

## Legislative Assembly of Alberta

Title: **Monday, March 21, 1994**

1:30 p.m.

Date: 94/03/21

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

As Canadians and as Albertans we give thanks for the precious gifts of freedom and peace which we enjoy.

As Members of this Legislative Assembly we rededicate ourselves to the valued traditions of parliamentary democracy as a means of serving our province and our country.

Amen.

head: **Presenting Petitions**

MR. SPEAKER: The hon. Member for Edmonton-Centre.

MR. HENRY: Thank you very much, Mr. Speaker. I beg leave of you to present a petition signed by 139 Albertans primarily from the Calgary region. The gist of the petition is that the signatories believe that we need a 400-hour kindergarten for Alberta, not a 200-hour kindergarten.

MR. SPEAKER: The hon. Member for Edmonton-Strathcona.

MR. ZARIWNY: Thank you, Mr. Speaker. I seek leave to introduce to you a petition signed by 2,967 University of Alberta students urging that the government "reconsider its proposed cuts to Advanced Education."

MR. SPEAKER: The hon. Member for Edmonton-Glenora.

MR. SAPERS: Thank you, Mr. Speaker. I'd like to introduce today a petition signed by 122 residents of west Edmonton urging the government to maintain 400 hours of kindergarten instruction without imposing user fees or any other barrier.

head: **Reading and Receiving Petitions**

MR. SPEAKER: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Speaker. I would ask that the petition I presented on March 9 in this Legislature in support of keeping the Grey Nuns hospital open as an active care treatment centre now be read and received.

CLERK:

We the undersigned petition the Legislative Assembly of Alberta to urge the Government to maintain the Grey Nuns Hospital in Mill Woods as a Full-Service, Active Hospital and continue to serve the south-east end of Edmonton and surrounding area.

head: **Notices of Motions**

MR. ZWOZDESKY: Mr. Speaker, I rise to give notice to the Assembly that I will rise again at the appropriate time to urge this Assembly to receive and give unanimous consent to the following motion:

Be it resolved that this Assembly recognize March 21, 1994, as the International Day for the Elimination of Racial Discrimination.

Thank you.

MR. SPEAKER: The hon. Minister of Advanced Education and Career Development.

MR. ADY: Thank you, Mr. Speaker. I beg leave to advise that following question period today I'll rise to seek unanimous consent under Standing Order 40 for the following motion:

Be it resolved that the Legislative Assembly offer congratulations to the University of Alberta Golden Bears basketball team upon their victory in winning the Canadian Interuniversity Athletic Union championships in Halifax, Nova Scotia, on Sunday, March 20, 1994.

MR. SPEAKER: The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you, Mr. Speaker. I rise now to inform the House that I will at the appropriate time ask under Standing Order 40 to dispense with the notice period and approve a motion which will read as follows:

Be it resolved that this Assembly do formally congratulate the players, coaches, and managers of the Fort McMurray double A midget Merchants hockey team on the occasion of winning the provincial championships on March 20, 1994.

head: **Introduction of Guests**

MR. SPEAKER: The hon. Member for Edmonton-Mayfield.

MR. WHITE: Thank you, Mr. Speaker. I would like to introduce to you today and through you to the members of the Assembly 10 students in the English as a Second Language course at the Alberta Vocational College, Winnifred Stewart campus. That in fact is a government-run operation and a very good one at that. They are here with Maryanne Homeniuk, and I'd ask them to rise and receive the warm welcome of this House.

MR. SPEAKER: The hon. Member for Edmonton-Centre.

MR. HENRY: Thank you very much, Mr. Speaker. It's with great pleasure that I'd like to introduce to you and through you to members of the Assembly 20 bright young students from grade 6 at Queen Mary Park school in my riding. They are accompanied by their teachers Maureen Trefanenko and Roxanna Porenchuk. I spoke with these students just before we convened, and I was very impressed with the level of knowledge about the personalities and the functions in this Legislative Assembly. If they would like to rise and receive the warm welcome of the Assembly, please.

MR. SPEAKER: The hon. Minister of Family and Social Services.

MR. CARDINAL: Thank you very much, Mr. Speaker. It's my pleasure to introduce to you and through you to the Members of the Legislative Assembly 10 adult students from the Calling Lake campus of the Alberta Vocational College. They are seated in the members' gallery, and I would like to ask them to rise and receive the traditional warm welcome of the Assembly.

MR. SPEAKER: The hon. Member for Calgary-Currie.

MRS. BURGNER: Thank you, Mr. Speaker. It's with great pleasure that I introduce to you and through you to the Assembly the students of the Alberta politics class at Mount Royal College. There are 21 in their party, and they are accompanied by Miss

Janet Alford. I'd like them to rise and receive the warm welcome of this Assembly.

head: **Oral Question Period**  
**Kindergarten Programs**

MR. DECORE: Mr. Speaker, the Organization for Economic Co-operation and Development – we know it as OECD – says that the most successful economies in the world are those where there is a kindergarten program. Alberta is the only province in Canada and we're one of the few countries in the world in this scheme of things that is actually going backwards instead of forwards with kindergarten programming. By cutting kindergarten in half, is the Premier saying that he and his government are right and OECD countries are wrong?

MR. KLEIN: Mr. Speaker, what we are saying and certainly what the Minister of Education is saying is that 200 hours of ECS is deemed sufficient to prepare a child for grade 1.

MR. DECORE: Well, Mr. Premier, I'd like to know who said this. What expert has given you the advice and your government the advice that 200 hours is the right amount when OECD countries are going exactly in the opposite direction?

MR. KLEIN: Well, Mr. Speaker, I take my advice from the minister, who obviously has very good people on his staff, dedicated researchers who have come to this conclusion, I assume, based on sound information.

MR. DECORE: Well, Mr. Premier, will you table in this Assembly tomorrow the documentary evidence that suggests, that shows, that proves the case that cutting kindergarten from 400 hours to 200 hours is going to be a good thing for Alberta education?

MR. KLEIN: I will take this matter up with the minister. [interjections] Now, just a moment. Mr. Speaker, the hon. leader of the Liberal Party needs to be reminded that he is not the government. He doesn't set this agenda. And thank God he doesn't. When the hon. minister returns, I will discuss this matter with him, and I'm sure he will be willing and able to table all the information available relative to what is sufficient to prepare a student for grade 1.

MR. DECORE: Mr. Speaker, at first the Education minister said that cutting kindergarten hours would not hurt a child's future performance. Since then, Mr. Premier, your Education department officials have been forced to admit that they have no evidence that children will do as well after the cuts as they did before. Yes, it's true that we're not the government, but we're entitled to ask questions in this Assembly. The Premier is the leader of his party. The Premier should have the answer. What, Mr. Premier, is the education evidence that says that cutting by half is going to be a good thing for education in Alberta?

1:40

MR. KLEIN: Mr. Speaker, again, I don't deny that the Liberal opposition has the right to ask questions. They do not have the right to set my agenda. That's what I'm saying.

MR. CHADI: Somebody has to.

MR. KLEIN: Thank God it's not you; I'm telling you that for sure.

Mr. Speaker, when the minister returns, I will discuss this matter with – as a matter of fact, I had this discussion with the minister last Wednesday. It was brought up at the editorial board meeting of the *Calgary Herald*. The minister at that time gave an undertaking that he would bring the information together. I'm sure that he would be very happy to table that information in the Legislature, but I don't have it at my fingertips.

MR. DECORE: Mr. Premier, you may have the right to set an agenda, but you have no right to ruin the education of young people in Alberta.

I'd like the Premier to tell Albertans why in his budget \$79 million is being spent upgrading secondary roads and he's abandoning five-year-old children.

MR. KLEIN: Mr. Speaker, we are not abandoning five-year-old children or four-year-old children. We are saying that we are providing funding for 200 hours of preschool education, understanding that kindergarten is not now and has never been part of the school system. It has never been part of the school system, and there are other jurisdictions where there is absolutely no government funding for kindergarten. I just find this absolutely ludicrous coming from the man who promised \$1.1 billion in brutal . . . [interjections]

MR. SPEAKER: Order. Order.

MR. DECORE: Mr. Speaker, it's not ludicrous when you're denying children an education. It's not ludicrous when these children become the economic strength of Alberta. Why, Mr. Premier, is it more important to look after potholes than preschoolers?

MR. KLEIN: Mr. Speaker, what we're trying to do is we're trying to rationalize virtually all programs in government, and there is a restructuring of virtually every single department. This does not apply only to Education. I can only reiterate that 200 hours of preschool education has been deemed appropriate for entry into grade 1.

MR. SPEAKER: The hon. Member for Edmonton-Centre.

MR. HENRY: Thank you very much, Mr. Speaker. We have a new math in Alberta: the Premier thinks 400 hours somehow equals 200 hours. He says that parents and boards can have the full 400 hours if they can afford to pay for it. We now have a two-tiered kindergarten, one for those who can afford to pay \$600 and another one for those who can't afford to pay the \$600. My question to the Premier is: will the Premier tell us why he is creating the Alberta advantage for one group of children and the Alberta disadvantage for another group of children?

MR. KLEIN: Mr. Speaker, I guess how the various school authorities and jurisdictions want to work it out is entirely up to them. The simple fact is that our minister says that 200 hours . . .

MR. HENRY: He's wrong.

MR. KLEIN: Well, how do they know he's wrong? The minister in due time will produce the evidence and the research that indicates that 200 hours is deemed sufficient to prepare a student for grade 1.

MR. HENRY: Mr. Speaker, the minister should have had the research done before cutting kindergarten.

The Premier is big on fiscal equity in education. I'd like him to explain to us how cutting kindergarten in half fits into his policy of equitable education for every single Albertan.

MR. KLEIN: Mr. Speaker, when we're talking about the school system – that is, grade 1 through grade 12 – there will be equity created throughout this province. But I would wonder out loud and I would contemplate and maybe ask the hon. member out loud: when was ECS formally part of the school system?

MR. HENRY: It's only in Alberta that it isn't, Mr. Speaker. He should know that.

I'd like to know why the Premier is telling low-income Albertans that their children are only half as important as those who can afford to shell out \$600.

MR. KLEIN: Mr. Speaker, I can only reiterate that 200 hours is deemed to be appropriate in terms of instruction for ECS students to prepare them for entry into grade 1.

MR. SPEAKER: The hon. Member for Cypress-Medicine Hat.

#### Apprenticeship Programs

DR. L. TAYLOR: Thank you, Mr. Speaker. At a recent meeting with students and faculty of Medicine Hat College a concern was raised regarding new restrictions being placed on the apprenticeship programs. This question is to the minister of advanced education. Could you please tell this House what these restrictions are?

MR. ADY: Mr. Speaker, I assume that the member is talking about a discussion paper that was sent out by my department to the colleges in the province within the adult education system that had to do with the rationalization of apprenticeship programs in the province. It was an effort to draw the institutions into a discussion with other institutions and with the department in an effort to rationalize low-enrollment programs across the system and make them more cost-effective. That discussion paper in fact does exist, and that's its purpose.

DR. L. TAYLOR: The concern has been that one of these restrictions may be 50 students per program, and as Medicine Hat has never had the facility to handle 50 students, will the minister make an exception for Medicine Hat College?

MR. ADY: Mr. Speaker, there have been exceptions made in the past. I want to make it really clear that although 50 students was the number that was used in the discussion paper, the 50-student number is not one that's cast in stone or necessarily one that would be enforced but one to spark discussion among the institutions and to work something out with the department in an effort to deal with low-enrollment courses in colleges in an effort to cause them to either collaborate with each other and amalgamate them or to come up with other options which would make them more cost-effective.

DR. L. TAYLOR: Will the minister consider funding these apprenticeship programs on a cost-per-student basis, as the Medicine Hat College is a very efficiently run organization?

MR. ADY: Well, Mr. Speaker, I recognize that the Medicine Hat College has done a very good job as far as being cost-effective with the programs that they offer. However, the initiative that we brought forward to deal with those institutions who are in a position to bring forward very cost-effective programs is the new access fund of some \$47 million. Some of that funding will be available perhaps in the school year starting in September and certainly by January. As institutions bring forward proposals that are very cost-effective and innovative and will cause the access in their institution to increase, they would have an opportunity to receive funding from that. Within two years we hope to have a new funding formula in place that will more accurately or perhaps in a more definitive way reward institutions who perform very efficiently or effectively.

MR. SPEAKER: The hon. Member for West Yellowhead.

#### 1:50 Kindergarten Programs (continued)

MR. VAN BINSBERGEN: Thank you, Mr. Speaker. This government has demonstrated its commitment to education by cutting kindergarten in half, but in addition to that they're also totally eliminating the funding for transportation for kindergarten students. I have a question for the Premier here. Why is he hitting the parents of rural students with a double whammy here: no transportation and they often live far away from school?

MR. KLEIN: As I understand it, Mr. Speaker, in the rural areas that will be co-ordinated with the regular transportation for school children.

MR. SPEAKER: The hon. Member for West Yellowhead. Supplemental question.

MR. VAN BINSBERGEN: Thank you, Mr. Speaker. Perhaps the Premier could check into that, because that is not the way I heard it.

Could the Premier explain, then, how the enhanced opportunity grant to help low-income parents with kindergarten children will benefit parents outside of the big cities?

MR. KLEIN: Mr. Speaker, first of all, to answer the transportation question – and it's obvious that the Liberals have trouble with this because most of them are city folk – I understand that in the rural areas instead of ECS students attending half days, they attend full days, and those hours will come down to two hours a day.

MR. VAN BINSBERGEN: Mr. Speaker, I don't think there's a kindergarten student in the province who will attend school a whole day.

My last question. [interjections]

MR. SPEAKER: Order. Order. [interjections] Order. This shows the danger of asking a supplemental with a sort of preamble, hon. member.

MR. VAN BINSBERGEN: Well, I just wanted the Premier to know that I am a rural member.

Mr. Speaker, as I gather, the Premier is saying that there are no . . .

SOME HON. MEMBERS: Question. Question.

MR. SPEAKER: Perhaps we could have the question without a preamble, please.

MR. VAN BINSBERGEN: The question, finally, Mr. Speaker: is the Premier saying that there are no low-income parents with kindergarten children in rural areas?

MR. KLEIN: No, Mr. Speaker, I'm not saying that at all.

MR. SPEAKER: The hon. Member for Three Hills-Airdrie.

#### **International Trade**

MS HALEY: Thank you, Mr. Speaker. My question is for the minister of economic development, and it is in regards to Alberta exports. In 1992 and again . . .

MR. SPEAKER: Order. The Chair will inquire whether the hon. member has carefully considered the rule against anticipation. The estimates of Economic Development and Tourism are before the Assembly today. If the hon. member can demonstrate that it doesn't offend against the rule against anticipation.

MS HALEY: I'll give it my best shot, Mr. Speaker.

The exports in 1992 and again in the first six months of 1993 showed that 76.5 percent and 80.1 percent of our exports went to the United States. My question for the minister is: could he explain why our exports to the rest of the world are declining?

#### **Speaker's Ruling Anticipation**

MR. SPEAKER: Order. The Chair believes that this subject could be adequately addressed in estimates, in fact more adequately. The minister will have much more opportunity to answer the member's question.

The hon. Member for Edmonton-Beverly-Belmont.

#### **Senior Citizens' Programs**

MR. YANKOWSKY: Thank you, Mr. Speaker. Some 3,000 Alberta citizens, many of them seniors, marched on their Legislature on Saturday to plead with their government to show some mercy in their cuts frenzy. It was heart wrenching to see elderly people standing there shivering in the frigid weather. My question is to the Premier. In view of Saturday's massive outcry, when will you raise the thresholds and put more money into the Alberta seniors' benefit program?

MR. KLEIN: Mr. Speaker, that's what the consultation process is all about. Indeed the minister is conducting a series of consultations right now, I understand, in Medicine Hat, and he'll be crisscrossing the province along with the chairman of the Seniors Advisory Council to seek the input of seniors and determine from them what is right for them.

MR. SPEAKER: Supplemental question.

MR. YANKOWSKY: Thank you, Mr. Speaker. Mr. Premier, when are you going to stop talking and talking and talking? When will you actually do something? Seniors want action.

MR. KLEIN: Mr. Speaker, I think that we're doing the right thing. We said that we would consult with seniors, that we would talk with seniors, that we would listen to seniors, and that is exactly what we're doing.

MR. SPEAKER: Final supplemental.

MR. YANKOWSKY: Thank you, Mr. Speaker. This question is to the minister responsible for seniors' housing. Exactly which seniors groups told you to privatize housing and deregulate rents?

DR. WEST: Mr. Speaker, the other day this same member asked a question relevant to this question. I said unequivocally that we are not privatizing the existing seniors' housing in this province and that deregulation of rents is driven by a federal policy that had been set at 30 percent. We consistently had been at 25 percent. At a meeting in Toronto we had come to a meeting of the minds across Canada, including all the provincial ministers that were present at that. The federal minister is a Liberal and so are a lot of the other members. They agreed to go to 30 percent.

MR. SPEAKER: The hon. Member for Calgary-Fish Creek.

#### **Freedom of Information Legislation**

MRS. FORSYTH: Thank you, Mr. Speaker. My question today is to the Premier. As a member of the all-party panel on the freedom of information and privacy Act my constituents are calling and wondering when this important piece of legislation will be tabled.

MR. KLEIN: Well, Mr. Speaker, we're trying to work it through as quickly as possible. There's good discussion now going on in our caucus to bring the legislation forward as quickly as possible. My commitment with the indulgence of the Official Opposition is to get it through this spring session.

MR. SPEAKER: Supplemental question.

MRS. FORSYTH: Yes. Thank you. Can the Premier outline the decision-making process before introducing this piece of legislation?

