

**LEGISLATIVE ASSEMBLY OF ALBERTA**Title: **Thursday, October 22, 1981 2:30 p.m.**

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

**PRAYERS**

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS****Bill 67**  
**Alberta Hospital**  
**Association Act, 1981**

MR. RUSSELL: Mr. Speaker, I beg leave to introduce Bill No. 67, Alberta Hospital Association Act, 1981.

This is a rewrite of the existing Act and, as such, contains a number of miscellaneous minor amendments. It also includes legislation which will bring nursing homes under the aegis of this Act, substantially changes the objectives of the Alberta Hospital Association, and makes major changes in the organization of the board of trustees of the Alberta Blue Cross plan, which is owned and operated by the Alberta Hospital Association.

[Leave granted; Bill 67 read a first time]

**Bill 65**  
**Expropriation Amendment Act, 1981**

MR. HIEBERT: Mr. Speaker, I beg leave to introduce a Bill, the Expropriation Amendment Act, 1981.

The proposed Bill has two amendments to The Expropriation Act, and both deal with Schedule 1 of the Act, which sets out various Alberta statutes to which it was intended that the procedures under The Expropriation Act should not apply. One of the amendments deals with cancellations or withdrawals under The Public Lands Act. A second proposed amendment is added as a section of exceptions to Schedule 1 under The Mines and Minerals Act. I will deal with the amendments in greater detail on second reading.

[Leave granted; Bill 65 read a first time]

**Bill 75**  
**Agricultural Service Board**  
**Amendment Act, 1981**

MR. HYLAND: Mr. Speaker, I beg leave to introduce Bill No. 75, the Agricultural Service Board Amendment Act, 1981.

The purpose of this Bill is to facilitate better operation of the reclamation powers that exist in the service board Act.

[Leave granted; Bill 75 read a first time]

**Bill 76**  
**Interpretation Amendment Act, 1981**

MRS. FYFE: Mr. Speaker, I request leave to introduce

Bill 76, the Interpretation Amendment Act, 1981.

The purpose of this Act is to cover an amendment to one section and add a new section. The amendment empowers a deputy minister to act for a minister of the Crown, and would also empower a person who was acting for the deputy minister to act for the minister of the Crown. The Bill also includes a section which was overlooked in The Interpretation Act, 1980, and provides for service by mail.

[Leave granted; Bill 76 read a first time]

MR. CRAWFORD: Mr. Speaker, I move that Bills 65, 75, and 76 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

**Bill 246**  
**The Conflict of Interest Act**

MR. R. SPEAKER: Mr. Speaker, I request leave to introduce a Bill, The Conflict of Interest Act.

The Act defines conflict of interest. As well, it applies the concept to Members of the Legislative Assembly, members of cabinet, former members of cabinet, senior officers of boards and agencies, and in the service proper.

[Leave granted; Bill 246 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. YOUNG: Mr. Speaker, I am pleased today to table two reports, the first the annual report of the pension benefits branch and the second the annual report of the Department of Labour, as required by statute.

head: **INTRODUCTION OF SPECIAL GUESTS**

MRS. CRIPPS: Mr. Speaker, it gives me a great deal of pleasure today to introduce 100 pupils from St. John's School at Genesee. This school is unique in that it is a residential boys' school and the boys come from all over the province of Alberta. In fact, many of them come from the cities of Calgary and Edmonton. The boys are accompanied by Mr. Simon Jaynes, Keith McKay, Mrs. Barbara McKay, Ken Mealey, Marty Clark, Michael Hall, Murray Davis and Miss Hilary Noblett. Would the boys please rise and receive the welcome of the House? They're in both galleries.

MR. STEVENS: Mr. Speaker, it's my pleasure to introduce to you, and through you to the members of the Assembly, four students from the Seventh Day Adventist school located in the city of Calgary, parts of which are located in the constituency of Banff-Cochrane. They are accompanied by their group leader Mrs. Farag and their teacher Mr. John Janes. I believe they're in the public gallery. Would they rise and receive the welcome of the House?

MR. KOZIAK: Mr. Speaker, it's my pleasure today to introduce to you and to the members of this Assembly 28 grade 6 students from the Windsor Park school in the constituency of Edmonton Strathcona. These bright and politically aware students are accompanied by their

teacher and source of inspiration and motivation, Cathy Wright, and I would ask that all members join me in welcoming them to this Assembly.

head: **MINISTERIAL STATEMENTS**

**Office of the Premier**

MR. LOUGHEED: Mr. Speaker, an important and unique agreement, which will benefit Alberta and all western Canadian grain producers, was signed today in Edmonton. The government of Alberta and a consortium of grain companies today signed a financing agreement for the construction of a grain terminal in Prince Rupert, beginning in the spring of 1982.

Mr. Speaker, this is an historic occasion for two reasons. Firstly, this agreement marks the first time private grain companies have joined with pool elevators and a provincial government to undertake a joint major capital expenditure. The second reason is that this agreement marks the first ever investment by the Alberta Heritage Savings Trust Fund for the construction of facilities outside the province of Alberta.

The province of Alberta has committed to invest \$195 million towards the estimated \$260 million cost of the terminal. The Alberta investment division of the Alberta Heritage Savings Trust Fund will provide approximately \$106 million by participating in first mortgage bonds; as well, approximately \$89 million will be from the general revenue in the form of participating debentures.

Mr. Speaker, today's announcement will result in significant benefits for Alberta grain producers for several reasons. It will substantially improve transportation of grain in western Canada because of the proximity of the terminal to our major markets in the Pacific Rim. It will release the congestion of grain at the Vancouver harbor by providing another outlet to the west, and the additional capacity in Prince Rupert should also eliminate vessel demurrage charges incurred by farmers on grain in recent years.

Mr. Speaker, the Alberta government's catalyst role in making the Prince Rupert terminal possible reaffirms the very high priority this government places on agriculture. Today's announcement is another step in meeting the expanding needs of western Canadians and, in particular, Alberta grain farmers.

MR. R. SPEAKER: Mr. Speaker, I would like to comment with regard to the ministerial statement. The statement is certainly welcomed in this Legislature. I think the farmers of Alberta who have had a very good grain crop in 1981 will feel a bit of optimism about the possibility in future years of shipping grain they possibly will have in storage for a few years.

Mr. Speaker, one of the areas that will have to receive equal attention of the government, and hopefully it will, is with regard to the transportation system. I'm sure that all members of the Legislature who represent rural areas would only urge the Minister of Economic Development to do all possible, in terms of his influence and efforts, to build to the west coast the best transportation system possible.

I believe we certainly support what has happened, Mr. Speaker. I can recall, in my number of terms in this Legislature, that back in the 1960s colleagues of mine who were in cabinet — the Hon. Mr. Patrick at that time, the Hon. Mr. Colberg and, as well, the Hon. Mr.

Manning — always had the dream that the port of Prince Rupert would be one of the major parts of an Alberta export and import system to help Alberta industry. I can only say that we're pleased to see the action at this time.

head: **ORAL QUESTION PERIOD**

**Oil Sands Development**

MR. R. SPEAKER: Mr. Speaker, my questions today, with regard to the progress of the Cold Lake and the Alsands development projects, are to the Minister of Energy and Natural Resources. I wonder if the minister could indicate whether the ERCB approval will be given soon, and what progress is being made.

MR. LEITCH: Mr. Speaker, discussions are going on between officials of the department and members of the Alsands consortium. There have also been discussions between officials of the department and Esso Resources Limited in connection with the Cold Lake project. As to the approvals, I assume the hon. Leader of the Opposition is referring to the Orders in Council which would approve these projects proceeding, but of course they would be premature until the discussions between the government and those project developers with respect to the financial terms — or "the commercial terms" is the expression we've used in the House on other occasions — have been concluded. As yet they have not been concluded, although they are under discussion, as I indicated earlier.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. Could the minister indicate what impediments are holding up the projects from proceeding at the present time?

MR. LEITCH: Mr. Speaker, I don't know that I can define what impediments there may be. Obviously these are decisions that will be made by the developers of those two projects, and they will be taking into account a wide variety of factors. I wouldn't be privy to all the considerations or deliberations they are undertaking. Of course, we are discussing such things as the various terms in the agreement. And as members will recall from a review of the Syncrude agreements which were filed in the Assembly, these agreements are very complex matters, so there would be a variety of issues under consideration. We've also compared assessments with respect to anticipated prices and things of that nature, Mr. Speaker. But again, I wouldn't be privy to the deliberations or considerations of the project developers.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. Could the minister indicate whether the Alberta government has made any commitment to invest in the projects, or whether the minister has any knowledge that the federal government has made any commitment to invest in the projects?

MR. LEITCH: Mr. Speaker, we have not made any commitment with respect to investment in either project. Hon. members will recall that in our proposal of July 25, 1980, we put forward an offer involving a commitment to have an investment in the projects on a debt and equity basis. But that was not part of the agreement between the federal government and ourselves, concluded on September

ber 1. I think the matter was reviewed during deliberations of the committee in respect of the Alberta Heritage Savings Trust Fund. As I recall, the position outlined there was simply that we may or may not. We're under no obligation to, but we may well decide to invest in one or both of the projects. But that decision would be taken at a later date.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. Could the minister indicate whether the government has been approached with a request to make an investment in the projects?

MR. LEITCH: I'm not aware of any request with respect to an investment in the projects, certainly not since the agreement was signed on September 1, 1981. Those requests, of course, may have gone to one or more of my colleagues, and I wouldn't be in a position to respond in respect of them.

MR. R. SPEAKER: Mr. Speaker, a final question to the minister. Could the minister indicate whether the minister or the government is optimistic about approval being provided in 1981?

MR. LEITCH: Mr. Speaker, like so many other requests to make a forecast, I've never felt that I could give expressions of optimism or pessimism. Certainly we are doing all we reasonably can to encourage the projects to proceed, and are doing everything we can to ensure there would be no delay caused by the actions of the government of Alberta.

DR. BUCK: Mr. Speaker, a supplementary question to the Minister of Municipal Affairs or the Minister of Environment. Can either one of the hon. ministers indicate if the infrastructure programs commenced in the Cold Lake and the Grand Centre areas are still proceeding?

MR. MOORE: Mr. Speaker, I can say this. The development of infrastructure and housing facilities in the Cold Lake region is the responsibility of communities in that region — Bonnyville, Cold Lake, Grand Centre — working with various government departments and the MLA for that area. A variety of things are proceeding, such as the annexation of lands to those communities, the development of water and sewer systems, and the development of serviced residential lots. That is progressing to the extent it can before any agreement is finalized.

The second matter deals with the Alsands plant north of Fort McMurray. We are still proceeding with the planning necessary with respect to a new town, so that a new town might be proceeded with immediately if any agreement is reached that the Alsands plant might go ahead. We're not actually doing any physical on-site work, although the Minister of Transportation has been doing work with respect to the bridge across the river and the road that might lead to the townsite.

#### Gas Co-ops

MR. R. SPEAKER: Mr. Speaker, I'd like to direct my second question to the Minister of Utilities and Telephones. It's with regard to the gas co-ops across the province. I wonder if the minister could indicate whether a number of the co-ops have deficits at present and, if so, what action the minister or the government would be

taking with regard to those deficits. For the minister's knowledge, four that have been brought to my attention, are those in Athabasca, Smoky, Thorhild, and Two Hills, which have an accumulated deficit somewhere in the vicinity of \$1 million. Could the minister comment on whether there are others, and whether it is a critical situation?

