau the Prime Minister of Canada said, we're going unconstitutionally; we're going without the concurrence of the provinces; we're going full steam ahead with just the majority that I obtained on February 18, 1980. That was his approach:

to call upon the legions of support within his parliamentary group, with the support of some of the members of the New Democratic Party, to press through the Canadian Senate as rapidly as he could, and then to the United Kingdom.

I was proud indeed of being a Progressive Conservative on October 2, 1980, to see the leader of the Progressive Conservative Party of Canada, the Leader of the Opposition, sense instinctively that it was wrong, and take that position and stay with that position, and with just an exception have the full support of his parliamentary caucus over some difficult months ahead.

On October 14, 1980, we 10 premiers facing this artillery weapon of unilateral action met. Finally after some time, eight of us decided to take a position that it was wrong — wrong in the sense of Canada to proceed that way. Two said the other way. We made the decision — the Attorney General of this province — that while we perhaps couldn't control votes in the House of Commons and in the Senate of Canada, we'd work hard on public opinion and try to see what we could do in terms of assessing what might be the situation in the United Kingdom. Perhaps we had as a fallback position only one place to go, and that was through the courts, to the Supreme Court of Canada. We had some apprehension, because we had some concern with precedent judgments. But that was the decision we took. We came in here on November 24, 1980, in the fall session, and we considered the matter carefully here. We made a motion to the effect

... that the Legislative Assembly of Alberta support patriation with appropriate safeguards for the protection of provincial rights, proprietary interests, and jurisdiction; and that there be no amendments diminishing provincial rights, proprietary interests, and jurisdiction

... unless the consent of the provinces affected has been secured ... and that the Legislative Assembly express its opposition to the unilateral action proposed by the government of Canada; and that the Legislative Assembly urge that federal/provincial constitutional discussions be resumed as soon as possible in order to ensure that the federal government and all provincial governments may participate fully and equally in recommending constitutional changes which will decide the future of Canada.

Mr. Speaker, that vote was 70 to one in this Legislative Assembly.

Then it was challenged throughout Canada that the provinces could oppose, but they couldn't get together. We had some difficult months over the last winter, but we did come together with eight provinces on a constitutional amending formula, entitled the Accord of April 16, 1981, an accord which some attempt to put down simply because the Prime Minister doesn't like it. I find that difficult. I find that very difficult. Eight provinces of different political persuasions, eight provinces with a very significantly different resource background, worked together in a complete approach to constitutional amending formula, the very matter that had escaped Canadians' being able to agree on over many, many years: a constitutional amending formula that in essence agrees that amendments can be made by seven provinces having in the aggregate 50 per cent of the population, but that rights cannot be taken away from any province without the concurrence of that particular Legislature.

I remember the discussions and interviews in Ottawa

on April 16, 1981. Some premiers were asked: what do you think of the charge that this opting out will create a balkanization of Canada? Their answer: that that statement was ridiculous; that we already have within our constitution many cases in which there are circumstances that apply differently to different provinces, such as the Quebec Pension Plan for one; and mentioned all the other historical backgrounds within our constitution. But we eight provinces came together to develop that constitutional accord. I think that was an accomplishment of considerable significance.

The appeal of this matter before the Supreme Court of Canada was heard between April 28 and May 4. During the month of May, there were debates in the House of Commons and in the Senate, and it was decided that the final vote would be held for the courts. On September 28, the judgment was issued by the Supreme Court of Canada. I am not critical of media in the difficulty of interpreting a judgment of this nature. It took me some 72 hours of study. But I think that over time an effort has to be made by legislators, communicators, and Canadians to at least get across to Canadians what the judgment really said.

I've asked Canadians in the last number of days, just perhaps out of nowhere, so to speak, what they think the judgment was all about. The vast majority I ask answer this way: I gather it was a draw; I gather it said that the Prime Minister is legally entitled to do what he wants to do, but that it isn't in accordance with precedent. That's what the average Canadian today thinks the judgment said.

In my view, Mr. Speaker, the judgment doesn't say that at all, and it was no draw. I want to outline why I reached that conclusion. First of all, from page 50 of the legal judgment:

The law [specifies] nothing of any requirement of provincial consent, either to a resolution of the federal Houses or as a condition of the exercise of United Kingdom legislative power.

It's not in the law, but in the convention that this matter arises. Mr. Speaker, in reading through that judgment, what it states is not that what the Prime Minister is proposing is legal; it states that there are no legal sanctions to preclude the Prime Minister from doing what he's proposing to do, which is quite a different matter.

Mr. Speaker, the judgment makes a statement that's important for both now and in the months ahead. In referring to the question of process and the legal competence of the British Parliament, the legal judgment states at page 42:

The legal competence of that Parliament, for the reasons already given, remains unimpaired, and it is for it alone to determine if and how it will act.

In short, the legal judgment states that there's nothing in the law, one way or another, about what the United Kingdom Parliament should or should not do from a legal, written point of view.

