

Legislative Assembly of Alberta

Title: **Tuesday, December 11, 1990 2:30 p.m.**

Date: 90/12/11

[Mr. Speaker in the Chair]

Prayers

MR. SPEAKER: Let us pray.

O Lord, grant us a daily awareness of the precious gift of life which You have given us.

As Members of this Legislative Assembly we dedicate our lives anew to the service of our province and our country.

Amen.

head: Introduction of Visitors

MR. SPARROW: It's a pleasure today to introduce Alberta's best who are contributing greatly to Alberta's reputation in the hospitality industry. In your gallery, Mr. Speaker, we are honoured to have with us the executive director of the Alberta Culinary Arts Foundation, Maurice O'Flynn, who was recently appointed manager of Canada's national chefs team. The national team will compete at the prestigious American Culinary Classic in Chicago in 1991 and the Culinary Olympics in Frankfurt in 1992. Mr. O'Flynn has just returned from the World Culinary Cup competition in Luxembourg, where he helped Team Alberta capture eight gold medals and take second place in the world individual championships. Thank you, fellows. Accompanying him are provincial and national team members Simon Smotkovich, Clayton Folkers of the Edmonton Convention Centre, and Yoshi Chubachi of the Centre Club.

I would like to point out that five of the six chefs chosen to represent Canada are Alberta chefs. That says a lot for Alberta and the talented people we have in our hospitality industry. We're fortunate to have them representing Canada and Alberta, and we look forward to their progress during the next two years. They are standing in your gallery, Mr. Speaker: Alberta's best.

MR. SPEAKER: The Member for Drumheller.

MR. SCHUMACHER: Thank you, Mr. Speaker. It is indeed my pleasure today to welcome a person who needs no introduction to most members of the Assembly. We are happy to have with us today Dr. Walter Buck, who represented the constituency of Clover Bar from 1967 through to 1989, during which period he made great contributions to the proceedings of this Assembly and the affairs of this province. I would ask all members of the Assembly to extend Dr. Buck a cordial welcome.

head: Notices of Motions

MR. SPEAKER: The Member for Vegreville.

MR. FOX: Thank you, Mr. Speaker. I rise to give oral notice of my intention to move under the provisions of Standing Order 40 the following motion.

Be it resolved that in light of the recent serious outbreaks of bovine tuberculosis in game-rancher elk the Legislative Assembly urge the government to suspend indefinitely proclamation of the Livestock Industry Diversification Act, Bill 31, and agree to undertake a comprehensive environmental assessment that includes open public hearings, independent scientific evaluations, and a complete review of the failure of the regulatory process in the current crisis.

MR. SPEAKER: For clarification, hon. member: Standing Order 30 or Standing Order 40?

MR. FOX: Standing Order 30.

MR. SPEAKER: Thank you.

AN HON. MEMBER: You said 40.

MR. FOX: Mr. Speaker, it is Standing Order 30 as per the motion as printed.

head: Introduction of Bills

Bill 292

An Act to Provide for Executive Remuneration Disclosure by Corporations that Receive Government Financial Assistance

MS BARRETT: Mr. Speaker, I beg leave to introduce Bill 292, An Act to Provide for Executive Remuneration Disclosure by Corporations that Receive Government Financial Assistance.

The purpose of this Bill is to make sure that companies that come begging for taxpayers' dollars aren't rewarding their top executives with massive handouts from the taxpayers' coffers.

[Leave granted; Bill 292 read a first time]

head: Tabling Returns and Reports

MR. FJORDBOTTEN: Mr. Speaker, I am pleased to table with the Assembly the report of the proceedings of the 81st annual general meeting of the Alberta Land Surveyors' Association as required by statute.

I'm also pleased to file with the Assembly the 1988-89 annual report of the Forest Development Research Trust Fund.

MR. ROSTAD: Mr. Speaker, it's appropriate today that we have our colleague Dr. Buck in the Assembly as we are about to introduce his report on conflict of interest in the spring sitting. I'd like to file today a copy of the letter to the editor of the *Globe and Mail* by our Parliamentary Counsel setting out the number of pieces of legislation and Standing Orders that we do have presently that represent our conflict of interest regulations. I file that with the House.

MRS. McCLELLAN: Mr. Speaker, it is my pleasure to table the 22nd annual report of the Alberta Hail and Crop Insurance Corporation for the year ended March 31, 1990.

MR. GOGO: Mr. Speaker, I'm pleased to table the 1989-90 annual report for the Banff Centre for Continuing Education and also to table the annual report for Medicine Hat College for the year ended June 30, 1989.

head: Introduction of Special Guests

MR. SPEAKER: The Member for Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Speaker. I'm pleased today to introduce to you and through you to members of the Assembly two groups of students from beautiful Edmonton-Gold Bar. The first group is from Holyrood school, 45 students seated in the public gallery. They are accompanied by teachers Suzanne Préfontaine and Bill Horpyniuk and parents Mrs. Adcock and

Mrs. Opyr. I'd ask them to stand and be welcomed by the Assembly.