MR. SHABEN: Mr. Speaker, the co-ops the hon. leader referred to are county-owned systems. As the hon. leader is aware, there are a variety of systems in the province. The majority are the farmer-owned systems, which I believe total 78; and there are the county-owned systems, the ones referred to, as well as those that are utility sponsored.

The county-owned systems — and I've met with representatives of the counties on two occasions, I believe — expressed concern to the government about their difficulties in terms of accumulated deficits. We've been working with them to try to seek solutions to reduce those deficits.

It should be noted by the members that different co-ops opted for different methods of financing the start-up of their co-ops. Generally those co-ops referred to by the hon. leader adopted a course of action of asking farmers for a contribution smaller than that amount asked for by others, generally in the range of \$200 to \$500 per customer, where it was recommended by the department that the farmer contribution should be \$1,700. So a portion of the debt of these particular co-ops relates to farmer contribution.

In working with the county systems, they asked and we agreed to change the regulations. That was approved some time ago by Lieutenant Governor in Council: removal of the requirement of these county-owned systems from being regulated by the PUB. They have now requested that, to allow them some flexibility in adjusting their rates.

Another action taken by the department in the past several months, in co-operation with the Minister of Agriculture, was to permit rural gas co-ops to use Ag. Development Corporation for financing construction borrowings. A number of co-ops — I believe it's now 20 — have applied and shifted their borrowings from conventional institutions to Ag. Development Corporation.

MR. APPLEBY: Mr. Speaker, by his reply to the question from the hon. Leader of the Opposition, does the minister indicate that the county gas co-ops could receive a more favorable method of financing through Agricultural Development Corporation or transfer some of their present debt loads in that manner?

MR. SHABEN: Mr. Speaker, in responding to the earlier question, I indicated that the arrangements we had made with the Minister of Agriculture related to borrowings related to construction costs, not to those obligations of the individual members.

DR. BUCK: Mr. Speaker, a supplementary question. Is the minister in a position to indicate the cost of hookup to each farmer now, as compared to when the program first started?

MR. SHABEN: Mr. Speaker, it varies from co-op to co-op and depends on distance between farms, soil conditions, and so on. Generally the co-ops are still charging their members \$1,700, but some are charging \$2,500. It

varies from co-op to co-op. In terms of total cost to the farmer, the range is as high as about \$2,500 to \$2,600.

#### Utility Rates

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier with regard to utilities, related to the question I raised yesterday on the western power grid. I think the Premier indicated there would be special information on that matter today. I'd appreciate that answer.

MR. LOUGHEED: Yes, Mr. Speaker. The ministers negotiating the western power grid on behalf of Alberta, Saskatchewan, and Manitoba have unanimously recommended a draft interim agreement to the governments of the three provinces with regard to the development of the western electric power intertie. That draft interim agreement is now being considered by all three governments.

MR. STROMBERG: Mr. Speaker, what period of time would this agreement be for?

MR. LOUGHEED: Mr. Speaker, I'd refer the question to the Minister of Utilities and Telephones.

MR. SHABEN: Mr. Speaker, as indicated by the Premier, the agreement is a draft. It calls for a 35-year agreement between the three provinces.

[Two members rose]

MR. SPEAKER: The hon. Member for Camrose followed by the hon. Member for Spirit River-Fairview.

MR. STROMBERG: Could the minister shed some light as to pricing of the electricity as it arrives at the Alberta border for year one to year 35? Is there a sliding agreement, or particulars of the agreement?

MR. SHABEN: Mr. Speaker, since the agreement has only recently been agreed to by the three ministers, and it's now being considered by the three governments, I would prefer not to get into the detail of the agreement until it has been thoroughly reviewed by the government of Alberta.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. Since we have a draft agreement, some aspect of it must deal specifically not only with the question of price that the hon. Member for Camrose raised, but the quantities of power. What quantities of power will be shared among the provinces under this agreement?

MR. SHABEN: Mr. Speaker, that also is a matter dealt with in some detail in the agreement. It's complex in that it relates to other aspects of the agreement — that is, the generating facilities, line loss, and so on — also the agreements between Saskatchewan, Alberta, and Manitoba as to the portion of energy each takes from the agreement. Generally it's based on the limestone generating plant going forward and the production from that plant being shared by the two purchasing provinces, Saskatchewan and Alberta.

MR. NOTLEY: A supplementary question. Is the minister in a position to advise the Assembly approximately

what share of Alberta's requirements this power-sharing agreement will provide over the next 10 years?

MR. SHABEN: That question would require some arithmetical calculations. Because our production of electric energy in Alberta will change over the 10 years, that percentage will shift. However, I believe the amount of energy that will be available for the two purchasing provinces totals approximately 7,000 gigawatt hours per year.

MR. NOTLEY: Mr. Speaker, a supplementary.

MR. SPEAKER: Order please. We've had seven supplementaries on this topic. I believe the hon. members for Camrose and Olds-Didsbury and the hon. Leader of the Opposition still wish to ask supplementaries, as does the hon. Member for Spirit River-Fairview. We are not going to be able to reach other members who wish to ask their first questions if we continue with all these supplementaries. Therefore I respectfully suggest that we have a final supplementary by the hon. Leader of the Opposition, who asked the question, unless he wishes to assign that opportunity to the hon. Member for Olds-Didsbury.

MR. R. CLARK: Mr. Speaker, I'm not sure whether or not I can say thanks.

Mr. Speaker, the supplementary question to the minister: in light of the fact the minister has indicated a draft agreement has been recommended by the three ministers, will the minister consider making the contents of that draft agreement public so that the government, the cabinet, will benefit from public input prior to a final decision by the government of Alberta?

MR. SHABEN: Mr. Speaker, the government will follow its normal practice. After it's been thoroughly examined by the government, it will be made available to members of the Assembly.

MR. SPEAKER: The hon. Member for Camrose, followed by the hon. Member for Calgary Buffalo.

MR. STROMBERG: This was on a supplementary, Mr. Speaker.

#### Logging — Scarpe Creek

MR. SINDLINGER: Mr. Speaker, could the Minister of Environment please report on his trip to the Scarpe Creek river valley area of southwestern Alberta this summer, the purpose of which was to determine the extent of environmental damage due to clear-cut logging?

MR. SPEAKER: The question is quite unspecific. Does the hon. member want to know about the travelling expenses or ...

MR. SINDLINGER: Mr. Speaker, could the minister please report on whether there is environmental damage in the Scarpe Creek area due to clear-cut logging?

MR. COOKSON: I was just going to say, Mr. Speaker, that it was a very enjoyable trip. We had the Member for Pincher Creek-Crowsnest with us. We reviewed the area of concern because of the pine beetle situation. As a result of the trip through the area and observing the damage. I made some recommendations to the Minister

of Energy and Natural Resources. Perhaps he might want to elaborate on the directions now being given to the forestry service, and with regard to clear cutting.

MR. SINDLINGER: Mr. Speaker, a supplementary then to the Minister of Energy and Natural Resources. Could the minister please report on the directions and recommendations given to the loggers in that area?

MR. LEITCH: Mr. Speaker, I certainly can with respect to one aspect raised by the hon. member's question; that is, the salvaging of the timber being killed by the pine bark beetle. We had considered salvaging that timber in the Scarpe Creek area and had developed a logging plan which, in our view, was environmentally sound. But we did review it, reconsider it, and felt that because of the complexities of operating in the Scarpe Creek area, there would be some merit in simply leaving the forest in its natural state. I think there may be some advantages, Mr. Speaker, in having an area left in its natural state, where the damage done by the pine bark beetle will run its course, unaffected by any harvesting or salvaging operations the department may have carried out.

Those are the instructions that have been given to the department with respect to the salvaging of timber killed by the pine bark beetle in the Scarpe Creek area.

#### Child Welfare Director

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Social Services and Community Health. It deals with Mr. Melsness's dismissal. I might point out that this is not with respect to the decision of March 13, which is now before the courts, but rather with respect to the letter from the deputy minister on August 27 firing Mr. Melsness. Is the minister in a position to advise the House whether the government still intends to fire Mr. Melsness, as stated in the letter of August 27, 1981?

MR. SPEAKER: With great respect, it seems to me that the hon. member is squarely within a matter which is sub judice. The question of the dismissal and whether or not the civil servant whose name has been mentioned — whether the original decision in the first instance is going to stand evidently is going to be back before the courts. The letter may or may not be part of it. But surely in the present state, if the government were to indicate whether or not it was going to re-engage the person in question in the ordinary way, that's something that's before the court.

MR. NOTLEY: Mr. Speaker, rising on a point of order, I did take the opportunity to consult with several legal counsel on this matter. There are really two aspects. The first is the decision on March 13, which I gather is now before the courts, on the part of the government of Alberta appealing the decision of the court. The question I'm asking relates to a letter dated August 27. One dealt with the removal of this particular gentleman from his position as the director of child welfare to perhaps some other position within the department. The letter of August 27 terminates his position entirely, which is a somewhat different matter. While there may be a connection, the fact is that the matter of the 27th is not now before the courts; it is March 13.

I raise this, Mr. Speaker, because it's my understanding the appeal will not be dealt with until some time towards the end of this year, when the House is not likely to be

sitting. The public issue which I think has to be clarified — and we as members have an obligation to raise these questions in the House — can only be done during the time the House is sitting, not after it adjourns.

MR. SPEAKER: With great respect to the hon. member. I would prefer to take the matter under consideration and perhaps bring in an answer tomorrow or Monday. As may become apparent later in the afternoon, we may be in some difficulty with regard to another matter on which I expressed an opinion with incomplete information. I wouldn't like to end up in that predicament again. So if the hon. Member for Spirit River-Fairview would kindly give me an opportunity to review the material he has, I'll do so and bring in an answer as quickly as I can.

MR. NOTLEY: Agreed.

#### Emission Monitoring

DR. BUCK: Mr. Speaker, my question to the hon. Minister of Environment has to do with monitoring vinyl chloride monomer monitoring in the Fort Saskatchewan area. Is the minister in a position to indicate if the monitoring is just going to be specific for that material? Or is the minister looking at monitoring, as a government agency, other pollutants in that industrial area?

MR. COOKSON: Mr. Speaker, I don't have it at my fingertips, but perhaps I could refer to a press release today, in which I have not only placed vinyl chloride monomer recorders in the area of Fort Saskatchewan, both at Diamond Shamrock and Dow, but in addition we're in the process of locating another special piece of equipment in the area, which will be operable on November 1 and will record emissions such as nitrogen dioxide, hydrochloride, SO<sub>2</sub> and some of those other materials.

DR. BUCK: Mr. Speaker, in the department's monitoring of vinyl chloride monomer, in light of the fact that there have been violations of The Clean Air Act, is the minister in a position to indicate when those violations occurred? Was it shortly after the plant went into operation, or has it been over the 18-month period since the plant has been in operation?

MR. COOKSON: Mr. Speaker, I don't want to get into the total complexity of the monitoring system. Perhaps before I answer that specifically, I could indicate the precise materials which will be monitored in the area. They are ammonia, sulphur dioxide, total hydrocarbons, ozone, carbon monoxide, and oxides of nitrogen and smoke.

