

## LEGISLATIVE ASSEMBLY OF ALBERTA

Tuesday, April 30, 1974

[The House met at 2:30 o'clock.]

## PRAYERS

[Mr. Speaker in the Chair]

## PRESENTING PETITIONS

MR. ASHTON:

Mr. Speaker, I beg leave to present the following petitions for private bills:

An Act to Incorporate Alberta Motor Association Insurance Company  
The Alberta Stock Exchange Act  
An Act to Incorporate The Calgary Convention Centre Authority  
An Act to amend An Act to Incorporate The Canada West Insurance Company  
An Act to amend The Edmonton Community Foundation Act  
An Act to amend The William Roper Hull Home Act  
An Act to Incorporate Stockgrowers Insurance Company of Canada Ltd.  
An Act being The Society of Industrial Accountants of Alberta Act, 1974

The petitioners for An Act to Incorporate Alberta Motor Association Insurance Company, The Alberta Stock Exchange Act, An Act to amend an Act to Incorporate The Canada West Insurance Company, An Act to amend The Edmonton Community Foundation Act, An Act to amend The William Roper Hull Home Act, and An Act being The Society of Industrial Accountants of Alberta Act, 1974 did not comply with Standing Order No. 76(1) in that they did not deliver to the Clerk the Assembly all the requirements of Standing Order 76(1) within the time limited by Standing Order No. 76(2).

## INTRODUCTION OF BILLS

Bill No. 51 The Government Land Purchases Act

MR. MINIELY:

Mr. Speaker, I beg leave to introduce a money bill, being Bill No. 51, The Government Land Purchases Act. Mr. Speaker, Bill No. 51 embodies two very important principles. The first is to provide a statutory fund to facilitate longer term planning in acquisition of land for future provincial requirements that are desirable.

The second, Mr. Speaker, is to acquire the land required for this purpose well in advance in order to reduce costs and to ensure that desirable long-range provincial developments are not precluded by events.

Mr. Speaker, His Honour the Honourable the Lieutenant-Governor recommends this bill for the consideration of the members of the Assembly.

[Leave being granted, Bill No. 51 was introduced and read a first time.]

## INTRODUCTION OF VISITORS

MR. FLUKER:

Mr. Speaker, it is my pleasure this afternoon to introduce to you and to the members of this Assembly some 120 students from Racette School in St. Paul. Seventy-five of these students are seated in the members gallery and 45 in the public gallery. They are accompanied by their teachers, Mrs. Poirier, Mr. Joe Boulliane and Mr. Bill Danalyk; also supervisors, Mrs. Zacharuk, Mrs. Cooknell, Mrs. Turcotte, Miss Diane Richard, Marshall Hopkins and Michelle Joly.

I would ask that all 130 of them rise and be recognized by this House.

MR. HO LEM:

Mr. Speaker, it's my pleasure today to introduce 37 students from the Ernest Morrow Junior High School from that sunshine city of southern Alberta. They are accompanied today by their teacher Mr. John Dyer. They are seated in the public gallery and I would ask them to rise and be welcomed by this Legislature.

## MINISTERIAL STATEMENT

Office of the Premier

MR. LOUGHEED:

Mr. Speaker, I'm pleased to confirm the announcement, made by the Prime Minister this morning in Ottawa, of a new lieutenant-governor for our province, effective as of July 1 in this year. The new lieutenant-governor is Mr. Ralph Garvin Steinhauer, former chief of the Saddle Lake Band, the first Native person in the history of Canada to be appointed [as] a lieutenant-governor.

[Applause]

Mr. Speaker, those who have had an opportunity to come to know Mr. Steinhauer and his varied and many activities in this province hold him in the highest respect and congratulate him on this appointment.

We, in the government, have come to know Mr. Steinhauer both [as a result] of a recent trip that I made through that area a year ago when he accompanied me and also through the Northern Alberta Development Council. I would like to ask the minister responsible for northern affairs], with your permission, Mr. Speaker, to add a word to mine.

I'd like to say, too, that it is the government's intention to undertake some plans in consultation with the other side of the House with regard to the retirement of our present Lieutenant-Governor over the course of the next few weeks.

Mr. Speaker, I know I speak for all members of this Legislative Assembly in saying that it will be our intention, as elected representatives of this province, to work in the closest cooperation and full communication with the new representative of Her Majesty because of the strong feelings we all have towards the institution of the monarchy and the very important place it holds in the lives and the society of the people of this province.

MR. ADAIR:

Mr. Speaker, I can't say how proud I am to stand here in my place today and offer my congratulations to Mr. Ralph Steinhauer of the Saddle Lake area.

Mr. Speaker, I am sure today's announcement of Mr. Steinhauer's appointment as Alberta's new lieutenant-governor is a great lift to the people of this great province and in particular to the Native people of the province of Alberta.

I am doubly honoured, too, Mr. Speaker, to have shared with Mr. Steinhauer his knowledge and experiences as a long-time resident of Alberta in his capacity as a member of the Northern Alberta Development Council. I reiterate my sincere congratulations to Mr. Steinhauer and wish him every success.

MR. CLAPK:

Mr. Speaker, on behalf of the members of Her Majesty's Opposition, might I say we would like to extend our very genuine and very warm congratulations to Alberta's new lieutenant-governor, Mr. Ralph Steinhauer. I am sure he will make a very real and very meaningful contribution to the affairs of this province. And I think, Mr. Speaker, that it is extremely fitting that here in the province of Alberta we should have Canada's first Native lieutenant-governor as a representative of Her Majesty the Queen.

We feel confident that Mr. Steinhauer will make an outstanding contribution in his new role and we certainly look forward to working with him in the time which lies ahead.

Might I also say that, if I might use the term, the boots which Alberta's new lieutenant-governor will be filling will indeed be large shoes to fill. We will be pleased to cooperate with the government in plans to honour Alberta's present Lieutenant-Governor and we feel confident that Alberta's new lieutenant-governor, in his own unique way, will indeed fill those boots and set some new strides in the future of this province.

#### ORAL QUESTION PERIOD

#### Rural Housing - Federal Aid

MR. CLARK:

Mr. Speaker, I'd like to direct a question to the hon. Minister of Municipal Affairs. At what stage are the negotiations between the Province of Alberta, through the Alberta Housing Corporation, and the federal government on the recently announced program of assistance for rural homes?

MR. RUSSELL:

Mr. Speaker, we have a series of operative agreements with the federal government, which we've been working on over the past several months, which cover three or four different programs. The Metis housing program is another one specifically included in that, and we expect that those agreements will be signed by both parties within a few days.

MR. CLARK:

A supplementary question, Mr. Speaker, to the minister, dealing especially with the recently announced program of assistance for rural farm families. Does the minister anticipate that the arrangements for that program will be signed at the same time?

MR. RUSSELL:

I'm very hopeful that they can be, Mr. Speaker, because several months of preparation with respect to the technical aspect of that particular development have been carried out and cleared away, and we're hopeful that the agreements can be signed within the very near future.

#### Misleading Advertising

MR. CLARK:

Mr. Speaker, a second question to the Minister of Consumer Affairs. In light of the fact that during the fall session the Minister of Consumer Affairs referred to a great number of hidden powers that the province had, I would like to ask the Minister of Consumer Affairs, when does he expect to use some of these hidden powers to deal with the question of misleading advertising?

MR. DOWLING:

Mr. Speaker, I am sorry that phrase was used. The powers are not hidden at all. They are in the present Act under the Department of Consumer Affairs.

The matter of misleading advertising, Mr. Speaker, as I indicated in the House some days ago, is a matter for federal jurisdiction. Our involvement is only to identify what we believe is misleading advertising and to inform the federal Minister of Consumer and Corporate Affairs of our views.

MR. CLARK:

Mr. Speaker, a supplementary question. When does the minister intend to use these hidden powers to deal with the question of gouging on food prices?

MR. DOWLING:

Mr. Speaker, the legislation presently under the Department of Consumer Affairs provincially, provides some legislative measures which can be taken in the event that we find there are some practices which are not in keeping with the Act - any fraud, the breach of any law, and so on.

The hon. member should remember to review some of the press clippings of the last number of months if he is to see what things have transpired, stimulated by the Department of Consumer Affairs.

MR. CLARK:

A further supplementary question, Mr. Speaker. As a result of the legislation the minister refers to, how many charges have been laid by the Department of Consumer Affairs, or the Attorney General's department, on its behalf?

MR. DOWLING:

Mr. Speaker, the matter of laying charges is a responsibility of the Attorney General's department, not Consumer Affairs. Our role is to identify what we feel are practices in contravention of acts and to refer those to the Attorney General's department. These he takes under advisement and initiates investigations which are further required. If charges are required to be laid, they are laid by the Attorney General's department and not the Department of Consumer Affairs.

MR. CLARK:

One last supplementary question, Mr. Speaker, to the Minister of Consumer Affairs. As a result of representation made by the Department of Consumer Affairs to the Attorney General's department, and then the charges taken to court, how many convictions have there been?

MR. SPEAKER:

The hon. member is again asking a question which is very much suited for the Order Paper.

The hon. Member for Camrose followed by the hon. Member for Calgary Mountain View.

#### Floods - Telephone Charges

MR. STROMBERG:

Thank you, Mr. Speaker. A question to the Minister of Telephones and Utilities. Will customers of AGT in my constituency have to pay service charges when their phones have been out of commission for quite a length of time, due to the flood waters there?

MR. FARRAN:

Well, Mr. Speaker, if a telephone is just out for a short time, a day or two or even a week, not due to any negligence on the part of Alberta Government Telephones, which is doing everything to get the connection made, then the charge is still made to the consumer.

However, there are precedents. In one case in southern Alberta a telephone was out for a period of months - or the telephone system was - and in this case the charges were not made. If the hon. member is thinking of a portion of a telephone system that is out of order for a lengthy period because of land and pedestals being under flood waters, then it's probable that the monthly service charge would not be made.

MR. SPEAKER:

The hon. Member for Calgary Mountain View followed by the hon. Member for Spirit River-Fairview.

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Banff---Rats

MR. LUDWIG:

Yes, Mr. Speaker, my question is to either the Minister of Agriculture or the hon. Minister of Lands and Forests, although I think for that matter that either minister has considerable in common with the subject matter of the question, Mr. Speaker, or much to do with the issue. It relates to the recent announcement that the townsite of Banff has been infested with Norway rats. I wonder whether the government is planning to do anything to combat this very serious situation which has developed in that town?

MR. DIACHUK:

Teach 'em to ski.

DR. HORNER:

Well, Mr. Speaker, I'm sure the hon. member may not know but we do have a very important and worth-while rat control program in the province, particularly in defending our border against the invasion of rats from the east. We do maintain a very effective control program with the municipalities involved on the eastern side of the province.

I'd be quite willing to have a look at the situation with regard to Banff and see whether or not our rat control people might be able to assist the national parks in their problem.

MR. SORENSON:

Supplementary to the minister, on a point I've brought up with him in committee. Would the hon. minister consider proclaiming an 'Alberta Rat-Free Appreciation Day'?

MR. SPEAKER:

Possibly the hon. member could put an appropriate motion on the Order Paper.

MR. HO LEM:

Supplementary, Mr. Speaker, to the hon. Minister of the Environment. Is it true that the reports coming from Banff number the rats as 150,000-strong?

MR. YURKO:

Mr. Speaker, I haven't received any reports on the rat problem in the national park called Banff.

MR. SPEAKER:

Possibly the hon. member could put the question on the Order Paper and a census could be taken.

[Laughter]

MR. LUDWIG:

Yes, Mr. Speaker, a further supplementary to the hon. Deputy Premier. Is anything being done at the present time to deal with the problem as reported from Banff?

DR. HORNER:

Well, as I have said, Mr. Speaker, and perhaps the hon. member is a little bit hard of hearing ...

MR. LUDWIG:

I hear good.

DR. HORNER:

... We will take his question under advisement and report back to the House on how we can assist the national park in the problem.

MR. HO LEM:

Supplementary, Mr. Speaker, to the hon. minister. Can the hon. minister advise whether there is any chance of some of these rats making it to Calgary?

[Laughter]

DR. HORNER:

Mr. Speaker, that question leaves itself wide open to a number of rejoinders. Having regard to the situation, I'm sure who anybody who is aware of the damage this particular species of rodent can cause, will, I'm sure, appreciate that it is a serious matter. I will have my people look into it.

MR. TAYLOR:

Mr. Speaker, perhaps I should remind the hon. Minister of Agriculture in case he needs a piper, I do blow the trumpet ...

[Laughter]

... badly.

