



**Legislative Assembly of Manitoba**  
**STANDING COMMITTEE**  
**ON**  
**STATUTORY REGULATIONS**  
**AND ORDERS**

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Speaker*



**MONDAY, 8 DECEMBER, 1980, 10:00 a.m.**

**MANITOBA LEGISLATIVE ASSEMBLY****Thirty - First Legislature****Members, Constituencies and Political Affiliation**

| Name                                    | Constituency       | Party |
|---|--------------------|-------|
| <b>ADAM, A. R. (Pete)</b>               | Ste. Rose          | NDP   |
| <b>ANDERSON, Bob</b>                    | Springfield        | PC    |
| <b>BANMAN, Hon. Robert (Bob)</b>        | La Verendrye       | PC    |
| <b>BARROW, Tom</b>                      | Flin Flon          | NDP   |
| <b>BLAKE, David</b>                     | Minnedosa          | PC    |
| <b>BOSTROM, Harvey</b>                  | Rupertsland        | NDP   |
| <b>BOYCE, J. R. (Bud)</b>               | Winnipeg Centre    | NDP   |
| <b>BROWN, Arnold</b>                    | Rhineland          | PC    |
| <b>CHERNIACK, Q.C., Saul</b>            | St. Johns          | NDP   |
| <b>CORRIN, Brian</b>                    | Wellington         | NDP   |
| <b>COSENS, Hon. Keith A.</b>            | Gimli              | PC    |
| <b>COWAN, Jay</b>                       | Churchill          | NDP   |
| <b>CRAIK, Hon. Donald W.</b>            | Riel               | PC    |
| <b>DESJARDINS, Laurent L.</b>           | St. Boniface       | NDP   |
| <b>DOERN, Russell</b>                   | Elmwood            | NDP   |
| <b>DOMINO, Len</b>                      | St. Matthews       | PC    |
| <b>DOWNEY, Hon. Jim</b>                 | Arthur             | PC    |
| <b>DRIEDGER, Albert</b>                 | Emerson            | PC    |
| <b>EINARSON, Henry J.</b>               | Rock Lake          | PC    |
| <b>ENNS, Hon. Harry J.</b>              | Lakeside           | PC    |
| <b>EVANS, Leonard S.</b>                | Brandon East       | NDP   |
| <b>FERGUSON, James R.</b>               | Gladstone          | PC    |
| <b>FILMON, Gary</b>                     | River Heights      | PC    |
| <b>FOX, Peter</b>                       | Kildonan           | NDP   |
| <b>GALBRAITH, Jim</b>                   | Dauphin            | PC    |
| <b>GOURLAY, Hon. Doug</b>               | Swan River         | PC    |
| <b>GRAHAM, Hon. Harry E.</b>            | Birtle-Russell     | PC    |
| <b>GREEN, Q.C., Sidney</b>              | Inkster            | Ind   |
| <b>HANUSCHAK, Ben</b>                   | Burrows            | NDP   |
| <b>HYDE, Lloyd G.</b>                   | Portage la Prairie | PC    |
| <b>JENKINS, William</b>                 | Logan              | NDP   |
| <b>JOHNSTON, Hon. J. Frank</b>          | Sturgeon Creek     | PC    |
| <b>JORGENSEN, Hon. Warner H.</b>        | Morris             | PC    |
| <b>KOVNATS, Abe</b>                     | Radisson           | PC    |
| <b>LYON, Hon. Sterling R.</b>           | Charleswood        | PC    |
| <b>MacMASTER, Hon. Ken</b>              | Thompson           | PC    |
| <b>MALINOWSKI, Donald</b>               | Point Douglas      | NDP   |
| <b>McBRYDE, Ronald</b>                  | The Pas            | NDP   |
| <b>McGILL, Hon. Edward</b>              | Brandon West       | PC    |
| <b>McGREGOR, Morris</b>                 | Virden             | PC    |
| <b>McKENZIE, J. Wally</b>               | Roblin             | PC    |
| <b>MERCIER, Q.C., Hon. Gerald W. J.</b> | Osborne            | PC    |
| <b>MILLER, Saul A.</b>                  | Seven Oaks         | NDP   |
| <b>MINAKER, Hon. George</b>             | St. James          | PC    |
| <b>ORCHARD, Hon. Donald</b>             | Pembina            | PC    |
| <b>PARASIUK, Wilson</b>                 | Transcona          | NDP   |
| <b>PAWLEY, Q.C., Howard</b>             | Selkirk            | NDP   |
| <b>PRICE, Hon. Norma</b>                | Assiniboia         | PC    |
| <b>RANSOM, Hon. Brian</b>               | Souris-Killarney   | PC    |
| <b>SCHROEDER, Vic</b>                   | Rossmere           | NDP   |
| <b>SHERMAN, Hon. L. R. (Bud)</b>        | Fort Garry         | PC    |
| <b>STEEN, Warren</b>                    | Crescentwood       | PC    |
| <b>URUSKI, Billie</b>                   | St. George         | NDP   |
| <b>USKIW, Samuel</b>                    | Lac du Bonnet      | NDP   |
| <b>WALDING, D. James</b>                | St. Vital          | NDP   |
| <b>WESTBURY, June</b>                   | Fort Rouge         | Lib   |
| <b>WILSON, Robert G.</b>                | Wolseley           | PC    |

**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**THE STANDING COMMITTEE ON STATUTORY REGULATIONS AND ORDERS**  
**SPECIAL INTER-PROVINCIAL MEETING — ALBERTA - MANITOBA**

**8 December, 1980**

**Time — 10:00 a.m.**

**CHAIRMAN — Mr. Warren Steen (Crescentwood).**

**MR. CHAIRMAN:** Would the committee come to order now, please. As chairman of our Manitoba Committee may I extend a word of welcome to our guests from the Province of Alberta, and for the identification of our friends from Alberta, perhaps at this time it would be wise, on my part, to introduce the members of the Manitoba committee.

I will start down to my right there, if Mr. Kovnats would stick his hand up, he is our Deputy Speaker, Mr. Abe Kovnats, he represents a City of Winnipeg seat known as Radisson. Next to him is Mr. Walding, who is a member of the Opposition and represents the City of Winnipeg seat, St. Vital, but not an official member of the committee but always more than welcome to sit in with us; Mr. Schroeder, who represents a City of Winnipeg seat, Rossmere, a seat that used to be represented by the former Premier, Mr. Schreyer. Next is Mr. Sam Uskiw, a member of the Opposition who represents the seat of Lac du Bonnet, a seat in eastern Manitoba, former Minister of Agriculture in the former government; next is Mr. Wilson Parasiuk who represents a City of Winnipeg seat known as Transcona; next is Mr. Larry Desjardins, who represents a seat known as St. Boniface, and is former Minister of Health in the former administration. To my immediate left is Manitoba's Attorney-General, Mr. Mercier, who represents a City of Winnipeg seat known as Osborne; Mr. Arnold Brown, in the light blue suit, represents a seat in southern Manitoba known as Rhineland; in the smashing brown jacket this morning is Mr. Lloyd Hyde who represents a seat known as Portage la Prairie, some 50 to 60 miles west of Winnipeg; and Mr. Henry Einarson is the last member of our committee who represents a seat in western Manitoba known as Rock Lake.

Those, gentlemen, are the members of our committee with one member being absent, Mr. Blake from Minnedosa is unable to be with us this morning but we do have, in my opinion, an excellent turnout.

Perhaps the Speaker from the Alberta Legislature might at this moment do the same for us and introduce members of his committee. If we could pull that microphone down, sir, then you can be recorded and we can all hear you.

**HON. G. AMERONGEN, Speaker of the Alberta Legislature (Edmonton Meadowlark):** Thank you, Mr. Chairman, we are glad to be here. We share with you the serious concern about the future of the country and what the proposed Constitutional changes may do to it.

I would be glad to introduce the members of our committee now. Starting over here is Charlie Stewart, the Member for Wainwright; next to him is Dr. Ian Reid, the Member for Edson, which nestles in among the foothills of the Rocky Mountains; Mr. Bob Clark, the Leader of the Opposition, Member for

Olds-Didsbury; and coming down on this side, Mr. Fred Bradley, the Member for Pincher Creek-Crownsnest; and Mr. Dennis Anderson, the Member for Calgary-Currie; and I am the Member for Edmonton-Meadowlark.

**MR. CHAIRMAN:** One member was asking, Gerry, what is your name?

**MR. AMERONGEN:** Oh, Amerongen, you have to take a run at it.

**MR. CHAIRMAN:** The Speaker of the Alberta Legislature.

To Mr. Amerongen, perhaps I could start by saying that I don't have any formal schedule as to how we will conduct our meeting. Hopefully it can be done on an informal basis but perhaps I might start by asking if you or one of your spokesmen have a brief that you'd like to start off with or at least a position paper.

**MR. AMERONGEN:** No, we haven't. Our position paper, you might say, consists of the resolution which was adopted by our Legislative Assembly in regard to the Constitution, and the naming of us as a Special Committee, a Select Committee, followed on the passing of that resolution.

**MR. CHAIRMAN:** Do you think, sir, that it would be proper that you or somebody read that resolution into the record?

**MR. AMERONGEN:** My copy is with your recorder there because he wanted the names off it

**MR. CHAIRMAN:** What if we give it back to you so that it's . . . Of the eleven of us here I'm sure that only one or two has had the opportunity to read what the resolution does say and stipulate as to what your goals are and perhaps you may want to expand upon it.

**MR. AMERONGEN:** The resolution says that a Select Special Committee of this Assembly be established to explore constitutional and related issues with members of other provincial legislatures to gain knowledge of the points of view in other jurisdictions and help convey the position taken by this Legislative Assembly as reflected in the resolution on Government Motion No. 24, dated November 24th, 1980, to other parts of Canada.

Then there are some routine provisions regarding — well, first of all the membership, reporting and so on.

Now the resolution that I mentioned, if I may, which preceded this, Resolution No. 24, if I just might summarize it for a moment, Mr. Chairman, says that we favour patriation with adequate safeguards; we oppose any amendments which may reduce provincial effectiveness within Confederation, and we also oppose unilateral patriation without the consent, of course, of the provinces; and of course we have a fourth concern — I'm not mentioning

them necessarily in the order of priority — which is of course the amending formula.