MR. KLEIN: Well, the decision-making process, first of all, started out with a very unique process, and that was a two-party commission to hear from the public relative to what they would like to see in this legislation. It then goes to the government caucus, because it will be introduced as a government Bill. Then it goes through a process called legislative review, where it is examined in detail as to form and content to make sure that when the legislation comes through, it is legally correct.

**2:00**

MR. SPEAKER: Final supplemental.

MRS. FORSYTH: Yes. My third question is to the Premier again. Will the legislation reflect the all-party panel's report?

MR. KLEIN: Yes, Mr. Speaker. I have given that undertaking. Certainly this was legislation that was taken out in Bill form along with a discussion paper, and certainly it will reflect the input of the public and the recommendations of the two-party panel.

MR. SPEAKER: The hon. Member for Edmonton-Roper.

#### **West Edmonton Mall**

MR. CHADI: Thank you, Mr. Speaker. On February 4 Triple Five Corporation wrote a letter to the Premier asking for his assistance in a refinancing package for West Edmonton Mall.

Last week we heard musings about the Newfoundland loans, and this week the Premier says that he'll use his best efforts to assist Triple Five Corporation. My question is to the Premier. Can the Premier tell Albertans what he means when he says that he'll use his best efforts?

MR. KLEIN: Well, Mr. Speaker, I think we all understand – certainly we do in this caucus, and I would hope that the folks across the way would understand because they're all from Edmonton – that this is a very . . . [interjections] Most of them are from Edmonton; right? [interjections] All the constituencies in Edmonton are represented by them; right? I would hope that they would be interested and concerned about the viability of West Edmonton Mall because it is a tremendous tourist attraction and is of tremendous economic benefit not only to the city of Edmonton but to Alberta. So basically we are saying that the government is not going to become involved in any way, shape, or form in financing this operation, but certainly we will act as facilitators to help to make sure that the mall remains viable in the city of Edmonton.

MR. SPEAKER: Supplemental question.

MR. CHADI: Thank you, Mr. Speaker. There's no question that we know the benefits of West Edmonton Mall to the city of Edmonton. What I had asked was something that wasn't answered; that's all.

Mr. Speaker, in the February 4 letter, of which I'm now going to table four copies for this Legislative Assembly, it is quite clear. It says, "We know that your government is as anxious as we are to see this debt reduced." My question is to the Premier. What involvement does your government have in the reduction of the debt owed to the Treasury Branches?

MR. DINNING: Well, Mr. Speaker, clearly this government has made our position very clear: West Edmonton Mall is an important asset in the Alberta economy, and we believe in its future. As for any renegotiation of the financing by the owners of the mall, that is a matter the owners of the mall must undertake and I presume are undertaking with the financial institutions with which they're related. For this government or for this Assembly to become involved or enmeshed in those kinds of private-sector dealings we believe is not the right way to go. We are getting out of the business of business, and the owners of the mall are looking after their own financial affairs.

MR. CHADI: Mr. Speaker, the Treasury Branches are owed \$115 million or thereabouts. Can the Treasurer, then, give us his assurance that Albertans will not be subjected to any discounting by the Treasury Branches in any part of any refinancing package? Give us that assurance.

MR. DINNING: Mr. Speaker, the only people in this province who are talking about the problems and a negative outlook for West Edmonton Mall are the Liberal Party across the way. They're the ones I watched on Thursday and Friday last who were literally rubbing their hands in glee at the prospect of failure on the part of West Edmonton Mall. We have confidence in the ability of the owners of the mall to rearrange their financial obligations so that the mall remains viable, remains successful. It's a clear fact that there are a number of lenders involved here. The owners of the mall have acknowledged that they do business with Alberta Treasury Branches, and they are part of the negotiation process to refinance the mall. The government is not getting

involved. The government will not get involved, nor should it. The matter is a private matter between the owners of the mall and their financial institutions. For members across the way to rub their hands in glee at the prospect . . . [interjections]

MR. SPEAKER: Order. Order. [interjections] Order.  
The hon. Member for Wainwright.

### Agriculture Safety Net Programs

MR. FISCHER: Thank you, Mr. Speaker. Today is the first day of spring, and this is the day when farmers begin planning their cropping program for the next year and beyond. One of the items that is of extreme importance to all farmers here in Alberta is the item of safety net programs. Can the minister of agriculture indicate to the House the current status or the change of status in our safety nets?

MR. SPEAKER: The hon. Minister of Agriculture, Food and Rural Development.

MR. PASZKOWSKI: Thank you, Mr. Speaker. Yes, indeed, I'd be pleased to share with the House the status of the safety net, the discussion process and just where the discussions are leading. We made a commitment when we withdrew from tripartite for the cattle industry, when we withdrew from tripartite for the sheep industry – the pork industry is in negotiation for withdrawal from tripartite – that indeed within a year we would immediately start engaging in discussions of developing an all-encompassing, all-farm safety net process. Later on this month we'll be meeting with all of the agriculture ministers of all the provinces – we'll be meeting with the federal minister as well – in discussion of developing a safety net.

MR. WICKMAN: Major speech.

MR. PASZKOWSKI: It may not be of interest to the hon. Member for Edmonton-Rutherford, but it's very much of interest to the agricultural community, and it's unfortunate that it isn't of interest . . . [interjections]

MR. SPEAKER: Order.  
Supplemental question.

MR. FISCHER: Thank you, Mr. Speaker. Since these are joint federal/provincial programs that are in place and are being discontinued and the new program that will come in place, just how is that affecting us here, our Alberta producers?

MR. PASZKOWSKI: We're looking at an all-encompassing, all-farm program. Indeed, even today we're meeting with a group of farmers to develop a format, criteria for an all-farm program. That's the process that we are going through. Once we develop the criteria, we'll be using those criteria in consultation with all the other ag ministers in developing a program that will be the most suitable for our Alberta agricultural community. We're a strong believer in a safety net process because we have no knowledge whatsoever of when disaster may strike, and consequently it's of vital importance that we have a comprehensive safety net program in place for our agricultural producers.

MR. FISCHER: What is the time line for these programs?

MR. PASZKOWSKI: The hope is to have this safety net program in place within a year's time. Obviously, because of the fact that we have certain segments of the industry that are not in a program

at the present time, it's vital and it's very important that we move very rapidly in developing the safety net program.

Further to the safety net program, we also have to become involved in discussions on the way the Crow is paid. We have to become involved in discussions as to the structuring of the Wheat Board, whether indeed it should be updated. We have to be totally involved in a holistic approach as far as agricultural concerns, and safety nets are one part of that approach.

MR. SPEAKER: The hon. Member for Edmonton-Meadowlark.

### 2:10 Health Services Restructuring

MS LEIBOVICI: Thank you, Mr. Speaker. The Premier hides behind the collective bargaining process to excuse his lack of action regarding 10 to 30 percent wage cuts in the health care sector. In fact, the Premier has been out-Kleined by health care employers who are making excessive cuts to health care workers. Alberta Hospital Edmonton is firing 100 housekeeping and security workers because the hospital can't work miracles and balance its budget. My question is to the Premier. As the Premier has said that it's unreasonable to ask employees to take 20 to 30 percent wage cuts, when is the Premier going to rein in his government-appointed board of Alberta Hospital Edmonton?

MR. KLEIN: I really don't know, Mr. Speaker, but I'll ask the hon. minister.

MRS. McCLELLAN: Mr. Speaker, we've made it clear on more than one occasion in this House the appropriate role for the government in these negotiations. I have made it abundantly clear, as has the Premier, that we respect the collective bargaining process. I do not believe that the unions would want us to be selective in the times that we respect that. I have made it clear to them that I respect the collective bargaining process and that it is an issue for the employers and the employees to deal with through the appropriate channels.

MR. SPEAKER: Supplemental question.

MS LEIBOVICI: Thank you, Mr. Speaker. My supplementary is again to the Premier. Is the Premier willing to initiate a 90-day moratorium on job losses in the health care sector so that the tripartite process can recommence in good faith?

MR. KLEIN: Mr. Speaker, perhaps that question could be more appropriately directed to the hon. Member for Clover Bar-Fort Saskatchewan. She was the former chairman of the Alberta Hospital.

Relative to the collective bargaining process . . . [interjections]

MR. SAPERS: Mr. Speaker, he's deferred the answer.

MR. KLEIN: Well, the question wasn't directed to her.

Relative to the collective bargaining process, I'll defer to the hon. Minister of Labour.

MR. DAY: Mr. Speaker, reference to the tripartite process was a good reference. In fact, in meetings held with the Minister of Health and myself and labour union representatives just last week, there was a discussion about what items need to come back to the tripartite table and a genuine willingness on their part to continue those discussions, and they will be continuing.

MR. SPEAKER: Final supplemental.

MRS. ABDURAHMAN: I'd like to supplement his answer.

MR. SPEAKER: No.

MRS. SOETAERT: Why not?

MR. SPEAKER: That's out of order.

Hon. Member for Edmonton-Meadowlark, final supplemental.

MS LEIBOVICI: I have one more question for the Premier.

MR. GERMAIN: You won't get one more answer, though.

MS LEIBOVICI: I know I won't get an answer.

I'd like to know whether . . .

MR. SPEAKER: Hon. members, cast your minds back to last Thursday. [interjections] Please. [interjections]

MR. DINNING: It's the first day of spring, Mr. Speaker. [interjections]

MR. SPEAKER: Order. Whether it's springtime or not, this week is not getting off in the most auspicious manner.

Hon. Member for Edmonton-Meadowlark, final supplemental.

MS LEIBOVICI: Thank you, Mr. Speaker. My final supplemental is again to the Premier, and the question is: is your refusal to get involved an acceleration of your government's agenda to privatize health services?

MR. KLEIN: Well, Mr. Speaker, there is no government proposal to privatize medicine, at least not from this side, but I refer to a newspaper article Sunday, April 11, 1993, headlined: Decore praises private medicine. So if anyone is promoting private medicine, it comes from over there.

MR. SPEAKER: Calgary-North West.

### English as a Second Language Programs

MR. BRUSEKER: Thank you, Mr. Speaker. Research shows that cutting funding for special-needs persons now, such as ESL, will result in increased costs later. On Friday I had the opportunity to go to Langevin school, which is an inner-city high-needs school in the city of Calgary where some students are going to be hit with a double-Klein when both ECS and ESL are cut, English as a Second Language and early childhood services. My question is to the Premier. How does the government intend to meet the needs of new Canadian students that will see services reduced in both areas?

MR. KLEIN: Mr. Speaker, relative to inner-city schools, the minister has made it quite clear . . .

MR. HENRY: Not all immigrants live in the inner city.

MR. KLEIN: Mr. Speaker, it's quite obvious that this hon. member never gets down to Calgary, has no understanding of the city. Langevin school is an inner-city school. It's an inner-city school, and it's deemed to be a high-needs area, and the minister

has made it quite clear that there will be special funding for inner-city schools in high-needs areas.

MR. BRUSEKER: Mr. Speaker, the \$700,000 that the Premier refers to is less than what the Calgary board is cutting in ESL alone, forgetting ECS, so my supplementary question is: how is the \$700,000 for the entire province going to begin to meet the needs of students in inner-city schools like Langevin?

MR. KLEIN: I can only reiterate that the minister has made provision in his program for high-needs inner-city schools in both Calgary and Edmonton.

MR. BRUSEKER: Mr. Speaker, twice the Premier has said "inner-city schools," so my final supplementary question is: what does the government plan to do about the ESL students who live outside of the areas of inner-city schools? Are you just going to ignore them?

MR. KLEIN: Mr. Speaker, . . .

MR. N. TAYLOR: You've become a fat cat, Ralph.

MR. KLEIN: No, we haven't become a fat cat, Nick. The only fat cat sitting over there is . . . [interjections]

MR. DINNING: All of them.

MR. KLEIN: All of them; right. Yeah.

Mr. Speaker, we have established our business plan based on priorities. The priority of this government is to make sure that there is equal, basic, and essential education for all students in this province. We have also challenged the school boards, challenged the school jurisdictions to find better, more effective, and more efficient ways of delivering these services, some of which can be deemed to be nonessential but nonetheless important, by first looking at their own administration and seeing what they can do to break down and to reduce the administration of the system.

MR. SPEAKER: The hon. Member for St. Albert.

#### Mobile-home Legislation

MR. BRACKO: Thank you, Mr. Speaker. The mobile home tenancies amendment Act passed third reading two years ago, in 1992. The Act did not address a lot of issues raised by the tenants, like the need to have the landlord tell about after-the-fact fees, but provides better protection than the present legislation. My question to the Premier: what is the hold-up in bringing this Act in?

MR. SPEAKER: The hon. Minister of Municipal Affairs.

MR. WICKMAN: He said the Premier.

MR. KLEIN: I'm sorry. I didn't hear the question. What was it? [interjections]

MR. SPEAKER: Order. [interjections] Hon. Member for Edmonton-Rutherford, order.

The hon. Minister of Municipal Affairs.

DR. WEST: Mr. Speaker, I think there's a tendency to misdirect questions here in this Assembly to avoid hearing the answers from the people who run the various departments.

This Act did go through the Assembly, but right now there are some 37 Acts under review in my department, which has the remainder of the corporate and consumer affairs in it. Consistent with the direction of this government to restructure, to look at all of the areas of legislation, to simplify it, to bring out less regulations, and to protect the people of Alberta to the best of our ability but allow the free market to work – we are doing that consistent with that policy at the present time with this Act.

2:20

MR. SPEAKER: Supplemental question.

MR. BRACKO: Thank you, Mr. Speaker. Two years and no action.

To the Premier: why do you continue to treat mobile-home owners as second-class citizens?

MR. KLEIN: Mr. Speaker, we simply don't.

MR. BRACKO: What happens to the present tenants who do not have safeguards provided for in the Act in limbo?

DR. WEST: Mr. Speaker, there is an Act in place at the present time plus the business practices Act. There are all types of avenues for individuals who have problems, and if you would bring forth any individual circumstance that you know of, bring it to this minister, we'll look into it.

MR. SPEAKER: The hon. Member for Fort McMurray.

#### Suicide Prevention

MR. GERMAIN: Thank you very much, Mr. Speaker. You know, suicide is always tragic but doubly so when it involves a young person. Fort McMurray, as a community in the northern Alberta area, is not immune from this concern, yet the minister in charge of social services closed the youth assessment facility without any community consultation last week. My question, then, is to the minister of family and community services. Mr. Minister, why did this essential Fort McMurray service have to close?

MR. CARDINAL: Mr. Speaker, the facility may be closed, but the services continue to operate and are operated very well by the community. This facility was equipped to handle 21 youths, and what we had in there were six youths, up to 21 staff, spending \$700,000 a year to run that facility. We do have agencies in the community that will run the service, a high quality of service, community controlled, at a much, much cheaper cost.

MR. SPEAKER: Supplemental question.

MR. GERMAIN: Thank you. My supplemental, then, to the Minister of Health: will she provide additional funding for the Fort McMurray regional hospital to accommodate these desperate cases when they can no longer get access to this facility?

MRS. McCLELLAN: Mr. Speaker, we do have funding through our public health departments in all areas of this province for suicide prevention, for intervention programs. If the Fort McMurray public health services were to identify a problem within that area that they were unable to deal with within the funding they have available, I am sure they would make that known to us immediately.

MR. GERMAIN: Will the Minister of Family and Social Services confirm that indeed the outreach portion of his program is also going to face severe cutbacks next year?

MR. CARDINAL: No. Mr. Speaker, in fact as I have indicated to the Assembly before, part of the welfare reform is a three-year strategy and a three-year plan concentrating on getting employables off welfare in the first phase of it. The second phase is reshaping child welfare, and the third phase is persons with disabilities. The program has been so successful this year that it allowed us to transfer close to \$100 million into the high-needs area, and this minister will continue doing that.

MR. SPEAKER: The hon. Member for Edmonton-Glenora.

### Education Restructuring

MR. SAPERS: Thank you, Mr. Speaker. The Klein caravan continues to smash education: user fees for kindergarten, tuition for students who want to return to high school, the education allowance cut for welfare families. All this in spite of the Toward 2000 document that says: to deny a child an education and training is to deny that child access to the economy. To the Premier: why, Mr. Premier, would you deny these Alberta children this access?

MR. KLEIN: That's a ridiculous statement. [interjections] It certainly is. It certainly is, Mr. Speaker. What we are trying to do – and we have explained this time and time again – is to reduce the amount of administration in the system so we can get more dollars into the classrooms, so we can bring more decision-making down to the school level, involving parents, involving teachers, involving the community at large, and involving the pupils. That is what we are trying to do. What we are trying to do overall is address the problem of spending \$2.5 billion a year more than we earn. Now, I know what the Liberals would do. They would go out and either raise taxes, introduce new taxes, or borrow and borrow and spend and spend money that we simply don't have.

MR. SAPERS: Mr. Speaker, Alberta children want an education, not rhetoric.

If the government is truly committed to that, then why would this Premier allow his Minister of Education to erect even the smallest barrier to education?

MR. KLEIN: Mr. Speaker, he is not erecting barriers to education. As a matter of fact, he's breaking down barriers to education. They don't understand over there. They don't understand. The Liberals don't understand that what we don't want to do is burden these kids when they graduate with piles of debt and a runaway deficit.

MR. SAPERS: Mr. Speaker, maybe the Premier could answer a question that was put to me by one of my constituents last Thursday night. They asked me and I'll ask the Premier on their behalf: is it now this government's policy that only those who can afford it will get an education in Alberta?

MR. KLEIN: That is absolute nonsense. So the hon. member can take the answer back to his constituent, the answer very simply, Mr. Speaker, is that we are trying to create in this province a system of education that will be equal and fair to all.

MR. SPEAKER: The time for question period has expired. The Chair has received notices of at least two points of order. Did the hon. Member for Edmonton-McClung have a point of order?

MR. MITCHELL: No. It's okay, Mr. Speaker. I'll pass.