DR. HORNER:

I'm sure he would make a very able piper, particularly if he took a couple of his other members with him.

[Laughter]

MR. HENDERSON:

Mr. Speaker, I was just going to ask the minister to confirm whether he was talking about Conservative rats but he kind of beat me to it.

SOME HON. MEMBERS:

Agreed.

MR. SPEAKER:

The hon. Member for Spirit River-Fairview followed by the hon. Member for Calgary McCall.

#### Drug Purchase Plan

MR. NOTLEY:

Mr. Speaker, I would like to address this question to the hon. Minister of Health and Social Development. Has the government considered the creation of a public drug purchase plan for prescription drugs in Alberta similar to the one recently announced in the province of Saskatchewan? We'll confine that kind of import, rather than some of the others.

MR. CRAWFORD:

No, Mr. Speaker. A purchase program for drugs for the use of pharmacies generally throughout the province has not been embarked upon. I think it is well known that in the hospital sector of the economy, the province has for some time used a volume-purchase system.

MR. NOTLEY:

Mr. Speaker, a supplementary question to the hon. minister. Does the government propose to take any steps to actively monitor the Saskatchewan plan?

MR. CRAWFORD:

Mr. Speaker, I think we would be very interested in the results they achieve, as with other plans in Canada that have been commenced on a similar basis, the first of which, I believe, was in Ontario. I could say that the reflections we have had upon some of the other plans perhaps not being entirely satisfactory have been based on doubts as to the preference, for example, of physicians for certain types of drugs, whereas under bulk-purchasing programs they tend to require substitution. The fact [is] that we are not yet satisfied that studies done on drug substitution leave as satisfactory a result for the patient as when the physician still has a full and free choice.

MR. NOTLEY:

Mr. Speaker, one final supplementary question to the hon. minister. Can the minister advise the Assembly whether the department has actively reviewed the various experimental programs conducted by several of the community clinics in Saskatoon where they suggested the cost could be reduced by 30 to 40 per cent?

MR. CRAWFORD:

No, Mr. Speaker. We haven't to my knowledge. The department may have done it on a staff basis - reviewed those particular programs. I could check with them. What we have relied on more are the evaluations done by other governments where similar programs do exist, and of course they are interested in monitoring the effectiveness of the programs. We do discuss them with them from time to time, as they discuss programs with us. We would look at their evaluations as they come forth from time to time.

MR. SPEAKER:

The hon. Member for Calgary McCall followed by the hon. Member for Calgary Foothills.

RCMP - Journalists

MR. HO LEM:

Mr. Speaker, my question today is addressed to the hon. Solicitor General. Would the hon. Solicitor General indicate if the minister has yet received a report from the federal Solicitor General regarding the RCMP investigation of Alberta journalists - keeping in mind, hon. minister, your statement made to this House referring to ...

MR. SPEAKER:

The hon. member's question is actually complete.

MISS HUNLEY:

Mr. Speaker, I have recently received an acknowledgment that my letter has been received and will be acknowledged in due course by the hon. Solicitor General for Canada.

MR. HO LEM:

A supplementary, Mr. Speaker. Can the hon. minister advise if the names of the journalists have now been cleared?

MISS HUNLEY:

Mr. Speaker, I have had no dealings with any names specifically because to my knowledge - the only information I really have come from the newspapers.

MR. CLARK:

A supplementary, Mr. Speaker, to the Solicitor General. Would the Solicitor General be prepared to table the letter that she sent to the Solicitor General of Canada?

MISS HUNLEY:

I would be pleased to. I think its rightful place is on the Order Paper, Mr. Speaker.

MR. SPEAKER:

The hon. Member for Calgary Foothills followed by the hon. Member for Calgary Millican.

Silver Springs Area School

MR. McCRAE:

Mr. Speaker, my question is for the Minister of Education. Would the minister advise the House why the recommendation of the Calgary Board of Education for a school in the Silver Springs area was turned down by the school board foundation?

MR. SPEAKER:

The hon. member's question could lead to debate. Possibly it could be related to government policy in some way.

MR. MCCRAE:

Mr. Speaker, I'll try to rephrase the question then. Is the rejection by the school board foundation of the recommendation of the Calgary Board of Education for a school in the Silver Springs area consistent with government policy?

MR. HYNDMAN:

Mr. Speaker, it appears that the Calgary Board of Education overlooked the new and relaxed school building regulations regarding the building of core schools in new and expanding neighbourhoods.

We would approve in principle a core school for that or any other area if there were 75 youngsters counted and available in the area from preschool early childhood programs up to Grade 4. Our count at the moment indicates there are 46 youngsters in the area. The Calgary board wanted to build a school and applied for a school for 525 youngsters. However, this month there aren't enough students there. It may be that in the coming months, or at September 1, there will be 75 students. If that many appear, then we can give approval in principle to a core school.

MR. MCCRAE:

A supplemental, Mr. Speaker. In a situation such as seems to exist in that area, where there's a considerable difference of opinion as to the actual number of students available for a school, would the minister give consideration to allowing the community association or some organization of parents to participate in the school survey?

MR. HYNDMAN:

I'd be delighted if that would happen, Mr. Speaker. I think an up-to-date count, realizing some of the newer homes are being occupied daily, would be most useful information for us. Certainly this kind of approach would be parallel to and a reflection of the record of performance of the government over the last two years, of encouraging volunteer community participation.

MR. HO LEM:

A supplementary, Mr. Speaker, to the hon. minister. Can the hon. minister advise whether the policy relative to the Silver Springs area is consistent with the election promises made by the Member for Calgary Foothills?

MR. HYNDMAN:

Completely.

MR. SPEAKER:

The hon. Member for Calgary Millican followed by the hon. Member for Sedgewick-Coronation.

#### Crude Oil - One-Price System

MR. DIXON:

Mr. Speaker, I'd like to direct a question to the hon. the Premier. My question today relates to the one-price concept presently being applied to Canadian crude oil.

I was wondering, Mr. Speaker, has the hon. Premier been able to have the federal government, or any other province in Canada, apply the same concept to other major commodities - even consider it?

MR. LOUGHEED:

Well, Mr. Speaker, I believe I can answer affirmatively the final portion of the hon. minister's question about "consider". Certainly other provinces and the federal government are prepared to do just that. Certainly with regard to the Province of Saskatchewan there has been a concurrence in our view, that in terms of longer term equity, if the one-price concept for a resource product or any product is going to be



expanded across Canada, it is only fair that that be the case and it not be just with crude oil or petroleum products.

We will, therefore, continue to press that point. We will look for some positive reaction over the course of the coming months, not just from the federal government but from other provinces.

MR. DIXON:

A supplementary question to the hon. Premier, Mr. Speaker.

Further to your request earlier this year, hon. Premier, through the Speaker, to the departments of Intergovernmental Affairs, Mines and Minerals and the Treasury, asking them to make a one-price study and have recommendations by late March, have you had any interim or final report from that request?

MR. LOUGHEED:

Mr. Speaker, I've only had a tentative response because we seem to be almost constantly involved, in these questions, in a matter of transportation costs. We are moving in a somewhat different direction through the Ministry of Industry and Commerce in attempting to arrange some greater equity regarding transportation costs, and the end cost to Alberta citizens of many of these products.

We will continue to do so over the months ahead in the hope that there is a greater appreciation of that factor. We, however, do recognize that this is going to take some considerable period of time.

MR. DIXON:

My final supplementary question, Mr. Speaker. Could the hon. Premier relate to the House the commodities that are actively under study? Which ones does the Province of Alberta consider major commodities, other than oil, that should at least be given consideration?

MR. LOUGHEED:

Mr. Speaker, that's a difficult question and so I can only answer it in a very general way, with the qualification that it would be subject to checking and subject to addition. But I would think that some of the products that we would have in mind would, of course, include natural resource products such as lumber and the various minerals in the nation. In addition to that, of course, there would be steel. In addition to that, there would be the finished products such as automobiles and other large consumer products.

MR. SPEAKER:

The hon. Member for Spirit River-Fairview with a supplemental, followed by the hon. Member for Lacombe.

MR. NOTLEY:

Could the hon. Premier advise the House, Mr. Speaker, whether or not the government proposes to introduce a position paper in the House on this general area of a one-price system once these studies are completed?

MR. LOUGHEED:

Mr. Speaker, although it's a very important subject and primarily involved in federal-provincial negotiation, frankly our efforts at the moment are being directed more in terms of developing the provincial industrial strategy that has been enunciated for the province. We think that our priority efforts at this stage are better directed to that particular approach rather than in terms of the equity, relative to the one-price system.

I say that without any limitation on the fact that we will continue to press other governments for some adjustment. On the other hand we will have to recognize that under the present circumstances, a great deal of the action in terms of the Alberta economy will have to be initiated internally by this government and by the people here in this province, without expecting that we are going to be in a position of getting any special favours from other areas.

MR. DRAIN:

A supplementary to the Premier, Mr. Speaker.

MR. SPEAKER:

The hon. Member for Lacombe has been recognized for a supplementary, followed by the hon. Member for Pincher Creek-Crowsnest.

MR. COOKSON:

I was wondering, Mr. Speaker, whether the Premier had possibly explored the one-price concept on products that come in from areas outside the country - whether they would be included in the discussions?

MR. LOUGHEED:

Mr. Speaker, it hasn't at the present time in terms of our development because it came about, as has been raised in the original question from the Member for Calgary Millican, as a result of the federal government moving to a one-price system for crude oil and petroleum products internally across Canada for the conditions of which we are all aware in this Legislature. But certainly that's something we would have to take under advisement in our continuing study of the matter.

MR. SPEAKER:

The hon. Member for Pincher Creek-Crowsnest with a supplementary, followed by the hon. Member for Sedgewick-Coronation with a question.

MR. DRAIN:

Do I infer correctly that the Premier is advocating price controls on basic commodities in Canada, the fundamental commodities?

MR. LOUGHEED:

Mr. Speaker, I would have to respond quickly by saying no.

MR. SPEAKER:

The hon. Member for Sedgewick-Coronation followed by the hon. Member for Vermilion-Viking.

#### Wild Oat Control

MR. SORENSON:

Mr. Speaker, my question is to the Minister of Agriculture. Have the meetings for wild oat control for this year covered all the parts of the province?

DR. HORNBER:

Yes, Mr. Speaker, these are being done through the agricultural service boards in the various counties. The number and kinds of meetings will depend on the degree to which the agricultural service boards respond to the program.

#### Banff - Rats (Cont.)

Mr. Speaker, might I while I'm on my feet clear up the rat situation with regard to Banff? My information is that there were not more than 150 at any one time and not 150,000. The rats in question, Mr. Speaker, are not, in fact, wild Norway rats but are of the pet shop variety. In fact, the only reason that my people can find for their existence there is that perhaps somebody turned some experimental rats loose. My people have already met with the Banff parks people and the Canadian Wildlife Service. Most of the rats have already been destroyed and plans are under way to destroy the rest of them.

MR. DRAIN:

A supplementary to the Minister of Agriculture. I'm not up on rats to the extent he is, however I would like to know whether the rat he referred to is, in fact, a relative of the Norway rat species?

DR. HORNER:

I suppose it's of the same species, Mr. Speaker, but these are apparently white-speckled in color and the Norway rat is traditionally brown.

MR. YURKO:

Mr. Speaker, I might add some information to that as I got a note from my department. It says that the area around Banff is a natural habitat for several types of rat but not the Norway rat.

Wild Oat Control (Cont.)

MR. SORENSON:

A supplementary question to the Minister of Agriculture. Is the minister giving any direction to municipalities regarding how the wild oat grants are to be dispensed and whether in a practical way or more in a publicity way?

DR. HORNER:

Well, Mr. Speaker, really we're allowing the local agricultural service boards to develop a program under the general guidelines that have been set up under the administration of a committee headed by the hon. Member for Lacombe with representation from farm organizations, municipalities and others interested in the problem. I am sure there is a fair amount of flexibility to allow the counties or the agricultural service boards in each area to develop a program that is suited to their area. As my honourable friend will appreciate I am sure, these programs may differ substantially having regard to the geography and the climatic conditions in the province.

MR. SPEAKER:

The hon. Member for Vermilion-Viking followed by the hon. Member for Calgary Bow.

EFRC - Plebiscite

MR. COOPER:

Mr. Speaker, my question is directed to the Minister of Telephones and Utilities. Has Alberta Government Telephones received any requests from responsible bodies for a second plebiscite on the extended area service?

MR. FARRAN:

Yes, there have been a few such requests, Mr. Speaker.