Further, Mr. Speaker, 28 students from the Clara Tyner elementary school accompanied by their teacher Mr. Randy Billey and parents Mrs. Bachinsky and Mrs. Maguire are in the members' gallery, I understand. I'd ask them to stand and receive the warm welcome of the Legislative Assembly.

MR. R. SPEAKER: Mr. Speaker, I would like to introduce 12 persons from the Department of Municipal Affairs that are involved in a departmental orientation program whereby the employees of the department become more familiar with the legislators and the legislative process. This group has partaken of a number of observations today. I'd like my colleagues to welcome them, and I'd ask them to stand to be recognized as well.

MR. EWASIUK: It's a pleasure for me today to introduce to you and to members of the Assembly 32 grade 6 students from the Maurice Lavallee school, located in the constituency of Edmonton-Strathcona. They are accompanied by their teacher Mr. Motut and by parents Berthe Bilous and Gisèle Monière. Another person accompanying the group is Annik Charbonneau. They're located in both the public and members' galleries. I'd like them to rise and receive the welcome of the Assembly.

2:40 head: Oral Question Period

Education Printing Privatization

MS BARRETT: Mr. Speaker, yesterday in the Assembly the Minister of Education admitted in his roundabout way that his government had at least been intending to privatize publishing and printing operations at the Alberta Correspondence School based on recommendations from a study that shows clearly that to privatize these operations, taxpayers would have to subsidize the private sector. Will the Minister of Education now admit that this initiative is nothing but another typical Conservative pig in a poke that he's trying to sell to Albertans and that not only will it cost Albertans jobs, but it's going to cost the Alberta taxpayers more than what they're spending now?

MR. DINNING: Mr. Speaker, it constantly amazes me: the selective kind of reading that the New Democrats would undertake in reviewing a document that they have in their hands.

MR. KLEIN: It's not a colouring book.

MR. DINNING: "It's not a colouring book," says the Minister of the Environment. Quite appropriate.

The document makes very, very clear that no wholesale privatization will take place at the Correspondence School at Barrhead or at the Learning Resources Distributing Centre. What I can't get over, Mr. Speaker, is why members opposite wouldn't agree with a report like this that calls for more efficient use of taxpayers' dollars so taxpayers' dollars are used wisely and spread over for the best possible benefits for all kids in education. Why is it that the ideological baggage on the other side of the Assembly says no any time private-sector methods or private-sector objectives are trying to be accomplished when it's in the interest of taxpayers and, most of all, when it's in the best interest of kids?

MS BARRETT: Mr. Speaker, Albertans have seen how this government privatizes, and it costs us millions and millions of dollars every time they try to do so.

Mr. Speaker, last year the Alberta correspondence branch raised its tuition fees, in some cases by – what? – up to 500 percent over those charged the previous year. This is right in the report: it has resulted in a significant drop in the enrollment at the correspondence branch. Will the minister tell us this: is it his intention to now see the correspondence branch increase its fees again by another several hundred percent, or is he going to follow the report's recommendation to "incorporate subsidies to the private sector" as it adopts that "slow road to privatization" that "should be undertaken?"

MR. DINNING: Mr. Speaker, the increase that took place last year at the Correspondence School is currently covered by grants to school boards so that they can buy back those fees. We're not going to double-fund school boards. That isn't what taxpayers want us to do. But we will follow some of the suggestions that are laid out in the report where it says: more and better staff training. I agree with that. That's something we must do.

Private sector modelled development and publishing . . . with charge back provisions for exceeding standards, job scheduling/control and job tracking and efficiency/costing systems [improve the] management structure, private sector modelled publishing/printing (vendor/supplier) methods. Now, that's only to ensure that the Alberta Correspondence School and the Learning Resources Distributing Centre are using taxpayers' money the most effective possible way.

MS BARRETT: Well, I think it's important to correct the misimpression that the minister has left. Students had to pay those extra fees; they weren't just covered by the grants.

Now, Mr. Speaker, my final question to the minister relates to the investment that the Correspondence School made three years ago in state-of-the-art production equipment, which has cost the Alberta taxpayers millions of dollars. The question is this: if we've got that kind of money to spend on that kind of equipment, which is a pretty important investment, how can the minister justify even thinking about selling it off at discount prices to private operators who, according to this report, would still require public subsidy?

MR. DINNING: Mr. Speaker, the hon. member should read the report if she's going to try and suggest that anything is untoward in it. She is using selective data from that. It makes it very clear that printing at the LRDC and at the Correspondence School is done the most efficient way that they possibly can. The hon. member knows the publishing side of the report says: do it better, and here are ways to do it better; here are ways to spend taxpayers' dollars much more efficiently for the benefit of students in school. So I'd suggest that the hon. member read the report before she starts fertilizing the truth.