### Point of Order Answers by Nonministers

MR. N. TAYLOR: Mr. Speaker, I rise to ask what you used as a basis not to allow the Premier to refer to the hon. Member for Clover Bar-Fort Saskatchewan to supplement his answer? *Beauchesne* 410(5) says, "The primary purpose of the Question Period is the seeking of information" from the government. Now, certainly the Premier, of all people, if he knows that somebody else in the House knows more than he does – and of course that isn't difficult – should certainly be allowed to refer to someone else.

Further, under clause 418 it says, "The Government decides who will answer." Well, Mr. Speaker, I think you usurped the authority of the government when you said that he did not have the right to ask Clover Bar-Fort Saskatchewan to reply.

Lastly, under article 419 it says that

the Prime Minister is entitled to delegate this responsibility to the Deputy Prime Minister even when the Prime Minister is present in the House.

Now, Mr. Speaker, once you have allowed one horse out of the corral – in other words, *Beauchesne* is very clear. He can apparently delegate the responsibility of answering to the Deputy Prime Minister, but you have allowed in this House under this Speaker and many others delegation to anybody on that side. So I would say that you are clipping. You've not only put that article aside, but you are now deciding that it should only be referrals on that side.

So I respectfully request under those three headings: how could you possibly refuse the Premier the right to call on anyone in this House to supplement an answer?

MR. SPEAKER: As usual, the hon. Member for Redwater brings an interesting point of view to the interpretation of matters that occur in this Assembly and interpreting the traditions and rules of the Assembly through *Beauchesne*. The rules are quite clear here. Questions may be asked of the government, and while they may be addressed to the Premier, the other members of the ministry are certainly entitled to answer on behalf of the government. Hon. members must realize that the only members of the government sit in the front row on the government side. There are no other members of the government in the Assembly. There is an exception made to that by the traditions of this Assembly, where chairmen of committees established by the government are entitled to answer on behalf of those committees or boards or agencies. Certainly the hon. Member for Clover Bar-Fort Saskatchewan can be asked questions. She is one of the rare people. Those questions can only relate to her responsibility to the Assembly, which is as chairman of the Public Accounts Committee. She does have distinct responsibilities through the Assembly. The Chair was prepared to review the Blues, but the Chair didn't hear anything asked today that would require the response of the chairman of the Public Accounts Committee. Therefore, that is the reason why the Chair did not permit the hon. Member for Clover Bar-Fort Saskatchewan to proceed.

### 2:30

MR. N. TAYLOR: Mr. Speaker, that was not the question. It was the Premier's right to call on anybody to answer the question.



Certainly the question should only go over there. I was referring to the Premier's right.

MR. SPEAKER: The Chair would say that the Premier has no right at all to call on the hon. Member for Clover Bar-Fort Saskatchewan to answer on behalf of the government.

Further? Is there another point of order? The hon. Member for Edmonton-Roper.

#### Point of Order Imputing Motives

MR. CHADI: Thank you very much, Mr. Speaker. I thought for a moment you had forgotten all about me and my point of order. I rise with respect to Standing Order 23(h) and (i). It's quite clear. It says: making "allegations against another member" and "imputes false or unavowed motives to another member." I also want to follow that up with *Beauchesne* 481(e). It's quite clear in 481(e), and I state: "impute bad motives or motives different from those acknowledged by a Member."

Well, Mr. Speaker, in my questioning earlier this afternoon I asked the Premier to advise this Assembly what he meant by "best efforts." When I did not receive a response to that question, I went on to ask the Provincial Treasurer if indeed he could assure this House that the Treasury Branches will not subject taxpayers to any loan losses with respect to loans that were outstanding by the West Edmonton Mall people. The Provincial Treasurer, as he does all the time, gets up and he starts to rub his hands and he says that the Liberals are rubbing their hands in glee with the idea that West Edmonton Mall will go broke. That is not the case at all. I merely asked whether or not the shareholders of the Treasury Branches, which is the people of the province of Alberta, are going to be subjected to some loan losses here. That is the question. It had no reference whatsoever to whether or not West Edmonton Mall people were going to lose this mall or were going to lose any power here.

Quite clearly these accusations by the Provincial Treasurer and by others must stop. That is not the case. Please rule on that, Mr. Speaker. This is your House, and quite clearly what the Provincial Treasurer indicated today in response to a question that I had asked was one that imputes false motives against the members on this side of the House and me in particular.

Thank you, Mr. Speaker.

MR. DINNING: Mr. Speaker, I'm reading from the public record, and will file this with the Assembly, when I state that the Member for Edmonton-Roper has stated publicly in reference to the loan arrangements between the Treasury Branches and Triple Five Corporation: "The treasury branches are going to have to eat it. That's reality and nothing can be done about it." He went on to say, "I think the treasury branches are sucking slough water," his words in quotes.

Mr. Speaker, I think it's that kind of talk that plants a seed in the minds of the general public. One particular person, perhaps representing his party, the only group of people who are talking about failure here: this government is not talking about failure; the owners of the mall are not talking about failure. Nobody on the public record is talking about failure other than the members of the Liberal Party representing Edmontonians across the city. I think it is tragic that there is this perverse form of glee that is witnessed in this Legislature, that is witnessed on the evening news or in the daily newspapers, that there are members of the opposition who are saying: oh, good; we're going to have problems here; Edmonton's going to have problems here; Treasury Branches are going to have problems here. The only

people who are saying that are the members across the way. There is no imputing of false motives. It is on the public record. It is clear what the member said, and what he is saying publicly and reported in the media of this province is a perverse form of glee that there are going to be problems faced by people who work at the mall, people who own the mall, and people who banked the mall. I think it is an absolute travesty that the member across the way should be able to get away with it, and he's only advertising a bad position when he stands on a point of order in this Assembly. [interjections]

MR. SPEAKER: Order please. [interjections] Order please. The Chair would like, first of all, to advise the hon. Member for Edmonton-Roper that this is not the Chair's House. This House belongs to all members. The Chair has been asked to try to ensure that the business of all members flows smoothly and efficiently through the various processes that the House deals with. The Chair is merely attempting to facilitate the interests of all members of the House from this position. I think that should be well understood.

The point raised by the hon. Member for Edmonton-Roper is a complaint about the words of the hon. the Provincial Treasurer in answering a question in the House. The Chair, after observing a number of question periods here, would like to point out that these preambles are not necessarily mild mannered in any way. They tend in many cases to be quite inflammatory, and the Chair has pointed out before that if there's going to be an inflammatory question, there could well be something of the same nature in response. So what's sauce for the goose has to be accepted as sauce for the gander.

The Chair would just like to use this opportunity again to remind hon. members that the Chair gave some plaudits Thursday. The Chair said that it was with some trepidation that it was doing it, but the worst fears of the Chair seem to have come true. Just as a matter of interest, apparently the new Speaker of the House of Commons was all set to make a statement similar to that made by the Chair last Thursday when things sort of deteriorated in that Assembly, and he had to postpone those comments.

#### 2:40

The Chair would like to use this first day of a new season to ask hon. members to be happy about the upcoming good weather and nice atmosphere and try to bring some of it into this Assembly. Basically, the Chair feels that this has certainly been a two-way street and would urge all members to reconsider the use of some of their vocabulary during question period.

The hon. Member for Edmonton-Mayfield has a point of order?

#### Point of Order Parliamentary Language

MR. WHITE: Mr. Speaker, I rise out of comments made in a preamble to an answer to a question by the Minister of Municipal Affairs. I'll make this brief, sir, in that you've earlier ruled today with regards to the matter raised by Redwater on the government's ability to direct a question to anywhere they wish.

AN HON. MEMBER: Citation.

MR. WHITE: Standing Order 23(j), *Beauchesne* – or 'Bowchesnee' for those that are not cultured in any language other than one – 420 and 418, sir.

Standing Order 23 cites a well-known chapter in this House of using "insulting language of a nature likely to create disorder." Well, the members' statements are often designed to do just that

and particularly when a member says of a question that the question is purposely misdirected. Well, the facts are – and you've ruled earlier – that this side of the House can only direct a question to the government. The redirection of the question is obviously at the direction of the Premier, and he does that many, many times, as we've seen before.

Then I move on to 420, which is that the Speaker recognizes that "of course, the Chair will allow a question to be put to a certain Minister; but it cannot insist that that Minister . . . answer." Well, that obviously speaks to the government's direction to redirect.

*Beauchesne* 418 is covered well: the government shall decide who answers the question, a direct answer. I think you've ruled on them, sir, so I just make comment that those kinds of things are certainly not in order in this member's view.

MR. SPEAKER: The hon. Minister of Municipal Affairs?

DR. WEST: Yes, to this point of order. I think if you study the Blues, the last question was directed to no one. I've seen it consistently in the House where ministers have to pick up on the direction of many of the questions because the preamble to the question doesn't indicate, except by the content, what minister should be called to answer this. In the case of this point of order it was obviously a question to the Minister of Municipal Affairs, and if you study the Blues, the last supplemental was not directed to the Minister of Municipal Affairs or anyone. Therefore, I had to stand up and answer it also.

MR. SPEAKER: The Chair will examine the record, but the Chair feels that what the hon. Member for Edmonton-Mayfield has said is really a continuation of what the hon. Member for Edmonton-Roper has said and really comes down to the fact that intemperate language and words tend to raise the temperature in the House. Quite frankly, while the Chair doesn't have too much problem hearing, the Chair is advised that there are problems with the sound system allowing all members to hear what's going on here. The Chair would just generally urge all hon. members to be more temperate in the language they use during question period.

head: **Motions under Standing Order 40**

MR. SPEAKER: We have three Standing Order 40s to deal with.  
The hon. Member for Edmonton-Avonmore.

#### **International Day for the Elimination of Racial Discrimination**

MR. ZWOZDESKY: Thank you, Mr. Speaker. I rise under Standing Order 40 to ask consent to deal with this motion before us. In saying so, I would like to just comment briefly on the urgency of presenting this and seeking its support today. Anytime that racial discrimination or cultural discrimination rears its ugly head, I think it's incumbent upon us to stand up, say something about it, and hopefully act on what we've just said. I think because someone's skin may be a colour different from our own absolutely is a situation that does not call for any form of prejudice to be tolerated in this province. We must act today to make sure that we show our support that would lead us in a direction away from any kind of discriminatory practices in the province of Alberta. Therefore, I would ask that this matter be dealt with today.

MR. SPEAKER: Having heard the request of the hon. Member for Edmonton-Avonmore, is the Assembly prepared to give unanimous consent to the hon. member presenting this motion?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

The hon. Member for Edmonton-Avonmore.

Moved by Mr. Zwozdesky:

Be it resolved that this Assembly recognize March 21, 1994, as the International Day for the Elimination of Racial Discrimination.

MR. ZWOZDESKY: Thank you, Mr. Speaker. As I was preparing myself for speaking to this particular motion, I asked myself why it was important for us to recognize the International Day for the Elimination of Racial Discrimination. Simply put, it's necessary to do this because we must focus our attention at least this one day, if not all days, on the critical importance of the well-being of our society and how matters such as racial discrimination can work in a counterproductive fashion against that well-being. I would submit that racial discrimination is one such issue and that there are immense dangers if it is not flagged and dealt with. It can have extremely serious consequences on our society. On a daily basis it seems we're bombarded with some form of example where we see increasing levels of intolerance in our province. Racial tension seems to be on the rise in this country, and something must be done to help curb it.

Sometimes this racial discrimination also surfaces in the religious arena because of obvious connections there too. It manifests itself sometimes in the area of employment, in the area of social activities, in business, and sometimes even on Alberta streets. Racial discrimination is frequently propagated, however, simply as a result of fear and ignorance and sometimes by a lack of sensitivity and awareness. Regardless of how it is kept alive, racial discrimination simply must not be allowed in this province.

We have a great country. We have a great province that was founded by our inhabitants who opened up their hearts. They opened up their hands to each other in a true spirit of understanding, sharing, and co-operating with each other regardless what their backgrounds were. I'm not suggesting for a moment that it was ever easy, but I am suggesting that history has proven that it can be extremely beneficial if we do proceed on that basis. We must be looking at each other with a view to accepting one another as contributors to the great Canadian and the great Albertan dream, not as detractors from it.

Mr. Speaker, 10 years ago the Alberta Cultural Heritage Foundation created and distributed a proactive multicultural education program called the Alberta People Kit. Its purpose was to help students and teachers explore the many ethnocultural backgrounds of Alberta's people and help them to better understand our similarities and differences. One of the many salient points that consistently came through in all of our research and in all of our workshops and in all of the meetings leading up to the release of that kit was this: regardless what our ethnic or cultural or roots of race might be, Albertans have many, many more similarities among each other than they do differences. We should be celebrating that racial mix rather than allowing it to be attacked.

Another important point and one upon which this proactive education kit was based was this: the more we know about ourselves, the less we fear our differences. Again, education was and still is the key to proceeding in that vein. If we are to succeed in that global aim to have a harmonious and peaceful world, we can do a lot toward that goal right here in Alberta by properly focusing our young students toward it through education.

Later in this session I hope we'll get to my Motion 532, which calls for the establishment of an all-party committee to develop

some strategies surrounding this very point and emphasizing in particular programs for study in our upper elementary school programs across Alberta. It's important that from a very early age we become sensitized to and knowledgeable about the various cultures, the various values and beliefs that Albertans have. There is room in this province for everyone regardless what their racial background might be. As Albertans we must focus on eliminating any actions or musings that are motivated by racially discriminatory practices. We must strive to preserve the human dignity this day and every day. The recently publicized complaints that were submitted to the Alberta Human Rights Commission for 1993 clearly show that 7 percent of the complaints were based entirely on racially discriminatory motives, and, closely linked thereto, a further 7 percent were based on religion.

2:50

In summary, Mr. Speaker, we must get serious about eliminating racial discrimination and racial tensions whenever and wherever they appear. Therefore, it is incumbent on each of us to at least do one or all of the following things. We must promote the acceptance of our cultural, racial diversity if for no other reason than it's a fact and it cannot be changed. We must teach our children and others, including ourselves as government members, to focus on our similarities. We must strive for the recognition of the human dignity aspect of this. We must practise understanding and acceptance of each other on a daily basis. We must become better informed on what the beliefs and values of all Albertans are so that fears and inhibitions of any perceived differences can be allayed. We must remember that self-imagery is extremely important. What we are born into we have no choice over. We can't choose the colour our skin will be. We must become role models for each other and for other provinces as well as for other countries. Most of all we must work together to point up the many benefits and the many, many positive contributions that we all bring to this province regardless of our cultural, ethnic, or religious background and regardless of what our skin colour is.

We must remember the opening quote in *Beauchesne*, which tells us that part of our job in this House is to protect the minority from the tyranny and improvidence of the majority. Sometimes it rears its head in the fashion of racial discrimination. It must be stopped. I'm here to help stop it. I'm sure you are as well, Mr. Speaker, and I would urge all other members of this House to support this motion on this critical day.

Thank you.

MR. SPEAKER: The hon. Member for Calgary-Cross.

MRS. FRITZ: Thank you, Mr. Speaker. I thank the hon. Member for Edmonton-Avonmore for bringing forward this very important motion today, and I rise to speak in support. It is an opportunity, as was said, for Albertans to join people around the world in acknowledging the continuing threat of racial discrimination. Perhaps even more importantly it's an opportunity for all Albertans to take a few moments to examine our own attitudes and perceptions and affirm our determination to fight racial discrimination in our own communities and our own lives.

As chairman of the commission on multiculturalism, Mr. Speaker, I can tell you that we've been working very hard to consult with Albertans on issues such as the promotion of cultural diversity and the elimination of racism. Over the past six months we have held at least 12 public meetings throughout the province, which, I believe, were well attended. Many Albertans have submitted written submissions of their views, and, importantly, they've offered solutions.

This government is committed to seeing incidences of racism and discrimination eliminated. Mr. Speaker, as I proudly look around this Legislature today, I see a representation of over 10 percent of our caucus being from a visible minority. I believe this speaks volumes for the way in which Albertans have actively chosen to address this issue. Today and throughout the week there are many organized events in Alberta which promote the unity of people from all walks of life, with different cultures, religions, and skin colour. We must keep these in our hearts throughout the year and, as was said earlier, not fear one another's differences but learn from them.

I am proud to acknowledge the International Day for the Elimination of Racial Discrimination and affirm this government's commitment in working for racial understanding and acceptance and would ask all members of the Legislature to proudly wear the ribbons which we've distributed on behalf of multiculturalism and citizenship. I do speak in support of this motion.

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. Leader of the Opposition.

MR. DECORE: Mr. Speaker, I'm delighted to hear the comments from the hon. member, the last speaker, but I want to remind this Assembly that less than two years ago the Premier of Alberta stood in Alberta, outside this Assembly – in fact, spoke to a Rotary group – and suggested that multiculturalism was being rammed down the throats of Albertans. In this Assembly on a number of occasions I stood and asked the Premier to define that, to explain that, to show how it was being rammed down the throats of Albertans. He never did and never could.

Now, I think there has been a change in the government's attitude towards multiculturalism, a positive change, but I want to remind Albertans and members of this Assembly that Alberta took a strong lead in the development of multiculturalism in 1972. It was the Premier at that time, Mr. Lougheed, who decided that multiculturalism was a concept worth pursuing. Not only did he pursue it; the Premier set up an advisory council. I had the opportunity of having been the first elected representative of that council. That council did good work in providing assistance, advice to the government of the day on issues affecting multiculturalism. I perhaps should note this as well: Alberta followed up that council by having a Multiculturalism Act. The federal government came after the initiatives that were taken in Alberta by having a policy enunciated after Alberta and had an Act on multiculturalism legislated after Alberta. Everything has been pretty positive on the Canadian federal side, but I note this blip, this downward blip that occurred less than a couple of years ago with the former Premier.