With regard to vinyl chloride monitoring, for some months we have negotiated with Diamond Shamrock, in particular, and Dow as to minimizing the total emissions, particularly from the stack. We have a major concern with the stack area. Both industries have spent considerable sums and have reduced emissions to the point now where in terms of ambient measuring we detect no significant environmental problem; in fact very little, if any, problem at all.

So we think that working co-operatively with the industry, in view of times when they exceed our standards, is a far better approach than attempting to put them into the court system every time this happens across Alberta. I'm happy to report that companies work positively with us, and we have got the emissions down. Barring break-

downs in equipment and so on, I'd be happy to provide the member with situations where this has occurred, with the information in cases where emissions exceed the licensing requirements.

DR. BUCK: Mr. Speaker, a supplementary. Is the minister in a position to indicate if most of the problems occurred as start-up operations, or did they occur because of mechanical or human error difficulties? Does the minister know if the problems were basically start-up problems?

MR. COOKSON: Mr. Speaker, it's a combination of all these things. Start-up problems are always a problem with new plants and equipment. Earlier in the operation, it was mostly start-up problems. Now occasions happen with regard to mechanical and human error. The company in this particular case has, as a result of one of the most recent problems, initiated some pretty elaborate equipment in the plant itself that will automatically shut down in the event of emissions that go beyond our licensing requirements.

So, it's a combination. The information is public, and I would be happy to supply the member with it if he so wishes.

#### **Duck Hunting**

MR. MANDEVILLE: Mr. Speaker, I'd like to direct my question to the associate minister of energy, in charge of wildlife. As a result of the below-average duck population in the province this year, is the minister anticipating shortening the season or taking any steps to protect our duck population?

MR. MILLER: Mr. Speaker, I should point out that a large proportion of the ducks that are born and raised in Alberta are actually harvested in the United States. We harvest about 20 per cent of the population, whereas the United States and Mexico harvest about 80 per cent of the ducks we raise.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Has the minister had any reports of chemically contaminated ducks being shot in the province this year?

MR. MILLER: No, we haven't, Mr. Speaker. I would like to express my appreciation to the hunters who gave us some of the ducks that had been shot so we could conduct tests on them. There was no evidence at all of any chemicals in the fat of these birds.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Is the minister considering tightening up legislation affecting licences, in an effort to make the sport safer?

AN HON. MEMBER: For the ducks?

MR. MILLER: Mr. Speaker, as is well known, we have a hunter training manual which is probably the best in North America. The fish and game associations have hunter training courses which they provide to individuals who want to take them. People who have been convicted of offences under The Wildlife Act and have had their licences taken away are required to submit to a test before licences are given.

MR. COOKSON: Mr. Speaker, I can supplement the minister's response with regard to the problem with chemicals. Most of the ones we monitor with regard to loss of life are dying from lead poisoning. [laughter]

DR. BUCK: And the hunters, too. Jack?

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Every year — and the problem is getting more serious — hunters trespass on farmers' lands. Is the minister taking any steps to curb this or to make it more compatible for the hunter and the farmer?

MR. MILLER: Yes, we are, Mr. Speaker. In fact, the wildlife advisory committee has structured a group which is looking at trespass and access for people who want to utilize some of the Crown lands of Alberta. Rather than doing it legislatively, we feel that a co-operative and educational approach — where the people who are utilizing the land for grazing and the recreationalists will sit down together and come up with a compromise solution so that we can maximize the use of our Crown lands.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Could the minister indicate the policy with regard to hunters hunting on Crown land? Are any changes in this area going to be defined so that ranchers and farmers know whether the hunters can hunt on Crown lands without permission?

MR. MILLER: We would like to think that the people who are going to go on to Crown lands would, in most cases, request permission to do so. We believe — and this is the committee's recommendation — that foot access should be allowed, and that vehicle access at certain times of the year would be permitted on established trails. As I said before, there's an educational and co-operative aspect. In most cases, we feel this will work to the advantage of everyone.

#### **Constitution**

MR. R. CLARK: Mr. Speaker, I'd like to direct a question to the Premier. It deals with the meeting in Ottawa on November 2. Has the Premier made a decision as to whether he will be attending that meeting?

MR. LOUGHEED: Mr. Speaker, no final decision has yet been made. The eight provincial governments who wish a made-in-Canada constitution have been in further consultation today. I would expect a conclusion of those discussions either later today or tomorrow.

MR. R. CLARK: Mr. Speaker, a supplementary question to the Premier. Having regard for at least the reported facts that some of the premiers who support the made-in-Canada constitution position have indicated publicly that they plan to attend, is the Premier in a position to indicate the major considerations that prevent the Premier from indicating at this time that he will be attending?

MR. LOUGHEED: Mr. Speaker, that's a very valid question but not one I'm able to answer at this time. It is the view of the eight provinces that seek a made-in-Canada constitution that there should be a common response to the Prime Minister. After all, he was responding — if that's the appropriate word to use — to a

communiqué that was issued by the eight provinces. So it is agreed that there would be a common response through the Premier of British Columbia, and we would anticipate that common response either later today or during the course of tomorrow.

MR. R. CLARK: Mr. Speaker, a supplementary question to the Premier that perhaps cannot be answered at this time, but I put the question so the government will have a chance to consider the possibility. On the assumption, that I would support, that the Premier of Alberta would in fact be in attendance at that meeting, is the government prepared to seriously consider the proposition of the Premier or the government putting a motion on the Order Paper so that the Premier would report directly to the Assembly, perhaps the day after that meeting, so this Assembly and all Albertans would have the benefit of a very factual and straightforward report by the Premier? Members of both sides of the House would then have an opportunity to take part in such a debate.

MR. LOUGHEED: Mr. Speaker, I certainly would be quite prepared to give consideration to the suggestion by the Member for Olds-Didsbury. To a degree, that would obviously depend upon the circumstances in which the conference, presuming it goes ahead, does in fact conclude. It would be based on those circumstances, but it is a suggestion certainly very worth while in terms of consideration.

## ORDERS OF THE DAY

### head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

219. Moved by Mr. R. Speaker:

Be it resolved that the Assembly has no confidence in the hon. Member for Whitecourt because of his unethical participation in a cabinet vote and decision establishing new boundaries for the city of Edmonton, which caused property owned by the hon. member to become part of the city of Edmonton.

MR. SPEAKER: Before debate starts on this motion, I should like to make some observations at some length. If some members might wish to leave the House rather than be detained by these remarks, I think I should stop for a moment so such members may have an opportunity to leave.

We have before us a rather unusual motion. During my tenure of the Chair here, I do not recall that we have ever had a motion before which censured or purported to censure, if it is carried, the conduct of a member of the Assembly.

SERGEANT-AT-ARMS: Order in the gallery, please. Sit down while the Speaker is on his feet. Thank you.

MR. SPEAKER: Mr. Sergeant-at-Arms, I don't wish to detain guests either. I'll just be seated while any guests leave, who aren't free to stay for this length of time.

SERGEANT-AT-ARMS: Carry on if you have to leave. Thank you very much.

MR. SPEAKER: As I had begun to say, this is a rather unusual motion inasmuch as it purports to condemn the conduct of a member of the Assembly and possibly may have an effect on the good name of that member. Anything of that kind, of course, whether it be by motion or in the question period, must be scrutinized to be fair — very, very obviously fair.

As hon. members know, we have a rule which is called the sub judice rule, meaning a rule in regard to a matter that is before the courts, coming from a Latin derivative dealing with the judicial process. This is not a rule of law. It's what you might call, using a very fashionable word nowadays, a convention. It's a self-imposed convention, although in our *Standing Orders* it's also expressly stated. Our *Standing Orders* and parliamentary practice generally in the Westminster tradition are not exactly identical. Generally speaking, I think the rule should be interpreted, as should all restrictive rules, in such a way as to give a parliament the maximum scope and freedom for discussing anything it wishes to discuss and coming to any conclusions it wishes to come to.

Having regard to this rule and the inquiry, which is of some concern, not because of itself but because the debate is to take place before the inquiry is concluded with a report, I think it is well to look at the essentials of the terms of reference or scope of the inquiry, and the essentials of the motion. The order in council which set up the inquiry under The Public Inquiries Act has two main parts. One is a direction to find facts with regard to the possible release of confidential information. The other is to find facts with regard to someone perhaps improperly having received such information. You might say that one is the corollary of the other. Then the nature and effect of either a giving or receiving of confidential information is dealt with. Finally, there is, as sometimes is done, a rather omnibus section which refers to "such other matters as the commissioner may consider relevant to assure a full and fair inquiry".

It would seem to me that that last paragraph has to be interpreted in light of the preceding three paragraphs. In other words, it would deal with those topics. It wouldn't necessarily get the inquiry off into another field altogether, such as what was going on with regard to acid rain or something like that. As I see it, those are the essentials of the mandate given in the inquiry.

Now we look at the [motion], and we find that it deals with something which the inquiry is not asked to deal with. The inquiry is not asked to condemn anyone or to say how good anybody has been. It's simply asked to find facts. The motion, however, purports to condemn a member of this Assembly. In fact, there is some great question about the propriety of the motion. As you know, we have Standing Order 39, which says that each substantive motion must be submitted in writing and must not contain a preamble. That's very understandable. It's a very practical rule, as practically all of them are, because the preamble is usually debate. It gives reasons why the motion should be passed. So it shouldn't be in the motion. Debate comes after the motion has been proposed in the Assembly.

But this motion contains a sort of backhanded preamble. It says, "because of his unethical participation". That is the same as if the motion said: whereas an hon. member has unethically participated in this, therefore let's say we don't have any confidence in him. So it really is a backhanded preamble, and has caused me some misgiving about the propriety of the motion.

On the other hand, I don't wish to be too strict in the

interpretation and, while I may or may not be accused of trying to protect a minister, certainly that isn't going to influence what I say one way or the other. I'll accept whatever is said, and I'm not going to respond. As I say, it does raise a question as to whether, under Standing Order 39, the motion is in order.

So to collect these concerns together into a sort of conclusion, it would be my suggestion that the debate on the motion might proceed but that it must proceed within very narrow limits, which are whether or not an action which is alleged occurred and whether or not the Assembly, on the basis of that, wishes to declare a lack of confidence. As I say, in view of its very nature, the motion is obviously subject to unusual constraints.

MR. R. SPEAKER: Mr. Speaker, I appreciate the considerations you've asked of the Legislature, and I certainly intend to contain my remarks within those considerations. My remarks are intended to be objective and to outline the facts as I see them at the present time.

As a member of this Legislature in long standing, I admit that matters such as this are very difficult to deal with in terms of dealing with persons, personalities, and actions. It certainly makes it a little more difficult when you're dealing with colleagues of the Legislature in which you participate in various activities for a number of years. But even in light of saying that, Mr. Speaker, I as the Leader of the Opposition, a member of this Legislature, and a representative of the public, have a responsibility to be critical when it's necessary, to raise matters which I think are matters of conflict of interest or matters that bear upon the public responsibility which all of us take as elected personnel in this Legislature. I think the matter before us must be dealt with by this Legislature at this time.

Mr. Speaker, the matter before us is not new to public officials. It deals with the responsibilities we have as MLAs and certainly as persons appointed as cabinet ministers. It is a basic principle that when a person is elected a Member of the Legislative Assembly of this province, he is no longer just a private citizen. He becomes a public servant, and from that moment on he must never, in the discharge of his duties and responsibilities to the Legislative Assembly and to the public at large, become involved in some situation in which his personal or private interests may affect or influence, or appear to affect or influence, the exercise of his public responsibilities.