**MR. CHAIRMAN:** Mr. Mercier.

**HON. GERALD W. J. MERCIER (Attorney-General)(Osborne):** Well, Mr. Chairman, of course our committee was established to explore and hear from members of the public in Manitoba their views on matters related to the Constitution and if it's acceptable to the members of the Alberta Committee, perhaps we might use this opportunity to obtain some clarification for the committee, of at least the general position of the province of Alberta on some of the matters related to the Constitution. And if that is agreeable, Mr. Chairman, there is one issue that has come forward in Manitoba, and I suppose throughout the country, and that's the question of the proposed amending formula and other alternatives.

If I may, Mr. Chairman, I would like to ask the committee or any of them that wish to respond, their views of the proposed amending formula in the federal government resolution and perhaps also an explanation of what has come to be known as the Vancouver Consensus inasmuch as there was some agreement among ministers dealing with the Constitution on an amending formula when we met in Vancouver. But the province of Alberta representatives had a large role to play in the suggesting of the proposed formula. I would ask them if they might for the benefit of this committee perhaps explain in some detail if they could, that proposed formula and their views of that formula. So my question in brief to Mr. Chairman is, to members of the committee, their views of the proposed amending formula in the federal government proposal and an explanation of what has come to be known as the Vancouver Consensus.

**MR. CHAIRMAN:** Dr. Ian Reid, the Member for Edson might deal with that.

**DR. IAN REID (Edson):** Mr. Chairman, the main difficulty that we have with the proposal by the Trudeau cabinet at Ottawa is that it, first of all as well as being a unilateral use of what has been referred to previously as the Victoria Formula, creates a two-level provincial system, that whereas the provinces which currently or in the past have had 25 percent of the population, which really is Quebec and Ontario, will have the same veto power as the federal government in any constitutional change, all of the rest of provinces have to have a combination with one or more provinces in order to have that ability to say no to any proposed change.

In the West, as you well know, it means that British Columbia plus one of the other provinces in the West, are the three Prairie Provinces, to give us that name, that is the western effective veto if you wish to call it that. In the Maritimes, it's the ridiculous situation where Prince Edward Island really becomes completely irrelevant and that it has to be two of the other three provinces and with or without Prince Edward Island they then have 50 percent of the total population of the region.

Now first of all, that's a very unfair system, and our country has been built up on the idea of equality and fairness.

Secondly, it will continue regardless of what may happen to the population in the future, and even if you had a province reach the same clout within Confederation that say California has in the United States, it still would not have a veto. The idea of the Vancouver consensus, as it's described, is that it doesn't require unanimity and I think in the first instance there has been a lot of misunderstanding that Alberta has been demanding unanimity and a veto for every province, and that's not the situation.

What the Vancouver formula does is allow of a reasonable majority of the provinces representing a reasonable majority of the population of Canada to put in a Constitutional amendment. Where that constitutional amendment directly affects a province's own interests, that province does not have to follow that majority, in that particular instance. In other words, it could be described as an opting out, or an ability to say no to something that directly affects that particular province.

It seems a reasonable approach to the difficulty of getting unanimity. It has been criticized by some as producing a mosaic or patchwork quilt, or a balkanization of the country, but you have to take that in relation to the history of the country, the fact that this country has been culturally quite different in different parts of the country; it's not a uniform country from the Atlantic to the Pacific. I think it is too large for that ever to happen. It hasn't happened in the past and it certainly will not happen in the future. It allows a province to express a difference and yet remain within Confederation. And if you look at the nature of this country, our feeling is that that is a much better approach than to give, on a historical basis, in the future, is a much better approach than to give one province or one area of the country a veto over all the other areas of the country, which is what the Trudeau proposal would do.

**MR. CHAIRMAN:** Mr. Mercier.

**MR. MERCIER:** Just one question, I think there was an indication somebody else wished to ask a question on this. Under that formula, is it correct to say the federal government would retain veto power, in order to protect the national interest?

**MR. REID:** Yes, Mr. Chairman, that is correct, that the federal government would retain the veto on changes, they would not be initiated only by the ten provinces. The federal government could veto them, as you say, Mr. Mercier, in the national interest.

**MR. CHAIRMAN:** Mr. Parasiuk. Would you like to ask a question?

**MR. WILSON PARASIUK (Transcona):** Yes, I have a number of questions.

**MR. CHAIRMAN:** Are they to any specific member or sort of in general?

**MR. PARASIUK:** I think I'll ask them generally. I don't know the expertise or the areas of speciality of the various Alberta committee members. But, in the last answer I had heard that unanimity was not a requirement in the amending formula, but yet one of the positions of the Alberta government is that they

oppose unilateral patriation without agreement by the provinces. And I distinctly heard Premier Peckford from Newfoundland, say that he was opposed to any type of patriation because he didn't feel this package went far enough. He was hoping for some type of complete rewriting of the Constitution and he would oppose patriation until he got that type of rewriting of the entire Constitution. Especially with respect to a division of powers. So he is opposed to it on that basis.

Now I'm wondering what the Alberta position on that is? If in fact you're going to get one or two provinces saying that they are opposed to unilateral patriation until they get a complete rewriting of the Constitution, how will you have it happening?

**MR. AMERONGEN:** I believe Mr. Anderson might try that one.

**MR. DENNIS ANDERSON (Calgary-Currie):** Thank you, Mr. Chairman. I didn't interpret Mr. Peckford's remarks the same way but perhaps you have a more complete analysis of his presentation than I had. The Alberta position is certainly that the patriation question is a neutral question to a large extent. Bringing it back to Canada merely would localize it if it is done with the safeguards that are needed to ensure that the jurisdiction that the provinces now have are there. Alberta has seen it as a neutral act, as an act that it really doesn't have a great deal of relevance in any sort of amendment sense, unless there are changes made to it or unless it is brought back with some suggestion that the jurisdiction of the provinces are jeopardized. So, Alberta sees no problem with simple patriation but it is the safeguarding of the jurisdiction of the provinces that is the important question there. Basically, I believe, that is the position of both the opposition and the government in the province, others may wish to comment on that.

I personally think that the patriation question has been a question which has been dealt with improperly in the discussions on the part of a good percentage of the media and the spokespeople in Canada, because there has been an implication that, indeed, most of the provinces oppose patriation. I doubt there are many people in this country who would oppose it if the safeguards are there. But we in Alberta see the Constitution of Canada as being the only safeguard for the people in the regions that do not have the population control base of the two Central Canadian provinces, and therefore, see the primary requirement of any action in that area being the safeguard of that jurisdictional right.

**MR. CHAIRMAN:** Mr. Parasiuk.

**MR. PARASIUK:** I don't see where the provincial powers are going to be changed terribly by the constitutional proposals that are before parliament right now. However, one of your terms of reference is just to discuss the Constitution and related matters in Canada, and I think that the debate on the Constitution between the federal government and the provincial governments, frankly, is largely a debate about power. Even though they might be discussing other aspects ultimately it comes down to a debate about power, real power in terms of the national interests, or regional interests, or provincial interests.

We in Manitoba, for example, when we start talking about the Constitution, are concerned about the extent to which provinces working together, supposedly to promote provincial interests, or individual provincial interests, may in fact weaken the national government to the point where the national government won't be able to play its proper role with respect to promoting and preserving what might be called the national public interest. That is so with respect, say, to equalization between richer regions and poorer regions which I think most people in Canada accept as being a fundamental aspect of Canadian Confederation.

Another aspect, and this touches very close to home with respect to Alberta, is the extent to which the national government should have the final authority with respect to setting oil prices. Should it be Ottawa's final authority there or should it be Alberta's? We get the impression here that Alberta says that they should have the right because the resources are in its province, to set world prices for oil. We in Manitoba are largely a consuming importing province of oil. We are concerned about that when it comes to debates on the Constitution, division of power, and frankly over the last three years most of the debate has taken place around the whole issue of division of power even though it is not included in this particular package that's before parliament. It was still the major topic in constitutional discussions that took place over the last while.

So what we want, I think, is a clearer understanding of what Alberta's position is on that. Does it agree that Ottawa should finally ultimately have the final authority in setting prices for natural resources such as oil within the boundaries of the state of Canada? I note for example that Texas has never claimed that they should have the right to unilaterally set the price of oil in the United States. But I've heard, and maybe I'm wrong in this respect, that Alberta says that they should have the right to unilaterally set the price of oil that is produced in Alberta and sold to the rest of Canada.

**MR. CHAIRMAN:** Mr. Anderson? Or who wishes to respond on that?

**MR. AMERONGEN:** Well insofar as it deals with Mr. Anderson's answer, perhaps you could deal with it but I think Mr. Clark would like to deal with that topic as well.

**MR. CHAIRMAN:** Mr. Anderson first.

**MR. DENNIS ANDERSON (Calgary-Currie):** Thank you, Mr. Chairman, just some preliminary remarks without getting very deeply into the specific of setting oil prices. I think that all Canadians, and including those Canadians living in Alberta, recognize clearly that the federal government must have jurisdiction and overriding powers in certain areas that are necessary to keep a nation operating. But I think at the same time we have to recognize the changing nature of our country and what has taken place since in fact we were defined as a country in 1867, and that is that the centrally operated economy out of central Canada with a few regions in the Maritime provinces and basically colonies in western Canada have evolved to the point where we now have viable

operating economies and communities in basically every region of the country; and it's our feeling that indeed the powers that accrue to, be it the federal government or provincial, must realistically reflect the kind of nation that has evolved. That analysis of the reality that's taken place requires that in the regions we have the ability to plan and develop the economies that operate, be it in Alberta or Manitoba, and plan for the long range future of those areas for the ultimate benefit of all Canadians.

Indeed the expertise, the knowledge and the ability to exploit and deal with the resources in given regions have evolved within, I believe, each of our provinces and we believe a Constitution in Canada must reflect that need. The question of world prices falls into that of course and that's the general direction that I think our constitutional topic must take and since it's a general discussion on the Constitution we're having, I guess I'd end with that one and Mr. Clark, I'm sure has some additional comments in that area.