Mr. Speaker, it's important to note what multiculturalism is. It has two dimensions. One dimension is a human rights dimension, a dimension that says that people are entitled to be treated fairly, that they're entitled to be respected, that their religions are entitled to be respected, that people should understand individuals who are different from them in colour, in race, and creed, and so on, that people should be able to access jobs and opportunities equally, that somebody shouldn't have advantage over others. That was a big part of the 1972 initiative in Alberta and a big part of what the government of Canada did. Later the Charter of Rights and Freedoms took away some of the momentum of that aspect of multiculturalism and, I suggest, made it even better.

The second dimension of multiculturalism is to teach people, to inform people, to allow for people to be proud of their origins, their heritage. In Alberta we've had a very positive attitude at the municipal level and at the provincial level towards

multiculturalism. Multicultural leaders, particularly visible minority leaders, have suggested that we not propose or promote or put forward a mayor's race relations committee or a race relations committee on this because that highlights the negative, whereas the positive should be highlighted. We should talk about multiculturalism and policies and programs to ensure that those two aspects of multiculturalism work.

Now, I talked about a dip. It wasn't very long ago in this Assembly when members of the opposition stood and asked the government to explain its position on Sikhs wearing turbans, and for a long time members of the government ducked their heads and said, "Oh, that's a federal matter," or refused to respond. In fact, the minister of multiculturalism, when he was running as the hopeful leader of the Conservative Party, even said that multiculturalism wasn't something that was needed. I think we have to come back to understanding what multiculturalism is all about, because when you do understand it, you put into place programs, initiatives, and you have a mind-set that puts down racism, that puts down discrimination, because in the end you respect people. So, Mr. Speaker, I ask for the government to show just a little bit more initiative, a little more of a mind-set that this is a good idea rather than sort of ducking it from time to time.

Thank you.

**3:00**

MR. CARDINAL: Mr. Speaker, I also would just like to make a few comments because I support that motion fully as one of the first treaty Indians to be elected in this Legislature. The difficulties I had to get here: it took years and years and years of hard work and convincing that I was as good as a nonnative person to represent constituents, to come here. I'm just proud to say that the way I am treated on this side of the House and some on the other side - I have to admit I've been treated reasonably well. Like my colleague mentioned earlier, 10 percent of our caucus from our party side are from visible minority groups. We don't get here by accident; it's the acceptance our party has had with visible minority groups. I'm proud to be a representative of that party and this government.

MR. SPEAKER: Is the Assembly ready for the question?

HON. MEMBERS: Question.

MR. SPEAKER: All those in favour of the motion proposed by the hon. Member for Edmonton-Avonmore, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried, let the record show unanimously.

The hon. Minister of Advanced Education and Career Development.

#### **Interuniversity Basketball Championship**

MR. ADY: Mr. Speaker, pursuant to Standing Order 40 I wish to ask this Assembly to grant unanimous consent to proceed with the following motion, without notice having been given under Standing Order 38.

MR. SPEAKER: Is there consent in the Assembly to grant consent to the hon. minister to present this motion?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

The hon. minister.

Moved by Mr. Ady:

Be it resolved that the Legislative Assembly offer congratulations to the University of Alberta Golden Bears basketball team upon their victory in winning the Canadian Interuniversity Athletic Union championship in Halifax, Nova Scotia, on Sunday, March 20, 1994.

MR. ADY: Mr. Speaker, on behalf of the government of Alberta I wish to offer my congratulations to the team members and coaches of the University of Alberta Golden Bears basketball team for rising to the challenge and winning its first ever national basketball championship. In addition, special congratulations are in order to the university's administration as well as to Murray Cunningham for being selected as the most valuable player and to Mr. Don Horwood for being selected as the Alberta coach and CIAU coach of the year. The Golden Bears got by excellent teams from Saint Mary's University and Brandon University to beat the bigger and more athletic number 1 ranked McMaster University Marauders 73 to 66 in the final held yesterday in Halifax. You have made all Alberta proud. I know that the team will get a warm welcome home when they return to the City of Champions.

MR. SPEAKER: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thank you, Mr. Speaker. The Liberal opposition joins the government in congratulating the University of Alberta Golden Bears for winning the Canadian intercollegiate athletic union men's basketball title.

Basketball has a long history at the University of Alberta. As early as 1912 the basketball club was one of the five athletic clubs on campus, and the student body of that time was made up of exactly 320 students. Incidentally, 1912 was the first year that any University of Alberta team traveled to join in intervarsity competition.

Many of us have joined the history of this year's Golden Bears team rather late. Watching Coach Horwood's family on last evening's television sports show, one had to be impressed with how drawn up the coach and his family had been in the goals and in the success of this team. Gathered around their living room, they had to await telephone calls at intervals of 15 or 30 minutes to find out and report what was going on, what the score of the game actually was. Coupled with this news report were interview comments from players who had played on the team in the past, and they took time to praise Coach Horwood and co-coaches Nevin Gleddie, Murray Scambler, and Brad Austin for their singleness of effort. In all this we begin to appreciate the years of hard work, dedication, and talent that this victory represents for the coach, the coaching staff, and the team members. The coach, of course, had to have talented players. These players very much reflect the Canadian approach to university athletics, for not only are they talented athletes, but they are true academics in their own right representing faculties from Arts, physical education, and Education, to Engineering and Science.

If I may be permitted to claim small bragging rights, Mr. Speaker, although there are players from Calgary, Vegreville, Kelowna, Prince George, and Nelson on the squad, over half the team attended Edmonton public high schools and call Edmonton, the City of Champions, their hometown.

Last week the Legislature took time to consider a Bill directed at curbing the behaviour of students. It seems only appropriate

that as we begin this week in the Legislature, we celebrate the accomplishments of these outstanding Albertans and their coaches and say to them: you make us very proud.

Thank you.

MR. SPEAKER: Is the Assembly ready for the question?

HON. MEMBERS: Question.

MR. SPEAKER: All those in favour of the motion proposed by the hon. Minister of Advanced Education and Career Development, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried, let the record show unanimously.

The hon. Member for Fort McMurray.

### Provincial Hockey Championship

MR. GERMAIN: Thank you, Mr. Speaker. I have previously read to this Assembly the motion for which I now ask for unanimous consent to present the details of and send a congratulatory message to the successful double A hockey team in Fort McMurray, who won the provincial championship yesterday.

MR. SPEAKER: Is there consent in the Assembly for this request?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

The hon. Member for Fort McMurray.

Moved by Mr. Germain:

Be it resolved that this Assembly congratulate the Fort McMurray double A midget Merchants hockey team on the occasion of winning the provincial championship on March 20, 1994.

MR. GERMAIN: Thank you very much. Mr. Speaker, all members of this Assembly will know much about the minor hockey program in Alberta because it is a program that over the years has delivered a value-added component to communities across Alberta, in particular to rural communities. It is no mistake, in fact, that Alberta is one of the few provinces that supports two professional franchise NHL hockey teams, often feeding and being fueled from young hockey players who advance through minor hockey ranks.

Now, in the province of Alberta there are every year provincial finals, which pit the very best teams of each division from all around Alberta. Last night, Mr. Speaker, at approximately 5 o'clock in the evening, for the first time in 21 years – 21 years – a Fort McMurray team won a provincial championship. They did it in a closely fought game, a good, clean game against the runner-up, the team from Airdrie, Alberta, who played and scrapped ferociously. The outcome of that game was not decided until the last 30 seconds of play when the Airdrie team had pulled their goalie in an effort to tie and an empty-netter was scored by Fort McMurray.

The teams that came from all across Alberta represented the finest of this age group in this division. It would be fitting for this House to congratulate the team members, the coaches, and the managers. I can tell you that last night in Fort McMurray,

Alberta, whatever other problems are facing the province of Alberta, the Fort McMurray parents and players got the bus out, a fire engine got out, the RCMP officers got out, and they had a parade down Main Street to recognize this victory. I believe that we in this Assembly should do likewise.

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. Member for Redwater.

MR. N. TAYLOR: Yes, Mr. Speaker. I wanted to add a bit to it, because the finals were held in Bon Accord in my constituency. Bon Accord's a very, very small town, indeed, and it was quite a feat for a town that has no bank, one main street with about five businesses, but maybe about a hundred of the most dedicated people in the area to host all Alberta in a midget final. Indeed, Fort McMurray was full value for the win, but there were six other teams from around the province. I think it's quite a tribute to my town of Bon Accord, and I would want it recorded that they get a pat on the back for doing such a great job.

MR. SPEAKER: Is the Assembly ready for the question?

HON. MEMBERS: Question.

MR. SPEAKER: All those in favour of the motion proposed by the hon. Member for Fort McMurray, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried, let the record show unanimously.

*head:*

### Orders of the Day

*head:*

### Government Bills and Orders

*head:*

### Second Reading

*3:10*

### Bill 5

### Oil and Gas Conservation Amendment Act, 1994

MR. SPEAKER: The hon. Minister of Energy.

MRS. BLACK: Thank you, Mr. Speaker. I am pleased to move second reading of Bill 5, the Oil and Gas Conservation Amendment Act, 1994.

Mr. Speaker, the nature of the oil and gas industry is changing. We have seen a period of rationalization and divestiture by the players. Assets have been transferred in many cases from larger companies to smaller corporations, and industry is consolidating interests in various areas. Unfortunately, we have also seen many companies not survive or go into some form of insolvency and just disappear, leaving behind abandoned wells, which are referred to as orphaned wells. Every well which is drilled must ultimately be plugged or cemented, or abandoned, to prevent leakage of hydrocarbon from the well and to reduce and prevent negative environmental impacts on the land on which it was drilled. This can be a very costly procedure.

This Bill, Mr. Speaker, will allow the ERCB to direct that wells which are no longer productive are abandoned by the company to which they are licensed. It will also allow the board to ensure that when wells are sold and transferred, they are transferred to a viable entity or, alternatively, deposits are put up to ensure that the wells are ultimately abandoned. No longer will a company be able to transfer the good wells of a corporation into a new company and leave its unproductive wells behind for the public

purse or to sell off its nonproductive wells to a shell company which cannot afford to abandon them. Nor will the legislation allow partners in a well to simply quitclaim their interests in a well and therefore not pay for their share of the well abandonment costs.

Mr. Speaker, the second aspect of this legislation is to provide a fund which would be paid for by industry through an annual levy to cover the cost of abandoning orphan wells or, where there are insolvent partners, to pay for the insolvent partners' share of the costs. The Bill sets out what the fund will pay for and allows a party who steps forward to abandon an orphan well to collect money from the fund if the partners do not pay. It also provides a method by which the board on behalf of the fund can recover costs from a party which refuses to pay its share by either liening its revenue or in some instances by shutting in its wells.

Finally, the Bill provides for a party who takes responsibility for the well but who is not the licensee to enter onto the land to abandon the well so the impact can be removed. The Surface Rights Board may make decisions respecting the compensation for damage if such occurs.

Mr. Speaker, CAPP, SEPAC, and the Department of Energy are fully supportive of this legislation, which is the result of an extensive consultation between the parties. The oil and gas industry is assuming responsibility, including financial responsibility, for the abandoning of wells which would otherwise be left for the public purse.

Following the public review of the Environmental Protection and Enhancement Act, oil field waste was excluded from the designated activities regulation under that Act with the intention that it would be regulated by the ERCB. Accordingly, Mr. Speaker, this Bill also gives the board jurisdiction to regulate oil field waste.

Mr. Speaker, I now welcome comments from the members on this Bill and look forward to their subsequent support of these changes to the Oil and Gas Conservation Act.

MR. SPEAKER: The hon. Member for Calgary-West.

MR. DALLA-LONGA: Thank you, Mr. Speaker. I rise in support of Bill 5. I think that there was substantial industry consultation that occurred in coming up with the provisions for this Bill. However, I have a couple of questions. They may be more matters of clarification than objections.

The first question I have is on the nonissue of land reclamation. As it currently stands in Bill 5, down hole costs will cover only orphan wells. Land reclamation costs presumably would be covered by some sort of environmental fund. I think that in keeping with sort of the one-window shopping idea, it would have been preferable to have surface reclamation costs come under the purview of Bill 5 as opposed to another Bill. Presumably that would have been covered under the department of the environment. Therefore, I would ask whether the hon. minister would consider an amendment to Bill 5 to include surface reclamation costs as part of the completion costs, or finalization costs, for orphan wells.

The second question that I have, Mr. Speaker, is: the \$10,000 transfer fee. I know that probably many people in the oil and gas industry are in favour of the \$10,000 fee in that it'll scare away or discourage what may be called the poor boys in the industry. However, I'm a bit concerned that that fee might be a little bit high in that some wells in this province are drilled, turnkeyed – completed and the wellhead put on and everything – for somewhere in the neighbourhood of \$110,000 to \$120,000. An application fee in the magnitude of 8 or 9 percent of a total cost of a well seems a bit on the high side.

Now I understand that it's a one-time, first-applicant-only fee, which brings me to my other question. What happens where we have numerous working interest partners and the one working interest partner who's applying for the licence is a first-time applicant but some of the other working interest partners are not first-time applicants? I guess I have a bit of a concern there.

The other thing that I don't understand is in the area of the transfer issues. As the Bill currently reads, the ERCB has to give its final blessing in the transfer of an inactive well from one operator to another. Now, as I go through this Bill and some of the explanatory notes, it would seem to me – what happens in the case where a well is transferred, and the transferee makes their first payment or looks after their obligations, say, in the first year but stops doing it in year 2 and forward? Is the transferor, or the original owner of the well, still liable? Just to make it a little clearer, I'm referring to paragraph 20.4(1)(b). I'll just sort of paraphrase it. What it says there is that the transfer is not deemed to have occurred where

there is no successor or the successor working interest participant fails to pay its proportionate share of the well abandonment costs.

I guess I'm unclear. Maybe this has been covered someplace else. It just caught my eye. So to rephrase my concern: what happens when a well is transferred from one working interest partner to another and the subsequent working interest partner maybe looks after his obligations in the first year but fails to in subsequent years?

So in summary, Mr. Speaker, this is a Bill that is required. The abandonment fund is something that the Liberal Party supports; we think it's a good idea. The \$2 million cap certainly seems to be in line with past history of well abandonment costs. So I'll be voting in favour of this Bill.

3:20

MR. SPEAKER: The hon. Member for Redwater.

MR. N. TAYLOR: Thank you, Mr. Speaker. In general, I think it's a Bill that's long overdue, although I would like to pose a few concerns that I have, looking at it. First of all, I agree with the Member for Calgary-Currie in that the minister should be maybe a little more aggressive in acquiring the right to restore the surface . . .

MR. SPEAKER: Calgary-West?

MR. N. TAYLOR: Calgary-West, I'm sorry. Yes. Very sorry. That's unpardonable. I just assumed that we had all the seats on the west side of town, but we didn't.

One of the things that bothered me, Mr. Speaker, is that this gives the right for the government to step in and reclaim and plug off a well that's been orphaned; in other words, nobody claims ownership to it. Like everything else in this world, if it had any value, there'd be no lack of paternity. It only becomes an orphan when it has no value. Consequently, if somebody's walked off and left it, the government should charge. But you must remember that they probably walked off and left pump jacks, old Christmas trees, and everything else around the surface. It doesn't make sense to have one department of government going in there and doing everything – you have to cut off the casing usually six feet down in the cellar and cover it up – and then another department of government's going to come along later. The farmer has to go deal with someone else.

First of all, he's worried about an old well left on his property. One department of government comes along, and as they go wheeling out the driveway, they shrug their shoulders when he

asks them who's going to clean up the mess on the surface. "Well, there's another department doing that." Well, at the speed that the department of the environment moves, it makes a glacier in winter look like a speedball, Mr. Speaker. It could be years and years. There's an old song called Kathleen Mavourneen; you may have heard it. It says, "It may be for years, and it may be forever." Well, it's the theme song of the department of the environment.

Consequently, I don't see why the Minister of Energy doesn't take on cleaning up, or reclaiming, the surface as well as down deep. It bothers me that she doesn't. If she needs a little weight or a little muscle for a straight right to the jaw of environment, she could call on the opposition, and I think we would support her enthusiastically in putting that authority under her basis too. After all, the rigs are out there, and the equipment is around, fixing up the well. There's no reason why they can't fix up the surface.

The well licence fee of \$10,000: it's rather interesting, Mr. Speaker. I've operated in about – I don't know how many countries in the world; I hate to remember. In nearly all of them the right to be an operator, as you call it, to drill a well is a very important one. As a matter of fact, when you enter a country, you quite often go around and seek partners that have been licensed to be operators. Alberta is one of the few that would allow anybody to get a licence for years and go out. So it's probably a step in the right direction, the \$10,000 fee. I think it's an effort to try to keep, you know, any three people that they've met down in the beer parlour from going up and moving a rig on a well site. At least they're putting a little bit of stability behind who shall go out there and do the drilling.

It leaves a couple of questions in my mind. Does the \$10,000 fee – I'm sure it says a first-time applicant. I think it says new or first-time applicants: there's a plural there. Does that mean that the \$10,000 fee is applicable to all the partners in the venture, or does it mean that it's applicable to the operator of the well? In other words, as a general rule somebody is a designated operator, the designated driver, if you want to put it that way. I would think the \$10,000 applies to that company no matter who the partners, and it's up to that company to make sure that the partners indemnify him or her in turn. But that's a little bit rusty. I can't quite understand how partners in a new application shall work out.

Also, should there be a minimum? In other words, if I get established and pay \$10,000 as an operator for the first well, can I go around and sell my services for a 1 percent interest to every hijacker in the country after that and say, "Well, you all get together. Don't worry. I've got a \$10,000 licence, but I'll take 1 percent of the well or 2 percent and put my name on it," and I'm away and running. In other words, is there a minimum percentage that the operator of the well has to have before they can call themselves the operator? There's room here for somebody without any meat on their bones or fat on their muscle, Mr. Speaker, to become an operator in the beginning, and then from there on that's really all they have.