In various situations such as this, we have to ask ourselves: is the matter of benefit to the person himself as an MLA, or is the action to the benefit of the public? The conflict of interest we must deal with here today arose, as we well recognize, when the duties of the hon. member were being carried out as a cabinet minister in this province of Alberta.

I raise the question: why should we deal with this matter in the House today? Firstly, I believe there is public demand that there be examination of the situation. Secondly, the allegations of conflict of interest certainly cast a shadow on other cabinet ministers, members of this Legislature, and all of us as public servants.

When we talk about conflict of interest, how is it best to define conflict of interest? For a definition, Mr. Speaker, I'd like to refer to a study done by the federal government, called *Members of Parliament and Conflict of Interest*. In this submission, chaired by the Hon. Allan J. MacEachen, there is a definition. I'd like to place that definition before the Legislature at this time. It says:

A conflict of interest denotes a situation in which a Member of Parliament has a personal or a private *pecuniary* interest sufficient to influence, or *appear to influence*, the exercise of his public duties and responsibilities.

Mr. Speaker, there is an important part of that definition: conflict of interest means having a private interest which will actually influence or even appear to influence the exercise of one's public responsibility and duties.

Mr. Speaker, the matter before us became public at the time of the hearings on the matter of the Edmonton annexation. How did it become public? It became public because of the vigilance of the media, the media taking the responsibility. They, like myself or other members of the public, have access to public declarations that were made by the cabinet members in this Legislature about the property holdings and the actions of the respective ministers.

In examining that literature dealing with the matters of conflict of interest and unethical behavior by public officials, one of the solutions that is suggested and proposed in dealing with potential conflict of interest is what is called public disclosure. I think, Mr. Speaker, that the very fact that the matter before us came to light is good testimony of the importance of full disclosure of cabinet ministers' personal holdings. The reason we have this record of the holdings of the hon. Minister of Recreation and Parks is because he was complying with the requirements and the request of the hon. Premier of May 2, 1973. I'd like to refer to those statements later in my remarks.

What does the statement require? It requires that ministers declare a legal description of any land they own, a declaration of all private companies doing business in Alberta in which they or their families have an interest, and a description of all proprietorships and partnerships doing business in Alberta in which they or their families have an interest. Mr. Speaker, the ministerial statement also gives ministers the option of establishing trusts, upon the condition that the minister exercises no influence over the investment or the management decisions of that trust. We must recognize that those guidelines do not have the force of law behind them, but are simply a statement by the Premier as a request to his ministers. Certainly, they seem to be guidelines at least.

But what good will they do in this particular case? One question we must deal with today is whether or not the public declaration removes the responsibility of the public servant, or of the cabinet minister in this case, to abstain from activities and actions which may, or which might only seem to conflict with his or her personal interests out and beyond the walls of this Legislature. For guidance on this matter, Mr. Speaker, I've turned to the *Royal Commission on Standards of Conduct in Public Life*, that was chaired by The Rt. Hon. Lord Salmon in the British House of Commons. I'd like to turn to Recommendation 124 in this report, where the following is said:

The main safeguard is for a public servant to declare his private interests whenever they have a bearing on his official duties. The normal result of such a declaration is disqualification from taking part in the particular piece of business in question. Over and above this clear requirement, there is a more general need to ensure that a public servant will avoid any situation in which it might reasonably be supposed that conflicts of interest are particularly likely to arise.

Mr. Speaker, what this very clearly says to me is a



principle I think we in Alberta can support: that it's not merely good enough to have said publicly, I own some land over there or over here, or some shares; that the next step the public servant must take is to disqualify himself from taking part in any activities of his office which may have a bearing on that property or interest, of whatever description.

Now, Mr. Speaker, let us consider the public disclosure the hon. Member for Whitecourt has made. I have before me a copy of that disclosure, dated November 21, 1980. It very clearly gives the legal description of two small parcels of land under the name of Ten Pin Holdings. It doesn't say anything about a blind trust; it's just a legal description. I've looked on the map, and they are very much within the boundaries of the new Edmonton annexation.

Mr. Speaker, that document was signed by the minister on November 21, 1980. From there the events are a matter of public record. The minister participated through April, May, and June 1981 in cabinet decisions, discussions and, finally, the vote which established the final boundaries of the Edmonton annexation, which include, as I've mentioned, the hon. minister's land. Mr. Speaker, the question we must raise and answer today: does that participation constitute a conflict of interest? I feel that it does, and that's the purpose of this resolution.

However, in fairness, and in broadening the debate, I would also like to point out that when the hon. Member for Whitecourt first became a cabinet minister in 1979, a trust was established, in compliance with the suggestions of the hon. Premier, in which the irrevocable power of attorney over the shares which represented the hon. member's land holdings in Ten Pin was given to his trustee, his accountant. Mr. Speaker, the matter the House must consider is whether or not this trust agreement protected the hon. member from a conflict he participated in in cabinet.

I understand that to news reporters and to the Brennan inquiry, the hon. member has maintained that there was no communication after the trust account was established with his trustees. I understand that the hon. minister has said that he didn't even know after that date in May, at the time when the trust was established, whether or not in fact he still owned the land. I would like to raise this, though, Mr. Speaker: if, after May 1979, he didn't know whether he still owned the shares in Ten Pin, I would appreciate and like clarified for me, and an explanation provided, how the minister could sign in November 1980 — one year and six months after the trust was established — a document which gives a detailed description of that land as belonging to the minister. Mr. Speaker, that's one of the questions I raise. I feel that it stretches my imagination to some extent to think that a minister or anyone else could forget from November to June the general whereabouts of land that he owned.

These conclusions are obvious to us. There is no question that the minister owned the property. There's no question that he participated in cabinet discussions of it. And there's no question that in fact the minister voted on a cabinet decision which made the final new boundaries for Edmonton. Mr. Speaker, the basic responsibility of us as members of the Legislature in a privileged position of being public servants seems clear to me, and certainly to my colleagues. We must avoid situations where we are in fact in conflict of interest or even where we appear to be in conflict of interest. That was very clearly set out in some of the examples I've given at an earlier stage.

How can we expect the public not to have a very real

concern over this situation? Who knows how persuasive the hon. Member for Whitecourt was with his colleagues at that private, final cabinet meeting? Mr. Speaker, it is the responsibility of each of us as individuals to be aware of those conflict situations, or situations where it may appear to occur, and certainly to avoid them.

For just a few moments, I would like to take an example that is broader than the one we are dealing with. Let's take an example that each cabinet minister owned a quarter section of land in an area that could be annexed to city X. What would happen? The cabinet ministers would place the matter in trust, which means they can't deal with it or know how the matter is dealt with. But they are aware that they did put in trust a parcel of land which they own. They filled out the Premier's form and filed it with the Clerk. Following that, a vote takes place in cabinet where an area is annexed. Each minister can potentially assure himself, not by saying it, but can assure himself that that quarter section of land is included in the annexation. Mr. Speaker, in that situation we have a very obvious conflict of interest that I think wouldn't be acceptable to any Albertans. Maybe I've exaggerated and stretched it, but the principle is the same as the one we were just talking about.

What about other situations? How are other public officials dealt with today? Section 31 of our rules states very clearly that in a matter in which we MLAs in this Legislature have a pecuniary interest, we must excuse ourselves during the vote. If we vote, that vote is not counted. So there is a minor penalty, Mr. Speaker, but the principle is there.

Secondly, let's look at the legislation available to municipal councillors and persons elected at the municipal, county, or city level. That legislation is very clear for those public personalities. It says that a member of a council ceases to be qualified to remain a member of a council if he fails to comply with subsections 2 and 3. It talks in terms of a council member voting on any public property or property in which he has interest. The rules are very strict and in legislation.

We all recognize that over the period of the last few years, two or three councillors or mayors have been disqualified from office each year because of conflict of interest which, in my consideration, was minor to the conflict of interest we are discussing here at this point in time. The record with regard to municipal legislation stands with the Act, Mr. Speaker.

So, I raise the question: why do we apply such a rule of conflict of interest to municipal councils, mayors, and their respective councils? There's a rule that applies to the general MLAs in this Legislature with regard to voting; why not to cabinet ministers? That is the question that must be raised in this matter. How can cabinet ministers be classed differently in the public arena than other persons who take on public responsibilities? When that respective minister has pecuniary interest, or interest in a property, or is in some situation whereby that vote of cabinet may benefit directly, why is the minister not excluded?

Mr. Speaker, in this province it doesn't seem to be that way. I think it should be. Under the ground rules, where I would say convention, and I use that word as you did earlier today, in terms of municipal councillors, mayors, and MLAs, is that that MLA or councillor is disqualified — in terms of the municipal Act, asked to resign — with certain penalties, then why not to the cabinet of this province? Mr. Speaker, I think it should be that way, whether the rule is written or not.

That is why I make this motion; a rather condemning motion, certainly, to the personality involved, but a motion which says a principle has been violated, in terms of public trust. When that principle is violated, we as members of the Legislature, and I in my role as Leader of the Opposition, must raise the matter so that, one, it is taken care of specifically here today and, secondly, we can show the public of Alberta that it doesn't happen in future circumstances, where it can happen or where it can appear to happen. Mr. Speaker, I think that is the challenge before us. I feel that the resolution may be rather harsh. But the matter is of importance and significant enough that it must be dealt with in this manner.

Mr. Speaker, I ask the members' support with regard to this resolution, not only for the principle which has been violated, but in acting as I think we must relative to the minister concerned.

MR. NOTLEY: Mr. Speaker, it's not my intention to speak on this matter for any length of time. Some of the major questions raised in the province of Alberta have already been addressed by the Leader of the Opposition, and so need not be repeated by myself.

I think what is crucial in this particular issue, Mr. Speaker, is the question not only of the action but the appearance. In my judgment, Mr. Speaker, what adds to our problem in assessing this is the ambiguity that presently exists on this matter. We can look at The Legislative Assembly Act; unfortunately, as a result of amendments over the years, it's almost one of the most difficult documents to decipher, frankly. We are talking about convention here; we can look at the conventions of other parliaments and ask, should they apply to this Legislature? In making the broadest interpretation of our system, I think it should. What is done in the Mother of Parliaments in Great Britain probably should apply here in principle at least.

The fact of the matter is, Mr. Speaker, there is ambiguity because we have not set out a clear-cut code of ethics and conduct Act in this province. I simply say that if this motion is to be of any relevance to the future of the province, I would frankly call upon the government members, in a non-partisan way, to establish an all-party select committee of the Assembly, which would review The Legislative Assembly Act in total and seriously examine the development of a code of ethics and conduct section of that Act which would apply to all members of the Legislature including cabinet ministers. I think it should be done on the basis of an all-party committee so that as we discuss this matter and examine it, we can move toward a positive conclusion which can do justice to the operation of public business in the province of Alberta.

I close my remarks, Mr. Speaker; by saying as strongly as I can to the members of the House this afternoon, that I think what the people of our province are looking for from members of the Legislature in discussing this matter is not the cut and thrust and an attempt to draw blood on a particular issue, so much as whether we as legislators are prepared to stand in our places and say that a code of conduct and ethics Act should apply to us. Just as it applies to public servants, just as it applies to professional people, so it should apply to the elected members of the Legislature and cabinet ministers.