**MR. CHAIRMAN:** Mr. Clark.

**MR. ROBERT CLARK (Olds-Didsbury):** Mr. Chairman, sitting on the other side of the house from my colleagues here, I'd make four comments very briefly.

Number one. On the question of the comment about equalization - I don't very often defend the Alberta government, but I've never heard anyone in the Alberta government imply at all that there's any thought of Alberta wanting to get out of taking on its responsibility as far as equalization is concerned across the country. I think that point should be really, really clear, gentlemen. In fact, on the equalization thing, if I recall the last figures I seen on it, Ontario before long ceases to be one of the provinces which pays into equalization, I think Saskatchewan starts to pay in in that area before long. But please understand that I've never heard, in the 20 years I've been in the Legislative Assembly in Alberta, never heard any Alberta Legislature talk about Alberta shirking on its responsibility as far as equalization is concerned.

The second point I'd make is on the question of division of powers. I would say, basically, your assessment is right, from the discussions I've heard. But I'd make a point, I think it's the view of the Assembly in Alberta, and if it isn't I'm sure I'll hear quickly. That we realize if we're going to wait until this question of division of powers is dealt with, that we're simply never going to get to that stage. I recall being in the Assembly in Alberta in '64, when we discussed the Fulton-Faureau approach. I was in Victoria in '71 when we agreed to the Victoria approach, and frankly, when I look back at the last nine years I was a member of the government that supported the Victoria Charter, and kind of given the hardening of attitude that we've seen, certainly I for one would have some question about how well some areas of provincial jurisdiction would be looked after if the Victoria Charter had gone through.

The third point I'd make is that — I think a point that we'd want to make also is that the position of Alberta on this question of oil pricing is that we're not aiming for the world price, we're aiming for about 75 percent of the world price. Now that is a little dicey when one gets talking about the Chicago

blended price and so on. But very close to 75 percent as opposed to world price. I think that is a significant difference.

And the last point that I'd make is that if we are to wait until the whole question of a division of power is to be resolved, it seemed in my judgment that we're going to wait until none of us around this table would have the thing resolved. And I, for one, feel that as a result of the representation Albertans made, other people across Canada made to the province of Quebec, during the Referendum Debate, that there is some need for us to move on the question of The BNA Act. We're not all going to be able to move in the direction we want or as far as we want but I'd underscore the point that was made earlier by my colleague Dr. Reid, that on the question of an amending formula, and then bringing the Constitution home, the people of Alberta seem to have to the view that let's bring the Constitution home basically. But we're going to have to get back to the table then and get on to this question of division of powers.

**MR. CHAIRMAN:** Mr. Parasiuk.

**MR. PARASIUKE:** What you've said then is that there should be movement with respect to constitutional change at this particular stage. There should be movement.

I wanted to just clear up one point and then I'll let other people ask some questions.

I want to clarify the question of equalization. Most people say, yes, we want equalization but it is the federal government that actually is the entity that carries out equalization. It is not the Alberta government, it is not the Ontario government that is the equalizer. It is the federal government that provides equalization payments. This year in Manitoba, for example, last year we got something in the order of 320 million in equalization payments, a massive amount of money, we got that really from the national government. We didn't get that from a provincial government.

In the past Ontario has said, oh yes, we're in favour of equalization, in fact we are providing for equalization, and I felt that the people of Canada were being a bit misled there, it's the federal government that actually is the entity. Granted it draws a great deal of its revenue from Ontario in providing equalization, or now it will draw some of its revenue from Alberta in terms of providing equalization. Although one of the debates then is whether in fact the federal government has access to sufficient sources of income, all sources of income, in this country, to ensure that there is some type of fair equalization between the richest regions and the poorest regions, and in this respect the federal government has been claiming that it should have some access to resource revenues, in order to use that revenue from resources for purposes of equalization across the country. I think that that is an area of dispute between some provinces which are rich right now in resources, and the federal government, which has been carrying out the burden of equalization, while at the same time running up some very large deficits, which have been criticized by some of the provincial governments. In fact when the Premiers met over the last two or three years, they've always put out a communique saying that the federal government should reduce its spending.

At the same time, we in Manitoba see the federal government spending through equalization, we don't want them to reduce those equalization payments. We don't want them to reduce their cost-sharing for Medicare; we don't want them to reduce their cost-sharing for post-secondary education; we don't want them to reduce their presence with respect to DREE expenditures here. So we're sort of caught in a bit of a dilemma, as to what is good for the long term of the country in that sense. That's the debate and dilemma that we as legislators face right now. What should be that balance of power between federal government and provincial governments?

**MR. CHAIRMAN:** Mr. Anderson.

**MR. ANDERSON:** Mr. Chairman, if I just might comment briefly. First of all in supporting what Mr. Clark said regarding our stand on equalization, certainly the government of Alberta has always believed that the federal government does have a role to play in that area and we did not impose some wording in the Constitution which would reflect that direction of the federal government. The wording is always a question of interpretation.

However, with respect to applying that to natural resources, in particular, I think we have to recognize that there are some specific attributes of non-renewable resources which require that equalization doesn't imply an equalizing at this time in our history, causing some problems for the provinces in where are those non-renewable resources in the future.

I speak specifically of the difficulties we have in Alberta with the conventional crude oil, which is expected to last, depending on whose estimates you take, some ten years into the future, and the very quickly expanding economy that we currently have, allowing us to be, at least outwardly, quite affluent, where we are having about 5,000 people a month move into our province, 2,000 a month into my city alone, a growing number of social problems resulting from that, a growing number of people involved in the oil and gas industry who will not be able to maintain that position in years to come. We, therefore, have to plan to deal with the infrastructure costs, the replacement indeed of that industry in the future and of the social costs involved with that development. So, indeed we recognize the need for equalization in helping those provinces which are less fortunate at a given time, but at the same time I think that any move in that direction has to take into account the problems that are caused by that current affluence, if you will, in any given region of the country. Thank you.

**MR. CHAIRMAN:** Mr. Schroeder.

**MR. VIC SCHROEDER (Rossmere):** Thank you, Mr. Chairman. My question has to do with the amending formula. The federal government, it is my understanding, has been suggesting that although some of the provinces are saying that there was a consensus at Vancouver, that consensus fell apart when the Ministers came back to Ottawa, when there were specific questions asked with respect to what happens, for instance, if a province opts out of a specific program. Does that mean that province then gets some kind of compensating revenue back?

Some of the provinces apparently indicated that, yes, that would be the case. Other provinces said no, that would not be the case and then there was a question of, in fact there was compensating revenue, from where would it come? The point was that the federal government took the position that in fact there was no agreement and that the provinces, if they chose to come to an agreement, would have of course the two years after the Constitution comes home to come up with a specific proposal, which then, of course, would have to have the approval of the federal government before it would become the final amending formula. I'm just wondering whether your delegation has any comments with respect to the issue of consensus on that formula which I understood originally was the Alberta formula.

**MR. CHAIRMAN:** Dr. Reid. Did you wish to comment?

**DR. REID:** That's a difficult one to answer in actual fact, in specific terms.

The situation, Mr. Chairman, is that under the Vancouver Consensus — and it was a consensus of all the provinces and they agreed to it at the First Ministers' Conference — the federal government would retain its veto on any change. Now, surely that covers the national interest well enough, if the federal government has the veto power.

The other side of it, that some provinces may feel that the opting out — if that's the right word — the opting out of a given province, would be too difficult to delineate and the difficulties of tax revenues and shared-cost programs, and things like that. When it comes to shared-cost programs or equalization payments the federal government pay those out of general revenue of the federal government.

Now just to put that in some semblance of the contribution that Alberta was quite prepared to make under the proposals that were made in July by the Premier of Alberta to the Prime Minister of Canada, the federal revenues out of that particular pricing proposal would have been in the vicinity of 20 billion in four years. Now that of itself is a not inconsiderable contribution to the federal general revenues, 5 billion a year, and it's out of those federal general revenues that equalization programs and cost-sharing are paid. Surely that indicates the good faith of the Alberta government to continue to be a part of that type of country.

**MR. CHAIRMAN:** Mr. Schroeder. Mr. Clark, on that same topic?

**MR. CLARK:** I just add this point, Mr. Schroeder. I don't mean to be disrespectful of Central Canada at all, and not negative of Central Canada at all. I've said many times in the Legislature that I'm a Canadian before I'm an Albertan. But it seems to me that with the proposition from the standpoint of amending the formula that's in The Canada Act, 1980, that if I were from Ontario or Quebec, I might be somewhat inclined not to be wildly enthused about working out a different amending formula, because I couldn't see how they could be in a stronger position than they are under the proposed proposal which is before the House now. By that I mean, of actually having a veto.

**MR. CHAIRMAN:** Mr. Schroeder.

**MR. SCHROEDER:** Yes. Just further to Dr. Reid with respect to that 20 billion in four years; that's certainly a substantial amount of money and it is of great benefit to the rest of us, including those of us who are not so fortunate as to live in a province that has that kind of oil revenue, obviously.

I'm just wondering what the position is in other countries? I noticed that when there was a reference to Texas earlier, Mr. Anderson smiled across the table, and I thought we just might get some answers from you. There are many other countries in the world who have certain regions which have oil; there's Mexico, the United States, Iran and many other countries.

Now in those countries, have you checked up on this? Is it the practice that the region in which the oil is produced is the region which sets the prices or which receives the revenue and then hands it out, or is it in general the case that it is the country involved? That is, is it Mexico which receives the bulk of the revenue as opposed to the specific area where the oil is found and as well in other countries? Have you done any research on that?

**MR. CHAIRMAN:** Mr. Anderson, do you want ?

**MR. ANDERSON:** I think Mr. Bradley might be able to more adequately answer it? I just might say that I was smiling more at the pleasure of being with the committee than anything dealing with Texas specifically. I would just caution against comparing very directly any nation that isn't as vast and has therefore the need for the development in the regions that Canada does, but there may be some comparisons.

Mr. Bradley, I might mention, is on our Syncrude Board of Directors and might have some information on that.