I really think that the government should have investigated the question of bonding, an operator's bond. I think in most countries you'll find that that works better: they have to be able to get a million dollar bond or something like that in order to pay for damages. Ten thousand dollars is not really that much for an incompetent operator that lets a blowout take off or something like that. It's an effort, a move – you're moving in the right direction but very, very slowly – to try and make the operator or whoever is in charge of the well responsible. I don't think it's good enough, but I suppose we will applaud small favours.

They are required to file a list of the working interest owners in a well. I think that comes now anyhow under the land

registration. That should show up there, but maybe it doesn't. It says that all new licensees for well licences must formally acknowledge a responsibility. Well, there again, as I mentioned, when you get a well licence, only the operator is getting a well licence, not the partners. This leaves me a little rusty as to just what's going on there. If indeed you have to register all your partners when you operate a licence – those held in trust and those that are not held in trust – I mean, what's the point to having all your partners listed unless you're going to stick them for some of the responsibility? Yet at the beginning it appears – on a first well, \$10,000 – that the subsequent operator is responsible. I really don't know whether that's setting up a process where you will have to make all partners responsible or just what, because it would appear that only the operator need be responsible. My experience would dictate, Mr. Speaker, that the operator is really all that is necessary to be responsible. Operating should be a real privilege in the province; not everybody should be able to do it. So we should look very carefully at the bonding setup.

The other one is a bit of red herring, in a way, Mr. Speaker, but it happens out in my constituency because the oil business is so old out there. It sort of corresponds with their MLA, I guess. The oil business there started back in the '40s, so consequently we have some real antique looking equipment there. But they have another habit out there that drives you crazy. The farmers many years ago, who gave surface rights to operators, to oil companies, moved on and sold their farmland excluding the surface site, for which they're still getting rent – some of those old Redwater wells are still pumping – and they're off in California, and maybe even their grandchildren are getting the rent now. Yet the owner that's farming it, who's interested in reclaiming it, has no interest in the site. I would have liked to have seen the department take a move to try to stop that. I don't think you can do anything retroactively; what's gone is gone. But I don't think that you should allow retention by the landowners of surface rights locations when they transfer the land. That should be transferred to the person that buys the land.

The minister is looking a little puzzled so I'll go through it again. What happens, Madam Minister, is that in the past in some areas, particularly where there were a lot of well sites – for instance, Redwater is drilling 40-acre spacing, so you could have four well sites, all paying you \$5,000 a year rent on your quarter section. Well, what happens: the people sold the farm but retained the right to surface rent. So all of a sudden, maybe you have an orphan well. It is not a question that there would be damage to society, but what it does is break up the land ownership of the farm. You wouldn't be allowed to do that, Mr. Speaker, if you were going to the MD council and said: I want to carve out five acres for my grandson or my prize son-in-law, or whatever it is. But somehow or another they've been getting away with carving out the payments from the surface location. Now, in the early days I guess a lot of farmers bought the land cheaper, but it's a thing that can be financed. If you're getting \$5,000 a year in surface rights, you can usually go the bank to pay more. I think the government should be looking very seriously now because of the question of orphan wells and looking at the whole idea of not allowing exceptions of surface rights and everything else. If the surface rights on the quarter are sold for farming, the drilling sites have to go with it, the right to the payments from the drilling sites, and that might be a little bit difficult. I'm not a lawyer. Lawyers usually can mystify everything, but they wouldn't be any slower than the department of environment anyhow.

So that was all. Thanks.

3:30

MR. SPEAKER: The hon. Member for Sherwood Park.

MR. COLLINGWOOD: Thank you, Mr. Speaker. I missed the last comment from the hon. Member for Redwater. He was mystifying me with what he was saying, something to do with lawyers.

I also rise to speak in favour of Bill 5, with a few comments with respect to some comments made by the minister in introducing the Bill for second reading. Mr. Speaker, we haven't in debate so far touched on the issue of surface reclamation. It is interesting to note that Bill 5 in terms of reclamation of an abandoned well, through an administrative process that will fall into the ERCB's jurisdiction, as has been indicated by the Member for Calgary-West, only deals with the down hole costs of reclamation and not the surface reclamation.

Now, we recognize that surface reclamation is already included to a greater or lesser extent in the Environmental Protection and Enhancement Act, and in fact in terms of an abandoned well presumably funds can be made available for the reclamation of those wells under section 28(1) of that Act. As has been mentioned by the Member for Redwater, it is not an efficient process to have one department dealing with the reclamation of an abandoned well in terms of the down hole recovery and having another department of government dealing with that same piece of property and that same well in terms of the surface reclamation.

Mr. Speaker, I understand from the minister's comments that Bill 5 is really a culmination of discussions, consultation with the oil industry to the point where the parties have reached consensus and have come forward with a Bill that both parties are comfortable with. I have some discomfort in the fact that the environmental protection and enhancement fund will in fact be funded by increases in hunting licence fees and fishing licence fees, stumpage fees, gravel fees, water rental, hydro fees. The money that goes into the environmental protection and enhancement fund from those sources under the jurisdiction of that Act could in fact be taken and used for the reclamation of abandoned wells, because they're doing the surface reclamation under section 28(1). So it's the environmental protection and enhancement fund that can take dollars for surface reclamation. If there's a reclamation certificate, it can work on surface reclamation.

Mr. Speaker, the minister is suggesting that perhaps that's not the arrangement. It's what I understand the arrangement to be. I know that Bill 5 does not deal with surface reclamation. Perhaps I have even greater discomfort in our understanding that there was a fund available for surface reclamation. If in fact that environmental protection fund is not available for surface reclamation, then in fact there is no ability for surface reclamation to be undertaken on an abandoned well. So if the minister could clarify, I'll be happy to do that, and I'll just conclude some other comments and perhaps give the minister a chance to do that.

The other comment, Mr. Speaker, is that the minister made reference to three aspects to the Bill. The first aspect of the Bill is in terms of giving the authority back to the energy conservation board so that they have jurisdiction over abandoned wells and can tighten up the process and can get a much better handle on abandoned wells. The second part of Bill 5 is in fact dealing with the creation of the abandoned well fund and an administrative process to allow that fund to be funded and to recover costs that may in fact come out of that fund from those who have the ability to pay.

Mr. Speaker, the minister made a third comment, and that is that the Bill also gives the legislative authority to the Energy

Resources Conservation Board over oil field waste. I must say that I have missed in my reading of Bill 5 where in fact the legislative authority arises in Bill 5 to give the authority to the ERCB for oil field waste.

Just to recount, Mr. Speaker, a couple of years back when the Natural Resources Conservation Board was conducting hearings on the Swan Hills waste treatment facility it had been stated and agreed, essentially at that point in time, that the expansion of the Swan Hills waste treatment facility would take into consideration and the calculation for the expansion took into consideration oil field waste that was generated in this province. It was determined by the NRCB that given that the oil field waste would indeed be part of the waste as defined in legislation and regulation, it would be subjected to transport and disposal at the Swan Hills waste treatment facility, that the expansion was required to the extent that it was. That was up to about 40,000 tonnes a year.

Shortly after the decision came down for the expansion of Swan Hills, the decision was made, as the minister indicated to us previously in debates today, that oil field waste is now exempted from other hazardous waste that's generated in the province. We have since that point in time asked the government to ensure that there is equivalency in regulation for hazardous waste under the Environmental Protection and Enhancement Act and hazardous waste under oil field waste that could in fact be indeed exactly the same substance or have the same levels of toxicity. Mr. Speaker, it doesn't matter what the source of the hazardous material is. What matters is that they are treated equally in terms of handling, in terms of transportation, in terms of disposal.

It's a major issue in this province, Mr. Speaker, that the Energy Resources Conservation Board will now have full authority over those hazardous wastes with full autonomy as to whether or not they do or do not meet the equivalency standards for what is contained now in the Environmental Protection and Enhancement Act. If, in fact, this Bill gives that legislative authority, I'd like the minister to explain in a bit more detail how that comes about, and can she give us her assurance that in fact equivalency will be the end result to the satisfaction of all Albertans who are concerned with the kind of hazardous waste we're dealing with, not the source of hazardous waste?

I say to you, Mr. Speaker, that subject to those comments and some concerns that I've seen in terms of the Bill, we will be supporting it. Thank you.

MR. SPEAKER: The hon. Member for Edmonton-Roper.

MR. CHADI: Thank you very much, Mr. Speaker. I couldn't just sit back and let the opportunity go by to speak to Bill 5. I appreciate this opportunity.

Mr. Speaker, when I look at the Bill and I read through it, the first part that sort of astounds me a bit is the fact that we're looking for the ERCB to establish terms and conditions for well licensing and well transferring to encourage proper abandonment procedures and this sort of thing. What gets me is: don't we already have something like that? I can't believe that the oil industry in this province has functioned for so long already that we haven't got some sort of a procedure in place to take care of abandonments. I'm encouraged, then, to see this Bill come forward if indeed we don't have some legislation in place.

It's obviously come forward because of a need, Mr. Speaker, and that need is that there are abandoned wells out there and we have to do something about these abandoned wells. I'm wondering how many of these abandoned wells are really out there. If this is a widespread problem, how do we best deal with this? These are some of the questions that I have with respect to



support or nonsupport of Bill 5. Perhaps certain amendments might be in order, and I wish I'd had the opportunity to examine this industry just a little bit further. But these are the questions that come to my mind right quickly here.

**3:40**

I know that with respect to underground storage tanks in the gas industry for a long time we had a difficult time trying to identify how many of these underground storage facilities, particularly metal tanks – I mean, that's got to be the concern. Because years ago people that put up gas stations and for that matter all companies that were out in their well sites perhaps have sunk underground storage tanks for fuel, and farmers may have put some underground storage tanks. But more than likely, Mr. Speaker, the biggest problem would have been with respect to the gas stations themselves.

I know that the government has made many attempts to try to identify how many sites are out there and are continuing to do so. The Department of Environmental Protection has done a fairly decent job in going around the province looking to identify those sites and making a registry of such. I think it was called the MUST program. I really wonder how many abandoned wells there are then. And have we done an inventory of these sorts of wells? I suspect that most of these wells have to be old. I can't imagine us not knowing of certain wells that have been abandoned as of recent drilling activities, and recent being, say, in the last 10, 15 years. I would imagine we've got a fair indication of what we've got in terms of abandoned wells. So my concern lies insofar as do we have an inventory of these abandoned wells or orphaned wells, as they're called?

When I ask those questions, I ask them purely because of my next comments, Mr. Speaker, and that is with respect to the abandonment fund. How do we know how much we're going to need in terms of establishment of this fund if we don't really know the seriousness of the problem, if there actually is a seriousness to this problem? That's what I was getting at in my comments originally.

The establishment of an abandonment fund sort of strikes me as being a good thing and an odd thing, because of course the energy industry is going to have to contribute to this fund, and they will do it, according to the Bill, annually. I'm wondering: if I was a responsible oil company out there doing my drilling responsibly and doing everything according to the guidelines that have been set out by the Department of Energy, why on Earth do I have to get involved in paying for an abandonment fund when I've never abandoned a well in my company's career? I'm trying to be the devil's advocate here, because I see it as just being another tax based on the government's inability to control this industry in terms of abandoned wells. Why should they be out there paying additional sums of money because of somebody else's wrongdoing? I would imagine those people that have to be held accountable and responsible for abandoned wells and orphaned wells have to be taken to task. I know with respect to environmental protection – and I can relate it back to gas stations, for example – that if there is contamination on a certain site, the responsibility doesn't necessarily lie with the present landholder. I mean, we could go back as far as we can to find who is responsible for the contamination. Furthermore, Mr. Speaker, I'm told that we can even go a bit further than all of that. If the company has actually gone broke, the shareholders of that corporation can be held accountable and responsible for the cleanup of any contamination on those sites.

So again I'm wondering now: is it not possible that we can go that route if we aren't already doing that, and that is to hold

accountable the shareholders of the corporations, individuals, Mr. Speaker? I know, particularly in an economy as volatile as we've had and in an industry as volatile as the oil industry has been over a number of years, that there would have to be corporations that were out there doing their drilling and completing that function and finding out that there was no oil or they didn't strike oil or they'd struck something that they expected was oil but wasn't, and then they just abandoned that well and ran. As a result, the costs incurred by that drilling would have cost them their company. They probably went broke. If that's the case, we ought to chase after those people right to the bitter end, find out who the shareholders of those companies are and try and get whatever we can, because it is not the responsibility of this government, nor is it the responsibility of the other companies within the energy industry to pay for somebody's mistakes. I find that hard to accept, and if I was an oil industry company, I would fight vigorously against imposing yet another type of tax against our industry.

I like the comments made by the hon. Member for Redwater, and that is that some kind of bonding be in place. I mean, that makes an awful lot of sense, and I would hope that the minister would respond favourably to that. This would ensure that the oil companies that are out there doing their drilling, rather than paying a tax or a fee towards this abandonment program, wouldn't be abandoning any wells and thus creating more of a problem out there. I would hope that that be taken into consideration. Perhaps an amendment to this Bill in that regard would be in order.

Mr. Speaker, with respect to the reclamation of wells, particularly abandonment wells, one has to also look at not only what's beneath the ground but also what's above the ground. I'm speaking with respect to the surface reclamation. Now, in this inventory of abandoned wells that we might come up with and with respect to the volatility of the marketplace, I would guess that there are some wells that have been drilled quite recently and perhaps maybe abandoned recently, that when the oil company left or the drilling company left, they left a terrible mess. If it was a performing well, I would guess that there would be sufficient need or reason to get in there and reclaim the surface and ensure that the surface is brought back to something that would be aesthetically pleasing. I think that if one hit a dry hole, one would probably want to run away just as quickly as possible and not incur any further expense, particularly with respect to companies that don't have an awful lot of money and have blown their bank accounts on dead wells. So surface reclamation would have to be part and parcel of this Bill if I were to support it. I would hope once again that the hon. minister would consider an amendment to that effect. I think it's important that we also include it.

I know that when the forestry industry goes in and does its cutting – Mr. Speaker, there's no question that they go in and they cut the roads through the forest and get at the trees, and when they're done in that particular area, that area is reforested. If there are ruts in the bush roads that they put in, those ruts are fixed up. Those ruts are filled in so that they could leave the landscape quite similar to what it used to be and what it ought to be. The reforestation takes place. They plant trees again so that in generations down the road one could look at that and say that it's truly nature and that it's probably untouched.

**3:50**

In that sense, I would guess that when we look at this surface clearing that has taken place and the roads to get into these well areas – coming from the north area that's what I'm particularly familiar with and not so familiar with the wells that may have been drilled in the prairie areas, where it's quite easy to see them

and it's quite easy to get in there with a chisel plow or whatever the case is and ensure that that field is level again and one can go back and start to seed it. That's not so much of a problem as it is out in the bush, when we're talking northern parts of this province. That is my concern, and this of course is to ensure that the roads that are bulldozed through are cleaned up, reforested. Areas where there was an abandoned well must be cleaned up, as well as ruts filled in, Mr. Speaker, not only the planting of grass. I mean, grass will grow, and who cares what kind of grass grows in the bush. I would prefer to see trees planted there so that we can actually see some reforestation rather than the sprinkling of some grass seed, because while grass will grow anyway - I'm pretty sure that that's not a problem.

So with those comments, Mr. Speaker, I would hope that the minister would consider bringing in a couple of amendments, as I mentioned. I look forward to speaking again to this Bill. Thank you very much.

MR. SPEAKER: The hon. Member for Leduc.

MR. KIRKLAND: Thank you, Mr. Speaker. I will probably echo some of the comments from Calgary-West and Redwater, so I won't belabour the point extensively. The intent of the Bill certainly is a positive one, and I would support it from that particular aspect. I think it's a positive step that we establish a fund, and the industry has done this, as I understand it, voluntarily for several years. I think their heart is in the right place, and I certainly think it's a positive undertaking by the industry.

I would also suggest that in fact it only goes partway when we look at simply the down hole aspect of it and the well site itself is not addressed. That's certainly something that should be addressed. It's fine if it's on a farm and the tenant of that farm brings it back into a reclaim situation, but if it's not anywhere near a population - and the hon. Member for Redwater indicated that often we can have equipment and the likes of that sitting in some of these outlying areas for years.

So I think the Bill is positive in its step. I would believe the establishment of the fund is the correct process to deal with it. I would believe it would be in its entirety a better and a full Bill if we had also addressed the site reclamation. I understand that the Environmental Protection and Enhancement Act does to some degree cover this, though from my reading of the industry there is a concern expressed that the Environmental Protection and Enhancement Act reclamation decrees, orders, or definitions perhaps aren't quite as clear as they would like them to be. So there is that potential to cause an undue financial hardship or burden. I think being that this originates in the energy industry, they'd be very well advised in consultation with environmental protection and enhancement to better define the reclamation process itself. They could draw a level of comfort there.

We look at it simply as being a streamlining of services. As I see it, if we were to include this under the energy sector as opposed to environmental protection and enhancement, it would lower the administrative costs. If we were to examine the department's recent business plans, I think this would fall into the spirit of the plan itself. So the ideas that have been put forth here as far bonding or a letter of credit or whatever term we want to use in this situation are ones that would not cause the industry a great deal of expense. I think it puts us in the situation of ensuring that there's a protection aspect that will follow through when the well site is abandoned.

So those are my brief comments, and I think the minister certainly would do well to give some thought to seeing if she

couldn't bring it under one umbrella to reduce that administrative cost that has been identified by several speakers, Mr. Speaker.

MR. SPEAKER: The Minister of Energy to close debate.