MR. SPEAKER: I hesitate to interrupt, but just so that I'm able to assess the direction of the debate, is the hon.

Member for Spirit River-Fairview merely making a suggestion, or is he moving an amendment to the motion?

MR. NOTLEY: I'm making a suggestion, Mr. Speaker.

MR. TRYNCHY: Mr. Speaker, I think it's important for the members to get a better view of what has taken place. To give the members a better understanding of the issue at hand, I'd like to go back to the beginning of this, some 10 years ago. In early 1971, before my election to this Assembly, nine other Alberta citizens and I formed a private company. The company was Ten Pin Holdings. This company acquired an interest in a parcel of land: no specific area, a parcel of some, I'm not quite sure, quarter or half section. Within that area, they had a right to some 15 acres. That land was located within the county of Parkland.

The last shareholders' meeting of that company was held on July 20, 1971. I did not attend. So from July 1971 until today, I have never participated in the actions of the company. I have never been to the land. I have never seen the land. And I do not know its exact location within the county of Parkland.

Let's move to the election of 1979. Shortly thereafter, I was invited by the Premier to join Executive Council. I accepted, and with that come certain obligations. Those obligations, Mr. Speaker, were spelled out very clearly by the hon. Premier, and included the filing by each minister for public inspection of:

a legal description of all land in Alberta, including mineral rights, in which they or their families have [a] direct or indirect interest, whether as owner, lessee, mortgagee, unpaid vendor, shareholder of a private company, or otherwise ....

Also, we must record

the names of all private companies doing business in Alberta in which they or their families have a financial interest ....

He goes on and says beyond that, that the statement for public inspection by the minister of landholdings and business interests whose business might be affected by the decisions of the government of Alberta unless they are established in a trust.

So, Mr. Speaker, what is it that was said by the Premier? It says, provide legal description of all lands, private companies, or otherwise — provide the legal description. Then it says to name the private company, and it says place any and all shares in a trust.

Mr. Speaker, I listed those in my disclosure. I own no title of land in this case, no specific area. I just had shares of a company that had a right to 15 acres in a larger parcel. So I followed those guidelines, Mr. Speaker, and filed a disclosure statement on June 25 and then amended it, because I had made some other purchase in another area, on November 21, 1980. I filed those with the Legislative Assembly, taking into consideration the commitment I had to the statement of the Premier.

During April 1979, I talked to some people and I appointed a trustee and proceeded to set up a trust. This trust was set up in accordance with the statement by the Premier. As a matter of fact, I took that to my trustee. What went into the trust, and how does a trust work? Well, let me give you my understanding of how I saw this working. First, let me review what went into the trust. Mr. Speaker, I had a number of shares, stocks — some 30 in total — and I put them in my trust. I wish to table that document for the House. Along with these shares and documents, I also want to table a letter from my

trustee that says:

This is to certify that the attached [sheet] of Stocks and Debentures were in a blind trust according to the trust deed which was [in effect] May 8th, 1979.

Mr. Speaker, the next question is, how does a trust fund work? My understanding is that the trustee has irrevocable power of attorney to handle your shares. I have here an irrevocable power of attorney to transfer shares. It says:

For value received the undersigned hereby sells, assigns, and transfers unto [my trustee] the Shares ... Capital Stock of Ten Pin Holdings ... and irrevocably constitutes and appoints [my trustee], the attorney of the undersigned to transfer the said stock on the books of the said company with full power of substitution in the premises.

That was signed by me and my trustee on May 8, 1979. I wish to table that too.

Mr. Speaker, again according to my obligations to the Premier's address, I had to set up a trust deed, which I did with my trustee and his legal counsel. I want to read just one paragraph from the trust deed, and I will table that:

That all decisions relating to the purchase or sale of the said shares and debentures shall be at the absolute discretion of the Trustee and the Beneficiary hereby undertakes to in no way whatsoever indicate whether a particular stock should be purchased or sold by the trustee.

And the closing paragraph says:

That this trust deed shall be construed in accordance with the laws of the province of Alberta, and in addition, in accordance with The Legislative Assembly Act, being Chapter 204 of the *Revised Statutes of Alberta* and amendments thereto and regulations thereunder.

So the question is asked, did I transfer those shares into my trust? I didn't have a title to the land; I had shares in a company that had some rights to a parcel of land. What proof do I have? Well, Mr. Speaker, I have the shares, copies of Ten Pin Holdings, which were acquired in 1971. Those shares were signed over to my trustee on May 8, 1979 witnessed, by my trustee and signed by me. I'd like to table those.

It has been my understanding, Mr. Speaker — and I've had some reliable advice — that once you sign, transfer your shares, you do not have any control over them. I suppose I might put it this way: if you took your title to your house or your farm and transferred that title to your neighbor or to your trustee, do you still control it? My understanding is, you don't.

To go on, Mr. Speaker, it's been said that I continued being a director of Ten Pin. That's new to me. I looked through the articles of association, and I want to read:

Qualifications of a director shall be the holding in his own right alone and not jointly with any other person of one share of the capital stock of the Company and this qualification shall be required as well of the first directors as of any future directors.

Then it says:

If a director at any time ceases to hold his qualification his office shall be vacated forthwith.

I'd like to table that, Mr. Speaker.

I can understand the accusations, the allegations. That's fine. In public life, I guess we're expected to accept that. But it's disturbing that such would be the case when it's unfounded, without any fact. Let me say a few words on ethics. I have always believed that being elected to

public office is one of the highest honors that can be bestowed on any person, an honor that comes with many obligations, because of the trust placed in that person by his people and his voters. In my 16 years in public life, Mr. Speaker, six of those in local government and the rest here, I have respected that trust and, in my mind, I have acted in a manner that I feel would continue to have that support and trust from my people. In no way could I, or would I for that matter, do otherwise.

Mr. Speaker, I think I've said all I want to. I just want to thank all the members for allowing me the time to present the facts in this regard.

MR. SINDLINGER: Mr. Speaker, I have a great deal of difficulty trying to collect my thoughts on this matter. But as this motion stands now, and after having listened to the speakers on this side and to the hon. Member for Whitecourt, I have to say that I can't support this motion as it is presented to us today.

This is a very serious matter, Mr. Speaker, and I think it has far-reaching consequences for all of us as Members of the Legislative Assembly. Therefore, prior to bringing the matter to the question, I felt I would like to make some comments about it.

I can't say that I'm completely conversant with the facts surrounding this matter, even after having listened to the Leader of the Opposition and the very objective way he laid out his criteria, and to the comments you made, Mr. Speaker. Quite often you used the word "condemn" in the comments you made. I don't see the word "condemn" anywhere in the motion. The only thing close is the words "no confidence". Perhaps the word "condemn" does stem from "no confidence", and I understand the serious nature of that and the import it has for the hon. Member for Whitecourt.

In the remarks of the hon. Member for Whitecourt, some emphasis was placed on the question of control; the transfer of the shares into a trust and therefore the loss of control. An analogy was used; that is, transferring control of one's property to one's neighbor. In such an instance, does the one who transferred the property or shares still retain control? The comment was no, it doesn't. I'm not too sure whether or not the issue we're dealing with here is control or benefit. The Leader of the Opposition referred to Standing Order 31, which deals with pecuniary interest. Perhaps the issue might be one of benefit rather than control. Does one benefit from these things? I don't know. It's a very difficult question to answer.

I do know that we as Members of the Legislative Assembly have to place ourselves above all questions of this type. I do know that the day prior to being elected, I was referred to most often as a father, a husband, an economist, a business manager — the world's greatest basketball player, if I can throw that in. But the day after that, I became a politician. Quite often people would refer to me as "one of those guys". From time to time in public life, events do occur which perhaps create aspersions for all politicians. I think it's incumbent upon all of us to make every effort to ensure that those things don't happen, not only for our own personal position but also for those among us, our colleagues, whether they're on that side or this side.

In this instance, not having all the facts, and after having listened to the Member for Whitecourt, it's my judgment that the benefit of the doubt, if there is any, should be placed with the Member for Whitecourt. Therefore, I don't support this motion. I encourage the member to extend every effort to continue what he has

done in the past years of public office; that is, to serve all the people of the province sincerely and with the best intentions, as we all do.

MR. KNAAK: Mr. Speaker, I rise to participate in the debate on this motion. It's unfortunate that the motion was presented to this House in the manner that it was. You raised your concern, Mr. Speaker, in introducing it. It's an allegation of a very serious nature, made, I think, without a lot of thought.

Prior to addressing the specific, I wish to address the more general principle of unfounded allegations being made without any regard to the actual facts. In this particular case, Mr. Speaker, the Leader of the Opposition had before him, and was aware of, the disposition and the evidence given at the inquiry. In fact, the evidence that he let here today was contrary to what he knew was said at that inquiry. That concerns me.

But the real concern — it's not just the Leader of the Opposition; sometimes it's the press, and sometimes it's someone else. They're taking . . .

MR. SPEAKER: I hesitate to interrupt the hon. member. But as I mentioned at the outset, a matter of this kind has to be dealt with with a certain amount of discretion and sensitivity, in order to ensure fairness all around. In making an allegation that another hon. member said something which he knew to be false, the effect of course is to accuse that other member of having deliberately told a lie. I don't want to tackle this on too tenuous a basis, but I think it is that plain. As we all know, that kind of conclusion may not be stated in the House by one hon. member in regard to another.

I should therefore be very grateful to the hon. Member for Edmonton Whitemud if he might give some further thought to that statement and perhaps deal with it further as well.

MR. KNAAK: Thank you, Mr. Speaker. I will deal with that as well in my remarks. If I may, Mr. Speaker, I'll be coming back to this. If I can just follow with what I was beginning, I will address that point again. Is that acceptable, Mr. Speaker?

MR. SPEAKER: I had hoped for something rather more prompt than that.

MR. KNAAK: Thank you, Mr. Speaker.

The allegations of conflict of interest and unethical conduct against the hon. member are serious. The Brennan inquiry has dealt with this matter, notwithstanding that it was raised by way of a motion in a sort of backhanded way, as the Speaker put it. It was alleged that the Member for Whitecourt owned land. This in fact is not the case at all. The member had a minority, one-tenth interest in a company that had a limited partnership share in a larger parcel. This was in fact disclosed at the inquiry, was evidence before it, and was totally uncontradicted. Now it's possible that the Leader of the Opposition did not read it, and therefore was not aware of that fact. To that extent, I will give him that latitude, Mr. Speaker.

The other evidence let in this inquiry, which is also public knowledge, is that the hon. Member for Whitecourt had never been to the land; he had never seen the land. Knowing the kind of businessman he was prior to 1971, and the busy kind of person he is now, I know the small interest wasn't of particular concern to him, one

way or the other.

The second point that wasn't mentioned, which is also obvious, is that that boundary in that particular area was identical to that recommended by the Local Authorities Board. There was no change at all. It seems to me that if anyone wants to make an allegation of impropriety or anything of that sort, he should at least indicate that the person knew what he was voting on with respect to his own interest. That wasn't demonstrated at all by the Leader of the Opposition. As a matter of fact, he avoided that whole point. There was no change at all in the boundary, and the hon. Member for Whitecourt didn't know where the land was located, one side or the other. He wasn't aware of it at all.