Mr. Speaker, as I understand it, the federal government is going to present this proposal to the United Kingdom Parliament and ask the United Kingdom Parliament to respond by way of convention — isn't that ironic — the convention being that the United Kingdom Parliament should automatically accede to the request of Canada for amendments that are requested by Canada. In short, the Canadian government, as I see it, is saying: we will ignore convention when it suits us in Canada, but we will rely on convention when we present it to the United Kingdom government. Mr. Speaker, all they're

relying on and all they can have by way of any solace from the federal government from that legal judgment is the fact that there is no legal sanction precluding them from doing what they're proposing to do — nothing written down in law.

Let's move to the convention judgment, a document that I hope the members have all read, and read carefully. The result is far beyond my expectations. It is a clear victory for the provinces in the court proceedings. It is a powerful judgment, not just in its substance but in the nature of the way its conclusion is reached and in the statements that are made. I wish to quote in this Legislature, for *Hansard* and for *Hansard* record, some of the most relevant parts of this judgment. I'm referring here and hereafter to the majority convention judgment.

Parts of the constitution, according to the court, are not in the law of the constitution. I quote from page 8:

But many Canadians would perhaps be surprised to learn that important parts of the Constitution of Canada, with which they are the most familiar because they are directly involved when they exercise their right to vote at federal and provincial elections, are nowhere to be found in the law of the Constitution. For instance it is a fundamental requirement of the Constitution that if the Opposition obtains the majority at the polls, the Government must tender its resignation forthwith. But fundamental as it is, this requirement of the Constitution does not form part of the law of the Constitution.

It is also a constitutional requirement that the person who is appointed Prime Minister or Premier by the Crown and who is the effective head of the government should have the support of the elected branch of the legislature; in practice this means in most cases the leader of the political party which has won a majority of seats at a general election. Other ministers are appointed by the Crown on the advice of the Prime Minister or Premier when he forms or reshuffles his cabinet. Ministers must continuously have the confidence of the elected branch of the legislature, individually and collectively. Should they lose it, they must either resign or ask the Crown for a dissolution of the legislature and the holding of a general election. Most of the powers of the Crown under the prerogative are exercised only upon the advice of the Prime Minister or the Cabinet which means that they are effectively exercised by the latter, together with the innumerable statutory powers delegated to the Crown in council.

Yet none of these essential rules of the Constitution can be said to be a law of the Constitution.

What is the purpose of these conventions? On page 10 of the convention judgment, the court goes on to state:

The main purpose of constitutional conventions is to ensure that the legal framework of the Constitution will be operated in accordance with the prevailing constitutional values or principles of the period.

And what about the different conventional rules of the constitution and the laws of the constitution? The court makes these statements:

The conventional rules of the Constitution present one striking peculiarity. In contradistinction to the laws of the Constitution, they are not enforced by the courts. One reason for this situation is that, unlike common law rules, conventions are not judge-made rules. They are not based on judicial precedents but on precedents established by the institutions of government themselves. Nor are they in the

nature of statutory commands which it is the function and duty of the courts to obey and enforce. Furthermore, to enforce them would mean to administer some formal sanction when they are breached. But the legal system from which they are distinct does not contemplate formal sanctions for their breach.

Perhaps the main reason why conventional rules cannot be enforced by the courts is that they are generally in conflict with the legal rules which they postulate and the courts are bound to enforce the legal rules.

Mr. Speaker, they use an example of a breach of a convention:

... if after a general election where the Opposition obtained the majority at the polls the Government refused to resign and clung to office, it would thereby commit a fundamental breach of conventions

I'm quoting from the judgment of the Supreme Court of Canada, September 28, [1981].

Mr. Speaker, on page 14 that court makes a very important statement, to this effect:

It should be borne in mind however that, while they are not laws, some conventions may be more important than some laws.

Then, on the same page:

That is why it is perfectly appropriate to say that to violate a convention is to do something which is unconstitutional although it entails no direct legal consequence.

There is then reference to the precedents. On page 24 of the judgment, there is a discussion about the argument in the court and the argument taken by the federal government about the precedents. I quote from the judgment of the convention by the majority:

Every one of these five amendments was agreed upon by each province whose legislative authority was affected.

In negative terms, no amendment changing provincial legislative powers has been made since Confederation when agreement of a province whose legislative powers would have been changed was withheld.

There are no exceptions.

Furthermore, in even more telling negative terms, in [1959], an amendment was proposed to give the provinces a limited power of indirect taxation. Ontario and Quebec did not agree and the amendment was not proceeded with.

Mr. Speaker, the judgment goes on, discussing a white paper of 1965 in relationship to the need, in considering a convention, that the "actors", as they are referred to by the court — that's the participants; that's this Legislature — treat the rule as binding in terms of a fourth general principle referred to in that 1965 white paper. The court states this in the strongest possible words at page 31:

In our view, the fourth general principle equally and unmistakably states and recognizes as a rule of the Canadian Constitution the convention referred to in the second question of the Manitoba and Newfoundland References as well as in question B of the Quebec Reference, namely that there is a requirement for provincial agreement to amendments which change provincial legislative powers.