MRS. BLACK: Thank you, Mr. Speaker. I'm pleased to see that the members opposite are in favour of Bill 5. I do want to again applaud the industry for coming forward and being so conscious of the environmental concerns within the province that they themselves have decided to put forward a fund and fund it themselves to deal with orphaned wells. I'm losing my voice unfortunately today. There are procedures in place already for abandonment of wells. That has been there for a very long time. This is to deal with situations where there isn't an identifiable owner or licence holder. This is the odd case, not the norm. The industry has been extremely responsive and responsible for abandonment of wells. You don't just abandon a well. Those sorts of decisions to abandon are sometimes made for you, if the well waters out, for example. You don't just decide one day to abandon a well. It's not quite that easy.

I would ask hon. members: please don't mix gas stations with oil wells. Please don't do that because there is a totally different set of rules and requirements involved in that. I'm not being critical at all. Some day we should have a tour, Mr. Speaker, of the field and go through the process. It's extremely interesting to see the different aspects of going in to drill a well and watch it in production and watch them pull some pipe, and I'd be delighted to take hon. members out to the field and do that. I quite enjoy the field and go out usually as soon as we're out of session. I'm sure the industry would welcome visitors as well.

Again I'd like to say that clarification on the oil field waste was to be clarified within this Bill to give the ERCB the ability to go into the regulation of that aspect that had been left out when the environmental protection Act was put in place.

So, Mr. Speaker, I do take note of the members opposite's concerns on reclamation. Reclamation is in fact dealt with by the environmental protection Act. I will make note of those, and I'm sure the hon. Minister of Environmental Protection will read *Hansard* and make note of those concerns as well.

I do look forward, Mr. Speaker, to getting into more than the principles of the Bill when we get into committee and get into the actual sections of the Bill for further discussion.

So at this point, I'd move second reading of Bill 5, Mr. Speaker.

[Motion carried; Bill 5 read a second time]

#### **Bill 14 Agriculture Statutes Repeal Act, 1994**

MR. SPEAKER: The hon. Minister of Agriculture, Food and Rural Development.

MR. PASZKOWSKI: Thank you, Mr. Speaker. It's my pleasure and privilege to make a few comments regarding the Agriculture Statutes Repeal Act. Under this legislation nine Acts which come under the administration of Agriculture, Food and Rural Development will indeed be repealed. The Acts that will be repealed are the Beet Lien Act, the Crop Payments (Irrigated Land Sales) Act, the Crown Cultivation Leases Act, the Irrigation Land Manager Act, the Livestock Injury Act, the Margarine Act, the Seed Grain Purchase Act, the Threshers' Lien Act, and the Western Irrigation District Agreement Act. All of these Acts were identified for repeal during the initial review of the legislation that was conducted in our ministry this past year.

As a part of the repeal process, people who could be directly affected by the repeal of these Acts were consulted. They all favoured the repeal of these Acts. The Acts to be repealed are either outdated, no longer needed, or duplicated by newer legislation. I'll take a few minutes to make some comments about the original purpose of each of these Acts and to explain why they're no longer needed.

#### 4:00

First, the Beet Lien Act provided for a beet lien upon sugar beet crops grown from seed provided to growers on credit by processing companies. The legislation allowed the processors to advance seed to growers and to recover the cost of the advance at harvest time. This practice is no longer in use. The Alberta Sugar Beet Growers Marketing Board agrees that this Act should indeed be repealed.

The Crop Payments (Irrigated Land Sales) Act was enacted to assist in irrigation development and land settlement where irrigated land was being sold on a crop share basis. The Act empowered the vendor to claim preference to any other priority, charge lien, or claim whatsoever that portion of the crop as pledged under the purchase agreement. The purchase of irrigated land through an assignment of a portion of the crop has not been used in some considerable length of time. Now there are numerous more conventional methods available for financing and transferring land ownership. These include banks, vendors, mortgages, and federal and provincial lending institutions and agencies.

The Crown Cultivation Leases Act establishes the land taxation rules for Crown lands that are held under crop share cultivation leases. The land administration division of Alberta Environmental Protection recently sold the last two parcels of land that were subject to this legislation, and they therefore recommended the repeal of this Act. Although the Act was administered by Alberta Environmental Protection, the responsibility of it was transferred to Alberta Agriculture, Food and Rural Development in March of '93.

The Irrigation Land Manager Act appointed a land manager who had the authority to buy and sell land on behalf of the Crown. He could also make loans to buyers. He was also charged with imposing and collecting water right payments on the affected land. The last business under this Act was completed as of March 31, 1993.

The Livestock Injury Act requires railroads to post a notice in the nearest railroad station if an animal was injured or killed by a railroad train and the owner could not be readily identified. This legislation has not been used for many, many years. As a matter of fact, there aren't too many railroad stations left in Alberta at the present time.

The Margarine Act establishes quality standards, labeling, and public notice requirements for margarine. This has not been enforced by our department since federal consumer and corporate affairs began monitoring labeling and the menus in restaurants several years ago. The quality standards for margarine are now covered under the federal Food and Drugs Act.

The Seed Grain Purchase Act empowered the minister to secure and retain a supply of suitable seed grain for our seed purposes. The minister could purchase grain in the quantity he considered necessary to supply seed grain to farmers in any particular area within the province of Alberta. Private industry, with its network and internal competitiveness, has replaced the need for legislation. The powers under this Act have not been used in the last 20 to 25 years.

The Threshers' Lien Act provided for a lien to be placed by the harvester of a crop to ensure payment for the harvesting of the

crop. The lien had priority over other charges against the crop. The lien holder could take a sufficient amount of the crop to cover the harvesting charges. Programs such as the Canadian Wheat Board cash advance, operating loans from other financial institutions, the gross revenue insurance program, as well as the net income stabilization account have all been developed since this legislation, which was actually legislated in the year 1918. Special priority for a thresher is no longer required.

The Western Irrigation District Agreement Act legislated an agreement between the western irrigation district, Calgary Power Ltd., and the Canadian Pacific railroad for hydroelectrical development. The specified term of the effect of this agreement was to end in July of 1963. This date has long passed.

Mr. Speaker, the repeal of these Acts makes it necessary to repeal a section in remaining legislation. This has been done in the form of consequential amendments. The repeal of the Margarine Act makes it necessary to replace the quality standards for margarine in the Dairy Industry Act with the standards for margarine that are now in federal legislation.

Mr. Speaker, in closing, I propose that the Agriculture Statutes Repeal Act, 1994, come into force when it receives Royal Assent.

MR. SPEAKER: The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Speaker. I'd just like to make a few comments on Bill 14. It's nice to see that the minister is going through and getting rid of some of the legislation that's been on the books in Alberta for a number of years and is now redundant or not being used. It does bring up some kind of comments, though, in terms of the substitutes that are being used in replacing these.

We see that out of the nine Acts that are included here, two or three of them basically leave positions where we end up with these kinds of procedures maybe providing more flexibility for farmers. As an example, he talked about the Crop Payments (Irrigated Land Sales) Act. Maybe this gives us an idea where farmers could be almost hedging some of their sales of land if they dealt with each other on that basis rather than dealing just with the Crown. So it provides some ideas that maybe their time has come again, although in the context of the Bills that are being repealed here, the context does mean that they should be repealed and taken off our books.

I don't think any of the Acts that are being taken out are going to be missed by the agriculture sector. We can see that a lot of them are dated. A lot of them now are being replaced by legal contracts between the parties involved, rather than government guarantee type situations or government-controlled situations. These include things like the Beet Lien Act and the Threshers' Lien Act. Another one is the Livestock Injury Act. This, as the minister has said, is something that probably went with the passenger trains, when all of our train stations disappeared. The only option we may have now would be to use the number of grain elevators, yet even these are declining. Few of the farmers that are in the livestock industry end up going to the grain elevator, so they wouldn't notice if their animal had been hit by a train.

So this is, I think, a good Act. On behalf of the minister this is a good program that he's doing.

DR. WEST: He's a veterinarian there. He knew it was hit by a train.

DR. NICOL: Well, it provides opportunity for the vets to get some work then. Is that what you're saying?

Anyway, these are the kinds of things that I think should be supported, and I'd recommend that all members of the House do support removing these from the statutes of Alberta.

Thank you.

MR. SPEAKER: The hon. Member for Redwater.

MR. N. TAYLOR: Thank you, Mr. Speaker. Generally I have a good feeling when the minister brings up an area, but when I see this many, I'm always suspicious, because this is usually the standard practice to sneak something through that is important. Right now I'm a little bit like a hound dog sniffing around here to see whether there is something that isn't quite proper.

I'll try and go through them one by one. The Beet Lien Act kind of puzzles me. If it's not being used and not bothering anyone, why throw it out? It seems to me that people that sell seed to beet farmers should have a right to put a lien on crops. Are you in effect saying that they don't get a lien? I don't quite understand why. I'd take a look at the other side of the coin. If it's not abused, why are we worrying about it? We're spending more time and paper getting rid of it than we are leaving it drag on. I wonder if the minister could answer: are there other types of methods where a creditor can put a lien on a beet crop? I don't quite understand. If the seed one repeated something that's already done, I think I can see why it's thrown out. If it indeed starts making beet raisers inviolate for their debts to a seed supplier, I don't think it's right. I'd be interested in hearing more.

#### 4:10

Crop payments for irrigated land sales. I think the minister indirectly by taking this out is interfering with commerce. It has been a fairly ancient system of trade, Mr. Speaker, whether it's in farmland or oil or in real estate or anything, to trade the returns, the cash flow that's going to come from the property as a method of paying for the property, whether it's apartment houses or whether it's oil wells or whether it's farmland. Just because there has been a run in the last while of people using cash deals rather than taking assignments on future cash flow, I don't think it's right for the government to suddenly say: those that take assignments on further cash flow - which is what a crop share is - will have no right to try to exercise that cash flow. In other words, you're taking away a method of doing business and calling it illegal, and I don't think that's proper. I think you're being overenthusiastic there. Maybe the minister can point out some reason for it, but the fact that it hasn't been used in the last few years is not a reason, because taking assignments on cash flow of a property or an asset is as old as time.

The Irrigation Land Manager Act. I've sniffed and sniffed and growled and looked at this one. I don't really see anything wrong with it. That's probably the only thing that is a sleeper.

[Mr. Clegg in the Chair]

The Livestock Injury Act I actually have a bit of an interest in. I have land that borders the railroad, and I have trouble with the railroad keeping the fences up and so do my neighbours. As a matter of fact, one lever we have of making the railroad get out there and patch their fences up along the right-of-way is the fact that this agreement allows us to bother the hell out of them if they run over a cow. Mind you, the fact that we usually try to sue them and say that it's the best cow in the whole land and was worth at least a hundred thousand dollars and so on is usually enough to scare them a little to fix up the fence. As long as we don't use the veterinarian from Vermilion-Viking for evidence,

we're all right. He thinks anything with four legs can be bought for \$150. He handles animals the same way he does liquor stores.

Nevertheless, let's go back to it again. I actually like to see that in because it does give farmers that border on railroads a nuisance value. [interjection] Well, maybe that's in. I'm just putting it up. I'm saying that the nuisance value of this to the railroad is enough to help us collect when a fence isn't put in. Anyhow, I'll be very interested in listening. What doubly worries me, Mr. Speaker, as I look over there, is that I see him getting his advice from Vermilion-Viking, and that's enough to scare anyone. Oh, he's handing him a whole valise full of documents.

#### Point of Order Clarification

DR. WEST: Point of order, Mr. Speaker.

MR. ACTING SPEAKER: The hon. Minister of Municipal Affairs has a point of order.

DR. WEST: Yes. Clarification, Mr. Speaker. During an arduous process Vermilion-Viking was removed once and for all. We lost a constituency in rural Alberta. I know that there was a tremendous amount of debate at that time saying that we were doing something on this side that might gerrymander, but I can remember well losing my constituency, and it became Vermilion-Lloydminster. So I would like the Speaker to bring the hon. member up to date on this, because he made reference to a constituency that doesn't exist.

MR. N. TAYLOR: Mr. Speaker, I will certainly correct that, because no matter how much we pray in this House that his constituency didn't exist, I'm afraid it does exist. I could use the excuse that I was trying to save the reputation of Lloydminster. Nevertheless, I'll take it back.

#### Debate Continued

MR. N. TAYLOR: I mentioned that on livestock. Now the minister may be able to put my fears to rest.

The Margarine Act: I don't really see anything there either.

The Seed Grain Purchase Act: I don't see anything.

The Threshers' Lien Act I do have a problem with, but the hon. Member for Calgary-North West is going to get up and dazzle people with his agricultural footwork here and go further on that issue later on. So I'd advise the minister to alert his gremlins in the lobby or wherever it is, because when Calgary-North West finishes with him, he may not know whether he's coming or going.

To go on a bit further, section 10 amendments to the Crop Liens Priorities Act - there again it bothered me that it might be interfering with free enterprise in the way they go about doing business. Maybe the minister can say there are other legal methods of putting liens on crops without this one specifically.

Section 12 mentions metric conversion. I'm kind of intrigued about that. Does it mean we go back to selling wheat by the ton rather than tonnes or what? It just says they're going to do some metric conversions in section 12. I'd be intrigued by what he's talking about.

Let me see. There was another one, Mr. Speaker. Well, I know this more likely should be done in committee stage, but what bothered me a bit was the homesteaders Act, where they argue that there's hardly any homesteading done anymore. I believe the Crown Cultivation Leases Act, C-37, is being repealed. Now, I know that very few being done isn't really a reason why you don't do it. There are homesteaders in the La

Crête-Fort Vermilion area in northern Alberta, very few homesteaders but I hope this doesn't in some way, shape, or form hurt their rights. I know there are darn few homesteaders in Alberta. I suppose if you took a general thing, but the whole purpose of law is to protect the minorities and those that are powerless, and even if there's one homesteader in the province that gets shafted by this being taken out, that's one too many. So I would want assurance here from the minister as a reason to pass this not that there are few homesteaders but that the homesteaders that there are have other methods of accessing justice, and this isn't hurting their justice at all.

Thank you.

MR. ACTING SPEAKER: Thank you.

The hon. Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Speaker. I do have a couple of questions I just wanted to ask. I wanted to pick up where the hon. Member for Redwater just left off on the Crown Cultivation Leases Act. As I heard the minister introduce this Bill, he said that the last two, I think, pieces of land that fell under this particular piece of legislation have now been sold. I guess what I'm wondering is: is the minister, then, by implication saying that there's never ever a possibility in the future that any other lands would be dealt with under this same type of legislation? Because it would be kind of shortsighted if another one came up in a year or 10 years' or even 20 years' time down the road. So I am wondering about that just a little bit.

I'm wondering also if the minister could just define "crop grown on cultivated land." I think in many cases many homestead lands are used for grazing, but I'm wondering about forages. Are forage crops included, like alfalfa, bromegrass, and so on? Because I understand that in a lot of cases those are crops that are grown. I'm wondering if that would fall under that as well. So just a couple of questions there.

With respect to the Threshers' Lien Act, it was the one that kind of caught my attention here in this omnibus Bill, the Agriculture Statutes Repeal Act, 1994. Mr. Speaker, I was thinking about the Builders' Lien Act. If a builder puts a new roof on your house, for example, he can put a lien against the property, and that is to ensure that he gets payment for the work that he's performed. Now, under the Threshers' Lien Act – and I know that the minister said that we haven't had threshing machines in Alberta actively operating on a commercial basis certainly for years and years – there is a line in the Bill that says,

A person who cuts or threshes grain or causes grain to be . . . threshed . . . with . . . any other implement that both cuts and threshes grain.

My question here is dealing with people who do custom combine work. There are a number of people who make a living doing custom combining and trucking, certainly to elevators and to the farmer's storage bin, wherever that may be located, or maybe storage might even be, as we saw last year, just piles in a field someplace.

[Mr. Speaker in the Chair]

What I'm wondering if this Bill is eliminated and you get these custom combiners going around having difficulty collecting pay for the work that they have done – of course, they've got huge costs in terms of fuel and overhead and so on – is what kind of protection is going to be left for those individuals who go out, buy perhaps a bigger combine than what they really need for their farm in the hope that they can pick up a little work somewhere else doing some custom combine work. Are they then potentially

going to be left out in the cold with not being able to get protection under this Threshers' Lien Act? I know perhaps the title "thresher" is somewhat antiquated, but certainly the process of separating the wheat from the chaff, so to speak, is still continuing on, although we've changed the equipment. So just a couple of questions there for the hon. minister.

Thank you, Mr. Speaker.

4:20

MR. PASZKOWSKI: Just very briefly, the Threshers' Lien Act is one that hasn't been used in over 25 years since the last time. What it really basically did was it allowed the thresher to garnishee a certain portion of the grain. Now payments are made beforehand. The process is actually arranged beforehand, and it's done in cash, not in grain transfer. This process, of course, would have to be registered, and there would be indications of its usefulness. Since it hasn't been used in at least 25 years, there's hardly any need for it. There are other ways of making the accommodation for payment that are being used now and replace this.

The first question was why we're cleaning up so many and coming forward with nine at a time. Well, actually, we went through all the legislation. There were others that could have been eligible, but at this time we didn't feel confident that indeed they were eligible. There were still one or two entanglements, so we withdrew those. The nine that are coming forward are those that we've consulted with the industry on, and the industry as well as the recording process have indicated that there was no usefulness for them whatsoever.

As far as the Beet Lien Act is concerned, there's only one sugar company operating in Alberta, and that sugar company of course buys all the beets. We have nowhere else to market the beets, so really there isn't a need for this. We just met with the president of the Sugar Beet Growers Association as of noon today, and he said: "Yes, that's the right thing to do. Get rid of it. We no longer use it, and we have no need for it." So it's not something that is being used.

As far as the Livestock Injury Act is concerned, what this is is a process. It's not the indemnification of the animal that's involved here; it's the process of notifying the people. There are virtually no railroad stations left in Alberta or very few of them, so the process is no longer a valid process. That's the major concept for the change here.