**MR. CHAIRMAN:** Perhaps you could pass the microphone over to Mr. Bradley.

**MR. FRED BRADLEY (Pincher Creek-Crowsnest):** That doesn't imply any great degree of expertise in that particular industry. But discussing this question of how other nations treat ownership of resources, if you look at the Australia example, it's offshore oil which they're looking at there basically and they're in a similar arrangement which our Maritime provinces are in, in which the ownership actually rests with the federal government and there's some sort of a management and ownership arrangement, I believe.

But let us look very carefully at what we have here in Canada in terms of who in fact does own the resource and the ownership of resources is clearly, in a Canadian state, given to the provinces; ownership under our present Constitution rides with the provinces and I think you'll find in other states or nations several different arrangements.

In the United States there are some states which in fact do own portions of their resources and in those cases, as I understand, they have fairly direct control over those state-owned resources. In fact, a number of the laws in the United States do not apply directly to the state-owned resources, particularly their recent deregulation and in fact the excess profits tax in the United States does not apply to the state-owned resources at all. The full revenue flows through to those states as I understand.

When we get into the Canadian example, ownership in fact does lie with the provinces, which in other states it may not. What does that ownership imply? In my mind it means that you get management rights. You should decide at what rate those resources should be developed. You should have an ability to have some input or decide what price, in fact, you're going to receive for those resources. I think we feel quite strongly in Alberta that those resources are non-renewable resources and other resources belong to the people of Alberta and we are trustees for those resources in a period of time and we are responsible for that management and to see that Albertans get a fair value for those resources because they are depleting, depleting rapidly. I think we see that in the next six to seven years that the production from our current crude, conventional crude, will decrease by about one-half of what its capacity is today and we are faced with a situation in which those resources are being sold off quite rapidly at half of what we consider their fair market value.

We look at the United States example, I was recently down in Washington to a conference there, they look upon our situation in Canada with a bit of déjà vu. They look and say that they feel we are presently at the state where they were seven years ago. The United States has made a decision and they feel the correct one, that they are moving to deregulation of their price of crude at a rate of 3 to 4 percent per month, and by the end of September in 1981 their pricing of their resource will be at the world market value.

I think a number of our other members have elaborated what Alberta really wants to do. We've traditionally negotiated with the federal government on the question of price and we feel the responsible way would be to work out a pricing agreement with the federal government which we felt was acceptable and which they felt would be acceptable. But our position has been to move to 75 percent of the world price over a four-year period, so it would be staged in and it is certainly not the world price which Albertans are asking for.

We feel that at 75 percent that we will be receiving a fair return for a depleting resource and which, at that pricing level, will also be very beneficial to Canada. There really isn't going to be any nation in the industrialized western world which will have the pricing relationship and the opportunity to compete that Canada will under the energy package and proposal which Alberta made to the Prime Minister in July. And one must also remember, in terms of those negotiations, that Alberta had an agreement with the former Clarke administration in which the pricing was at 85 percent and in an attempt to get an agreement with the Trudeau government, we proposed to go to 75 percent.

So I think to sum up, your question was how other countries treat this question. I don't think they have the same relationships in terms of ownership clearly; ownership of resources has been given to the provinces.

If I might comment on this question we were talking about, the amending formula too, earlier on in the question of patriation, I think that we feel quite strongly in Alberta that the amending formula, it is desirable to have unanimity of the provinces with

regard to that — and the Vancouver consensus, and I believe that the ten provinces did agree in general to the principle of that Vancouver consensus in September in Ottawa — our strong feeling there is that that thus protects existing rights and jurisdictions which provinces presently enjoy under the BNA Act, but at the same time the Vancouver consensus allows the majority of the Canadian provinces to proceed with amendments which they feel desirable. At the same time it doesn't take away from any province if it doesn't wish to go along with the majority, a right for jurisdiction which it presently enjoys.

**MR. CHAIRMAN:** Mr. Schroeder.

**MR. SCHROEDER:** Yes, just on that last point then, if you are suggesting unanimity for any change in the Constitution then isn't what you are doing by that, entrenching existing power relationships forever because you will never find a province acquiescing to a change in the Constitution which will be detrimental to that specific province, and any time that you have any kind of a change in the power relationships between the various provinces and between the provinces and the federal government, at least one or two provinces in all likelihood will possibly suffer some short or long-term harm; and by insisting on unanimity in most instances, other than those relating to just specific provinces, aren't you just simply entrenching current relationships?

**MR. CHAIRMAN:** Mr. Bradley.

**MR. BRADLEY:** We feel that unanimity is desirable and we are arriving at an amending formula which affects the provincial areas of jurisdiction. Once you have agreed upon that amending formula — and the 10 provinces have agreed in principle to the Vancouver consensus — which works out where, I believe, it is that you have two-thirds of the provinces representing over 50 percent of the population could make an amendment in that area, with the provision that if a province does not wish to go along with that change in relationship with regard to just its jurisdiction, that the other nine provinces could proceed and that province would retain something it presently has. I think the real principle is that you can't take away a jurisdiction from a province if it doesn't wish to give it up. But it doesn't put a hammerlock on the rest of the country whatsoever. They can proceed and change those relationships in that area which directly affects the provinces.

**MR. SCHROEDER:** Thank you, Mr. Chairman. I do have some further questions but I will cede the floor.

**MR. CHAIRMAN:** Mr. Desjardins.

**MR. LAURENT L. DESJARDINS:** Mr. Chairman, if this meeting is going to be meaningful I am sure that the only way is to be direct and put all our cards on the table and I have a real concern. Before asking a few questions that I have I would like to be reassured. This committee heard a delegation a few weeks ago and there was a former M.P. from Alberta who came here to preach separatism. I believe this is the first time that the two provinces have met, at

least at the Committees of the Legislature and not at the Ministers level. I wonder if this would not be the right opportunity to reassure the public. We must admit that we don't hear too much from the politicians here in the west. Does your delegation want to unite with us to, of course, to fight for what you believe are your rights but within a Canada and a strong Canada? In other words, are there any threats at all of separatism from the Province of Alberta? Could you reassure me before I ask any questions?

**MR. CHAIRMAN:** Maybe we could pass the mike down to Mr. Amerongen as Speaker of the Alberta Legislature.

**MR. AMERONGEN:** My position here, of course, is not to expound either a government point of view or an opposition point of view. My function here is to attempt, or to assist in expounding the point of view of our Legislative Assembly as recorded in resolutions that were given near unanimity.

The emphasis in our Assembly, as I see it, is on this: That we wish Alberta, and each other province, to be in a position to make its maximum contribution to Confederation as an equal partner; not that there should be two categories of provinces with different rights, depending on the present division of population, and who knows whether that is going to last. When you put the formula like that in a Constitution then it is not only graven in stone, it's more difficult than that because you can possibly change what is graven on a piece of stone, but to change a Constitution where the change itself is subject to the veto of two jurisdictions, shall we say, three jurisdictions, who may not want that formula for change to be adopted in the future, you're just facing practically total impossibility, and it seems that this problem has to be faced now or it's going to be with us for the rest of the existence of Canada as a confederation.

**MR. CHAIRMAN:** Mr. Clark, did I see you wanting to get in on that?

**MR. CLARK:** Myself, and then Dr. Reid. I'd want to make it very clear and be equally frank, Larry, as you were in asking the question.

No member of this committee supports separatism; I've yet to hear any member of the Alberta Legislative Assembly support that position. It's well publicized that there are some groups who in my judgment represent a very, very small minority of Albertans. But certainly this committee is in no way associated with that in any way, shape or form. Our purpose is to get across Canada to do two things: to talk about our concerns as has been very ably outlined by our Speaker, but also to get a better appreciation for the concerns and views of the other provinces too. I hope some time later this morning we're going to have a chance to ask some questions ourselves.

**MR. CHAIRMAN:** Dr. Reid, did you want to comment on that subject?

**DR. REID:** No, Mr. Chairman, I think really that Bob put it very well, thanks.

**MR. CHAIRMAN:** Mr. Anderson.

**MR. ANDERSON:** I as well think that Mr. Clark ably outlined our position and I just want to verify, since I'm on the other side, that our government has solidly stood for working within Confederation to achieve the kind of nation that we all want. Though that hasn't been perhaps reported as such across the country; it's been stated time and time again in the Legislature. I was the one who proposed a motion during the Quebec referendum campaign and pledged our province to working within Confederation to recognize the unique differences of each province and deal with that in a Constitution. That was passed unanimously by our House, so I would just like to add that.

The only additional comment would be that I think there is no doubt that there are a growing number of Albertans, though definitely in the minority, who have become increasingly frustrated with both the proposals which seem to do away with the only safeguard that we have, given the population imbalance question, in the nation by the constitutional proposals and by what we've seen as arbitrary budget moves that it seemed to discriminate against our province and some others in the country. That has given the people a great deal of concern and frustration. However, I believe that the majority of Albertans certainly wish to remain in Confederation, and as Mr. Clark said, that's certainly the position of our committee and of all members of our Assembly.

**MR. CHAIRMAN:** Mr. Desjardins.

**MR. DESJARDINS:** Thank you, Mr. Chairman. While I'm pleased to hear these comments. I think that it is a responsibility of the politicians also to state clearly and not give the separatists too much of a foothold here, that we have a responsibility and a duty to fight for certain rights. I'm not suggesting for a minute that we should accept anything the federal government is trying to do at this time, but I think it is much better to know, and for the citizens of this part of the country to know that we want to keep Canada united, we want to work within Canada, so I'm pleased to hear your words.

There's another concern that I have, and that could be associated with separatism. What does the Alberta delegation think of representation by population? I think that probably that is the main problem that we're facing now. It has been divisive in this way, that from the West especially we are criticizing the federal government for saying that they haven't got a mandate, and it is within our system, and I think that's unfair. I think if we want to change this business to get a representation, because this is not the first time that an area has not been properly represented by members on the government side — Poor Trudeau is getting enough abuse and he'll probably get more; I don't think that we should insist that he is not properly represented, because it is our system, our way of voting, of electing a government. Has Alberta any suggestion that would try to rectify this — while I would hope, and still believing in some kind of a representation by population but something to maybe correct the problems that we are faced with now?