MR. COOPER:

A supplementary, Mr. Speaker. Will Alberta Government Telephones hold any second plebiscites and, if so, for what reason?

MR. FARRAN:

Mr. Speaker, the ground rules for these referenda for extended flat-rate calling are set by the Public Utilities Board. Under the present rules there has to be a majority in favour at both ends. If a request is received from an elected body such as a county council or a city council which indicates that there is a really strong desire for a second plebiscite, we would hold one.

MR. SPEAKER:

The hon. Member for Calgary Bow followed by the hon. Member for Medicine Hat-Redcliff.

Disaster Services - Federal Funds

MR. WILSON:

Mr. Speaker, I'd like to direct a question to the hon. Deputy Premier. Has the Deputy Premier had a response from the Minister of National Defence regarding his request for a

meeting to discuss the federal government's decision on reducing emergency measures funding?

DR. HORNER:

Yes, Mr. Speaker, just in recollection, we have had some correspondence with the hon. minister, Mr. Richardson, in relation to our letters to him protesting the reduction in disaster services funds from the federal government. I would have to check, but it seems to me the nature of the response was that they had already made their commitment and weren't going to change it. Subsequent to that, Mr. Speaker, we asked for a meeting of the ministers responsible and that came out of the meeting in Regina of the ministers in western Canada responsible for disaster services.

MR. WILSON:

A supplementary, Mr. Speaker. Has the Alberta government used any of the funds provided under the federal assistance program for planning purposes rather than for purposes stipulated by the federal government, which I understand was one of the reasons for the minister's cutback in the budget?

DR. HORNER:

Well, Mr. Speaker, I don't know what the reasons were for Mr. Richardson's cutback. That was a federal decision. In my view the planning portion of disaster services has to be of major importance because without that planning we are not going to be ready to deal with these disasters and, in my view, it can't be separated from the other.

MR. WILSON:

A supplementary, Mr. Speaker. Does the provincial government endorse or support the April 22 decision of the Calgary City Council on this subject?

DR. HORNER:

Mr. Speaker, there is a letter on my desk from the Calgary City Council passing a resolution and that will be taken under consideration and, indeed, passed on to the Minister of National Defence.

MR. SPEAKER:

The hon. Member for Medicine Hat-Redcliff followed by the hon. Member for Little Bow.

Alberta Truckers - U.S. Permits

MR. WYSE:

My question, Mr. Speaker, is to the hon. Minister of Highways and Transport. I understand some Alberta truckers are being denied travel permission into the United States. My question is, could the minister inform the House why the U.S. is restricting Alberta truckers at this time?

MR. COPITHORNE:

I didn't get the last part of the question.

MR. WYSE:

The U.S. is restricting Alberta truckers into the United States.

MR. COPITHORNE:

Mr. Speaker, all jurisdictions, in the United States, British Columbia or any of the other provinces across Canada, have what they call trucking authorities which authorize trucking companies carry merchandise in that particular province or state.

Getting down to the hon. member's question - are Alberta trucks being denied into the United States, yes, they are on some occasions, the same as American trucks coming into Canada. Hearings are held under the Motor Transport Branch in Alberta on applications made by American firms, or firms from other provinces in Canada, to truck in Alberta. The trucking industry either voices its objection to that particular application for trucking permits in the province of Alberta, or vice versa in other provinces or states throughout North America. If they are accepted, they are allowed to go in to that particular jurisdiction. If they are not accepted, Mr. Speaker, they are denied that permission.

In the past, the ICC, which is the trucking authority in the United States and a federal body, has quite consistently denied Canadian truckers [the right] to have trucking authorities in the United States.

Perhaps one of the recent cases in which an authority in the United States had considerable trucking authorities in Alberta, objected to an Alberta ...

MR. SPEAKER:

Would the hon. minister be able to conclude shortly?

MR. COPITHORNE:

Yes, Mr. Speaker.

DR. BUCK:

Wait till he gets started.

MR. COPITHORNE:

The American authority objected to a Canadian trucking company making a similar application in the United States, and at that time the Province of Alberta had questioned why the American trucker should have, or should continue to have, an authority in Alberta.

MR. WYSE:

A supplementary question, then, Mr. Speaker. Has the minister threatened to suspend U.S. truckers [coming] into Alberta if the situation is not resolved or improved?

MR. COPITHORNE:

No, Mr. Speaker, we haven't at this point threatened to suspend anybody. But we have written, and have had some strong conversations on the subject.

MR. DRAIN:

Mr. Speaker, to the hon. Minister of Highways and Transport. Are there presently any obstacles to one-trip permits, either into Alberta from the United States or from Alberta into the United States?

MR. COPITHORNE:

No, I don't believe there are, Mr. Speaker, any obstacles on one-permit trucking authorities.

MR. SPEAKER:

The hon. Member for Little Bow.

#### Expo - High School Bands

MR. R. SPEAKER:

Mr. Speaker, my question is to the Minister of Culture, Youth and Recreation. Has the minister finalized plans and grant allocations for school bands which intend to travel to Expo '74?

MR. SCHMID:

Yes, Mr. Speaker, we have. We will be making a ministerial statement tomorrow.

MR. LUDWIG:

You're one jump behind.

MR. SPEAKER:

The hon. Member for Calgary Bow.

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Fort McMurray Contracts

MR. WILSON:

Mr. Speaker, I'd like to direct a question to the hon. Minister of Municipal Affairs. Could the hon. minister advise when we might expect the answer to Motion for a Return No. 131 with regard to the contracts existing at Fort McMurray, keeping in mind the usefulness such information may or may not have prior to the May 6 Alberta Housing Corporation inquiry?

MR. RUSSELL:

Mr. Speaker, there was a considerable amount of work involved in getting those, the way the motion had been worded. We have just about assembled the answer and expect to be able to return it within a couple of days.

MR. SPEAKER:

The hon. Member for Spirit River-Fairview.

NFU - Youth Exchange Program

MR. NOTLEY:

Mr. Speaker, I'd like to direct this question to the hon. Minister of Culture, Youth and Recreation. Has the government received a request from the National Farmers' Union asking for assistance in maintaining its youth exchange program?

MR. SCHMID:

Yes, Mr. Speaker, we have received such a request. We have been in consultation with the Minister of Agriculture and are giving it serious consideration.

ORDERS OF THE DAYMOTIONS FOR A RETURN

158. Mr. Clark proposed the following motion to the Assembly:

That an order of the Assembly do issue for a Return showing:

What is the amount of money spent by the Department of Highways and Transport on road construction and maintenance in each town, county, municipal district and improvement district in Alberta for the fiscal years 1970-71, 1971-72, 1972-73?

MR. CLARK:

Mr. Speaker I move Motion for a Return No. 158, and in so moving, Mr. Speaker, might I say that hon. members may be interested to refer back to Motion for a Return No. 108 earlier in this session when we asked for: "The amount of money spent by the Department of Highways and Transport on road construction and maintenance in the following constituencies for the fiscal year, 1972-73 ..."

That was amended, at the request of the Minister of Highways and Transport, to take out, "following constituencies for the fiscal year, 1972-73," and to include in it towns, counties, municipal districts and improvement districts in which the following areas are located in the fiscal year 1972-73".

So, Mr. Speaker, having established the precedent of making this information available, we're now asking that this Motion for a Return No. 158 on the Order Paper be approved by the Assembly.

MR. COPITHORNE:

Mr. Speaker, I agree to that and I have here the annual reports of 1970-71, 1971-72 and 1972-73, which have all the information required.

MR. SPEAKER:

Order please. There would seem to be some duplication in retabling annual reports that have been tabled in previous years. Might I respectfully suggest that if an hon. minister finds that a motion for a return involves the production of documents which have already been filed, perhaps the motion might be dealt with in another way.

MR. FOSTER:

Mr. Speaker, I do believe the hon. minister indicated some time ago to the Leader of the Opposition, in response to this motion for a return, that the information was available in the annual reports. The motion is still before us so we have no alternative but to deal with it.

MR. CLAFK:

Mr. Speaker, speaking to the point raised by the Minister of Highways and the Minister of Advanced Education, and becoming very specific, Motion No. 108, that we asked some time ago, was asked on the basis of the constituencies involved. The government on that occasion chose not to accept the motion on that basis but to amend it as I indicated earlier.

We wanted to do some comparing between the various constituencies involved and we find out, frankly, Mr. Speaker, that the information made available by the minister at that time wasn't factual. I refer specifically to this situation. We asked initially for the constituencies of St. Paul, Olds-Didsbury, Drumheller, Innisfail, Little Bow, Banff-Cochrane, Lloydminster, Slave Lake, Bonnyville and Cypress.

In the information that was presented to the House, M.D. 44, which happens to be in the constituency of Banff-Cochrane, had about one-third more money spent in it than in any of the other areas we asked for. In examining further the information that was tabled, Mr. Speaker, we find out that the improvement district which is on the west side of M.D. 44, which would include Banff, Canmore, Exshaw and the Kananaskis Highway, wasn't included at all.

So really the information the minister tabled before wasn't in keeping with the agreement that was approved by the Assembly here. Now if the minister today wants to table the reports today, we can get the information out that way, and we will have to simply view other returns that come from that department with the same kind of scrutiny.

MR. SPEAKER:

If the information is available publicly, and this was something of which I was not aware when I approved the motion for the Order Paper, then the motion is, in fact, out of order and shouldn't have appeared on the Order Paper.

Therefore I would respectfully suggest that it should not now be proceeded with. If it turns out that the information which has already been tabled in previous years is lacking, then perhaps a motion directed to the specific information which is missing might be put on the Order Paper.

MR. CLARK:

Mr. Speaker, I asked for the specific information once and it wasn't forthcoming. The only point I'm making is that the return tabled in the House was incomplete either accidentally or for some other reason.

SOME HON. MEMBERS:

Agreed.

MR. FOSTER:

Mr. Speaker, for clarification, I take your remarks and the remarks of the Leader of the Opposition to be that this motion for a return is either withdrawn or out of order and not before the House.

MR. CLARK:

Mr. Speaker, I didn't withdraw it.

MR. SPEAKER:

I was intending to convey that it was out of order and therefore we should not proceed with it.

With respect to the hon. Leader of the Opposition, as I say, I regret that I was not aware that the information was already available in previously tabled documents.

165. Mr. Clark proposed the following motion to the Assembly:

That an order of the Assembly do issue for a return showing:

A copy of the directive, entitled "To all Foster Parents" effective August 1st, 1973, and a copy of the two subsequent directives, effective January 1st, 1974.

MR. CLARK:

Mr. Speaker, I move Motion for a Return No. 165 on the Order Paper.

MR. CRAWFORD:

Mr. Speaker, there's certainly no objection to providing the letters referred to in the question.

I think though it's sometimes important, Mr. Speaker, to express just a little bit of an objection to the choice of words in such a motion. The word "directive" is entirely inappropriate to the type of document that is being sought and will be produced. I think, without specifically checking into it as to dictionary meaning, it's clear that a "directive" is a direction to a person, either orally or in writing, to do a certain thing or do a certain number of things. That is not what the correspondence with the foster parents does. It provides them primarily with statements of policy and a fair, substantial amount of information.

In that respect, Mr. Speaker, I'm just going to move a very brief amendment which I think the hon. member would not disagree with at all: that where the words "directive" and "directives" appear they be replaced with the words "letter" and "letters".

MR. SPEAKER:

Is there any debate on the amendment?

[The amendment was carried.]

[The motion as amended was carried.]

#### MOTIONS OTHER THAN GOVERNMENT MOTIONS

1. Mr. Zander proposed the following motion to the Assembly:

Be it resolved that the government consider re-evaluation of

1. Well site rental agreements entered into prior to 1972;
2. Power and trunk pipeline easement agreements entered into before or after 1972 on Crown and/or deeded land.

MR. ZANDER:

Mr. Speaker, I move Resolution No. 1 standing in my name.

The reason, Mr. Speaker, for bringing this resolution back to the House - this resolution or a similar resolution was dealt with in the House in the spring sitting of 1972 - I may at this time enlighten the House as to what has happened since we dealt with the resolution of May 1972.

It appears that over the period of two years, some of the corporations which had taken land in the Province of Alberta before 1972 have shown a willingness and they certainly should be complimented. Some have completed the evaluation of the properties taken. Some have partially, and some are now entered into agreement: in all, Mr. Speaker, something in the nature of five companies, excluding three majors.

Mr. Speaker, in dealing with the resolution I think we have to agree that it deals with two types of structures, that is the above-ground structure and the one on the surface. In looking at the revaluations that have come up, Mr. Speaker, since our



resolution of May 9, 1972, they have been very substantial. They have recognized the market value of land and also the increased value of the productivity of the soil.