The second concern I have with motion is broader, Mr. Speaker. It rises from the matter of public policy generally. I think it's a real discredit to the democratic process to have this kind of resolution introduced at this time. It's unfounded, as we see, and it creates a problem for other Albertans who may or may not want to seek office. Most of us here reached a difficult decision, whether or not to run for office. I know for a fact that most of the members here have interesting alternatives open to them. Almost none of us here needed to be a politician, although we were and are prepared to serve Albertans and consider it an honor to be here. We need a diversity of backgrounds and interests in this Legislature. We need businessmen, lawyers, teachers, everyone else here.

The liberty of accusing members of the Legislature really on unfounded grounds creates an environment where a lot of capable and highly regarded Albertans say, I don't need that kind of risk to my reputation. Most of the people here value one thing very highly, and that is their reputation. Mr. Speaker, if we permit unfounded allegations to be raised with impunity in this House or out, as we have now, it's a sad day for democracy in Alberta. Increasingly, people who value their reputation will cease to run. I think we should reject this motion with indignity.

MR. SPEAKER: I regret feeling obliged to advert again to what I said a moment ago. As I understand it, the hon. Member for Edmonton Whitemud stated that the hon. Leader of the Opposition had made a deliberate assertion knowing it to be false. I suppose that occasionally the Chair is guilty of a lack of bluntness, but that means saying he lied.

I would respectfully ask the hon. member to deal with that further, because that is not something that has customarily been allowed to pass by in this Assembly.

MR. KNAAK: Mr. Speaker, I withdrew that remark. What I said in fact was that the hon. leader may have made the remark not knowing what was said in the transcript.

MR. SPEAKER: May the hon. Leader of the Opposition conclude the debate?

HON. MEMBERS: Agreed.

MR. R. SPEAKER: Mr. Speaker, in closing debate I appreciate the comments of the minister. I don't take exception to the sequence of events outlined by the minister. I think those were certainly acceptable, and information I was completely aware of.

In summarizing the debate and placing my case very clearly before the Legislature, my remarks to the accusa-

tion as such, based on the debate I have presented to this Legislature, are founded. Remarks have been made that they were not. First of all, I'd like to point out that the land as located, or the shares in land, were known to the hon. minister as of November 21, 1980. This disclosure of interest statement that was made states very clearly that the hon. minister was a shareholder in a private company, Ten Pin Holdings, on the east quarter of 6-52-25 west to the 4th, the southwest of 6-52-25 west to the 4th. It's very clear that you could look at any kind of map and generally see the locations of those lands. I can only say that I'm sure the minister, being from a rural area, knows the description of a quarter of land and where it is located. In my belief, the location of that land in which the minister had shares would be known to the minister.

Now, the case I've made here. That the shares were placed in trust is acceptable. Whether the shares had been sold or not sold, were still in the trust or not in the trust, is not really the question. The question is, they may have been there, could have been there. The minister has admitted in this Legislature that he was aware that shares in Ten Pin were supposedly, or to the best of his belief, in that trust. That indicates to me that the minister somewhere had knowledge of this interest in land.

Based on that, Mr. Speaker, I've said, secondly, from public information that is available to all of us, that the minister did vote in cabinet on a subject re annexation which included the respective shares in lands that I've just spoken about. Following that, I brought forward the resolution before us today, that based on that there is a conflict of interest and that it is a case to say that the minister has taken an action which, in my words in the resolution, was felt to be unacceptable and unethical.

Mr. Speaker, that is why I felt the matter should be raised in the Legislature, for the hon. minister to indicate whether that was or was not the case. In my mind, I haven't been totally convinced at this time that it may not have been. I can only say that in circumstances such as this, where I know that as of November 21, 1980, the minister knew he had shares in Ten Pin and certainly a pecuniary interest — when this land was brought into the annexed area, the shares would certainly gain in value. Everybody was aware of that. I feel that in the minister's mind that certainly could be the case.

The minister had the opportunity, knowing those kinds of details, to withdraw from the cabinet vote. The minister chose not to. At that point in time, Mr. Speaker, from the evidence that is before the public and me, there was a situation where we could say there was unethical participation in cabinet and that we couldn't have real confidence in the fact the member was carrying out his responsibility as minister, as a public servant, as we would expect. On that basis, I brought the resolution before the Legislature to indicate this lack of confidence and, secondly, to indicate that in this province we must have a set of rules that apply not only to members of the Legislature and public servants at the municipal level but as well to cabinet ministers, where they cannot take advantage of their public position to gain in their own personal or private way.

[Motion lost]

MR. SPEAKER: I hesitate to interrupt, but it would appear that perhaps for the five minutes remaining, there may not be much purpose in going to another order of business. If the Assembly agrees, perhaps we could go to the order of business which is ordained for half past 4.

HON. MEMBERS: Agreed.

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

**Bill 204**

**An Act to Amend The Expropriation Act**

MR. PURDY: Mr. Speaker, I move second reading of Bill 204, An Act to Amend The Expropriation Act. I've brought this legislation before the Legislature on one other occasion but didn't get the opportunity to debate it in second reading.

The principle of the Bill is to give fair compensation to landowners who are expropriated — a land-for-land concept. It will also provide that compensation is made payable at fair market value, that damages be payable for disturbance, that

the value to the owner of any element of special economic advantage to him arising out of or incidental to his occupation of the land to the extent that no other provision is made for its inclusion and damages for injurious effects.

Right now in the province, expropriation deals with two different bodies: the Surface Rights Board and the Alberta Land Compensation Board. The Surface Rights Board deals with expropriation for pipelines, hydro lines, and all other expropriations connected with energy and resource development undertaken by private corporations. The Land Compensation Board deals with expropriation by departments and agencies of the province of Alberta and municipal government.

I look at the history of expropriation in this province in the seven years since The Expropriation Act of 1974 was introduced, debated, and given Royal Assent in this Legislature. I think Royal Assent took place in the fall of 1974. The principle of that Bill was a home-for-a-home concept, but the Bill did not include a land-for-land concept. The 1974 Bill provided for payment of additional compensation to enable the expropriated home-owner to relocate his residence in accommodation that was at least equivalent to the accommodation being expropriated. This legislation has worked very satisfactorily throughout the province, but it has not worked when it came to land expropriation. The only province that has a land-for-land concept is Ontario, and that was enacted into legislation in, I believe, 1970.

As land prices start to rise on the market, landowners whose property is expropriated will face the situation of being unable to purchase a comparable property unless there is a land-for-land amendment. This particular amendment I'm proposing will ensure that the Act will take into full account the property rights of Albertans.

I'd like to review just a bit of the history that has been done through research. The first law I'd like to look at is the old English Land Clauses Act of 1845. That particular piece of legislation was prompted because of the proliferation of land acquisitions by railroad companies:

The intent of the value to the owner criterion seemed to be the awarding of compensation that would retain or restore the original level of economic well-being of expropriated owners.

But that particular concept hasn't been carried down through the years. As I indicated earlier, the Ontario Act indicates that the

value is commonly defined as the amount that the land might be expected to realize if sold in the open market by a willing seller to a willing buyer.

One other aspect of the study states:

While perhaps not as widespread as in the case of residential properties, fair market value may understate the worth to current owners of many non-residential properties as well. Farms and other rural holdings are prominent examples where this applies, especially in the not infrequent cases of holdings that have been passed on from earlier generations.

Now I refer, Mr. Speaker, to the Institute of Law Research and Reform, a document that was tabled in this Legislature in 1973. They went into The Expropriation Act very conscientiously and very deeply. A number of the recommendations they presented to the Legislature were also included in the 1974 Act. One not included was Recommendation No. 41. It is the same as I have presented to the Legislature this afternoon. I guess the problem I have, reflecting back seven years ago, is trying to determine why that particular recommendation of the law research and reform committee of the university was not taken into account at that time.

At the present time, I would just like to look at some of the circumstances taking place in the Stony Plain constituency. We have a lot of highway work going on. With my direct involvement with people who have been expropriated or threatened with expropriation, we know that the fair market value has not been taken into account. In a lot of cases, the particular prices have been settled by the two parties; in other words, indicating that there has been a willing seller and a willing buyer. In other cases, Alberta Transportation has realigned highway alignments so they would not have to expropriate and go through expropriation proceedings.

We also had a case in 1976, '77, and '78, where a utility company, now called TransAlta, had to have a power plant site. X number of dollars was offered to people in the Keephills area for the purchase of the site for a power plant. These people thought it was unfair, and in fact they made quite a pitch to a cabinet tour held, I think, in the fall of '78. The people met with the cabinet ministers in the town of Stony Plain. The cabinet ministers at that time indicated that they thought it was an unfair value to offer these people when they had to vacate 160 acres of land, a comfortable home, and then purchase somewhere else. At the price offered, he could not acquire another quarter section of land and another comfortable home. In fact, he did finally acquire, I think, an acreage of 5 acres and a double-wide mobile home, and he had to borrow something like \$20,000 to make up the difference. So he lost 160 acres of land, got 3 acres back, and had to go about \$20,000 in the hole. He eventually took it to court and was instrumental in getting two-thirds more of the original cost. So in the end, he did not fare that badly, but it was still unfair.

The problem I see with the whole situation — and I hope the select committee of this Legislature reviewing surface rights in the province will take into consideration, especially for power plant development, that if a physical plant site is required, it is done through expropriation. If it's for the coal-mining area, it's then done through the surface mining area, because it's a private utility company. But I understand the city of Edmonton, going into the Genesee area, can go ahead and expropriate either for mine or plant. I hope the surface rights select committee takes this into consideration when they make their recommendations to the Legislature.

I'd like to read into the record the last item I'd like to share. I'm not sure where this study is from, because I have a number of studies here. It's entitled, Compensation for All Proven Losses:

Consider now, how people whose property may be expropriated should be treated. Opinions vary here — especially between expropriators and property owners. Why should prices higher than the market value be paid for property needed for a public purpose?

They're asking that question.

On the other hand, fairness demands that a person expropriated be compensated for whatever has been lost. And recent legislation does, as we indicated earlier, go a long way towards doing just that. Our preference is for as fair a solution as is reasonably possible — for compensating the person expropriated for proven losses and costs resulting from the expropriation. We recognize that having to move is for a variety of reasons increasingly an incident of modern living. Nevertheless, we believe that expropriation laws should provide compensation for losses that result from expropriation. The community, not the individual, should bear the cost of these, even though some people can cope with the disruptions and burdens expropriation causes. After all, it is the community that benefits.

Mr. Speaker, that's the reason I've brought this resolution to the Legislature today, saying that in all cases of expropriation, some facet of the community bears the benefit. I believe very strongly that the community, whoever it may be — the province, the utility company, whoever it is — should bear those costs, and that people whose land is required for various reasons should not bear the burden of that particular inequity that is not in The Expropriation Act today.

Thank you, Mr. Speaker.

MR. HYLAND: Mr. Speaker, I'd like to say a few words in support of Bill No. 204, An Act to Amend The Expropriation Act. I think the mover of the Bill, the Member for Stony Plain, has outlined well the history involved in the various expropriation Acts to date.