**MR. CHAIRMAN:** Mr. Amerongen.

**MR. AMERONGEN:** First of all, the resolution which gave rise to the activity of this committee, that is the one preceding its appointment, doesn't deal with this question of proportional representation. It has not, although I'm not always in the Chair and I don't read all of Hansard, as far as I know that question has not been debated, certainly not to any extent at all in our assembly; it may have received passing reference at some time. So I don't think we would be in a position to be able to say what the consensus, if such there be, of our assembly on that point might be.

Alberta did at one time have proportional representation provincially which was taken out in 1955. Proportional representation is something that's very difficult to sell to a government that has been elected on to the other system, because what it obviously does is it enables people who don't like the government to coalesce by means of their second choices against the government and in that way reinforce each other's protest.

I'm not debating the pros and cons of proportional representation, but I do say that it was something that did apply in Alberta, and perhaps those who are interested in it might wish to study that part of history and see how it worked out.

I was going to say if we could come back to a topic that was discussed earlier which was which government should set prices, I think that was mentioned at some length. It's true that at the moment there have not been, at least so far, discovered in Manitoba any resources which might have a dramatic further impact on, shall we say, the economy of Canada or Western Canada, but trying to extrapolate, shall we say, from the present resources which Manitoba has in mining for example. Our view is that when you sell a barrel of oil, it's the same as when you sell a ton of ore or its product. It's gone forever; it doesn't come back; it's actually part of the territory of your province. Therefore, we try to make a distinction between renewable and non-renewable resources. Of course, the same would apply to a ton of potash removed in Saskatchewan. It's part of the territory of the province; it's the same as if you sell your top soil, only in some instances it may even be more valuable.

So my question is: Suppose that Manitoba had a resource which was of national significance economically, would the support that I sensed, at least among some of the members here, for federal establishment of prices, would that go so far as to say that it would be acceptable to Manitoba if it were obliged by federal imposition to sell such a resource at less than half its market price, or is it the Manitoba position that you like to sell your resources for market price?

**MR. CHAIRMAN:** Perhaps Dr. Reid wanted to comment on Mr. Desjardins' earlier question and then if there's a member of the committee that wishes to answer Mr. Amerongen, maybe they could after Dr. Reid.

**DR. REID:** Thank you, Mr. Chairman.

In response to Mr. Desjardins' question, I think what he was really referring to was the problem of what's often called the "tyranny of the majority". Now the Alberta government has not suggested that we go very far away from what is termed "parliamentary democracy" and under that system

for the term that they've been elected for that majority does have what is referred to as "power" — and I don't like that word and I'll explain why.

This is a very large country. It's very diverse and over its history of 113 years has had a pattern of intermittent regional voting. There has been over the last 10 or 15 years an increasing pattern in Canada of the west voting for parties other than those who have been the elected government of the country.

We had a short interim of the reverse situation where it was the Province of Quebec that had very little representation in the Conservative Government, 1979 to 1980. Surely federal politicians and federal governments, when they have that type of pattern of voting, surely if they want to keep this country together as a country they should pay considerable attention to that pattern of voting.

The "tyranny of the majority" only applies if it is used in a tyrannical manner and the behaviour of the federal government on the constitutional negotiations, the behaviour of the federal government on energy negotiations, the unilateral action of the federal government on constitutional matters, indicates that they are prepared to use that majority in a tyrannical manner. That has been their decision, not ours, and I would hope that they would come to their senses and realize that there are people in this country who, on a regional basis, disagree with their policies — and the region is vast, it's half the country. Does that answer you, Mr. Desjardins?

**MR. CHAIRMAN:** Mr. Desjardins.

**MR. DESJARDINS:** Well, no it doesn't really. It just emphasizes the problem that we have. I haven't got the answer. I think there's got to be something. I believe in representation by population but there has to be some other safeguard.

Dr. Reid, I don't doubt your sincerity and your honesty, but you being a member of the minority, for favouring the minority in the federal government, are saying now that they're acting like tyrants and that is exactly the concern that I have. I think it is the system more than anything else that you have, the adversary system. More or less, you have a Liberal federal government. Many Conservative provinces and nearly every year they change — there's a different election — and I think it's going to be very very difficult to get down to do something, to change anything under the system, and I thought maybe you'd have, through the reform of the Senate or something, have a higher voice.

I accept your statement in sincerity, I'm sure, but I don't like it because that's the concern that was expressed earlier. If you're on the wrong side, well, they're the tyrants and they're not acting for the best of Canada and I would imagine that people of Quebec when they had very little representation, and the Conservative government said the same thing. It doesn't bring the climate that we should find when it's so important for our country to try to devise a new system that will help us live together in harmony, diversity, yes, but in harmony and unity. I'm quite concerned. I haven't got the answer and I thought that maybe you had given this much thought because we hear it, maybe not in the House, in your House, maybe not from reading Hansard, but we see it every day in the newspaper the concern that there

seems to be that implied accusation that the government had no business there because they have no mandate in the west, and I don't like that and I'd like to see that changed.

**MR. CHAIRMAN:** Dr. Reid.

**DR. REID:** No. I think under parliamentary democracy that once a government is elected it's elected to run either a province or a country; but surely they should show a little more sensitivity to the voting pattern that has given them that mandate and this is what they currently do not seem to be doing. I don't think that a constitutional change or a change in the Senate would necessarily correct the problem.

**MR. DESJARDINS:** But, Dr. Reid, let's face it, we're all politicians and first of all, with all our great ideas and our sincerity, if we're going to accomplish anything we have to be first of all elected. The federal government does the same thing and they're going to look at the population, where the population is. That's only natural. I think the days of fairly good representation across Canada, I don't think you're going to see too many of those if we don't change the system because our country is so vast, like you mentioned before, so diversified that some people will feel, fine, you're going to either favour Ontario and Quebec at the expense of the west and if you want to be elected you're going to look at where the population is. That is what is creating this system of adversity now and these divisive discussions and so on, that are rolling all over the country.

**MR. CHAIRMAN:** Mr. Bradley, on Mr. Desjardins' point. Did you wish to comment?

**MR. BRADLEY:** Yes, I did, Mr. Chairman. On this particular question, in Canada we have a system whereby we have representation by population in the House of Commons and we find that the central Canadian provinces, Ontario and Quebec, have a majority of the seats. I think this is the question which you are addressing.

In other federal states there are checks and balances set up. They have an Upper House and let's look at the United States, for example. They have the 23 million people in the State of California and elect two people to the Senate and the 400,000-odd people in the State of Alaska elect two people to the Senate of the United States, and that provides that check and balance to represent the regions of the United States or the state interests.

In Canada we don't properly have that check and balance and I think this is what Mr. Desjardins was referring to. That's why I think it's — and this is a private view — why it's so important when we look at this question of constitutional change in Canada. We look at the question of an amending formula, that each province is treated equally in that amending formula, that you don't have a situation where Ontario and Quebec, which already have a majority by representation by population in the House of Commons, therefore the federal government feel perhaps that they don't have that same majority in any amending formula where you're looking at provincial or regional points of view.

The Victoria Charter brings it out very clearly. They again give the veto by population to a region, and

those regions should have equal or the provinces should have equal status in terms of approaching those amendments to the Constitution. I think perhaps the safeguards that we have in this country under our present system, the safeguards are there in terms of the sovereign jurisdiction which the provinces have, and we have to be very careful that we continue to protect that. If we allow a majority of population to remove the provincial rights and jurisdictions which we presently enjoy, we chip away bit by bit at our federal state and we'll end up with a unitary state. We won't have federal state relationship which we should have in the country.

**MR. CHAIRMAN:** Mr. Desjardins.

**MR. DESJARDINS:** Mr. Chairman, those were some of the concerns that I expressed and I don't think the answer is that easy. For instance, we haven't that safeguard here in Manitoba, for instance, the north could be all one party and I would imagine that you might have somewhat the same problem in Alberta. This is a concern. Now we do believe in a strong federal government with certain rights, and we would hope that it would be fair to all Canadians, but some of the concerns that we have, if there is a veto on certain programs, then that means the end of national programs like Medicare. It could be the end because a province would say, no, that's not our priority, we want the money instead, and old age pension and so on, and it's going to be practically ten different countries, so that is the concern. I guess we all recognize that it is difficult and if there was something that could be done, I think this whole exercise would be a little better, it wouldn't be as bitter as the debate is now all across Canada.

**MR. CHAIRMAN:** Mr. Anderson.

**MR. ANDERSON:** Thank you, Mr. Chairman. Just two quick points. The first is that I sensed in the comments that were just made and some of the previous ones that the role of the parties within our system is something being considered as the reason why there is a concern about the actions the federal government has taken, and I'd like to say personally, I don't believe that it is what party the members in power in Ottawa belong to that's the important aspect, it's whether or not they exercise authority, which has traditionally been the authority of the provinces. The unanimity provision, which has applied traditionally to any changes regarding our Constitution in areas of the amending formula and others, affecting provincial jurisdiction is one of those, I'd be certainly as concerned if it was a Conservative government or a New Democratic Party government, as I would be if it is a Liberal government.

Just to emphasize that, in the talks that Mr. Bradley and I both had an opportunity to participate in during the summer, the Continuing Council of Ministers' talks with Mr. Mercier, when I looked around that table it wasn't split on party lines at all. In fact, Mr. Romanow in Saskatchewan was more often than not very much on the side of the Government of Manitoba, and the Government of Alberta; where other governments that were Conservative, in fact, were part of the same feeling as the federal government had on given issues. I

don't believe it's along party lines, it is indeed recognizing the Constitution of Canada as it's evolved, both in a written sense and in a historical sense.

In terms of your original question regarding what is the answer, in my opinion it is correctly identifying what level of government is best able to meet the needs of the people in that area, and if you have indeed the powers or the ability to make decisions for the people within a given region, with the government of that region, and the powers that are needed in an overriding sense to keep a nation together to the federal government, then I think you don't get into the difficulty of the potential tyranny of the majority, which would exist if the majority of the population was in Alberta, and not in Ontario and Quebec.