The metric conversion amendments. Those are sections that are being repealed that were never proclaimed. They were put into place years and years ago, but they were never proclaimed. There's no point in keeping them on the statutes if indeed they were never proclaimed and not being used. So basically those are the reasons that those are being asked for repeal.

At this time I move second reading of Bill 14.

[Motion carried; Bill 14 read a second time]

[On motion, the Assembly resolved itself into Committee of the Whole]

head: **Government Bills and Orders**  
head: **Committee of the Whole**

[Mr. Tannas in the Chair]

MR. CHAIRMAN: I'd call the committee to order.

### Bill 6

#### Mines and Minerals Amendment Act, 1994

MR. CHAIRMAN: The hon. Member for Pincher Creek-Macleod.

MR. COUTTS: Thank you very much, Mr. Chairman. Just for a point of clarification, was that Pincher Creek-Macleod that you said? I'm just curious.

MR. MITCHELL: Well, there are three of you standing.

MR. COUTTS: Yeah.

I'm pleased to rise today at committee stage to discuss Bill 6, the Mines and Minerals Amendment Act, 1994, and specifically to respond to some of the questions that were brought forward by the members opposite. To begin with, I'd like to specifically look at questions regarding the environmental impact of gas storage and why there is no requirement for environmental approval of gas storage, put forward by the hon. members for Calgary-West and for Sherwood Park.

First of all, Mr. Chairman, the gas storage operations comprise of the reinjection and storage of natural gas in the existing underground reservoirs. Natural gas produced from natural underground reservoirs is reinjected into located reservoirs, which were also naturally occurring gas storages initially.

Secondly, the environmental issues within the oil industry are not within the mandate of the Mines and Minerals Act, Mr. Chairman, but are administered by the Department of Energy. They are handled by the Energy Resources Conservation Board, the ERCB as it's known, and Alberta Environmental Protection. A proposed gas storage scheme must be approved by the ERCB as well as by the department, and it is the ERCB that will ensure that the departmental guidelines are complied with. In addition, every oil field operator must comply with the legislation administered by Environmental Protection; for example, the Clean Air Act, the Water Resources Act, and the Environmental Protection and Enhancement Act.

In addition, there was a concern: will there will be a proliferation of gas storage facilities? There are currently 12 gas storage operations in this province, the earliest dating back, as I said in second reading, to as early as 1930. This legislation, Mr. Chairman, does not provide any new opportunities. Rather than that, it streamlines the government's participation in the existing process and facilitates the market-driven activities of the oil field.

Another question that was brought forward: will the underground gas storage facilities affect aquifers supplying water for domestic and farm use? It is unlikely that gas storage operations will have any affect on aquifers, but this again, Mr. Chairman, will be monitored and regulated by the ERCB and Environmental Protection in the normal manner.

I think it's also important to note that just in case the members opposite have any questions about the passage of this legislation permitting the storage of hazardous wastes or garbage in underground formations, the answer to that is no. Again, the intent of these amendments is to facilitate underground storage of minerals, natural gas being that mineral for the benefit of Albertans. Disposal of other substances would be handled in a separate manner, again, of course, by the ERCB and the department of the environment.

4:30

The hon. Member for Calgary-Buffalo mentioned: why is there no provision for an adjudicator in the event of a dispute as to the purpose of injection? The provision in question does not have far-

reaching effects, as I've pointed out earlier. The only question to be decided is the purpose of the injection of gas so that the appropriate royalty regime is imposed. This is between the minister and the lessee. It does not affect the rights of any individual mineral rights owner but allows the minister to ensure that the royalty regulations are complied with.

Lastly, Mr. Chairman, again I'd like to indicate, as previously when we discussed Bill 3, that there are no surprises in this Bill, and nobody has been caught off guard. We have looked at consultation with the industry over the last couple of years, and in the fall of 1993 the industry met with government and paved the way for preparing the industry for these changes.

With that, Mr. Chairman, I look forward to comments and questions from members opposite and members on this side of the House as we go through committee.

MR. CHAIRMAN: Calgary-West.

MR. DALLA-LONGA: Thank you, Mr. Chairman. I thank the Member for Pincher Creek-Macleod for his comments. It takes somebody from the other side to get it straight.

Anyway, if I understood the member's comments correctly, he said that underground storage facilities for anything other than minerals would be covered by the ERCB and the department of the environment. Is that correct? Okay. I guess, once again, we're supportive of this Bill in that we're aware that industry is in favour of the Bill, that extensive consultation has been undertaken with industry, and it's a credit to the minister's undertakings in this regard. The only thing I have a concern with, notwithstanding the fact that it was mentioned by the hon. Member for Pincher Creek-Macleod, is that there might be a proliferation of more facilities coming into play here. Is there anything that can control a bunch of new facilities coming on? Then maybe we'll get into orphaned underground storage facilities at some point; I don't know.

I'm not totally familiar with how you determine that an underground storage facility is capable of storing gas, but having worked for a very short period of time for the ERCB, I'm almost positive that sooner or later we're going to come up with some complaints by farmers that their well was contaminated, their underground water, their aquifer was contaminated and all sorts of problems coming out that way. I guess that's why I'm concerned that, you know, we may have a whole bunch of these new facilities coming into play.

The other thing is that this past year I believe we got up to about 97 percent of our capacity in terms of being able to deliver gas. These underground storage facilities are going to help the industry meet in the future any - while there wasn't a crisis this year, it was close to capacity, and we may be able to better react to high need times.

The last comment that I have is once again on the gas royalty simplification. The Alberta Liberal opposition has been extremely supportive of this initiative, and we feel that reform of the complexities found within the natural gas royalty regime were long overdue. We're pleased that the number of filings that will be required on an annual basis from the industry will be substantially reduced. This is going to lead to cost savings in the industry as well as to taxpayers of Alberta, which is always a positive thing.

So with that, Mr. Chairman, I'll conclude my comments and let a couple of my other colleagues who want to make some comments on this Bill.

Thank you.

MR. CHAIRMAN: The hon. Member for Sherwood Park.

MR. COLLINGWOOD: Thank you, Mr. Chairman. Again, my thanks to the Member for Pincher Creek-Macleod for introducing the Bill in the Committee of the Whole for debate.

Just a couple of opening comments, Mr. Chairman, on the introduction of the Bill into the Committee of the Whole. I may have missed the hon. member's comment. I know that last time in second reading in terms of the environmental protection issue we took a basic assumption that where there is an owner, there are obligations and there are responsibilities. For the sake of clarity as to those obligations, we assumed that under the Environmental Protection and Enhancement Act those who were identified as owners with respect to this Bill would in fact be those responsible under the Environmental Protection and Enhancement Act. Now, I think we're still under the assumption. I'm not sure if that has in fact totally been clarified. Perhaps the sponsoring member might deal with that just a bit more specifically. Again, as I say, I think we're still under that assumption. It's probably the case, but if you might just comment on that.

The hon. member did make reference and answered a number of our questions from second reading, which I appreciate. There was discussion in his answers about the fact that both the Energy Resources Conservation Board and the Department of Environmental Protection are involved in ensuring that there is adequate monitoring of these facilities and ensuring that the environment is indeed protected.

Mr. Chairman, as I made some comments previously in terms of Bill 5, because of the significance of the energy component in the economy of this province, we do tend to see an overlap sometimes between the jurisdiction of the Energy Resources Conservation Board and how it then in fact interrelates with the Department of Energy, how in fact that interrelates with the Department of Environmental Protection. I still get a sense that we're not clear, even though the hon. member did make reference to the fact that both the Environmental Protection department and the Department of Energy are involved and the ERCB, just exactly where the demarcation lines are, what the reporting requirements are, and where the accountability lines are so that there's just a clear understanding of who's involved and where they're involved in ensuring the viability of the storage facilities that this Bill relates to.

Mr. Chairman, at this point I would like, on behalf of my colleague the hon. Member for Calgary-Buffalo, to introduce an amendment to the Bill, which will now be distributed to all members of the Assembly. The amendment speaks to section 2(b) of the proposed Bill 6, which inserts by that provision of the Bill a new article (1.1). Now, if I may, I'll just paraphrase the provision that is proposed in the Bill. What it intends to do is where there's a dispute "between the Minister and the lessee under an agreement," what will happen in terms of that provision is that the question shall then go to the minister and the minister shall decide the question. Well, it appears to me and to members on this side of the House that that's a rather awkward situation to be in and in fact a rather overbearing position to be in.

4:40

What we're proposing in the amendment, Mr. Chairman, is that rather than having the question decided by the minister, in fact the question is decided by the Energy Resources Conservation Board, because the situation is this. If there is in fact a dispute between a lessee and the minister, the minister essentially says to the party that he or she is in dispute with, "I'll decide the answer." This has the appearance of being overbearing. It has the appearance of taking away from a fair process where a dispute arises between the minister and any particular lessee. What it requires is that an

independent body consider the issue, consider the essence of the dispute, consider the substance of the dispute. An independent body will take a look at that issue and decide the question on behalf of both parties, who can make submissions to it.

Members now I think will all have a copy of the amendment as moved by Mr. Dickson, as presented by myself on his behalf. I think it's only reasonable, Mr. Chairman, that the amendment take place in section 2(b), that "the question shall be decided by the Minister" be removed and that we substitute "the question shall be decided by the Energy Resources Conservation Board."

As I say, Mr. Chairman, in terms of the overall Bill, in looking at the various sections, this one appears to be perplexing as to why, in a dispute between a lessee and the minister, the minister would simply decide that issue on his own. It does require the intervention of a third party. We think it would only be appropriate in the circumstances that the party that would be in a position to adjudicate on the dispute between those two parties would be the Energy Resources Conservation Board.

I think, Mr. Chairman, that from those comments the purpose of the amendment is clear, the reasoning for the amendment is clear. The Bill will be in fact improved by this amendment. There will appear, then, to be a more level playing field, there will appear to be greater fairness, and I urge all members to support this particular amendment.

With that, Mr. Chairman, I'll conclude my comments on this particular amendment and invite other members to debate it.

MR. CHAIRMAN: Hon. members, before we commence with debate on this amendment that has been presented by the hon. Member for Sherwood Park on behalf of Calgary-Buffalo, the Chair would like to indicate that there is a signed copy of this here at the Table so that we don't get into the argument as to whether it's signed or not. It indeed is signed and has been signed off by the Table officers. So with that qualifier, let the debate begin.

The hon. Member for Redwater.

MR. N. TAYLOR: Thank you, Mr. Chairman. I just wanted to speak in support of the amendment, if I may.

Historically speaking, whenever there is a decision by the bureaucracy that is not agreed with by the voters, there's an appeal system, and it's commendable that nearly all parties, I think, are working towards a system where we're trying to stop the hassling of the individual citizen by bureaucracy as much as possible. I suppose if I had any argument against this amendment, Mr. Chairman, it would not be that there shouldn't be an appeal but that maybe the appeal shouldn't even be to the conservation board. In other words, the conservation board is also an agency of government. I suppose, to their credit, the way they've operated, they've done an excellent job in general. Otherwise, the public wouldn't say, "Let's not let the minister decide; let's let the ERCB decide." I would have gone further if it was my amendment and said that an impartial body be set up, maybe from the Legislature, by the Legislature, rather than the ERCB, because one of the problems here in many of these storage cases is that the ERCB may be as much a part of the problem being settled as the principals that are involved. This is a long way towards giving a reasonable method. I can't see why the government wouldn't accept the amendment, because it would also take the heat off them and the minister and put it out to a third party, and I think well it should.

I'd encourage all members to support it, because I think it is halfway. If it had been mine, as I say, I would have asked for an appeal mechanism that had no association with government, was appointed by the Legislature, and settled maybe for halfway. This

is a halfway point where you're saying that the ERCB, which is essentially appointed by government and run by government, look at it. I think it frees the minister, gives him freedom, and still leaves the government with pretty good control. So I would ask the members to support it.

Thanks.

MR. CHAIRMAN: Edmonton-Roper.

MR. CHADI: Thank you very much, Mr. Chairman. I am very much prepared to speak to Bill 6 itself. This amendment, when studying the Bill, is quite an appropriate amendment. I'm hoping that the hon. Member for Pincher Creek-Macleod would take the comments made by the hon. Member for Sherwood Park quite seriously, because I think this is a very serious issue. When we talk about section 2 and in particular subsection (1.1), it indicates that

if any mineral or any product obtained from a mineral is injected into a subsurface reservoir and a question arises between the Minister and the lessee under an agreement, or any person claiming under the lessee, as to the purpose for which the mineral or mineral product was injected, then, for the purposes of this Act, the question shall be decided by the Minister.

My God. I mean, where on earth does this happen besides in the legislation that we continuously argue about in this Legislature? I have never seen in private business anywhere when a disagreement arises, Mr. Chairman, where one of the people within the disagreement gets to decide whether it would pass or not. Generally, in any business dealing that I've ever been involved in, if we had a disagreement, regardless of whether it was between two parties – being a tenant or a landlord, a lessor or a lessee – in whatever case there has always been an impartial court of law that decides. In this case it's quite clear that we say: no, if there's a disagreement between the Legislative Assembly and a lessee or a disagreement between the minister and the lessee, the minister shall be the one to decide. That can't be right. I'm hoping the hon. Member for Pincher Creek-Macleod would agree that that was an oversight and that rather than say "the Minister" he meant to say the Energy Resources Conservation Board. I think that makes eminent sense.

Having said that, I hope that we could hear from the Member for Pincher Creek-Macleod with respect to this amendment.

Thank you.

MR. CHAIRMAN: The hon. Member for Leduc.

4:50

MR. KIRKLAND: Mr. Chairman, thank you. I stand to speak in favour of the amendment. I think certainly it's a reasonable amendment when we look at it. I would think the minister would like to distance himself or herself from the pressure that may arise as a result of this. I see the Energy Resources Conservation Board itself as being a good insulator in this instance. I would give to the vast and worldly knowledge of my colleague from Red Deer here who suggests it doesn't go far enough but it's a half-step, and I would agree with the Member for Redwater that perhaps it doesn't.

I do have a concern here when I look at the fact that we're going to charge the minister himself with actually making this decision. When I do that, I have an overall concern because I see this as only one of many areas we're moving into with this particular decision-making process that comes to a stop at the bureaucratic or the minister level. I can think, Mr. Chairman, of the appointment of an MLA to a sports council board, and I can think of the appointment of superintendents. As I view this, I

would suggest it's a bit of the musk oxen approach, if I might. As you know, musk oxen when they are threatened all back their collective rumps into a circle to protect themselves, lower their heads, and blow snot all over anyone that comes near them. I'm a little suspicious that we're not moving in this particular area here, and it bothers me to some degree.

I would suggest that the amendment that comes forth is one of common sense, and it's one that not only gives good insulation from perhaps liability down the road to the Crown or involving the Crown but also gives that Energy Resources Conservation Board, who supposedly have their fingers on the pulse in these matters, an excellent opportunity to deal with the matter on its merits. I would ask all members to support this particular amendment. As I say, there's nothing untoward here. It's simply a case of developing an insulation and attempting to remove some of the pressures that certainly we may succumb to. As politicians we know that the pressures are constant in our lives, and we know that in fact the lobby groups frequently are knocking at our doors or ringing our phones to try to sway us their way. So anytime that we can build a removal from the process itself, have other minds view it in an objective light, I think it's very desirable, and the Energy Resources Conservation Board does that is this instance, Mr. Chairman.

Thank you.

MR. COUTTS: Speaking to that amendment, the question of the purpose of injections is strictly to be decided by the ERCB and not the minister. The issue with royalties is not one of conservation, and therefore it should be under the jurisdiction of the minister. The minister is responsible for royalties, Mr. Chairman, and takes that issue and works on behalf of the people of Alberta, not the ERCB. Therefore, I'd just like to remind the members that the ERCB has no royalty authority, only jurisdiction over conservation and as a regulatory body.

With that, I would ask the members to oppose the amendment to Bill 6 as proposed by the hon. Member for Sherwood Park on behalf of Calgary-*Buffalo*.

MR. CHAIRMAN: Redwater.

MR. N. TAYLOR: Yes. I think there's a bit of misinformation here. The ERCB does have a lot to do with royalties, particularly in natural gas. As a matter of fact, I helped my constituents negotiate a deal with the ERCB out at what you call the Roseridge gas plant, where they wanted to have some inhibitors put on. The operator of the plant, Norcen, argued quite strongly that they were poor little boys and their elbows were out of their jackets and they were barely getting by; they couldn't afford it. So the ERCB in a hearing made a ruling that they would allow Norcen to pay a certain amount out of royalties for the gas plant, about half of the inhibitors, in order to encourage Norcen to put the inhibitors on. They, of course, passed a rule that they should be.

So what I'm getting at is that the ERCB may not fix royalties – Madam Minister and her department fix royalties – but the ERCB has a right to rebate, modify, change, and everything else, particularly in natural gas. They're the ones that rule on the Jumpingpound formula. They're the ones that if I have trouble – I have some interest in some other plant where there are different types of removal involved – then the ERCB sits there and plays the tune and says what is allowable to be deducted and what is not allowable, what you have to do for cleanup, and what you have to do for that. So the ERCB, although they do not set the royalties, in effect set what comes out of your pocket, because they decide how much you can keep in your pocket when



calculating the royalty for the government's gas, for the treatment of it. Also, they decide what you have to put on your plant in order to keep the effluent from rolling out over the countryside. If that doesn't control royalties, I don't know what does. So I think they're a very natural board to be in control in the amendment.

MR. CHAIRMAN: Calgary-West.

MR. DALLA-LONGA: Thank you, Mr. Chairman. Just to sort of respond to the Member for Pincher Creek-MacLeod's comment, I think there's sort of a precedence for someone other than the minister dealing with issues of royalty or issues such as this amendment covered here under section 2.