When one is faced with expropriation, when they see they have to leave their home or their land for the general betterment of the public at large, I'm sure they go through a traumatic experience. When this happens, I think we should not expect the person whose land is being expropriated to have to pay in excess of what anybody else would for losing some of their land for the general betterment of the public. We face this all the time when we're looking at a province such as ours that's expanding, whether it's for utilities, highway construction, or activities in mining communities. I'm sure if we ever talked to these people — and the hon. member gave a very good example of what happened to one who had to sell land and lose in value by the time he found another home. I don't think this should happen. We should have an amendment such as this, that would see that if you give up something, you receive something of equal or better value. Mr. Speaker, probably we could all give examples of what happens in this case.

Even if one would just have his land expropriated and receive the money for it, my understanding of the Income Tax Act, and I stand to be corrected, is that if you didn't reinvest that amount of money in land by the end of that taxation year, you would have to pay capital gains on it. Often if the expropriation takes place at what might be

termed the wrong time of year, you wouldn't have a chance to do enough looking around to find another piece of land you could buy, so you'd be caught in the squeeze of paying capital gains tax and have absolutely no way of being able to receive equal land for equal value. Probably you would lose half or maybe a third of your value and have to attempt to look someplace to replace however many acres you had and whatever kind of buildings you had on that land.

In these cases, I think we should try to bend over backwards to see that people get a fair deal, because they're not in the position of a willing seller and a willing buyer. You are in a position where somebody has to sell something for whatever the reason, and the willing seller/willing buyer concept kind of falls down because you may not have been out there looking for additional land; you may not have wanted to sell. As I said before, we're facing this all the time. As we expand, we'll be facing it more. As irrigation systems expand in the southern part of the province and new rights of way are needed for upgrading canals, I hope we can accomplish it without expropriation. But that is always in the back of one's mind when he is dealing.

Often we can come to agreements between people, but there are occasions when we can't, as we have all witnessed. I remember that a year or so ago, St. Mary irrigation district attempted to obtain right of way for an expansion, called Sauder Reservoir, that they were going to carry out. They received a lot of comments from local people who had land involved. But through a lot of work by the directors in the area, their board as a whole, and their management, they were able to get together with all the landowners and make reasonable deals with them that they were satisfied with and the landowners were satisfied with themselves, so that they didn't need to go to expropriation. Thus they were able to start their project much sooner and complete it much sooner.

I give this as an example of what can be done. But in many cases, the people cannot come to an agreement. As I've said, in those cases, I think we should have an Act so that you do get equal value, and are not threatened, when you start into expropriation, that you may be the big loser; and that people know that when they do go into expropriation they are going to get a fair deal and fair replacement of their land and property. I urge members of this Assembly to support this Bill.

MR. STROMBERG: Mr. Speaker, first I'd like to express my appreciation and surprise that an employee of TransAlta would bring in this type of Bill, and my congratulations to you, sir.

MR. PURDY: Mr. Speaker, on a point of order to the Member for Camrose. TransAlta is a free-enterprise system, and they allow members to run for the Legislature and have their own voice in what they should say.

MR. STROMBERG: Mr. Speaker, he didn't give me time to finish my remarks. I think he might be president of that company someday.

I think it was last spring in reply to the throne speech that I made reference to his employer and the problems we were having in east-central Alberta, especially in regard to a location called Dodds-Round Hill, and the rather, I would put it, rough justice offered to the land holders in the proposed strip mine. To refresh members' memory and your memory, Mr. Speaker, the proposition put forward ...

AN HON. MEMBER: You won that one, Gordon.

MR. STROMBERG: I know we won it. But the coal is still lying there, and it might come back some day to haunt us.

The proposition was that Calgary Power would purchase the land with no guarantee of reclamation. After so-called reclamation, the farmer would have the option to buy back at the price they had set. It would appear that it might have been a moose pasture, it might have been recreation land, or the price would have been so high to include the price of reclamation. So I'm very pleased that this type of legislation is being proposed.

Also mentioned by the Member for Cypress, what happens when someone or a group of people leave a community due to their land being used for other uses? In the Raley district, that was proposed to go under the strip shovel, there was a community of Mennonites. I believe the Mennonite community had come in there in approximately 1910 to 1914. They had built their church; they'd built their hall. Mennonites usually marry within their religion. Now, if that community had been forced to scatter to the four winds, Mr. Speaker, they would never have been able to purchase land in one group so they could cluster again around their church and community. That would have been a very, very sad thing had that happened.

But the concerns raised by landowners in the Round Hill-Dodds dispute were put very bluntly: look, I'm a dairy farmer; I've got my set-up; can I go out and purchase another dairy farm that'll fit my 40 head or 70 cows that I'm operating? Another landowner will say, look, I have a darned good hog operation here. I've got 100 sows. Now just where am I going to find a barn that will fit 100 sows with the guarantee of water I had and with the type of building and landscaping and nearness to market? A grain farmer who's specializing in registered seed grain has to have some very, very clean land, free of weeds. To have land that you can grow registered seed on takes years to get into that weed-free condition. He'd have to go into an area where perhaps he wouldn't want to go, the Peace River, and buy from another registered seed grower. There isn't a great number of seed growers in the province.

I suppose the point I'm trying to get across is that it's not that easy today to just go out and buy land. One, you've got to have a willing seller. In every community. I doubt if there are too many farms up for sale. And if they're up for sale, they're at such an exorbitant price that you'd have to have holes in your head to buy something like that, or you wouldn't have any money left over.

But, Mr. Speaker, this leaving a community and a farm that you know. You're forced off your land. You know what the back quarter produces. You know where the alkali is. We've had the experience, every in and a while, where a Saskatchewan farmer or someone from southern Alberta comes and buys some land in our neighborhood. It takes about three or four years until they get educated to farming in our community. They come in with their 4-wheel drive vehicles and diskers. They don't know what a drill is; they don't know what a plow is. They've never seen wild oats in their life. In about three or four years, they either go back to Saskatchewan or smarten up considerably.

The same can apply to a farmer in my community who had to move out due to highways or power companies, like if I was to go down to the constituency of Drum-

heller and try to farm. I can tell of a personal experience. My neighbor lost a quarter of land to an overpass. He went into the Drumheller country with his cattle, but he wasn't used to these tremendous winds they have down there. In our area, a 20 mile per hour breeze is considered a storm. He told me that every morning when he got up, he never looked to see what the temperature was. He had nailed — or spiked or bolted — on the side of his house a 20-foot log chain. If that log chain was standing straight out, parallel to the ground, he knew he could feed his cows. But if it was snapping off links, it was too windy to even handle the hay. It would blow away on him. So you understand the problem of moving from one area of Alberta to another.

AN HON. MEMBER: That's just during the election.

MR. STROMBERG: I had another neighbor, Mr. Speaker, who also lost his farm due to the four-leaf clover of this highway. He went in the opposite direction, up into that St. Paul-Fort McMurray country. [interjections] Oh, was it ever. He froze out in about the first six months. When he finally got everything moved — his machinery, his cattle, his kids placed in the school, and joined another church ... [interjections] Well, it got to about 65 below up there. But what happens: it gets so darned cold around Lac La Biche that all the noises froze. The train blew a whistle and you couldn't hear it; it just froze. If you hollered at your wife, it froze. If you tried to call your cows in, you couldn't hear anything. So along about June, the first day that it had got above freezing, all these noises came out. The trains were hooting, the cars were honking, and his wife was yelling. You know, it spooked the poor guy so bad he ended up in Alberta Hospital.

Anyway, Mr. Speaker, the point I'm trying to get at is, you just don't pick up and go to a part of Alberta to relocate. Every farm and every quarter section and every mile is different in this province. In our location, no matter where we go, a mile either way, we can run into gravel ridges, gumbo, or sand. If you go into Lac La Biche, of course, you run into nothing but muskeg and lake. [interjections]

Nevertheless, Mr. Speaker, with land in our community now selling at \$1,400 an acre, with the inconvenience of the move and, probably, as the mover of the Bill mentioned, the loss to what that family has contributed to their community — they've donated their time to their church, free time in the building of that curling rink, perhaps it's a community hall; all the things they've volunteered to make their community good, not only for themselves but their children and hopefully their children, and then pick up and go and, in a sense, start building up a community and being accepted in another community.

Mr. Speaker, I think it was last spring that I had the opportunity — I was asked by the Minister of Transportation — to attend a meeting in Stettler of the landholders' associations of Alberta that were forming one group and one voice. I believe there were somewhere in the neighborhood of 15 or 16 land associations. These are groups of landowners who have got together for their own good, to protect themselves. We just can't ignore that.

Maybe I shouldn't complain. It's certainly a lot better than it was in the bad old days of the former government, the Socreds, when even the highways people just came in, served you notice, and the next day the Cats were in. Pipelines went across your field, and then they told you

about it. Now you have to go through a process, and the process can be delayed as long as a year. Your legal fees are paid by the person who wants your land, whether it's for the clover-leaf or the realignment of a four-lane highway. We've got at least a little bit of a lighting chance.

Going back to the Department of Transportation — and it was mentioned earlier in the remarks — I see that in many cases now they will realign a highway because of a spruce tree that someone's grandfather had planted, or a graveyard, or perhaps a church. I think that's great. But I drive into Edmonton and come off Highway 21 onto Highway 14 and see a four-lane highway cutting diagonally across quarters where it could have followed a north-south route, across some of the better farmland in Alberta just out here to the southeast. I look west of Red Deer, Ponoka, Lacombe, Wetaskiwin, and Leduc. The bad old government just cut across country, never followed a fence line, never followed the survey, just went wherever they wanted to go, and cut quarter after quarter diagonally. What have you got left? A four-lane highway. You don't dare haul your equipment down it, so they've got to build you service roads. Well, half your farm is in highway. The best thing is to pack up and move.

The other thing — and I need some overpasses before we kill off half our people in Camrose, Mr. Minister. But an overpass today usually takes a section of land, because they have to take from all four quarters. As we become more industrialized in Alberta, I think this is going to become a number one problem. We're going to have to deal with it. I certainly support the member's Bill and his intentions. I hope that in the very near future it becomes a government Bill.

Thank you.

MRS. CRIPPS: Mr. Speaker, I should have gone before the hon. Member for Camrose. I thought this was a serious situation, and I was approaching it from that point of view. In any case, Mr. Speaker, the problem of the residents of Genesee ... [interjection] Beg your pardon?

MR. COOK: Gordon was being serious.

MRS. CRIPPS: Oh, good. The resettlement problems of the residents of Genesee have prompted me to get into the debate on this Bill. I fully support the principle endorsed in the Bill. I believe that when an individual or family are forced to move from their home and farm for what some authority considers to be the public good — i.e., a coal mine, a road, an electrical generating station, or a dam — the expropriating authority must be prepared to pay the price of economic justice for that sacrifice.

It is unjust and unfair to expect individuals to subsidize the public at large. It has to be recognized that strict market value is not in all cases true compensation, in that it does not allow the landowner to relocate. The principle of expropriation is force taking. No individual should be any worse off for a municipal or government action which is forced on them. If there is to be inequality, then they should be better off because of the forced invasion of private property rights, notwithstanding that they may not have any property rights if the Prime Minister gets his so-called Bill of Rights through.

Mr. Speaker, the replacement of land is of paramount importance if we want to maintain agriculture as a viable component of this province. A while back we had a debate on the preservation of farmland. Bill 208. Are you



listening, Rollie? Today the consumer is not willing nor expected to pay the price of food which could possibly be reflective of the cost of agricultural land. For the most part, the production of the land won't even pay the interest, let alone the principal, on that capital. As long as land is worth more for subdivision, development, and recreation, the dollar will dictate the use of that land.