Indeed from time to time there may well be decisions that are in the best interests of that region where the majority of the population is, but not in the interest of other regions, and it is the Constitution in this country that I believe has to balance that factor. The moves by the Ottawa government have jeopardized that very tenuous balance, given our population problem, in terms of the imbalance in the country.

**MR. CHAIRMAN:** Mr. Desjardins, are you . . .

**MR. DESJARDINS:** I'd like to let somebody else have the floor.

**MR. CHAIRMAN:** Mr. Uskiw.

**MR. SAM USKIW (Lac du Bonnet):** Thank you, Mr. Chairman. As I understand the position of the Alberta members, and you can correct me if I'm incorrect, is that you are preoccupied with a fair degree of federal interest in achieving greater economic power in the new Constitution than they had under the present arrangement. Would that be a fair assessment of your concern? You're really concentrating on their economic muscle as opposed to other things such as language rights, human rights and so on. You're preoccupied mainly with the resource question and the division of powers relative thereto.

**MR. CHAIRMAN:** Mr. Amerongen.

**MR. AMERONGEN:** Mr. Chairman, we're very much concerned as well with the entrenchment of the Charter of Rights. That's a topic which we haven't discussed yet as far as I know this morning, and I don't want to go too far beyond what the consensus in the House seems to be and inject my own personal point of view too far, but I think that underlying the concern with the Charter of Rights, that is to say, among those who are mostly concerned about it, I think the underlying thing is whether we're going to have law made and possibly even interpreted by way of amendment, by elected representatives, or whether its going to be made by the courts. I'm sure that all of my colleagues here would be interested in Manitoba points of view in regard to the effect in the immediate and long term future of some of the phrases and expressions in the Charter of Rights which are obviously in need of

interpretation, without which they couldn't have practical application.

For example, I've forgotten the exact text in the opening, something to the effect, in keeping with good democratic principles, or something of that kind. Who is going to interpret that? And with regard to language rights, the idea of where numbers warrant, and I'm wondering whether in Manitoba there is any concern about the kind of thing that has gone on in the United States, where the Constitution has been so much subject to, I think it would be fair to say, change, possibly even amendments, certainly development, through the courts rather than through the elected representatives.

**MR. CHAIRMAN:** Mr. Uskiw.

**MR. USKIW:** Again I would like to present the question to your delegation. I suppose you've misinterpreted the intent of my question. I'm trying to determine whether or not your province is primarily preoccupied with the question of how much power the Government of Canada is going to attain through the change in the Constitution in the economic area. Is your main concern in that area of thrust, or are you equally concerned with the other aspects of it? So far this morning the discussion centered on the question of oil pricing and jurisdiction, and division of powers and so on. I just want to know or confirm that my assumptions are correct or otherwise, that your main concern is the federal economic thrust.

**MR. AMERONGEN:** Could I just, Mr. Chairman, with your consent, before turning the question over to Dr. Reid, say that the direction of the discussion, I think, has to some extent been influenced by the direction of the questions, and that the answers were given in response to those questions rather than with any conscious intent of arranging an order of priority. Dr. Reid.

**MR. CHAIRMAN:** Dr. Reid.

**DR. REID:** Mr. Chairman, I was just going to make the same point that the Speaker did, that we got onto the energy and economic things in response to questions.

We have really got an equal concern about the Charter of Rights, equivalent to the amending formula and the division of powers. Now it may well be that at the moment it appears to be a preponderance of interest in the energy issue, but it's not in actual fact.

We have had proposals since Harmony and Diversity was published and that's now over two years ago, and I think we're going to distribute a copy to you at the end and when you read it you'll see that our concentration is anything but on purely the economic and energy issues.

What we're interested in is having a country which can continue to operate in spite of the diversity that exists within it, and that applies to education, culture, health care, transportation and many other factors, as well as the energy and the economic clout of any particular part of the government of this country, and I use that phrase because the government of this country is a federation. It is two equal levels of government in different areas.

Now an indication of that is what we have suggested on subjects like language education in schools and we have taken actions in response to meetings that were held with other provinces and we feel they've been reasonably successful. We've put a lot of effort into that particular area, we think with reasonable success. We've also put a fair bit of money into it and I think that indicates that we're not just purely involved in the energy and economic questions.

**MR. CHAIRMAN:** Mr. Uskiw.

**MR. USKIW:** Why is it that Albertans feel that we must move closer to the world oil price and at a faster rate? What is the preoccupation apart from a selfish interest, that is, in profiteering and gaining revenue for the province as well as the oil companies, and so on? What is so important about being close to world price and what is the world price? I mean, I've had difficulty in determining just what the world price is, understanding the way the oil flows throughout the world, I'm not convinced that the world price is sacred.

**MR. CHAIRMAN:** Did Mr. Bradley or Mr. Anderson wish to comment on that?

**MR. AMERONGEN:** Mr. Stewart, and then Mr. Bradley, perhaps.

**MR. CHAIRMAN:** Mr. Stewart.

**MR. CHARLES STEWART (Wainwright):** Well, Mr. Chairman, I'm not really understanding this morning when we come to talk about Constitution, it seems like every time we get back to the issue of constitutional change the members here seem to be more interested in Alberta's position as far as energy is concerned and seem to think that it's paramount to the constitutional debate, and I don't think that this is a fact. I think that the two come together.

I will now try to answer what the latest question has been, as to why Alberta is trying to achieve world price for its oil. I think I'd like to ask the members sitting around this table if the commodity was something which was being produced in Ontario or Manitoba or any other, and it was coming out of a natural resource in your province and was being upgraded to an export standard in your province, would you feel it was worth the world price?

I wonder if nickel that is being developed in Ontario was sold at a discount price to Canadians or copper, or any of the other natural resources that we mine in this country of ours and upgrade and in turn sell to ourselves. I wonder if we'd take a look at the agricultural scene and decide that as Canadians we should be eating bread at half the value of the world market because we're Canadians and the world market is suddenly too high on bread grains.

I think if you'll take Alberta's position, we've suggested that 75 percent of the world price, to be staged in over a period of years, was really a consensus to the fact that OPEC countries having quickly raised the price of oil over a short period of time, wanted to give the rest of Canada an advantage over the rest of the world that wasn't self-sufficient, that had to import this OPEC oil. But also we've got to remember that we've got to adjust to

the world's economy of energy use in a certain degree of time or else our consumption of it is going to be completely incompatible with its value.

I think, while I'm talking about this, I would like to talk for a minute about the heavy oil sands, the heavy oil in Alberta and the tertiary recovery of oil. Since 1947 we have had, in the western part of our province, the higher grade oil that once developed was relatively easy to put on the market. The eastern side of the province has got heavy oil in varying degrees till we get to the north in the tar sands. That oil is expensive to take out of the ground. The Lloydminster area where I'm from, you get less than 10 percent under normal pumping operations, and tertiary recovery by flooding and other things will bring another 10 percent. We realize that as time goes on more expensive recovery methods are going to have to be used to get the balance of this oil.

I think that we're living in some kind of an illusionary paradise at this moment if we feel that oil that will pump out of the ground in Alberta is going to last all that long. It's proven right now that that type of oil production is going down. We're supplementing it with tertiary recovery. We're supplementing it with tar sands oil, coal-like heavy oil. Those are very expensive oils and regardless of what side of the fence you're on we're realizing that the cost of that oil is so much higher than what conventional oil is that we're going to be in a position where in order to get it out of the ground we're going to probably be spending two-thirds of its value.

So really when we think about who is going to make the profit on this, we're finding out that the oil companies aren't interested in it unless they are assured of a close-to-world price for the simple reason that if there are any royalties to be devised from it over and above the cost of production, this oil is going to be fairly expensive.

So I think that when we start talking about world price for oil, we've got to recognize that the oil that we're talking about phasing in to 75 percent over a period of time, is really oil that Alberta is not going to have available to the public for any great degree of time, because even though west country wells are now starting to have tertiary recovery to get the bottom of the pit out, so to speak, and the easy oil is to a great degree gone.

**MR. AMERONGEN:** Mr. Chairman, I've been noticing the passage of time and trying to keep in mind the mandates of our respective committees, and, of course, as you know from the resolution which constituted our committee, our concern and purpose is mainly constitutional. We do acknowledge that there are some incidental effects of constitutional provisions in regard to energy pricing and maybe some other kind of pricing a few decades from now who knows, but we're concerned really with the long-term effects of a Constitution and I'm wondering whether there may be some concerns. Some of those concerns may be shared by some of the members of your committee other than the narrow question, which I say is subsidiary, of the pricing of any kind of provincial resource.

**MR. CHAIRMAN:** To the members of the committee, I have Mr. Uskiw who is presently the name on the list. I have Mr. Brown, Mr. Mercier, Mr.

Schroeder and Mr. Parasiuk. It is after 11:30 now. Also the mandate that was given our committee was to hold public meetings and hear from Manitobans as to their concerns regarding the Constitution.

We do, I am told, have a luncheon scheduled for both the Alberta members of the committee and the Manitoba members, which will be I'm led to believe, an informal luncheon that we can talk to one another as we wish, which is laid on for 12 noon, because we go back at 2:00 o'clock to hearing from the public and we have a list in the neighbourhood of 30 to 50 names of persons from the public who want to present their views, both this afternoon, tonight, tomorrow morning and tomorrow afternoon.

What is the desire of the Manitoba members of the committee? I've named off the five people that wish to . . . Mr. Uskiw, do you wish to carry on? Mr. Uskiw.

**MR. USKIW:** Mr. Chairman, . . .

**MR. AMERONGEN:** Could I just with respect, Mr. Chairman, are we going to be going on on energy pricing or are we going to be prepared to discuss the Constitution?

**MR. CHAIRMAN:** Mr. Desjardins.

**MR. DESJARDINS:** Well, Mr. Chairman, it is a very difficult situation. There's no agenda. We asked the Alberta delegation to see if they had any specific brief that they wanted to present and I think we are very much in . . . you know, well this fails, so we're asking questions. We certainly aren't trying to stay on the question of the Constitution, but we feel that the division of power is probably the most important thing. It would be narrow if we just talked about the resolution of the federal government because we in Manitoba here, we don't necessarily want a change of being controlled by Ottawa and then controlled by Alberta. So these are real concerns.