There are two categories, however, Mr. Speaker, that we find ourselves in. One is Crown lands and the other is deeded lands. May I say, Mr. Speaker, I have not pursued information on the Crown lands and I must assume then that the "no" decisions have been changed or the valuation has not changed since 1972.

[Mr. Diachuk in the Chair]

I can only say, Mr. Speaker, in looking back at Hansard of 1972, that the number of dollars received for surface rights owned by the Crown at that time stood at something less than \$1 million. If the government is supposed to be the custodian of the public lands of the province and, as a trustee, is entrusted with such lands and to receive sums equal to or the equivalent of land values as they go from day to day or from year to year, then I can only say, Mr. Speaker, that we have not kept pace with the escalating land values in the province. The Crown lands today are determined on the same basis as they were prior to 1972.

I am also going to deal with the structures on Crown lands, and since some of them have occurred within the two-year period, I have reviewed these, Mr. Speaker, and I have found they have been dealt with very generously. So in other words, what I am saying, Mr. Speaker, is that in view of the fact that the board and the corporations have recognized that in taking the surface rights of Crown lands they have been able to pay to the government and the people of Alberta sufficient, in the eyes of the board, I will agree on examining some of them that they have been very generous.

In the past, the surface rights on Crown lands were dealt with by two bodies. One was the Department of Lands and Forests and the other one, of course, was the Right of Entry Arbitration Board. As stated before, this type of taking of land - the Department of Lands and Forests was assuming that the going rate or price of land at that time was somewhere between \$5 and \$10 and as high as \$25 an acre. Then adjacent lands, which were not Crown lands, were valued at somewhere between \$40 and \$50 and \$100 an acre. I can only assume that this was an injustice to the people of Alberta because the Department of Lands and Forests at that time didn't recognize the true value of land and made no attempt to settle the surface rights for the province by dealing through the Department of Lands and Forests.

Mr. Speaker, I am amazed that the Department of Lands and Forests at that time decided in its wisdom to use artificial values from year to year and, dating back to 1947, used the same values in 1967, '69, '70 and '71. Surely when we look at the increased values of land that have occurred since 1947, this was not taken into account. If we look at the values that were established, especially in the wooded or timbered regions of the province, they merely paid \$8 an acre for the trees or the material that was standing on it. This was the only true value that occurred and nothing was ever transferred as being the right per acre value. In establishing that fact, they continued in this very process until 1972.

Mr. Speaker, when we're dealing with Crown lands, I believe there was a mistake made some years ago. When the government instituted the Right of Entry Arbitration Board they should have dealt entirely with that board. The Department of Lands and Forests should have referred every taking of land in the forested areas of the province to the Right of Entry Arbitration Board, which they did not.

Now, when we look at what has happened since 1972 we find that a number of companies or corporations have successfully negotiated without the Surface Rights Board, have improved their public relations with the surface rights holder, are in harmony with them now - and we find that the stigma of the past is still riding with us both on Crown and on deeded land.

I will give you an instance, Mr. Speaker of a power line that - I I just can't recall the year, but I can give you the location. It is just two miles east of Fallis on Highway 16. The Department of Highways and Transport took some gravel out of there some years ago and consequently some years later a high line was constructed by Calgary Power and it is sitting on this 28 feet of gravel. The value of that land was not recognized and today the same person who owns the land has a sterilized area, not only underneath the line, but also away from the line - and today's value of that gravel is 50 cents a cubic yard.

Certainly when we look at ourselves as a government trying to bring in legislation to correct some of these inequities, we can't overlook this one item. It is not in my constituency, Mr. Speaker, but I contend that this is an example which all of us must note as we drive along that highway. The owner of that land can neither construct any structure under or adjacent, nor can he excavate under the line. Consequently the value of the gravel that is underlying that land is of considerable value to the owner.

Mr. Speaker, the other part, of course, is that I had hoped that we would see the new expropriation act concept of a home for a home. When we look at the home for a home concept after having reviewed it, I am in full agreement with it for the simple reason that when you take a parcel of land from a person, be it a one-rod road widening or be it a parcel of 160 acres, a 4-acre piece, or a pipeline crossing, if this parcel is in the interest of the public good for the balance of the people of the province of Alberta, then certainly, for goodness sake, there must be adequate compensation for the land that is being expropriated.

Mr. Speaker, when we as a government and as individual MLAs travel through our constituencies we continually see that there is unwillingness on the part of industry to recognize the true value of land. I can take you, Mr. Speaker, to the west of the city of Edmonton where land values, I believe in 1953 - a parcel of four or five acres on four well sites going out of a quarter section - the the value taken at that time I thought, was fair. The land values were somewhere around \$125 to \$150 an acre. But today, Mr. Speaker, the value of that same land out there, the quarter section, is more than \$1,000 an acre. Yet we find a well site, a pipeline which interferes with the subdivision of land and no structure can be constructed over it or under it unless you have the permission of the company that owns the pipeline.

The other thing that was brought to my attention some weeks ago was in the case of the town of Drayton Valley. This town was a hamlet at the time the oil development took place. Today we find in the town of Drayton Valley some 14 to 16 well sites. They are still maintaining a site equivalent to approximately two acres. In the general assessment, since there is no farm land or agricultural land in an urban community, the act does not apply. Consequently, the land is assessed at anywhere from \$10,000 to \$20,000 a parcel. Now, Mr. Speaker, the owner of that land, by virtue of tax recovery will expropriate the ownership of that land by virtue of what we're saying, that the additional taxes, the surface taxes shall be borne by the owner of the land. Can you imagine that on two acres of land in an industrial area, the taxes rose last year from, I would say, in the neighbourhood of \$100 for a well site. Today's value could rise from \$800 to \$3,200.

What I am saying, Mr. Speaker, is that the value of the smaller parcel has never been recognized, when taking any small parcel out of a larger parcel. What we are saying is that you are creating a subdivision out of 160 acres and it is an industrial site whether we want to believe it or not. And this has been established.

Now we find the owners of that land are going to lose their land because the act simply says that the owner of the land shall pay for the increased surface taxation. I would say, Mr. Speaker, that this is grossly unfair. You're not taking it by expropriation, you're not taking it through the Surface Rights Board, but you're taking it by virtue of The Tax Recovery Act. One way or the other, the owner of the land is going to lose possession. Then what will happen is that the corporation that owns the above-surface structures, will, to protect itself, purchase the land and will be paying the taxes to the town. Now, you cannot deny that the town should receive its fair taxes off a parcel of land that is situated in its boundaries. But surely we should not take the land from an owner by virtue of tax recovery because we have increased his taxes to the extent of about 10,000 per cent.

In dealing, Mr. Speaker, with the former operations of the Right of Entry Arbitration Board and in meetings with the industry over the period of two years, they make no bones about the fact that the valuation set by the board was low. They simply say that we offered the landowner \$1,000 or \$500 or \$600, but the farmer refused to take it. He thought it wasn't enough and consequently he went to the board. When the board was through, they reduced it by 30, 40 and 50 per cent. Consequently, after seeing all the awards made by the board, you can't blame the corporation or the company coming in and lowering the offer to the owner, knowing well that he won't accept it and knowing well that the board will be in the same line. So if I were a company at that time I would have stood my ground the same way, knowing well the board was back of me protecting me. I can't argue the principle of the corporations at that time taking the same attitude.

But probably what annoys the landowner more, Mr. Speaker, is that when a pipeline or an above-ground structure is placed across a piece of land, a caveat is immediately placed on all the land. So, Mr. Speaker, what I am saying is that if Calgary Power in its wisdom decided to put a power line across anybody's land as it stands today, they would register an interest in the land by virtue of a caveat on 160 acres of your land.

What happens after that? Mr. Speaker, you only have to look at a sample that was given to me here. Here's a copy, a certificate of title, which has 32 caveats placed against it - pipelines, power lines, you name it. If a subdivision occurs here it will take ten years, because every one of these people who have an interest in the land have to say, yes, we'll lift the caveat. Most of these have to be done in the United States; the approval has to be given there. And I ask you why, Mr. Speaker, when the owner of the land receives title - sure he has to have a caveat on it. But the caveat must only be placed on the actual interest in what parcel they have in that land.

Consequently, in the Drayton Valley area today, we have a man who owns a parcel of land - it was farmland before, it is no longer farmland - but we have two corporations which are unwilling to lift the caveat so a subdivision can occur.

Then we have another case where there is a pipeline. I believe the County of Parkland, in building a school, had to pay for the removal of a pipeline around the property in order to build a school there. The cost of that was over \$18,000.

What I am saying, Mr. Speaker, is that if any corporation is going to take an interest in the land, the interest should only be on that portion of the land that is taken, and nothing further. I know that this parcel of land is under subdivision now, but it has been there for two years, and in no way will the owner be able to subdivide this parcel of land so it can be incorporated into part of the town by virtue that two refused to lift the caveats. The owner of this land accepted, in good faith, the fact that the caveats were placed there, and only on the parcel of the land that they were taking.

But the understanding now, Mr. Speaker, is that this isn't exactly legal and this can't be done. First of all, you can't get it through the planning commission because you have to have the approval of the caveators to lift their caveats for other subdivisions. Then, of course, in this parcel, 4, 5, 10, 20 or maybe 50 lots may have to remain vacant by virtue of the fact that there is a pipeline underneath them.

When I take a look at 32 structures going across one quarter section I just wonder if a thought hasn't come to us many times, why isn't there a pipeline corridor somewhere, so we don't destroy all the land by placing pipelines?

Mr. Speaker, in conclusion, I can only hope that the corporations in taking land - and I don't care whether it's Calgary Power, public utilities or whoever it is - that we consider the right of ownership. If it is in the best interests of the people of Alberta, then surely the people of Alberta should compensate the person from whom the land is taken.

If we're going to follow what was done between 1947 and 1972, then I can only say, Mr. Speaker, where is common justice? Maybe the laws of the land don't allow it, but certainly there must be common justice because there is no thought in my mind that, if any honourable gentleman seated in this House were willing to give up his lot or a portion of his lot for a pipeline, a power line or a battery site, you would then turn around and put a caveat on the total land, house and all. It just doesn't make sense.

Mr. Speaker, the other five good corporations of Alberta have shown their wisdom in dealing with the inequities that have occurred. They make no bones about it. They say they agree that in the fast development of the oilfields in Alberta the short cuts had to be taken.

Well if the short cuts had to be taken at that time, then I would say it's time that this government give some instructions to the Surface Rights Board, or the expropriation board, to do away with some of these inequities because certainly we are here as the supreme justice of Alberta to decide what is right and what is wrong. True enough, we may not come to the same conclusions. What is deemed right in the face of some circumstances doesn't justify that it is wrong.

I can recall - in the last item I have here, Mr. Speaker - under The Pipe Line Act, a farmer cannot construct over, he cannot build a fence over the structure. He can't put a permanent building on it, but neither can he put a temporary building on it. And it was proven that even a haystack is not a temporary structure because in my area, about two years ago, they found that a haystack was diagonally across a pipeline and they walked through it with a D8. There was no right to the courts; it was denied.

As the hon. Member for Calgary Mountain View stated, in dealing with his resolution, I will say only this, that the resolution I am dealing with is the one concerning the actions of the former government under the Right of Entry Arbitration Board, and under the Department of Lands and Forests as it refers to the Crown lands.

I'm hoping we will have an open and free discussion on it and I was also hoping, as I said before, that we would have seen the new expropriation bill. Maybe it is in there or in the Right of Entry Arbitration Board that in some way we can deal with the problems we have at hand.

MR. BUCKWELL:

Mr. Speaker, could I ask the hon. member a question?

MR. ZANDER:

Certainly.

MR. BUCKWELL:

Are the easements of the REAs on the whole quarter?

MR. ZANDER:

Yes they are. They are agreed to by the farmer.

MR. LUDWIG:

Mr. Speaker, when I look at the motion of the hon. member who moved it, it's very interesting. It appears to be somewhat along the lines of a previous motion here dealing with dissatisfaction as to what happened in the past with regard to contracts between individuals and corporations.

I am rather amused at the hon. member who stands up and cries in despair, because he not only isn't getting much of a hearing from the government but doesn't expect one. And then as a parting shot, to at least attempt to ease his own personal frustration, he has to go back and state, well, we can't blame this government. We have to blame the other one.

MR. ZANDER:

I blame both.