Today's prices in no way reflect the agricultural productivity of that land. Quite honestly a young farmer can't meet operating costs and interest, let alone capital repayments. The agricultural sector is competing for land which is overpriced because the other uses do not depend on the productive value established at the market rate.

I'd just like to use the established farmers of the Genesee area as an example of this plight. Here again, the productive land value is not comparable in terms of the industrial use of the land. These people are farmers and want to remain farmers. They're being forced to sell the land, not at replacement value, but at an outdated market value concept. Most of these people would remain in the agricultural sector if they could; that is, if they could compete in the market place and the land they purchased would remain agricultural. However, they are forced to compete with subdivisions, developers, and recreational parcels.

Then there's the buyer who originally owned the land adjacent to the major urban centres, maybe some of the annexation area in Edmonton. This land was very valuable to the developer, thus he pays an exorbitant price in agricultural terms. In many cases, the landowner replaces his land further from the city. And again, because he got an exorbitant price for his land, price is really no object when he's purchasing other land. So each sale results in an inflationary value.

It is now out of the reach of the agricultural community, and certainly out of the reach of the farmer from Genesee who is forced to sell his land in a non-competitive market. It's definitely non-competitive because in this case there's only one buyer, Edmonton Power. These farmers — let's say there are 30 of them — are forced to sell. They are again looking for land, and that in itself causes inflationary value of the farms surrounding Genesee. If the people who wish to stay in agriculture can't afford to, then let's be perfectly honest: the land is going to be used for other uses. Once it is, it's highly unlikely that it will come back to agriculture.

I guess the point in this Bill that I really want to emphasize is (a.2):

... in determining the amount payable under clause (a.1) it shall be recognized that the owner should have sufficient compensation to be able to acquire property of no less a quality and convenience to him than the land.

I assume, in this case, that's the land he had.

When offers were originally made at Genesee, the suggestion was that they could replace their farms at Drayton Valley, Peace River, or west of Sundre: all more distance from markets than the Edmonton centre that they were used to shopping in. The Genesee area is convenient, I think there are probably six or seven auction marts within 50 miles of Genesee. Edmonton's within 50 miles of Genesee. Wetaskiwin, Drayton Valley — it's very, very convenient as far as shopping and market centres are concerned. So when these people have to move and are asked to move west of Sundre or to Peace River — where they can afford land — they are definitely being asked ... [interjections] You think Sundre's as good?

AN HON. MEMBER: Don't go west of Sundre. You can't afford it there.

MRS. CRIPPS: Don't go west of Sundre, okay. They definitely are not going to have the convenience of being located at Genesee.

In some cases, Genesee farmers found suitable farms between Genesee and Leduc. But, and this is fact, they were told that they were better farms, so they couldn't buy them. Mr. Speaker, in estimating that these farms were better, they were only looking at soil. They weren't looking at the use the farmer at Genesee had made of his land and of the convenience of the farm site.

In whose opinion was it a better farm? If you have to move, I'm not sure how good the land is — it may not be a better farm for the purposes of the farmer who had owned the land. The trauma and inconvenience of having to leave home, friends, and community are penalty enough, without being in a position of not being able to replace the land; not only replace it, but able to replace it with land acceptable to the owner. Mr. Speaker, I firmly believe that the disruption of a landowner or farmer should not result in his being in a lesser financial position than he was before the expropriating authority decided they needed his farm.

Mr. Speaker, I hope this Assembly will support the amendment contained in Bill 204.

MRS. OSTERMAN: Mr. Speaker, in speaking to Bill 204, I would congratulate the hon. member for bringing forth this Bill; it's quite an appropriate time. Certainly, as a member of the legislative select committee on surface rights, there's probably no more opportune time, other than that there would be many, many more comments I would make had our committee completely finished their deliberations. That may just hamper some of us somewhat, in that those deliberations are not yet complete.

As I understand the Bill before us, the hon. Member for Stony Plain is really proposing that rather than considering the value of land, we're talking about a land-for-land concept, much as in another section of The Expropriation Act, which deals with a home-for-a-home concept. I'm not sure it's proper to get into some of the specifics of the Bill, Mr. Speaker. But as sympathetic as I am to the proposition before us, in searching for an administrative way of putting forth the proposal and enacting a land-for-land concept, I have a lot of questions. I suppose the specifics in the Bill will come up for debate at another time. I think they're fraught with a lot of problems in terms of the interpretation of several sections.

Certainly I believe one of the major problems we as a committee saw is that those areas are going to have a lot of apprehension, in either the immediate future or the distant future, which may be five or 10 years down the road. Part of it's to do with the process the farmers or operators see themselves involved in. I guess one of the reasons there is apprehension is because two Acts govern the kind of situation that really the hon. Member for Stony Plain, who proposes the Bill, and in particular, the hon. Member for Camrose — I believe his remarks were mostly confined to strip mining — and the hon. member for Drayton Valley.

In speaking to the whole strip mining area, and back to my original comments about the surface rights committee's travels and the kind of submissions we heard, there are two Acts out there right now that govern the kind of compensation paid to landowners affected by strip mine

operations. The Expropriation Act governs the operations of a utility like Edmonton Power and, as I understand, The Surface Rights Act governs the operation of a private company like TransAlta Utilities. So right off the bat there is some amount of confusion because unfortunately in this regard, the provisions in the two Acts are not immediately alike.

The kind of operations we saw in our travels, in determining what other jurisdictions were doing in this area, were very interesting. I didn't have the good fortune to travel to Europe and see many of the things my colleagues saw. But I would just say that as a result of reclamations we saw on the brief trip to the United States, in particular to Wyoming and Montana — I know the hon. Member for Drayton Valley mentioned this on another occasion, I believe in her speech in support of the first motion before us this fall. She was very impressed with the kind of reclamation we saw. It occurred to me that one of the options we may well want to look at for farmers or operators would be some sort of special compensation for a period of three or four years, if it was judged that in fact a company could put that land back into suitable condition for farming after that period of time, rather than a complete relocation.

I don't know why it wouldn't be possible to set aside a tract of land in a community for a certain number of people to store buildings that have to be moved and then put the community back in place. I realize that that has horrendous implications, but in my view the implications of doing otherwise are probably just as horrendous. Certainly the hon. Member for Camrose talked about a community situation and the kind of stresses and strains, either on the community or on an individual family, in having to make that move, though I think that if he had referred his farmers in their plight to the Three Hills constituency, he would have found them very well located. Obviously he didn't do that.

But I would say that if we try to relocate a whole community, as has been suggested from time to time, it involves buying enormous tracts of land, which again impacts on land prices all over the province, something that's happening just as a result of the kind of growth we have in our major urban centres. So that idea doesn't seem all that feasible. If there are some people who are reaching an age possibly, or a state of mind, where they wish to change occupation, isn't it possible that we could make sure the tax laws were written in such a way that they could indeed accept payment for their land without replacing it?

Unfortunately, we have a provision now where they have to replace it, I believe. But there should be some phased-in mechanism that could click into place when somebody indicates they're not going to stay in the same field of operation. It would occur to me that we do have people — when we were out on committee hearings I think some of those people, in their sort of heart stories to us as opposed to their head stories, really did indicate that they were at a stage of life where they would probably consider retirement. They didn't want to start over in a new community. And it certainly appeared as if we have nothing in place to make that sort of smooth transition. There are enough other problems for them without leaving them financially burdened because of our tax system at this time.

One other area that certainly has — I can't recall it being specifically mentioned when we were on committee hearings, but attention to this particular problem has been raised by some members not only in the Olds-

Didsbury constituency, as I recall, but in a couple of areas in a constituency on the other side of mine. The proposition was this: when you have a partial taking of land, and the hon. Member for Camrose — I didn't hear all of his remarks — may have alluded to this in the case of a large tract of land, like a whole quarter section being taken. But if you render the farm to the condition that it is not an economic unit, what does that person do?

There are a lot of people in that sort of situation. Normally I suppose taking 20 acres or something of that nature which, under ordinary conditions, I believe would be a large taking in expropriation if it was done by a municipality, whether you are talking about acreage for an overpass, a sewage lagoon, the many projects that small urban municipalities have to undertake that are immediately adjacent or very close to them: unless farmers in these areas have a very concentrated operation, they find themselves in a very difficult position. If the project is one that one might say is environmentally sensitive — if you have a sewage lagoon located very, very close to your home base and you're left with an uneconomic operation and try to sell that home base, possibly under normal circumstances it would have been very lucrative because the size of the acreage would be cut down. Normally farmers aren't allowed to subdivide, and a lot of people enjoy country-style living. But they're not about to buy a piece of land that's located immediately next door to a sewage lagoon, for instance.

That would seem like just an individual instance. But if my constituency is anything at all like the other rural constituencies in this province, every one of my centres is growing. I'm absolutely amazed at the projects that are either under way at this time or on the drawing board for these small urban centres as a result of their growth. Certainly all hon. members are happy about that growth, I'm sure. But unfortunately it's causing a lot of problems for farmers who are in the immediate vicinity.

If the kind of projections we see coming from the Electric Utility Planning Council are accurate, Mr. Speaker, certainly the hon. members for Camrose, Drayton Valley, Stony Plain and, I'm sure, others, are going to be tremendously impacted. It must be just as plain as the nose on your face that, given the quality of the coal in those areas, and unfortunately the very good farmland on top of it, there's going to be a major conflict brewing.

Just in closing, Mr. Speaker, I once again commend the hon. Member for Stony Plain for bringing before us this Act to Amend The Expropriation Act. It has certainly given us an opportunity to speak to those things that so many people across the province have been raising this year, some of them without the prodding of the surface rights committee. They would certainly have been raised regardless of our committee's work. But I certainly know that as a result of the committee's work, far more of these submissions have been brought to our attention.

I would only say that I have great misgivings with the administration, I guess, or some of the wording contained in the amendment. On that basis, I have to say that those reservations would extend to the degree that if it were up for another debate, I hope we'd be in a position to make some amendments.

Mr. Speaker, I know a number of people would have wished to participate this afternoon and aren't here, so I beg leave to adjourn debate.

MR. SPEAKER: Does the Assembly agree with the motion to adjourn the debate?

HON. MEMBERS: Agreed.

MR. YOUNG: Mr. Speaker, as Acting Deputy House Leader, in view of the hour I think the Assembly is faced with a choice of either going on to a new Bill, which I believe to be the Bill of the hon. Member for Olds-Didsbury, or to adjourn early. In the event it is the decision of the Assembly to do the latter — that is to adjourn, calling it 5:30 at the present time — on behalf of government, I would indicate that the business proposed for tomorrow morning is a continuation of the heritage trust fund estimates that were under review yesterday afternoon.

In light of the unanimous consent, I move that we call it 5:30.

MR. SPEAKER: Does the Assembly agree with the motion?

HON. MEMBERS: Agreed.

MR. SPEAKER: I think we require a further step, do we not? Are we coming back this evening?

MR. YOUNG: I'm sorry, Mr. Speaker. I omitted to indicate that when the House rises at 5:30 as called, it will remain risen until tomorrow morning at the usual hour. [laughter]

MR. SPEAKER: Does the Assembly agree with that circumscription of the resurrection? [laughter]

[At 5:20 p.m., on motion, the House adjourned to Friday at 10 a.m.]