If we're going to make this meaningful we have this concern. We're interested in national programs and those kind of programs that will disappear.

**MR. AMERONGEN:** I'm sure we appreciate Mr. Desjardins sense of humour.

**MR. DESJARDINS:** It's not a sense of humour at all. I might say, Mr. Chairman, as far as I'm concerned because the delegation of Alberta came here to see us, if they want to use the — and that's up to the other members of the committee — to makes statements under certain specific issues or discuss certain issues, I'm certainly ready to go along with that. I think we were from the start of this meeting, unfortunately that didn't happen.

**MR. SCHROEDER:** On that same point of order.

**MR. CHAIRMAN:** Mr. Schroeder goes on the same point of order. I'm told by the Clerk of the Legislative Assembly from the Province of Alberta that they have scheduled a press conference at the Convention Centre for noon today and they have invited us to be their guests at the supper hour tonight, where I know that Mr. Mercier had tried to arrange a luncheon through our Clerk as of about a week ago, so we have kind of a dilemma on that.

Point of order, Mr. Schroeder.

**MR. SCHROEDER:** Yes, Mr. Chairman, there goes your diet in terms of the lunch. But on the point of order raised by the Speaker of the Alberta Legislature, although it may be a narrow point to you, it's a very broad one to us. I, for instance, have lost two sisters and one brother to Alberta in the last few years and every time you raise the price of oil by 1.00 a barrel, we wind up getting cut in our economy and there are very few issues as vital in Manitoba as our economy right now and we feel very directly affected by any area which will increase the power of the producing provinces with respect to this resource. So as a member of this committee I feel it is absolutely vital to my interests and the interests and the interests of my constituents that this area be canvassed thoroughly.

**MR. CHAIRMAN:** Mr. Uskiw do you wish to carry on?

**MR. USKIW:** Yes.

**MR. CHAIRMAN:** Before you do, perhaps I should let Alberta have another say. Mr. Anderson.

**MR. ANDERSON:** Yes, thank you, Mr. Chairman. I would just like to say that there is no hesitance on the part of this committee to discuss the energy issue, but I think what the Speaker was indicating, and what I believe our committee would like to try and do is not isolate that from the issue of any other resource or any other concern that we as Canadians as a whole have about the Constitutional issue and the long term effect that is going to have, be it on energy resources or any other aspect.

Personally, just with respect to the last comment, I would have to say that I don't believe that the power of Alberta increases by recognizing the Constitutional provisions that are currently in the BNA Act which give the provinces, be it Manitoba, Alberta or Prince Edward Island, ownership of resources, but it is those long-term directions that we had hoped we'd be able to discuss this morning and indeed have to some extent. I realize the crucial nature of energy to this province, as well as to every other, but I think it would be a mistake to discuss that out of context, and not recognizing what jurisdictional allocation there should be for the provinces versus the national government in our long-term plan of things. I would hope, Mr. Chairman, we would be able to not disassociate ourselves from the energy issue but certainly look at it in that context.

**MR. CHAIRMAN:** Mr. Uskiw

**MR. USKIW:** Mr. Chairman, I believe that most importing provinces and the people that live in those provinces are more concerned with the energy question than all of the other questions that are involved in the drafting of a new Constitution, and they are interested in the Constitution in the sense that it will protect those interests. Manitoba is a consuming province, an energy consuming province, we're an importing province, and therefore it is in our interest that the federal government has a large say in what happens in energy pricing under any Constitution that is put together henceforth.

Therefore, if I dwell on that issue I hope you will bear with me because I want to give a lot of support to a stronger federal role on the energy question, rather than a weaker one, if we are going to redo our Constitution.

**MR. CHAIRMAN:** Mr. Clark

**MR. CLARK:** I apologize to interrupt, Mr. Chairman, but what do you see as a stronger federal role?

**MR. USKIW:** Well, Mr. Chairman, I think we touched on it very briefly this morning and that is about who has the pricing jurisdiction. It was answered that ultimately the federal government must have veto power or whatever. What I don't want to see is the federal powers bargained away at the bargaining table, so that even though they may have a veto power they have given into a so-called consensus situation which will deny the people of Canada access to what I consider to be a reasonably priced energy source, whether it is found in Alberta or Saskatchewan or Manitoba, it doesn't really matter much.

It was mentioned a few moments ago that if Manitoba had a commodity that was exported would we not want the market price. Well, you know, I don't consider the current oil price a market price, the world price is a cartel price and everyone knows it. It is arrived at by a few people getting together in OPEC and that sets the benchmark, and from there on all other producing nations want to tag along sort of thing. I believe that if we are going to have administrated prices, then it ought to be administrated with the consent and blessing of the Government of Canada for the consumption of energy in this country, and, therefore, I want Ottawa to play a very vigilant and important role in (a) how are we going to allocate energy if they are non-renewable, and (b) at what price, and how that all ties in with a new Constitution. That's how I see the new constitutional arrangement, it has to do with a whole host of economic considerations and energy tops them most completely, Mr. Chairman.

I would like to know whether there is an opinion as to why energy isn't priced on the basis of cost of production as opposed to world price, that's the point I'm trying to get at. You know, what relevance is world price to cost of production price? Does anyone know that?

**MR. CHAIRMAN:** Mr. Bradley, do you wish to . . .

**MR. BRADLEY:** I wish to respond to a whole gamut of questions which have been put with regard to this. You talk about a cartel pricing. I think that it has basically been proven that cartel really doesn't any longer exist. A cartel was in effect in the early part of the '70s, the mid-70s, but I don't believe that exists any longer. You look at the stock market price for oil in Amsterdam, ranging somewhere between 40 to 50 a barrel. Each of the producing countries — there is a range of pricing, there isn't one price set by a cartel, there is a range of prices. I don't believe that that cartel, in fact, exists any more. When you talk about the whole energy debate in Canada I'd like to turn that whole question around and look at all of us around this table as Canadians in the year 1990, and ask ourselves: Are we going to be self-sufficient in

oil? Where are we going to, in fact, find these energy resources; how are we best going to be able to develop them? And I think self-sufficiency supply is the real question which faces Canadians and how we are going to achieve that supply; that is the important question.

I would submit quite strongly that a pricing relationship has a very important part to play with regard to future supply. That pricing mechanism is very important for individual investors to go out and make a decision to explore. That is the keystone of supply and demand. You have to look at that question very much so down the road, is self-sufficiency and how in fact is Canada going to achieve that.

To come back to the question of the Legislature of Alberta, I guess we consider ourselves trustees for a depleting resource and part of that responsibility is to the owners of that resource to ensure that they receive a fair value for that depleting resource. I don't think that we can, any of us as trustees for a resource, the royalty portion which flows to individual Albertans, that we can really look at that in the longer term without standing fairly firmly and strong that we have to protect that ownership right of Albertans. It is very very important.

We get to this other question of what sources does the federal government have in terms of revenues? Well, I think clearly our position has been that the federal government's role is in the traditional area of taxation, profits taxation, and there is a considerable amount of room for the federal government to move in that direction in terms of getting revenues for the federal government requirements of the country, but we, as Albertans, as legislators in Alberta, have got to ensure that as owners of a resource the people of Alberta receive a fair value for those ownership rights that they have.

**MR. CHAIRMAN:** Mr. Uskiw.

**MR. USKIW:** Mr. Chairman, I simply would like to get some clarification. You indicate, sir, that the price relationship will determine future supply, and I believe to a degree you are right, though not necessarily. How is that in conflict with the principle that we price oil on the basis of a cost of production formula rather than world price formula? I mean, why can't we be different from the rest of the world and still have self-sufficiency, or optimize our supply of resources? How is that in conflict?

**MR. CHAIRMAN:** Mr. Anderson or Mr. Bradley. Mr. Bradley.

**MR. BRADLEY:** Well, I'll answer and then perhaps some of my colleagues may wish to supplement that. I think that our strong view is that commodity pricing is very important in terms of how you price a resource.

I was down in Washington with other Canadian parliamentarians representing the federal government. We attended a conference with a group called the Resources for the Future and we discussed this whole question of what is a fair price and how do you determine what a fair price is. The consensus there was what are you willing to pay for that resource on an open market, either as a producer, to replace it; perhaps you're the producer,

what are you willing to pay for it, and also the consumer what is he willing to pay for it. That is what a fair price is. Any artificial controls that you put into that relationship will distort it and will not give you the necessary means to replace that resource. I think that is clearly part of it.

The other part is that with an artificial price who, in fact, do you end up subsidizing and you clearly, if you have the opportunity within your own country to become self-sufficient but you are not willing to look at it realistically, that you end up in fact importing that oil at a price, as I've previously said, that you as a consumer are willing to pay for, or must pay for it. The price which you must pay for it in order to get it.

**MR. CHAIRMAN:** Maybe Mr. Uskiw, Mr. Brown has been waiting patiently for an hour and a half, can you finish with one quick question?

**MR. USKIW:** Mr. Chairman, I simply am trying to determine just where there is a contradiction between my position and that of the delegation from Alberta. I fully recognize that you have to pay a price that will provide you with a supply of energy. All I want to know is what is wrong with the cost of production formula as opposed to a world price formula, and so far the response I have is that if you don't pay it you won't ensure the future supply.

I always thought that most businessmen, as long as they are assured of a return on investment to cover their costs and a margin beyond that, are usually prepared to invest money.

Secondly, if there isn't a willingness to commit huge sums of money for development we do fortunately have another vehicle, and that is Petro Canada. And, you know, I don't see why Petro Canada can't become partners with the provinces in doing a lot of this themselves, having nothing to do with the world arrangement in oil supply as far as Canadians are concerned, but having to do with a Canadian energy policy. Canadian control, Canadian ownership, public control and ownership, as far as I am concerned, would be just fine. I don't know why we have to beg someone to invest their dollars for a lucrative return if we have the option, cooperatively speaking, of providing us with self-sufficiency at a return that will cover costs of production and a margin beyond that. I mean, what is the rationale for charging our people more money for energy than what is necessary is really the nub of my question?