MR. LUDWIG:

Well, that's something you didn't say on record but to stand up and commit a heresy, Mr. Speaker, requires a big mind and I don't think I can accuse the hon. member of that. He stands up and winds up by saying, I'm making these references to the past government. But he is again a voice in the wilderness, expecting this government to stand up and do for the people what it did with relation to its own business. I am saying the voice of the aggrieved in this case is becoming the voice of despair.

I am not saying the cause has not become somewhat a cause of concern because of altered circumstances. Once again, there are an awful lot of people on that side who are lawyers, authorities on these matters, and perhaps they can stand up and influence this government to do what they think ought to be done. I believe this motion also calls for some of the hon. ministers to stand up and not permit these motions to be merely ignored. They must stand up and tell them that this shall not be done or say, we are behind you, hon. member from Devon, and we are going to help you ...

SOME HON. MEMBERS:

Drayton Valley.

MR. LUDWIG:

... Drayton Valley. Well, they are neighbouring places. I believe the hon. member knew who I meant.

There are hon. members on the other side who are beginning to show signs of discontent, not so much discontent with what happened in the past but discontent because they can't get any indication what the present government will do. It is an interesting exercise and one, I believe, that ought to be brought here. I don't believe the front line of this government can go on ignoring these pleas. Some kind of policy statement has to be made because when I look at that other side they have engineers, they have men, they have members involved in the business. They have people who perhaps have their land caveated - may be personally concerned - and as long as they are not in conflict with their own personal interest they are quite free to bring these pleas, even though they appear to be falling on deaf ears.

When the hon. Member for Innisfail had his motion before the House - although the wording was different, the principle was identical - the hon. Minister of Mines and Minerals was laughing throughout, and right now I see that he has yawned.

MR. DICKIE:

I wasn't laughing on that occasion. I was laughing at some of the comments the hon. member was making, which was quite different because those weren't relevant to the debate at the time.

MR. LUDWIG:

Mr. Speaker, after that abject manifestation of ignorance of the real facts, I will straighten out the hon. minister. I was putting up a plea for the hon. members who were

crying like a voice in the wilderness for a decision, and he was grinning. I suppose that was funny. If it was funny, let him laugh now. I am once again standing up and telling the House that the hon. Member for Drayton Valley has a legitimate complaint. And somebody - I believe the hon. minister ought to stand up and say this is a no-no, or since we've done this then we'll do it for you. It's a simple thing. Let him yawn or laugh or do what he likes. He is quite free to do it. There are no rules against it, Mr. Speaker.

MR. FOSTER:

It's nice to hear that.

MR. LUDWIG:

Foster woke up again.

In fact, when I talk about waking up, when the hon. member who moved the motion was speaking, one of his constituents who came to listen to him was lulled into a false sense of security and fell asleep. You could have told him before you moved this motion, hon. member, that nothing will happen. It is an exercise. I won't say it is a political exercise because heaven forbid that I should accuse the hon. member of indulging in a political exercise.

Mr. Speaker, this is not something which has to be ignored, nor should we go through the motions and let it die, drop to the bottom, so the hon. member can say, well, I did what I could for you, I have discharged my responsibility to my constituents. We are requesting that the ministers or some of them stand up and straighten out this kind of attitude, straighten it out so that we know whether we should entertain these motions and whether there is any hope of them passing. I must admit that the plea of these people who are aggrieved because eight, nine or ten years ago they entered into contracts which today would be unthinkable - can we just ignore this and say, well, it's tough.

The government is saying it's tough to these people. You enter into a contract and the only person who can break the contract is the government. It can break its own. In fact, there was a very notable expression by one of the top parliamentarians in Britain who said that neither life, limb nor property is safe while parliament sits.

AN HON. MEMBER:

Hear, hear.

MR. LUDWIG:

We ought to bring this motion up to date and state that neither life, limb, property nor contracts are safe while this parliament sits, except, of course, when you deal with contracts between individuals and big corporations. So therein lies a great difference between the individual seeking justice individually and them getting some kind of a different break collectively.

Mr. Speaker, if the hon. members who moved the motion here a few days ago dealing with the review of their royalties agreements, and the hon. members who are now moving a motion to have a review of their easement agreements dealing with surface rights, showed some political wisdom and banded together in big enough numbers and marched on the Legislature, then maybe the voice of the Conservatives would be heard by the Conservative government. This may sound - as the hon. Solicitor General might say - like I'm inciting some kind of disorder. But I am not. I am saying the hon. members on the Conservative side will soon learn that if they have a legitimate complaint, even they have to resort to political means of dealing with this government because small numbers apparently do not affect the decision-making of this government.

I once more invite the Minister of Mines and Minerals to stand up and tell us that we are going to entertain this, that this can be done. I believe they have had enough response from industry in this province. They have had enough response to indicate that maybe industry might say, we've gone this far, but not further. I think it requires men of courage and conviction to stand up here and declare the government policy. I think, rather than have a proliferation of this kind of motion, Mr. Speaker, the minister ought to stand up and say we can't possibly support this. It is against government policy to intervene in past contracts. I am saying that if this motion passed, Mr. Speaker, you would see dozens and dozens of motions, and quite properly. Everyone with a legitimate gripe about the fact that he didn't get all he thinks he should have out of a contract which he entered into years ago would be before this House to complain that we want to change the ground rules.

I think you might have to have some pretty rigid legislation to tell the courts and tell all the people ...

MR. McCRAE:

Would the hon. member answer a question? Is the hon. member quoting from some of my old speeches?

MR. LUDWIG:

I never knew the hon. member made any in this House, Mr. Speaker, but if he did, nobody knows. But I can assure you, Mr. Speaker, that I am not as desperate for information or material to resort to quoting the hon. member.

[Interjections]

I would advise the hon. member to think up the next question, take a few days off the next time I speak and come up with a better one than that.

Mr. Speaker, I am trying to help at least one aggrieved hon. member who has a few constituents who are not happy with too many caveats on their land. All I get is static from the Conservatives.

But quite seriously, Mr. Speaker, I believe it is time for a declaration of policy of the government. I have never seen a more disinterested looking line-up of five ministers. The rest of them, to the hon. Member for Drayton Valley, couldn't care less what your problem is because they are not here. To the five hon. ministers here - to get up and tell them to cut this kind of application or provide some leadership and tell us we're going to go that way and we'll try to solve your problems, Mr. Speaker.

I believe that's all that is required to be said and I hope the hon. Member for Drayton Valley does not feel aggrieved that I am attempting, on his behalf, to at least get some kind of commitment and a little show of leadership from the hon. Minister of Mines and Minerals.

Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER:

I believe the hon. Member for Pincher Creek-Crowsnest was up, followed by the hon. Member for Ponoka.

MR. DRAIN:

Thank you, Mr. Speaker. I thought that I had lost that round and I stand up here slightly ill-prepared because I am very disconcerted right at this particular moment. However, with your sufferance I hope I will recover myself and get onto the subject of this particular resolution.

Mr. Speaker, I certainly realize that the hon. Member for Drayton Valley has heard from many of his constituents and he has exercised his responsibility in bringing this particular matter before the Legislature. However, on looking back, he referred to the beginning of the oil business in 1947 and the expansion thereof, and the deals that were made. A lot of them were made instantaneously. A lot of them were made on the spot and really there was not too much protection in the matter of consultation or advice for the people with whom those particular oil scouts, and so on, dealt. However, be that as it may, it is in the interests of anyone who conducts a business, no matter how large or small, be it a shoeshine parlor on Jasper Avenue or be it the management of a large scale corporation - you find that there is only one way you can possibly operate and that is with honesty and with responsibility. The reasons are that if you do not operate in that particular manner you encounter difficulties and you get into some very difficult situations. So it is in the best interests of everyone.

I question, Mr. Speaker, [whether] there was any coercion even in those hurried times to which the hon. Member for Drayton Valley referred. If there was, he did not bring it out in his representations to this Legislature - that there was, in fact, coercion, that someone forced any particular member to sign any type of agreement. Presumably the deal that was being made was between a willing lessor and a willing lessee.

However, several things have happened that have made this rather tragic, upon reassessment, from the viewpoint of the lessor to the lessee. They are: the eroding value of the arrangements at the particular time, the diminishing purchasing power of money on the one hand and the accelerating value of land as a direct result. So we have a conflict situation. But it would be very difficult for me to rationalize a deal, in the area of a voluntary deal, that had been made between two parties in the interests of furthering what both, presumably, must have thought was a reasonable deal at the time - having this particular deal torn up and reviewed on a legislative basis. I think this would go far beyond the role of government. That is in the area of voluntary deals.

However, where a situation of arbitration did occur, where, in fact, a man said this deal is not acceptable to me and the route of arbitration was taken and this particular deal was, in fact, jammed down this landowner's throat and he had to suffer therefrom, it would appear to me that there is some area there that could be looked at from the standpoint of what was, in fact, not a willing deal. In fact, it was the might and power of the state moving in the best interests of all of the people of the province of Alberta. I would not question it too strongly if this particular area was looked at because there, in fact, you are dealing with what was a captive and indefensible particular area of the market place.

There is, unquestionably, a considerable erosion in values from pipelines. We have one that goes alongside the town that I reside in and it has destroyed, to some degree, the aesthetic values that we cherished and also the use and availability of considerable amounts of land. However, be that as it may, it was [due to] lack of knowledge on the part of the city fathers of the time. The area was in a slump. They viewed the influx with delight. The local Chamber of Commerce waxed eloquent in its rejoicings that all of the vast amount of money resulting from the building of the pipeline would be poured into the area. There was no opposition whatsoever.

So we look across at the hillside and we see the pipeline today and we resent it. I am confident that this is the same viewpoint that a lot of farm people have. They look at the pipeline and they see aggravations because it wasn't there before and they realize now that they had sold too cheaply - not too cheaply at the time, but in relation to what values have eroded to at the present.

However, if we're going to accept the premise that there should be a re-evaluation in one particular area, it would be reasonable then to accept an evaluation in the totality of all the areas in the particular province of sales since 1947, if we're going to take 1947 as a base figure. How can we then relate? There is no relation. An MLA in 1947 was paid, I think, \$1,200 a year. I suppose if he'd continued to be paid that, he would have been slightly hungry. But these things change because it wasn't locked in.

So much business has been done in the world on the basis of the sanctity of a deal. Every day in this country of ours or in the United States, transactions involving millions of dollars' worth of commitments, responsibilities that will stretch on for considerable lengths of time, are made by word of mouth or by letter. A lot of these are hurting agreements, agreements that people, who are not able to assess what can occur, suffer from very markedly. We have had much to say about the oil business as such and the acceleration of prices that has occurred as a result of the Arab embargo. You can be very sure that there were a lot of people who could not anticipate things like that and who lost a lot of money because of long-term commitments.

Of course, from 1947 to the '60s - we could call that the placid era of our time - and on to the end of the era of the '60s, there was a relatively constant growth of the money supply and a containable amount of inflation. It is indeed a tragedy that this situation is no longer with us. However, to bring back yesterday and to try to evolve a formula that would be acceptable and that could be used to properly evaluate what should be done [about] the terms of these leases is really beyond my comprehension, Mr. Speaker. Reference has been made to the Crown lands and the deals that were made and the infinitesimal amounts of money that were received therefrom. However on the basis of commitments - hold it, I've got to read a note that was presented to me here. Yes. Well, thank you for the information, Mr. Speaker.

So I would take it very remiss if the government having made a long-term deal, would now say, well this should have been worth more money, and so on; we're going to tear this up and we're going to start over from square one. In reality the analysis, the projections, the cost-benefit studies, the capital investments and so on were all geared, at that time, on the basis of the end product and how much could be produced at that time. Then they came up with a profit or loss equation which you can refer to.

I would humbly suggest to the hon. Member for Drayton Valley that I sympathize with him, I share his concern. I feel, in fact, that there should be the opportunity for review of any particular areas that have been forced down people's throats by forced arbitration. But insofar as the other is concerned, I suggest to the hon. member that his lead is out and he is sawing with a reverse lead. This is a subject that we are going to have to live with.

Thank you, Mr. Speaker.

DR. MCCRIMMON:

Mr. Speaker, I appreciate the opportunity to speak on this resolution. The fact is that the points brought out in the resolution affect a good many of the people in my constituency.

Now, Mr. Speaker, it is my understanding that when a well is drilled, three to five acres is usually taken for the well site and the access road. From my understanding, as well, whether it's right or not, there's usually a going rate for the well site and access road varying from area to area as to the productivity and the value of the land.