For example, under the Income Tax Act disputes may arise between a taxpayer and the minister and the minister may make a decision, but it's not the minister who makes the final decision necessarily. It can go to a board to be adjudicated.

I've discussed this particular provision in this Bill with some people in the industry, and they have a bit of a problem with it as well. It's not an overwhelming problem, but they have concerns that there may be a lack of objectivity in terms of – not with any deference to the minister, but it's just one party being able to decide what happens for its own benefit. Quite simply, having the Energy Resources Conservation Board decide the question is putting somebody in who's at arms' length, who is already involved in most cases with the issues at hand, and having them there is just an additional validation of the decision that would come out.

Thank you.

MR. CHAIRMAN: The hon. Member for Sherwood Park.

MR. COLLINGWOOD: Thank you, Mr. Chairman. Just in terms of the amendment, then, to close debate. If I heard correctly the Member for Pincher Creek-MacLeod, who is the sponsor of the Bill, the issue here is in fact not one of royalties, as I understand the purpose of section 2(b) of the proposed Bill. Indeed, what it says is that when

a question arises between the Minister and the lessee under an agreement . . . as to the purpose for which the mineral or mineral product was injected, then, for the purposes of this Act, the question shall be decided by the Minister.

Now, if I heard correctly, in fact the jurisdiction of the ERCB is to decide the purpose for which the injection occurs. That falls foursquare into what the ERCB is to do. This is not, as I understand it, a debate on royalties. It's not, in terms of the addition to the Act, a question of a dispute as between the parties in terms of royalties. It is a dispute as between the parties as to the purpose for which the mineral was injected.

Again, if I understand from the hon. member correctly, what he's now telling us is that indeed the minister will intervene and involve himself and stick his nose into the business of the ERCB when it is in fact up to the ERCB to make those decisions. Now having said that, if I'm correct, then the hon. member will have given us even more reason to support the amendment, because if this changes the way things are done through the interference by the minister, we ought to set the record straight and we ought to put matters straight by having the question decided by the ERCB, who is already mandated and who already has the responsibility and who already has the jurisdiction to do just that. We should be very vigilant not to allow the minister to interfere into the administrative activities of the ERCB. In fact, the minister ought not to be the one deciding the question when there is already

provision and there is already a mechanism in place for these kinds of disputes to be decided upon by the administrative tribunal.

5:00

So I think, Mr. Chairman, where we end up in this debate is that we should in fact – it is common sense to approve and vote in favour of this amendment to ensure that there is a lack of perception of interference, to ensure that there is the appearance of impartiality, to ensure that the ERCB lives up to and discharges its obligation and its mandate, and to ensure that the minister does not interfere in the operations of the ERCB by getting their foot in the door in this amendment.

So again, Mr. Chairman, I would encourage all members to act prudently and responsibly and vote in favour of this amendment. Thank you.

[Motion on amendment lost]

MR. CHAIRMAN: The hon. Member for Sherwood Park.

MR. COLLINGWOOD: Thank you, Mr. Chairman. So much for good ideas. We have another excellent idea. I'd like to propose a motion. I believe the Table has copies. It can now distribute them to all members. This is another excellent idea. In fact, this amendment relates to the proposed section 26 of Bill 6, which many members will find to be very perplexing indeed. What section 26 of the Bill does is it attempts – and why would it? – to validate an existing regulation. The specific regulation that it refers to in the Bill is regulation 351/93. The amendment is in fact being distributed to all members now, and I understand the Provincial Treasurer is reading it very carefully even as I speak.

Mr. Chairman, the amendment is quite simple. The amendment is to repeal section 26 simply because it doesn't need to be there in the first place.

MR. DINNING: Tell us why.

MR. CHAIRMAN: Through the Chair, hon. members, even those who are near and dear to us.

MR. COLLINGWOOD: Thank you, Mr. Chairman. Indeed, all comments should be through the Chair. I encourage the Provincial Treasurer to make his comments through the Chair.

The situation with section 26 of the proposed Bill is, as I've said, indeed perplexing. The Act attempts to validate a regulation that is already in existence. Now, Mr. Chairman, the natural gas royalty regulation, 1994, was, I believe, passed through order in council on December 15 of 1993. It is a very comprehensive regulation dealing with a number of matters, obviously dealing with the royalty regulation for natural gas. It deals with penalty provisions. It goes on to deal with many, many aspects. In fact, I think the regulation as it's printed in the *Alberta Gazette* is something in the neighbourhood of 73 to 75 pages long.

Now, what's curious is that the regulation was passed under sections 5 and 37 of the Act as it presently stands. That means, Mr. Chairman, that either the regulation is valid already or it's not. If it's not valid already, then why has it been passed through order in council with no legislative authority to do so? What it raises is a serious concern about the way the government operates in the passing of regulations. It either has the authority to do it or it doesn't have the authority to do it, but it certainly doesn't pass regulations and then come along with legislation later on to attempt to validate regulations that have already been passed through order in council and are being relied on by this govern-

ment. So it raises the question: did you have the jurisdiction, or didn't you have the jurisdiction? If you didn't have the jurisdiction, then why did you pass it in the first place? And if you did have the jurisdiction, then what in the world is section 26 doing in the Act?

The other curious thing about this, Mr. Chairman, is that section 26 of the Bill purports to make the natural gas royalty regulation, 1994, valid effective as of January 1, 1994. Well, in fact the regulation was passed on December 15 of 1993. So now we have a hiatus period where the government purports to enact a regulation through valid legislative authority, which apparently it doesn't have, and now we have a hiatus period between December 16 and December 31 where there is a regulation, but now they're not going to validate it. It's rather scary that this is the way the government is operating in terms of this particular regulation, something you've never seen before. I'd like the government to give us a clear explanation as to that.

I think that we're foursquare inside in suggesting to this government by way of amendment that in fact this should be repealed because they don't need it. If in fact they do need it and they defeat the Bill, then they'd better give us a full explanation of why that is.

Mr. Chairman, I thank you for the opportunity to make those comments, and I defer to other members who might wish to speak to this very perplexing and unfortunate situation. Thank you.

MR. CHAIRMAN: Before we commence further comment on the amendment as moved by the hon. Member for Sherwood Park, again the Chair will indicate that we do have a signed copy available here.

With that, comments on the amendment. The hon. Member for Pincher Creek-Macleod.

MR. COUTTS: Thank you, Mr. Chairman. I'd be more than pleased to speak against this amendment, because as I said in my opening remarks, there were no surprises here and nobody's been caught off guard. The industry has been fully consulted, and the major point is that the retroactive validation of legislation in cases such as this does not offend the principle that gave rise to the general principle against retroactive legislation. That principle is that a party's rights should not be altered, especially those rights should not be prejudiced after the fact by retroactive legislation made at a later date.

Now, Mr. Chairman, in this case – and I'd like all hon. members to really understand this – the industry has been made aware that the rules would be changed for quite some time. The process of re-engineering gone through was one of consultation over the past two years. Industry associations have been involved, and the interim reports that were issued, that were available to anyone in the industry, plus those announcements on various phases of simplification have been made. The Department of Energy through extensive training sessions with the industry prepared those changes. Hundreds of industry personnel attended those sessions, and the rights of the companies were not changed without their consultation. In general they have been aware of the changes, and all companies have had an opportunity to become aware of the changes also.

The main business reason for January 1 implementation is that accounting for the costs and accounting for the average price under the new system are to be done on an annual basis. To implement these at any other time other than January 1 would have required industry to maintain two sets of accounts for 1994 and to maintain a duplicate computer reporting system.

Now, various options for implementation were proposed to the industry, as I said, in the summer and the fall of 1993, and therefore with the unanimous consent of not only industry but the department these new rules were set up and became effective January 1, 1994.

To pass this amendment would be redundant, Mr. Chairman. I urge all members – in view of the fact of what I have just said regarding retroactivity, that the industry has been fully consulted, I move that we vote against this amendment.

5:10

MR. CHAIRMAN: Calgary-West.

MR. DALLA-LONGA: Thank you, Mr. Chairman. I guess I just want to make one thing clear. In responding to the comments by the Member for Pincher Creek-Macleod, we realize that the oil industry is in favour of this Bill, and as we mentioned before, our side is in favour of the provisions more or less as they currently stand. The problem is here. The last time we debated this in second reading, the Member for Calgary-Buffalo and the Member for Fort McMurray, who most of you know are lawyers, had a problem with the way this thing was drafted, just validating the regulation part, section 26. So that's not to say that we're not in favour of the Bill. It's just a technicality. I must admit that I had to have it explained to me several times as well, but I think I finally see what their point is. It's from a legal aspect. So just to clarify. We're not opposed to the Bill. We think there's a potential problem from a technical basis.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Edmonton-Roper.

MR. CHADI: Thank you, Mr. Chairman. I rise to speak in favour of this amendment for a couple of reasons. One is that I'm always mindful of a certain Bill that we discussed at length nearer the end or at the end of the last session, and that was Bill 21, when it came before us. We were discussing at that time the amalgamation of the Alberta Agricultural Development Corporation and I think it was the Hail and Crop Insurance Corporation. Lo and behold, in the back somewhere of that Bill there was something to do with loan guarantees. They plugged that in right at the end. It was clause 56 in Bill 21. As far as I'm concerned, when I look at this Bill and I see that section 26 here, I say to myself: is this just another clause 56 in Bill 21? Are we talking about the same things here? Are we looking at a Bill and seeing something thrown into the back of it? I'm a little curious and I have to be: once burnt, twice shy.

So here I am today. I look at this and I see, "The Natural Gas Royalty Regulation, 1994 . . . is validated." Did we forget to validate something when we came in with the natural gas royalty regulation? I mean, I don't even know what this is. There's no explanation of it whatsoever. Why isn't it in there? If you expect me to buy something here, one ought to explain what it is that we're getting. If I'm going to vote on something, I ought to know what it is we're voting on. When I see absolutely nothing except that "the Natural Gas Royalty Regulation, 1994 . . . is validated, effective as of January 1, 1994," that doesn't give me the information that I need with respect to what it is that we're validating. I'd be really interested, Mr. Chairman, in knowing if this just isn't something that was thrown in at the very end simply because we forgot to put something else in another piece of legislation.

We can no longer go with a bunch of hodgepodge legislation. Here we are in this Assembly today repealing nine different Acts in agriculture. We discussed them at length. Why were we

repealing them? Because of the fact that they are no longer required. They're no longer required because they were either outdated or maybe there were some things within those Acts that didn't make any sense at all in this day and age. Probably 10 years or five years or four years down the road people will look at Bill 6, perhaps Members of the Legislative Assembly down the road after we're gone will look at this and say: "Now, I wonder why in Bill 6 they've got section 26 there? Look at this. Boy, they threw that in right at the very end, and then they said that it's validated effective January 1, 1994." I think it's high time that we got away from this hodgepodge. I think we have to come clean with all the stuff we do, and we have to set it straight. If we need to talk about the natural gas royalty regulation, then let's talk about it and it alone, Mr. Chairman, not throw something into a piece of legislation like Bill 6 right at the very end and try to get away with it. Then the hon. Member for Pincher Creek-Macleod comes out and says: well, the industry itself is in agreement with this. Well, maybe so, maybe so. But let us deal with the legislation itself, and let's deal with this other thing all on its own. Let us not mix the two together and combine apples with oranges if indeed that's the way it is.

I would encourage Members of this Legislative Assembly to vote for this amendment, and let us bring in the proper legislation that we require within the natural gas royalty regulation itself.

With those comments, Mr. Chairman, I'd like to now hear from my colleagues. Thank you.

MR. CHAIRMAN: The hon. Member for Sherwood Park.

MR. COLLINGWOOD: Thank you, Mr. Chairman. To close debate, then, on the amendment, I appreciate the comments made members of the Assembly in terms of this amendment, and I listened intently to the Member for Pincher Creek-Macleod speaking against the amendment.

I think the point has to be reiterated and made clear, Mr. Chairman. The reason I move that we strike out section 26 is because we don't need it. We don't need it. The natural gas royalty regulation was either passed with full and proper legislative authority or it wasn't. Now, it suggests to me that because section 26 is in this Act, it did not have legislative authority, notwithstanding that the regulation says that by order in council, pursuant to sections 5 and 37 of that Act, the Lieutenant Governor in Council did by legislative authority pass this regulation. If the regulation is passed, if the regulation is valid, if the regulation came into being by full legislative authority, we don't need section 26.

Now, having said that, Mr. Chairman, the purpose for the amendment is to assume that it has full legislative authority to exist in the form that it is now. If dates are relevant, if there has to be some retroactive effect of the regulation, do it in regulation. You have the legislative authority to do so. I then take the position that if it is not valid, legislated regulation under the Act as it stands pursuant to sections 5 and 37, then this is an abuse of the legislative process to attempt by a Bill at this point in time to validate a regulation. It either existed or it didn't. If you want to create a regulation under this Bill, then give it the legislative authority to do so. If it had the legislative authority in the Act as it presently stands, then it has the legislative authority to stand. It's one or it's the other. I take the position that it had the legislative authority and therefore we don't need it.

Mr. Chairman, this is not an issue of consultation with the industry. That has nothing to do with the issue at hand. This has nothing to do with rights of the parties through a consultation process, as the hon. Member for Pincher Creek-Macleod has spoken of. It has nothing to do with the issue. This has nothing

to do with retroactive legislation. Orders in council regulations are not legislation. Orders in council come about through the legislative authority that is given to the Lieutenant Governor in Council through this Assembly. It allows the Lieutenant Governor in Council to deal with the mechanisms of a Bill, to deal with forms, to deal with a number of the day-to-day, administrative, mechanical operations of a particular piece of legislation that has had the full benefit of debate in this Assembly. Retroactive legislation is not the issue here. The issue here is an abuse of the legislative process by attempting to validate a regulation that presently exists. That's the issue.

5:20

Mr. Chairman, we have seen in the last number of years a proliferation of laws that come to the people of Alberta through regulation. You cannot use as a defence in terms of law: "I didn't know the law existed." So it is incumbent upon every Albertan to dig through the *Alberta Gazette* and dig through with a magnifying glass to find out exactly what the laws of the province are, because they don't happen in this particular Legislative Assembly. They are simply left in a situation where when the Bill or Act is passed, it goes on and on and on about the kinds of regulations the Lieutenant Governor in Council can pass, pages and pages and pages. So the Lieutenant Governor in Council and executive committee can sit back and write all the laws they want, and who's to know? Well, it's incumbent upon us to know. It's incumbent upon Albertans to know. You must, then, use the power to draft and create and pass regulations into law through Executive Council – you must follow to the letter the laws of this province that give you the legislative authority in the legislation that comes up for debate in this Assembly, and you simply cannot abuse that process.

As I read section 26, even in terms of the explanatory notes, it validates a regulation that's already in existence. You either have it or you don't, and there's no in between. If this is required and if members opposite are in favour of keeping this particular section in this Bill, you will have told me, you will have told this side of the House, you will have told Albertans that you don't care about the process that has to take place in this Assembly, where full debate of legislation is required, and then you can go back with the legislative authority that comes through those Bills to draft regulations. Mr. Chairman, I certainly hope that that is not going to be the result of this debate on my amendment brought forward to this Assembly to repeal section 26 from this Bill and demonstrate to Albertans that we all intend to follow the process to the letter so that there is confidence and credibility in this Assembly.

With those comments, I invite all members to vote in favour of this amendment. Thank you.

MR. CHAIRMAN: Okay. We're ready for the question on the second amendment by the hon. Member for Sherwood Park, the amendment to Bill 6.

[Motion on amendment lost]

MR. COUTTS: Mr. Chairman, I move that we call the question.

MR. CHAIRMAN: The question's been called.

The hon. Member for Edmonton-Roper.

MR. CHADI: Thank you very much, Mr. Chairman. I was waiting for the moment when I could speak to the Bill itself. On a couple of occasions we had to speak to the amendment, so I appreciate the opportunity to be able to speak to this. I realize

that the clock is nearing an hour when all hon. members would like to look at maybe adjourning, but at this point in time I would like to start off my comments for the next couple of minutes.

With regard to the underground storage facilities that already exist, how many places are there already? My questions would be to, of course, the hon. member who has presented this Bill and brought it forward. We're looking at these storage facilities, and we're saying that what we're going to do is create more of them. I'm having a bit of difficulty in understanding. Do we already have these storage facilities, or are we looking to create these storage facilities? Are these storage facilities going to be a commercial venture? Is it a commercial enterprise that we're going to see more and more of? What parts of the province are we looking at? If they already exist, I'd kind of like to know.

MR. DINNING: Is he going to stop soon? We're trying to convince him to stop.

MR. CHADI: Mr. Chairman, the Provincial Treasurer is very anxious to either speak to this or – perhaps maybe a little bit later.

I would respectfully rest my comments for the moment with the understanding that I'd be able to come back to this debate. For now, I'd like to move that the committee rise and report.

[Motion carried]

[Mr. Clegg in the Chair]

MR. TANNAS: Mr. Speaker, the Committee of the Whole has had under consideration certain Bills, and we wish to report progress. I also wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

MR. ACTING SPEAKER: Thank you, hon. member.  
Are you all in favour of that report?

HON. MEMBERS: Agreed.

MR. ACTING SPEAKER: Opposed, if any? Carried.

MRS. BLACK: Mr. Speaker, I move that we call it 5:30 and that we retire until this evening at 8 o'clock, when we'll come back in Committee of Supply to hear the estimates of the Department of Economic Development and Tourism.

MR. ACTING SPEAKER: Thank you, hon. member.  
All in favour of the motion?

HON. MEMBERS: Agreed.

MR. ACTING SPEAKER: Opposed, if any? Carried.

[The Assembly adjourned at 5:28 p.m.]