Then the court discusses, in a very powerful way, the reason for the rule, the reason for the convention, on page 37 of its judgment:

The reason for the rule is the federal principle. Canada is a federal union.

And goes on to say in even more powerful words:

The federal principle cannot be reconciled with a state of affairs where the modification of provincial legislative powers could be obtained by the unilateral action of the federal authorities. It would indeed offend the federal principle that "a radical change to [the] constitution [be] taken at the request of a bare majority of the members of the Canadian House of Commons and Senate".

This is an essential requirement of the federal principle which was clearly recognized by the Dominion-Provincial Conference of 1931.

At page 40, in continuing powerful language, the majority of the court states:

By 1965 the rule had become recognized as a binding constitutional one formulated in the fourth general principle of the *White Paper* already quoted reading in part as follows:

The *fourth general principle* is that the Canadian Parliament will not request an amendment directly affecting federal-provincial relationships without prior consultation and agreement with the provinces.

The purpose of this conventional rule is to protect the federal character of the Canadian Constitution and prevent the anomaly that the House of Commons and Senate could obtain by simple resolutions what they could not validly accomplish by statute.

And goes on to state, in even more powerful language:

It is true that Canada would remain a federation if the proposed amendments became law. But it would be a different federation made different at the instance of a majority in the Houses of the federal Parliament acting alone. It is this process itself which offends the federal principle.

And this powerful judgment concludes this way:

We have reached the conclusion that the agreement of the provinces of Canada, no views being expressed as to its quantification, is constitutionally required for the passing of the "Proposed Resolution for a joint Address to Her Majesty respecting the Constitution of Canada" and that the passing of this Resolution without such agreement would be unconstitutional in the conventional sense.

Those are the references I wish to make to that judgment.

It appals me to consider that today in Canada the federal government, with no mandate in this matter, is prepared in the face of that judgment to literally defy it and proceed unilaterally in offence of the federal principle. Mr. Speaker, we may have some meetings; they may be productive. But it would seem to me that meetings entered into by the Prime Minister without an atmosphere in which he approaches the negotiations in recognition of that judgment, would be meetings that, in my judgment, would have little promise for success. For our part, we will nevertheless do our best to try.

It would be tragic in the extreme for Canada if Mr. Trudeau and the federal government are able to slip through the Canadian Parliament and the United Kingdom Parliament and fudge around the people of Canada what this judgment is all about. In my view, the Members of this Legislative Assembly have an important responsibility to communicate it wherever they can.

Some years ago, the Prime Minister gave me two

reasons for seeking patriation and constitutional change. I'd like to examine them. The first reason expressed to me — and both of these have also been expressed publicly, so I'm breaching no confidences — is that it is important to have patriation in order to assure that the people of Quebec feel more a part of our country. Yet we have taken note of a vote of 110 to nine in the Quebec National Assembly just a few days ago, including the majority of the major opposition Liberal party, rejecting the process of unilateral action and the defying of the court judgment by the Prime Minister. So much for that reason.

The second reason was that patriation would be important to unify this country; that there might be a bit of fuss, but the differences would disappear like the flag debate. Mr. Speaker, that won't happen. Because if the Prime Minister proceeds with his steam roller, people will not give up on the issue. People will turn back to that judgment I have read; they'll turn back to the defying of that institution; they'll turn back to the fact that the federal principle of Canada is being offended and that we have a very different federation. The Prime Minister's proposal itself provides that there will be two years of discussion and negotiation with regard to an amending formula. That in itself will assure a continued forum for dissent and conflict.

Mr. Speaker, it's my judgment that in Canada today it would be a tragedy if this occurred. Because if I read the character of Canadian people in the west and perhaps in the Atlantic region, if they feel they have been treated unfairly, these divisions will continue for a considerable period of time. We've had polls done that indicate that even before the judgment, the Prime Minister's approach was dividing the country, not bringing it together.

I call on the Prime Minister to reconsider his position, to abandon the process of proceeding without the concurrence of the provinces — yes, to patriate, with an amending formula along the lines of the agreement of the eight provinces that I've mentioned — to bring the constitution back to Canada and then in the Canadian way, as we showed with regard to the energy agreement, to sit down, to negotiate, and to work it out in the Canadian way. With all my experience in Canada — perhaps I'm wrong, but I don't think I am — I sense that's really what the vast majority of Canadians want. They do not want a unitary government directing their affairs from Ottawa. They want a confederation that's united in spirit, that's building on its strengths, and that recognizes the equality and contributions that can be made by all regions of Canada.

Thank you very much. [applause]

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

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, it's not proposed to continue with any other business this evening. The business for tomorrow will be a continuation of debate on Motion No. 11.

[At 9:19 p.m., on motion, the House adjourned to Friday at 10 a.m.]