If dry-hole payment were made, the usual payment I understand usually goes on for one or two years. If I'm correct, the land is to be restored to its original situation and the lease dropped if the hole is dry. If there is production, the land area is reduced from the drill site size to about half an acre to an acre. An annual agreed-on price is paid for the life of the well. Now, land costs and loss of production of the land are, of course, much more valuable than they were when most of these agreements were formulated. So it would appear that there is a significant change between the time the lease was signed and the present situation.

Now some companies, according to my understanding, have considered this and removed this disparity. Some others, of course, have not. I feel that if possible some method of persuasion other than legislation would be best if it can be arranged. After all, there appears to be a certain moral obligation on the part of these companies as far as the farmer and the landholder is concerned. As the hon. Member for Drayton Valley has mentioned, a good deal of this was brought in at a rush time in an oil-speculative era when fields were coming in rapidly and land was being gobbled up by companies and land buyers. I'd hate to see the government, however, involved in tearing up agreements between two outside parties.

Now under part (2) of this resolution, as to existing legislation for above-ground structures, power lines, and below-ground structures, pipelines; for the power line structures the general deals are on a per-pole basis, as I understand it, across the land. Usually these are, as I understand from past agreements, on a \$10 to \$20 a pole basis across the land with an easement, and with the responsibility of the landholder to keep up the land, clear the weeds and so on. Now this type of agreement leaves the farmer with a basic problem for evermore on his land because with this above-ground structure there are weeds, there is upkeep, there is a loss of mobility in the use of some of his machinery. There is a difficulty as far as buildings are concerned and the movement of his machinery as far as putting in his crop, taking off his crop and this type of problem. However, this is a constant and yearly expense in that he has this easement that goes across his property. He has been paid on a pole basis - \$10 to \$20 a pole - and yet his property is tied up with a constant expense for evermore. He is restricted in his basic operation.

In many cases, some pressure was used by the companies on original installation. Basically, when I speak of pressure I mean that when power was coming to an area, if he didn't give an easement across his property the company used the situation such that if you don't give the easement, you don't get the power. In this way, the easements were granted under some element of duress as far as the farmer was concerned. Therefore, I feel that under these conditions a change should be made to bring the property owner some yearly rental compensation.

Now with respect to underground installations, pipelines, some of the previously mentioned problems do exist. The right of entry on to the property for any check or repair is the first one. In some cases one company purchased a right-of-way for a pipeline across a property and sublet it to other companies. So the farmer, with the basic understanding that he had let in one company, may in fact have half a dozen or a dozen pipelines through the one easement across his property, and have allowed access to his property by any number of pipelines or companies that may wish to follow that easement. Now there is no difference in this situation as far as to the compensation of the landholder. The only compensation he gets is from the original easement.

There is a question in my mind that easements on property or rights-of-way reduce the value of the property, hinder to some extent productivity and create a general nuisance to the actual owner of the property. When the land is sold, there is the problem regarding clearance of title and clearance with the companies that hold the easements. Therefore, Mr. Speaker, I feel some method of annual compensation to landholders should be brought in or developed, preferably to be open to review at definite, specified periods to keep abreast of changing conditions and times.

There is, I know, some element of doubt or question on these points - differences of opinion. There is no question at all that between a company and a landholder a deal is a deal. But conditions have changed. The fact is that the moral obligation of these companies has been accepted by some. Perhaps some situation could be brought about so that all could be brought under the same umbrella. I think this is worthy of consideration.

Thank you, Mr. Speaker.



MR. MANDEVILLE:

Mr. Speaker, in making a few comments on this resolution, I would have to agree with this type of resolution. The intent is popular, especially with these people who are involved with the contracts. However, I do have reservations and especially if the intent of this resolution is to legislate some of the existing contracts we now have.

I agree with the hon. Member for Ponoka that if we can negotiate these contracts, I will agree that we should do something in this area or come up with some other method of negotiating, taking into consideration, Mr. Speaker, that some of these agreements made in the earlier years are very unsatisfactory especially to the lessors.

There is one area where I think a lot of confusion is created. I think it's in the area of the application for contracts and agreements between the lessor and lessee. The oil companies and the pipeline companies today have many different types of application forms on which to make these agreements and contracts. If we could come up with some type of standard contract form to make these lease agreements on, it would solve many of our problems in the future as far as lease agreements are concerned. I think it would be worth considering to have a committee set up to come up with a satisfactory standard contract, say with the oil companies, the pipeline companies and some government officials, and to have a contract that would be acceptable to everyone concerned.

We do have pipeline easements now. I think, if we can get a standard contract, we should have the contract such that in the case of pipelines where there is future damage - sometimes these easements are satisfactory and there are pipeline companies that will go ahead and take care of future damage. In other cases they don't. I think if we did have something that was standard it would certainly solve some problems in this area, and have it statutory so that pipeline companies are responsible for their damage as long as the damage occurred from their operations, especially in irrigated areas.

Some of these pipeline companies have to lower their pipelines as a result of land levelling and sometimes they try to charge the lessor a portion of the [cost of] lowering of this line. I don't think this is really right. In a lot of cases on irrigated land the water will wash out a pipeline. Year after year the surface right owner has to go in there and rectify some of the damage that has been done.

I come from a constituency where - the same as the hon. Member for Drayton Valley - we do have a lot of drilling, a lot of pipelines, a lot of easements and a lot of contracts that certainly aren't satisfactory today. Also, in my area we have irrigation. This makes small farms. And it makes it hard to get, say, our target areas. If a sprinkler is set up and we have a target area in the centre of a quarter section of land, they can't operate a sprinkler. What we have done in the constituency I come from is set up what they call the E.I.D. Surface Right Association. Mr. Speaker, they have solved a lot of problems we have had in these areas by negotiating with oil companies.

For example, in our target areas in the constituency down there many of the oil companies now are putting their target areas in the corner of quarter sections. If they have got a target area they will put it in the centre of a section. This is certainly helping considerably in the area I come from where there is so much irrigation. We have the wheel-move sprinklers and also the revolving sprinklers. As I said, the oil companies are cooperating very well with this particular association.

As far as reclamation is concerned, I do run into many problems. I do find my relationship with the oil companies is very good. In many cases I think it's a misunderstanding. A lot of times a drilling company will come in and they won't clean up a site well, but as soon as I or someone else brings it to the attention of the oil company, they do a very good job of reclaiming the site.

I would say there is another area that would help considerably - if we had more policing, more people to take charge of this and watch some of these sites. I think that would help. I am thinking of an area such as the one I come from where we have so many problems with irrigation of small farms. If we had a man stationed in Brooks I am certain it would solve a lot of these problems.

In conclusion, Mr. Speaker, I would like to say that I think we should make a few changes in some of these areas and especially have a standard contract, more policing and more negotiations with the oil companies throughout the province to put their target areas in so they are not creating a hardship on the surface right owner. As I said before, I have reservations in supporting a resolution like this if they are going to legislate the contracts out. But I do hope and I do think that it's possible, say if we set up a committee, that we could negotiate a lot of these old contracts.

With those few remarks I want to thank you, Mr. Speaker.

MR. TAYLOR:

Mr. Speaker, I would like to say a few words on the resolution. I appreciate the spirit of the resolution, but I frankly could not support it. I think it's being most unfair to ask a government, in the first place, to 're-evaluate', if that means to change or alter conditions of a contract, in rental agreements or easement agreements made between two parties. Most of us, if not all of us, in this House want less government in business and less government in our everyday lives. Most of us were elected or re-elected on that premise. Yet we are continually passing resolutions and orders asking the government to interject itself into everyday business.

I don't see how any government could justify re-evaluating a contract between John Jones and Mary Smith. They're both over 21. Nobody forced either one to sign the contract. Then, because conditions changed later, one party wants the government to enter in and alter the contract. It's the same thing between John Doe and Imperial Oil, although it may be a little different because many people feel at a disadvantage when they are dealing with large oil corporations, and, I think, in some cases rightly so. But even there for a government to say, you entered into a contract seven years ago and we think this contract, in light of conditions today, is unfair and therefore we are going to re-evaluate it, would be striking at the very heart of business operations. People could not consider any agreement valid or the sanctity of agreements would disappear entirely. Under conditions like that you could have one or two things happening, nobody would enter into an agreement if they were the giving party or, on the other hand, everybody would enter into an agreement knowing that they could have it changed later on by government action.

I would think that any government would be very, very unwise to inject itself into arrangements or agreements between private parties.

However, when I come to the next point - the spirit of the resolution - I feel a little differently because I have had a number of cases over the years, and still have cases, where a farmer feels aggrieved because of the contract. I have not had any of the people in my area come to me and say, we want the government to change the conditions of the agreement into which we entered. But I have had a great number of the farmers come and say, are we going to be under pressure to enter into the same conditions when the new agreement comes out? Because many of the agreements contained signed statements about renewal - that the company would have first chance of renewal.

I have not seen an agreement that says the renewal has to be on the same conditions as the previous agreement, but this is worrying many farmers. As a matter of fact, it was raised at four of the pre-session public meetings that I conducted prior to the opening of this session. Farmers got up and said that this coming year will be the end of their agreement and they wanted to know, do they have to enter into the new agreement on the same rates as those in the previous agreement? My answer to these people has been, without seeing the agreement, it's difficult to give a reply. But I would certainly question very much any agreement that stated the value at which the renewal would take place because conditions between now and 7, 8 and 10 years ago are entirely different.

The price of land - there's no relationship between the price of land now and the price of land in 1963, 1964 or 1965. Consequently I would like to see the emphasis placed, in dealing with the spirit of this resolution, on making sure that our farmers, particularly concerning well sites and pipeline easements, are aware of their rights prior to entering renewal agreements. No fast-talking land buyer or a negotiator for some large company should be able to go to a farmer and persuade him to sign an agreement at the same rate as the previous agreement. That, I think, would be completely wrong.

While I don't question the right of a person to enter into such an agreement if he wishes to do so, if pressure is put upon a farmer because he has already entered an agreement and now is honour-bound to renew that agreement at the same rate, then I think court action should result.

I think it should be made very clear to the oil companies of the province, if it's not clear to them now, that the renewal agreements should be at the rates applicable to 1974, not those that were agreed to in 1973.

I am dealing with this a little longer than perhaps I should but a great number of farmers are concerned about these renewal agreements. They may have made mistakes in 1964, 1965 or 1966 when they entered an agreement, or they may not have. But whether they did or not, the very fact that a renewal agreement is promised in the old agreement, I think should be honoured insofar as renewing that agreement. But it should not be honoured to the extent that the agreement has to be renewed at the old rate. I think the press of this province, the radio and TV, have a duty to bring to the attention of our people that they're open for new negotiations, and new negotiations should take place. I'm sure that the members of the Right of Entry Arbitration Board and other government help would be available to any farmer who wants some advice in connection with this type of thing.

I think we have to realize that many of our farmers are not versed in law; they're not versed in easements. They often take too much for granted and consequently, I think, all the advice that we can give them is wise before they enter into the agreement. I certainly tell the people in my riding that if they have any doubts at all, don't sign. Get some advice. Go to a lawyer or go to your member or go to the government and make sure you know what you're signing before you sign. Because most people today - I would say 99 per cent of our people - feel that once they have put their name on the dotted line that that is a valid agreement and they believe in the sanctity of agreements.

There's one other point I'd like to mention. While I don't think governments should revalue the agreements, I do think there's a place where the government can be of tremendous assistance, and that is where the actual wording of the agreement is not honoured by the oil companies. I think we've all seen where oil has been spilled over a much larger area. I think some hon. members have already mentioned this, and this is breaking an agreement.

I have no sympathy with the oil companies whether it be Imperial Oil or Gulf or any other giant corporation who tries to get out of paying a proper fair share when it breaks an agreement. If the companies break the agreement and ruin additional land to that contained in the agreement, then I think there's certainly a case for action. When we tell the farmer, well you have recourse to the courts, most farmers will back out. They don't want to get involved in courts any more than is absolutely necessary.

I think there's a place where our Right of Entry Arbitration Board should be able to review the agreements and determine whether or not the agreements are being lived up to. I think it's important that the farmer - that both parties to an agreement as a matter of fact - live up to that agreement. It shouldn't only be the man who supplies the land.

If black dirt is moved and not replaced, as I've seen done in one place, this is breaking the agreement and also breaking one of the vital requirements, I think, of making sure we keep the topsoil of our land there. We owe that to the future generations. Wherever that topsoil is removed and not properly put back as per the agreements, then I would certainly like to see the matter first of all handled by a government board to see what can be done by negotiation, and then if it can't be done there, that it go to court. We should give the owner of the land every assistance if the case has to go to court.