**MR. CHAIRMAN:** Mr. Bradley.

**MR. BRADLEY:** I think I could merely respond that I don't think you will find that that resource will be here when we require it with that sort of an approach, quite honestly. I don't know if any further discussion is going to get us any further on this whole question unless some of the other . . .

**MR. CHAIRMAN:** Mr. Uskiw, very quickly please.

**MR. USKIW:** One last point. We have in Manitoba, as you do in Alberta, a natural energy source, namely hydro, and the law in Manitoba states that hydro must produce energy and supply adequate amounts of it to the people of Manitoba at cost, and we have not had any trouble getting more energy supplies from that source. It has worked beautifully

for 100 years and I can't understand why oil is any different. What is the difference in dealing with the energy question as between hydro resource development and non-renewable resource development? There's no difference if you put the cards together the right way.

**MR. CHAIRMAN:** Mr. Clark.

**MR. CLARK:** I don't propose to be able to answer that whole question, I'm just a poor stupid farmer and a physical education teacher, but I would point to you, sir, with the greatest of respect, that most of the oil and gas in Alberta that has been discovered already is the easiest stuff to produce, the cheapest stuff, and we're going to need a great deal more money ploughed back into the industry to discover, not only in Alberta, but across the rest of Canada.

Secondly, I just point out, I wonder if we went on the basis of cost of production plus a regulated rate of return, how many farmers like myself would be involved in farming, and we wouldn't want the Wheat Board to operate that way.

**MR. CHAIRMAN:** Mr. Brown.

**MR. ARNOLD BROWN (RHINELAND):** Thank you, Mr. Chairman. We've briefly touched on the proposed entrenched Charter of Rights. I think that Manitoba Government's position has been very clear on this particular topic, that we have come out very strongly against an entrenched Charter of Rights. We feel that the citizens of Canada should have input as to what their rights are going to be and this should be done through the Legislatures and through Parliament.

To my knowledge we have not heard what Alberta's stand is on this, and I wonder if somebody could comment on this.

**MR. CHAIRMAN:** Mr. Amerongen.

**MR. AMERONGEN:** Alberta's stand, I think, is probably pretty well summarized by what has just been said, that there should be continuing concern about rights and that concern should be given full effect by elected members, rather than by courts which are beyond the reach of the electorate.

We think too that those questions could vary in the various regions of Canada. In some areas perhaps concern about language rights, for example, could be paramount. Concern about other rights might be paramount in other areas. As far as our Legislative Assembly is concerned, I think I'm correct in saying that the first two pieces of legislation which were passed in 1972, Bill No. 1 was The Alberta Bill of Rights, Bill No. 2 was The Individual's Rights Protection Act, and Mr. Clark could correct me if I'm wrong, but I believe —(Interjection)— that's right there was a Bill of Rights before that. But in any case, as I'm saying, when those two bills came up in 1972, I believe they were passed unanimously by the Assembly, so that Alberta's position with regard to a Charter of Rights is not that there should not be protection for rights. In fact our concern is just the other way, it is the question of how those rights are protected, and as I say we are very very much concerned about the protection of rights, but our conviction is that they are more effectively protected

by the elected representatives of the people rather than by persons who are not answerable to the electorate in any way.

**MR. BROWN:** I am pleased to hear Mr. Amerongen make those statements. I believe that we are running very short on time and I know that the Attorney-General has a few questions, so I'll turn the mike over to him.

**MR. CHAIRMAN:** Mr. Mercier.

**MR. MERCIER:** Mr. Chairman, there was reference earlier to reform of the Senate. Late last month a subcommittee of the Senate made a number of proposals relating to reform of the Senate by increasing the number of seats, although not to create equal representation from each province.

I wonder if a member of the committee has any views on reform of the Senate; the composition of powers; whether Senators should be appointed or elected for a fixed term or for the life of a provincial government that may appoint them; whether half should be from the province, half from the federal government? I just wonder whether there are any views on that subject.

**MR. CHAIRMAN:** Mr. Amerongen.

**MR. AMERONGEN:** There has been mention of the Senate over the past few years in the House, but I think it would be fair to say, and this would also follow from the resolution which gave the start to this committee, that our concern is equality of rights among the provinces and whatever means might be adopted, whether they be a reformed Senate, or any other means, to achieve that equality would of course be welcome as tending toward that principle.

Perhaps there are some members of the committee who might wish to elaborate on that. I believe I'm correct in saying, we see this reform, if it is undertaken and carried through in the proper manner, as simply one of the means of achieving that principle of equality.

**MR. CHAIRMAN:** Mr. Anderson.

**MR. ANDERSON:** Mr. Chairman, just from the Government of Alberta's point of view, we don't have an established position with respect to an Upper House, and that's primarily because we do believe, as the Speaker has indicated, that any move in that direction must ensure that there still is the safeguard for the jurisdiction of the provinces, and on the other side for the federal government. We're still looking at and open to suggestions with respect to an Upper House. One caution that I personally would just mention, however, is that any Upper House should not get in the way of the legitimate negotiations or discussions that take place between the elected representatives of the people in the provinces and the elected representatives of the people in the federal government.

From some of my readings, I have noted that Australia, as of late, has run into a number of problems with respect to that particular situation, their Senate causing some sort of roadblock between the communication between government and I think that's something that we would want to

be assured would not take place. Having said that, certainly from the government members on the committee, Mr. Clark may wish to comment from his side, we're open to suggestions and merely feel that there has to be jurisdictional safeguard and an equality in such a body.

**MR. CHAIRMAN:** Mr. Clark, did you wish to comment?

**MR. CLARK:** I'll hold my colleague, Mr. Anderson, to that point he made about how they're open to suggestions here. I would make three points very quickly from our side. We'd like to see a situation where there's equal representation from each province in an elected Senate, and that that Senate would, among other things, be involved in looking at appointments to federal agencies and also to programs which affect the provinces. And that the Senate would, if it sent an appointment or more important a program dealing with provincial jurisdiction back to the House of Commons, the House of Commons could, shall I say, sustain its previous action by a two-thirds vote of the House of Commons.

**MR. CHAIRMAN:** The hour now being 12 o'clock I would like to clear up two matters, which will assist the two Clerks of the various Legislatures very much.

Mr. Amerongen, is there any possibility that two of your six members could stay and have lunch with the members of our committee, and not attend your press conference, is there any possibility of that?

My second point would be: Mr. Mercier and Mr. Desjardins, who sit right beside me here, have indicated that they are not available for tonight at supper hour and I have another commitment. I'd like to find out from the members of our committee, are there any that are free to join you people for dinner tonight?

Is there anybody who you could sort of leave behind, and let them join us for lunch, from your press conference or do they wish to go as a block?

Well, maybe while you are pondering that I'll ask members of our committee, is there anyone who has kept their supper hour free? The Clerk from the Alberta Legislature says the dinner is laid on for 5.15 at the Winnipeg Inn and it will end at 6.45 sharp, so that we could be back here at 7:00 p.m. Because of a morning, and an afternoon and an evening sitting, I went ahead and made commitments for my supper myself today.

Mr. Kovnats? You're free? Okay there are three from the government side that have indicated that they are free to join you at supper tonight.

**MR. CLARK:** We are free to welcome anybody from the other side of the House as well.

**MR. CHAIRMAN:** I am always fair to them.

**MR. ABE KOVNATS (Radisson):** No, the people from the other side of the House don't eat during committee meetings. We just give them a little bit of raw meat.

**MR. CHAIRMAN:** What about Dr. Reid?

**DR. REID:** Mr. Chairman, it is a bit difficult for us to cope with the press conference in anything but the

whole group, because of our chairman and to give the opposition the opportunity of being there, and I'm sure Mr. Clark wouldn't want to miss that opportunity. The possibility exists about tomorrow at lunch time, because I was looking at our agenda and three of us have to meet with the la Socité franco-manitobaine at 1.30. But tomorrow lunch, would that satisfy your request?

**MR. CHAIRMAN:** Well, I'll see what our Clerk can arrange for tomorrow and we'll cancel today's, but we'll see what can be arranged for tomorrow and he can get back to your Clerk and let him know after lunch.

So as of tonight at the Winnipeg Inn we have three members of the committee that are available and prepared to meet with you.

Mr. Amerongen.

**MR. AMERONGEN:** Mr. Chairman, I'd like to express my regret that because of the very very short time I think there has been perhaps some failure of communication. I think there were arrangements made, at least we thought they had been made, and I must say that we must make allowances for the fact that the time has been extremely short. We were caught, you might say, between the rush which usually pertains to the closing of a session and Christmas facing us, and we were extremely anxious to exchange views with our friends in Manitoba, so that we have come here without the ordinary preliminary exchanges that would ordinarily have taken place for meetings of this kind.

I am pleased that we have had an effective exchange of views. We have some additional indications of concerns in Manitoba, and I hope that we have left with you some indication of the emphasis of the directions which are a consensus in the Parliament of Alberta, and I think that these discussions should serve to further the objects of both committees and the objects of both our provinces in this continuing dealing with the Constitution of our country.

I'd like to thank you very much for meeting with us this morning and we'll look forward to the continuing informal contacts which obviously are going to be available to us for the remainder of our visit to your very pleasant province.

**MR. CHAIRMAN:** Sir, on behalf of the committee, I thank all six of you from Alberta, plus your staff members, that have been with us this morning, and hopefully my committee members will let me know right after lunch about tomorrow, if they can make themselves available. If so, we will meet with them in the dining room within our own building, so that we're not spending time travelling about. So would my members let me know at 2:00 p.m. this afternoon if you can make yourselves available and we will communicate, Mr. Speaker, through your Clerk.

Thank you kindly.

We will be meeting again at 2:00 p.m. with public representation. I had hoped that if we did not use up the full morning that maybe we could squeeze in Mr. Richardson, who isn't available for presentation tomorrow I understand, but I was receiving a number of phone calls over the weekend from people that are on our famous list, saying am I going to get

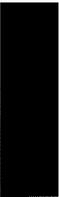
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shoved down further, and so on? So I have told persons that have called me that we will go with our original list, as the persons applied to be on it.

We will reconvene at 2:00 p.m.

Committee rise.



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