The reclamation of many sites has been very careless and done in a way to save money, both in removing rocks and stubs and debris as well as replacing the topsoil. I believe there is a place where the government can help our farmers in that regard. But that would be far different from changing the conditions of the agreement. That would be enforcing the conditions of the agreement. I think every landowner should expect the company, whether it's a giant company or a small individual company, to live up to the agreement and to the spirit of the agreement.

So, Mr. Speaker, while I can't support the resolution asking the government to start interfering and injecting itself into private agreements, I do support the spirit of the resolution, insofar as the government has an important part to play in making sure that the conditions of the agreements are honoured, and also in making sure that when these agreements are renewed at the expiry of the period contained in them, that will be the time to ensure that all the conditions, and the meaning of all the conditions, are well known to both parties, so that no one is entering into the agreement with any false misapprehensions.

MR. HENDERSON:

Mr. Speaker, on a point of order, I wonder, before the hon. member opposite speaks, if I could ask the Member for Drumheller a question?

I was wondering if the member would just clarify. On the agreements where he's talking about renewal, are they freehold mineral leases being renewed or a renewal of leases for rights-of-way for pipelines or well sites?

MR. TAYLOR:

Mr. Speaker, the renewals to which I was referring are those renewals for the right-of-way, the right to go on to their land and so on.

MR. TAYLOR:

Renewal even of the other would be just as important. But one I was referring to was the right-of-way.

MR. KOZIAK:

Mr. Speaker, the problem which this resolution touches upon was, I believe, as suggested by another speaker this afternoon, similar to the problem touched upon by the resolution proposed a few days ago by the hon. Member for Innisfail. As we continue to see erosion of the value of dollars - if you want to use that figure - in Canada, we will continue to see more of these resolutions and more of these concerns expressed.

Mr. Speaker, as I see it, the problem with this resolution - and there was somewhat less of a problem with the previous resolution in that at least there was a built-in factor where the owner of freehold mineral rights received a share of the production and as the value of production rose, the share rose in value as well. So the situation there - although when compared with the recent royalties and taxes which the Province of Alberta is receiving [the share] may not have been as large, still the position of the freeholder is somewhat cushioned insofar as inflation is concerned as compared with the position of an owner of property who has entered into a long-term agreement, leasing it at a specified rate over a specified period of time.

As I said, Mr. Speaker, the problem as I see it is not that people have entered into contracts which now look foolish. It's a problem which we have with our currency. I don't want to stand here like a latter-day Messiah for the Social Credit party and suggest we've got to look at monetary reforms, but there is some difficulty here. The people who entered into these agreements 10, 15 years ago entered into them under circumstances in which the rate of inflation was known. Perhaps it was 1 per cent, 1.5 per cent a year and they fully expected that that would continue. Both of the parties to the agreement probably felt the same way. Had they known, and had they anticipated the rate of inflation which we now experience, perhaps those parties would have written in clauses which would have provided for a cost of living adjustment. It's not uncommon now, Mr. Speaker, to see agreements entered into between parties, agreements which include exactly that type of clause, a provision that a rise in the cost of living will increase proportionately the consideration which might be due under a long-term contract for whatever purpose the contract is entered into. And that is because everybody is aware of that particular problem today. People are aware that tomorrow there will be a reduction in the value of the purchasing power of the dollar. So they enter into these contracts on that basis.

It wasn't very long ago, Mr. Speaker, that you could get a 25 year mortgage, a 30 year mortgage from some of the biggest institutions in this country, from huge life insurance companies, from banks, from mortgage companies. These are people who know the financial world and yet they were prepared to commit funds for a 25 or 30 year period at a specified rate at which today, when you look at some of these mortgages, the interest doesn't even cover the erosion of the principal. So the lending institutions, as the situation developed, vacated the field of long-term mortgages and for some period now, have not granted a term in excess of five years although what is known as the amortization period is longer. However, the mortgage comes due at the end of a five year period and the rate of interest is reviewable at that time. Mr. Speaker, that type of situation commenced at a time when mortgage rates were approximately 8 or 8.5 per cent. The mortgage lending institutions felt, well, we've got problems in the future, let's not commit our funds for a period in excess of five years.

I heard very recently of a situation where one of our banks was offering 14 per cent for 90 day money. That's just an indication of what's taking place right now. Some banks [offer] 11 per cent. Not all of them are equal. But this was just for a given period of time and it just shows you the particular state of inflation which we're in.

So I say, Mr. Speaker, the problem that this resolution looks at is one that is much larger than that of well sites and rental agreements. It's looking at the whole area of long-term agreements where something has been contracted for, years ago, for what seemed to be a fair payment at that time, a fair rental, which today is not fair, not because the parties didn't know what they were doing many years ago, but because of a third party who controls the value of currency. And whether it is the Dominion of Canada or whoever it is, [someone] has interfered with that value so that one party is not receiving, in fact, what he contracted for.

I'm familiar with situations just ten years ago where - and I'm sure many of the honourable gentlemen are as well - where leases for commercial purposes, perhaps [to] Safeway or some of the larger food chains, were being granted by lessors at somewhere around \$1.80 to \$2.00 a square foot. A comparable rate for comparable space today is probably closer to \$4.00 to \$5.00 a square foot, more than two and a half times what the present tenant is paying under a lease which is only ten years old. Some of those leases, Mr. Speaker, were for 20 year, 30 year, 40 year periods; some had renewal terms involved which were renewable at the same rent provided for in the original lease.

So the landlord, under those circumstances, finds himself in exactly the same position as the farmer in the situation which is posed by the hon. Member for Drayton Valley in his resolution. Do we also take his situation and attempt to correct it? Would it be fair to

correct only one type of contract and not everybody's contract who finds himself locked into a long period of time during which he has agreed to provide certain services and the return which he is getting, although correct in terms of the wording of the contract, [is] incorrect in terms of the value that the individual felt he was receiving when he entered into the contract?

If you went about correcting that situation, would you also correct, Mr. Speaker - if we go back a little further - the situation of the mortgagee who loaned money at 6 per cent for the shopping centre to be built? Because today at 6 per cent, he is not even receiving the [annual] loss in purchasing power of the dollar. So it doesn't end with the long-term lease. We go back to the contracts, which created the mortgage, which created the loans, which made the lease a possibility. If we correct the situation for the mortgagee who has loaned money out at 6 per cent, do we also correct the situation for the bond holder who has lent money to the mortgagee at 4 per cent and who is also locked in for a 25 year period? It's a lot more difficult, Mr. Speaker, than it seems on the face of it, because if we're going to treat everybody equitably we've got to go all the way to the root and try to correct the situation for everybody. And it's difficult. Perhaps, because of the situation we are finding ourselves in now, we may find that contracts in the future will call for payment not in dollars, but in gold. Because it seems gold goes up in value, or at least remains constant, it doesn't decrease in value.

MR. GHITTER:

Wine.

MR. KOZIAK:

An excellent suggestion from the hon. Member for Calgary Buffalo was that payment could be in wine, which is also increasing in value. And there's also the added advantage that if it doesn't decrease in value, you still have something you can do with it.

Perhaps the only real possibility - and I'm throwing this out as a suggestion, and it may be a far-out suggestion but some of the hon. members may want to consider it - is a posting. In other words, on a daily basis the Governor of the Bank of Canada or the Prime Minister of Canada or who have you ...

[Interjections]

Not him? You're probably right.

... on a daily basis, could post the value of a Canadian dollar in terms of what it was at a fixed period some time ago so that - we could start in 1974 if we wished - but let's say we used 1960 as a base. We would have a posting daily that said a 1960 dollar today is worth 73 cents. So that if you wanted to pay back in 1960 dollars, you would have to pay \$1.30 or something. Some of you who are mathematically inclined can figure that out quite quickly.

That may be the answer, Mr. Speaker, just to pass a law saying that all long-term contracts which require payment over an extended period of time should be repaid in the dollar's value as of the date at which the contract was entered into. So if you have a contract which was entered into for a well site in 1960, what you would do is automatically require that in 1974 the lessor would receive from the lessee not 1974 dollars but 1960 dollars. That would probably alleviate most of the problems that the mover of the resolution suggests in his resolution.

Now would that be easier than taking a look at every contract and trying to evaluate every contract individually? Perhaps it might. But at the same time, of course, it would require us to post values of 1974 dollars in relation to every year, so a person can calculate what a 1974 dollar is valued at in relation to a contract that was entered into in, say, 1950. Because then we would require that person when repaying, or paying under a contract that was entered into in 1950, to use 1950 dollars which may mean \$2.00 of 1970 dollars or 1975 dollars.

Perhaps the members opposite can advise if that is anything close to Social Credit monetary theory because I wouldn't want to go in that direction.

MR. LUDWIG:

Mr. Speaker, in response - I've been a Social Crediter a long time and I never knew our theory was as confused as the one put forward by the hon. member. It couldn't be.

MR. KOZIAK:

Well, Mr. Speaker, I suppose - that's another note, not a bank note - that my theory is not confusing to me as I suppose your theory is not confusing to you. So we can each carry on with our own theories.

MR. LUDWIG:

Let's get Miniely here.

MR. KOZJAK:

I just throw that out, Mr. Speaker, because the point is, the people who entered into these contracts five, ten or fifteen years ago knew what they were doing at the time. And at that time the contract was a proper one. What has happened is that subsequent circumstances have destroyed the value of the contract for one party and increased the value of the contract for the other party. That's really what has happened. Of course, had it gone the other way around and we had been involved in a recession, with the dollar increasing in purchasing power, well then, it would have been the farmer who would have been better off because he would have been receiving dollars that bought more and, at the same time, giving no more for that dollar.

But this is what has happened, Mr. Speaker, so we have a situation where two parties have gotten together. They have agreed on a particular course of action; everybody is happy. One has agreed to provide a certain service or to lease his land, or what have you, on the basis of a payment of a certain sum. Of course, he has had no control over the valuation of the sum. Neither has the other party to the contract had any control over the valuation of the sum. So it is some third party with control over both of them who has been able to decide, you are going to get less, and you are going to get more. That third party can only be the Government of Canada because the control of currency, the control of money is under the jurisdiction of the Government of Canada. So if the problem is to be corrected, I think that is where we should take our case.

MR. HENDERSON:

I just want to say a few brief words about the subject under debate. I think the Member for Edmonton Strathcona has pointed out that one of the major contributors to the problem has been the issue of inflation.

But I'd like to suggest also, of course, the problem is one of those afflictions that result from the blessings we enjoy in this province, living in a province that is substantially endowed with energy resources. Because there are a lot of people in other parts of Canada, I think, who would be glad to trade off some of the problems we're talking about here in return for some of the benefits that go with having these particular industries.

I have been in the House now for 11 years and I think about every two or three years, all the time I've been here, there has been a resolution of this type on the Order Paper. I think I can say there was a resolution of this nature on the Order Paper before any of the members seated opposite were in the House.

I can't help but notice the evolution of the problem. When I first ran in 1963 there was an outfit called the Unity League that were putting on a political campaign at that time. They had a protection racket going under which they induced landowners to join and take out a membership in their Unity League and they would protect them from these horrible oil companies. I recall in my own constituency, being an employee of a major oil company and an engineer in the oil business, I naturally caught a lot of flak. As a matter of fact, I developed a hard enough and thick enough skin the first election I went through provincially to carry me through anything that might ever happen in this place.

I recall some of my constituents, who could least afford it, had put up sizeable sums of money to this Unity League outfit. Their complaint was that they were joining the Unity League because the con man in the league had convinced them that if he put up this money, he would force the company to drill on their land so he could get the benefit of the surface rights and the pipeline right away. Quite truthfully, as I say, I had people come to me who had put money into this outfit in order to get these benefits.

I'm also aware of the fact that out in the Pembina oilfield area people took out homestead leases strictly in the anticipation and hope that they would get oil development on the land and collect the surface rentals and the money from the rights-of-way on pipelines, et cetera. I recall some of them being very unhappy after they had not fulfilled their development obligations on the homestead, when the government reclaimed the land. So there are two sides to each and every one of these issues.

In the 1967 election, the second election I ran in, this was one of the big pitches of the Liberal candidate in my constituency. I happened to be familiar with the facts of the particular quarter section he had and went back and looked it up. That particular landowner for that quarter section had collected something over \$40,000 in well sites and surface lease rentals off something less than 20 acres of land over a 10 or 15 year period. When I explained this at some public meetings, there were a lot of people, farmers, lining up hoping they could be abused in a similar manner.

So I think while it's only natural that people are going to - just as the private freehold mineral rights owner who feels he has now got a poor deal in comparison to the Crown land, there are some other sides to the issue. I think there are some pitfalls in rushing headlong into some changes of the type that are possibly advocated by the resolution.

I think one of the first things often forgotten in the issue is that in most cases, particularly on a well site, the original purchase price of the well site in many cases is equal to or more than the purchase value of the land, and close to the purchase value of the land is paid out again each year in an annual lease rental. Again, I've just quoted the case where you accumulate those values. There is no way one could come up with the argument that the loss of production on that acreage had come anywhere near the compensation that had been received. And I'm specifically referring to where there had been an annual rental paid, because some of the arithmetic is pretty convincing if you want to take a look at it.

Now I agree there is the question of the resale value of that property and some of the detrimental effects that has upon the resale or market value of property with these facilities on it. But as I say, the compensation on well sites historically, when one accumulates it, is some pretty convincing evidence that the surface rights owner has not been adversely dealt with.

Of course, on the question of surface leases there is the question of the two titles and the problem that was inherited with the BNA Act, that the landowner buys the mineral title. Prior to the introduction of the surface legislation, Right of Entry Arbitration Board - I don't know - in the late '30s or early '40s - whoever bought a mineral lease and acquired it from the federal government had the right to go in and do anything on the surface property, and the landowner, the surface owner, almost had literally to go to court to collect a nickel in compensation, if you want to go back on it. I find in parts of the United States, under coal leases, strip mining, this still applies today. When one buys the coal lease it's just too bad for the surface owner because if he gets any compensation out of it, it could be accidental because the mineral title takes precedence over the surface title.

I'd like to point out on the question of pipelines and power lines, there is of course a difference. It isn't a question of two titles involved, and I think it is the practice of many companies, at least in the oil business, on pipelines, surface structures that protrude above ground level, to make an annual compensation payment. I don't think they call it a rental. It is sort of an inconvenience payment because the farmer has to plough around it and this type of thing. I can't say all companies do it, but I am aware of the fact that at least some of them follow that practice.

On the other side of the coin, I think if one pushes too hard on the issue of the pipelines and power lines in particular, the operator would say well, he might as well buy the whole right-of-way and fence it off. This could be a bigger affliction so far as the surface rights owner is concerned than the present system.

In conclusion, Mr. Speaker, while I think anybody who is politically involved can't help but have sympathies and concerns with some of the apparent injustice in this area, I'd like to say in all sincerity I think it would be unwise to act precipitately at this point in time.

I think it is far better to allow the implications of this type of undertaking inherent in the 1972 surface rights legislation which was introduced by the present government. At the end of five years there is provision on leases obtained by right of entry arbitration or on leases which were freely arrived at, there is provision for a review of compensation paid. That won't mature - the first five-year period - until 1977 I gather, assuming the section of the Act was proclaimed in 1972. I think from a legislative standpoint and the government standpoint, it would be far better to let the wheels put in motion as a result of that action to come into reality in 1977, and to develop some awareness and experience of the problems we are going to get into before one looks at dating it back prior to 1972, because it's a real can of worms. There are injustices in it. I think on the other side of the coin one can substantiate, with figures, some very generous incomes many landowners have enjoyed, the source of revenue being well sites. They have not been as hardly done by as some would like to have us believe.

Again I come back also to the remark of the Member for Edmonton Strathcona that the main villain in the piece is inflation. Anybody tied to a long-term agreement, price commitments, in the present era of inflation, is bound to be unhappy about those agreements.

MR. COOKSON:

Mr. Speaker, I would like to say a few words about the resolution the hon. Member for Drayton Valley brought in this afternoon.

I was interested in some of the remarks which were made, particularly the input by members of the opposition. I thought the Member for Bow Valley probably made one of the greatest contributions on the other side when he talked about some kind of standard contract which could be used to set some type of standard in rental lease agreements.

Perhaps this could be done through some form of legislation. But it just seems kind of inconsistent that an award or settlement made on quarter section A at a certain rate because the property owner wasn't aware of all the ramifications et cetera while on property B, right next to it, the rental or award would be twice or sometimes three times as great - with the same conditions, simply because the landowner happens to be more aggressive, more alert, more aware of what's going on around him.

The Member for Drumheller raised a question that he was exposed to at some of the meetings held in his constituency about renewal of some of these contracts. I happened to observe a particular contract which said, in effect, that the rates were set for a 25 year period. At the end of the 25 years, the company would have a first option to renew at the same rate. So, you know, these are pretty tough kinds of contracts. Hopefully we won't see this sort of thing happen in the future, especially in view of legislation which was brought in by this government a year ago.

I was concerned, though, that the Member for Drumheller felt we shouldn't be able to break contracts. The reason I was concerned is that one of the most important contracts we have to deal with is the contract of marriage. The Member for Drumheller makes it very difficult for the rest of us to make adjustments - if and when - in our own marriages. That's all right for a member who isn't married. But it casts some reflection on the rest of us who have to deal with this sort of problem. The contract of marriage is a long, long-term contract. No one knows it better than myself. Surely we should have the right, on occasion, to break these contracts if difficulties arise. I was just a little disappointed in the Member for Drumheller raising this particular issue.

MR. LUDWIG:

Who better than he?

MR. COOKSON:

I wonder sometimes, Mr. Speaker, just where the total resistance comes from when you talk about opening contracts. We are dealing specifically with oil lines, pipelines, overhead lines, and in particular, major lines. I try to assess this as fairly as I can from both points of view. I get the feeling perhaps that the consumer indirectly has some influence over the way we might argue this point. Mind you, we are all consumers in varying degrees. But I suppose the major consumers of utilities - certainly the most concentrated areas of consumption - are in the major urban centres and the major industrial centres in the province in this case. It just crosses my mind that perhaps there is some resistance on the part of consumers to accept rate changes. Naturally no one wants to see indiscriminate rate changes. These changes have to be reflected in the prices which are charged for particular utilities, either gas or oil or power or, in some cases, the water which is consumed by consumers. So it seems logical to me that there is going to be resistance to adjustments in lease or rental rates.

The main problem, as I see it - and I hope I speak for my own constituency - is in the area of overhead rights-of-way. It's not so much in the underground areas that we have the greatest problems. You can't see those. They are buried and they are not as visible as some of the overhead lines which criss-cross agricultural land. I have the feeling that the 'Social Credit' Member for Edmonton Strathcona - I get the feeling that maybe the member clouded the issue a little bit in his dissertation. Now it was a good dissertation ...

MR. LUDWIG:

More than we can say for yours.

MR. COOKSON:

... as good as a Social Credit theory can be. You know, it's pretty difficult to understand that theory. Even some of the hon. members opposite have difficulty understanding it. But when he spoke about the - and the Member for Wetaskiwin-Leduc supported this point about the - and that surprised me because the hon. member is pretty independent normally and he doesn't seem to accept this trend of thought that all these problems were due to inflation and the devaluation in terms of the dollar. I'm prepared to accept the fact that our dollar certainly isn't worth today what it was yesterday, or at least what it was this morning, it's moving so fast. But I don't think this is the issue that the property owners raise when they talk about the problems of rentals. I think they are all prepared to accept that we have to live in varying degrees with inflation.



Unfortunately this is one of the periods of time when inflation is more severe than probably it has been in Canada, certainly in my time. But the point that the property owners raise is the change in operation or use of this land and the inconvenience that arises from it. Many of these contracts and rental arrangements were made ten to twenty years ago. When you go back as far as 1940 - if contracts were made at this time - we were dealing with quarter section or half section farmers, certainly in my area. Much of the area was wooded and so therefore it wasn't actually being farmed. The incidence of power machinery and other forms of equipment that we now see today was very limited. The overhead rights-of-way which deal with power lines have created some serious problems for farm operators and I think they have a legitimate complaint about the costs of moving around these obstructions. Just last summer, in my constituency, one of the most experienced plane flyers, I suppose, in the area who was involved with the spraying of crops - and as I say he had tremendous experience in this area - was unable to rise above a power line and the result was that he was killed and his plane destroyed.

[Mr. Cookson was handed a note.]

It says that the Social Credit member is still here. Thanks.

When these rental arrangements and contracts were made with property owners, this sort of problem wasn't even in evidence. I don't know whether any of the hon. members have had the opportunity to handle four horses around an obstruction versus a ten foot cultivator, and then you got to twenty and then to thirty ...

MR. STROM:

Are you counting horses?

MR. COOKSON:

Not horses. We're dealing with the width of equipment. Finally you're dealing with equipment so large that they are pulling types of equipment 60 feet in width. Being able to judge the distance from some of these obstructions is, I would suggest, quite a challenge.

[Mr. Speaker in the Chair]

These changes in the use of agricultural land weren't conceived at the time contracts were drafted. So, Mr. Speaker, we're not entirely dealing with inflation as the major issue. I submit we're dealing with changes in the use of land and some of the problems which arise.

Some of the members argued that this sanctity of contract - we've heard all this before. We heard it in the last resolution, and it's important. I'd be the first to agree that it's pretty important. Yet, we have continually violated some kinds of sanctity of contract. If municipalities raise the mill rate on the property they assess, while there is no specific sanctity of contract in that arrangement, nevertheless there is an increase in the rental or the tax.

This, to me, is some kind of violation of contract ...

MR. STROM:

Don't stretch it too far, Cookson.

MR. COOKSON:

We'll be bringing in legislation hopefully for a home for a home concept. I suppose the property owners who have these overhead or underhead lines running through their property with - as the Member for Drayton Valley suggested - ten, twenty or thirty caveats filed against the property which really, in effect, devalues the property or the value of the land, surely that individual has the right to have this home for home concept. In other words, the value of the land which he farms and then has to give up - surely he should be able to replace the equivalent value in other land. I'm talking in terms of the actual surface rights. It's pretty difficult to do this if you don't get any kind of adjustment for a heavy overhead power line or for underground pipelines or for any other type of inconvenience. It can't be passed along.

We have, in this Legislature, commenced redetermination of oil contracts. We debated this thing in the House to a major degree. Isn't this some kind of violation of some contract? I was careful to observe that everybody supported the concept, in particular, members on the other side of the House. So why be concerned about making some kind of adjustment to a property owner?

I'd be the first one to admit that if you were to permit landowners to have a reappraisal of the underground structures and overhead structures on their property on a

yearly basis, this would be an almost insurmountable task. I really don't think that the property owners are asking for this. Well, they would like to have it, but let's be honest with ourselves. That's asking for just a little bit too much on the part of government.

But I really think that we should be able to support at least a five-year review of some type. We've done this following 1972. As the Member for Wetaskiwin-Leduc has suggested, we certainly will get some good hard knocks probably after the five-year period, but we've accepted this concept and I think it's fair and reasonable. If we can deal on a five-year basis it will perhaps stabilize the situation.

It might even solve some of the hon. Member for Edmonton Strathcona's problems about inflation and it works both ways. It seems to me if you are going to have an adjustment upward, surely somewhere along the way it might be possible to have an adjustment downward. I haven't seen that sort of thing happen yet in my short history but I suppose it could happen.

I would suggest, Mr. Speaker, that in view of the time, I would appreciate having the opportunity to adjourn the debate.

[Interjections]

[The motion was carried.]

AN HON. MEMBER:

Thank God.

MR. HYNDMAN:

If we call it 5:30, as to House business tonight, the House will be sitting as an Assembly. We would see moving to second reading Bill No. 32 for which the hon. member, Mr. Drain, adjourned the debate. Following that, Bill No. 55 and then depending on progress, Bill No. 47. Those are all under second reading. We would continue those second readings tomorrow afternoon, Wednesday.

I have been asked by the Chairman of Subcommittee A, Mr. Lee, to advise that he has canvassed most of the members, I believe, on both sides of the House who are on that committee regarding a meeting of that committee tomorrow night, that's Wednesday evening at 8:00 p.m., in the Carillon Room to continue study of the Alcoholism and Drug Abuse Commission.

I'd move ...

MR. LUDWIG:

Mr. Speaker, before the hon. House Leader moves the adjournment of the House, may I recommend that they meet in Room 208? That meeting place they had last night was not only too warm, it was stuffy. It isn't well-ventilated. It would be much better to meet in room 208.

MR. HYNDMAN:

I'm sure the chairman of the subcommittee will take those comments under advisement.

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

MR. SPEAKER:

I take it the motion by the hon. Government House Leader is agreed to.

SOME HON. MEMBERS:

Agreed.

MR. SPEAKER:

The House stands adjourned until this evening at 8:00 o'clock.

[Mr. Speaker left the Chair at 5:25 o'clock.]