MR. SPEAKER: Thank you.

Second main question, Edmonton-Highlands.

MS BARRETT: The minister won't admit that he's not going to sell it.

I'd like to designate the second question to the Member for Edmonton-Centre.

Health Units Funding

REV. ROBERTS: Mr. Speaker, the Minister of Health has tried to maintain the hoax for over a year now that she's somehow shifting health funding from the institutional sector into community-based health care services, but example after example demonstrates that she's in fact not shifting resources, she's just shafting Albertans. In Strathcona, for instance . . .

Speaker's Ruling Parliamentary Language

MR. SPEAKER: Hon. member, take a little more care with your language, please. I'm sure you have a vast repertoire better than that word that you can use in terms of your vocabulary.

REV. ROBERTS: Thank you. It was in a play that I once acted in, Mr. Speaker.

Health Units Funding (continued)

REV. ROBERTS: In Edmonton-Strathcona, for example, the people have seen the laying off of over 100 skilled nurses at the University of Alberta hospital on the one side, and then on the other side they've seen the closing down of the Strathcona health unit. So I want to ask the Minister of Health today how she can possibly go around with the Tory candidate, and the Premier for that matter, and promise to build a \$120 million children's hospital at the same time as she is laying off hundreds of nurses and closing dozens of well-baby and seniors clinics in the heart of old Strathcona.

MS BETKOWSKI: Actually, Mr. Speaker, I'm quite delighted to go around Edmonton-Strathcona with the Tory candidate. I think he's a wonderful candidate, and I recommend him to the voters of that riding.

To get back to the issue at hand, let's look at the issue of the health unit within that constituency and at the decision made by the Edmonton board of health that through a reallocation of their resources they could get better value out of the resources that this province dedicates to them. This year, the budget year we're in, if we look at the total increase in community, rather than the rhetoric which the hon. Member for Edmonton-Centre likes to throw about with health . . .

REV. ROBERTS: I'm not promising a children's hospital.

MR. SPEAKER: Order. You get two supplementaries, maybe.

MS BETKOWSKI: If we look at the total increases to community health services in this province in 1990-91, we see an increase of 11.4 percent. If we look at the acute care side, we see one of 8.3 percent. I think, in fact, it does speak to a statement of priority, Mr. Speaker.

REV. ROBERTS: So how does that possibly explain that the Strathcona health unit is closed and they still have money to build a big children's hospital, Mr. Speaker? It baffles me.

Now that the Provincial Treasurer admitted yesterday that the Conservative government here is going to help to collect the GST, will the Minister of Health at least go down the row here to the Provincial Treasurer and together declare that health units will become Crown agents so that they can become GST exempt and then announce to the people of Strathcona and throughout Alberta that she won't allow over \$1 million to flow

out of community-based health services into the pockets of Brian Mulroney?

MS BETKOWSKI: Well, Mr. Speaker, I will attempt to answer the three questions that were raised in that supposed one. First of all, the Northern Alberta Children's hospital, as I've explained on many occasions . . .

MR. McEACHERN: That was the last question.

Speaker's Ruling Interrupting a Member

MR. SPEAKER: Order. Let her get it out, please.

MR. McEACHERN: Well, it was the first question.

MR. SPEAKER: Thank you very much. This is not a dialogue between the Chair and yourself, Edmonton-Kingsway. Please, minister.

MR. TAYLOR: A monologue with the Chair, you mean.

MS BETKOWSKI: The Northern Alberta Children's . . .

MR. SPEAKER: Thank you very much. Did the Chair hear monologue from the . . .

MR. McEACHERN: I didn't say a word.

MR. SPEAKER: Thank you. I just wanted to clear out my own hearing. Thank you.
The Minister of Health.

MS BETKOWSKI: Mr. Speaker, first of all, with respect to the Northern Alberta Children's hospital, the project is on hold.

MRS. HEWES: We can't hear.

MR. SPEAKER: Thank you very much for pointing out, Edmonton-Gold Bar, that you can't hear. I'm not surprised. Perhaps all hon. members, and that means on both sides of the House, will tone it down. Thank you.

I'm sorry to keep interrupting, Minister of Health.

2:50 Health Units Funding (continued)

MS BETKOWSKI: It's not you.

Mr. Speaker, first of all, the question with respect to the Northern Alberta Children's hospital. As the hon. Member for Edmonton-Centre well knows, as a result of some difficult budget decisions that we had to make this year, that hospital and many other projects, up to about 40, are on hold this year. That's in order that we might ensure that an appropriate level of operating support to existing hospitals continues.

Secondly, his question with respect to service for children, not just in Edmonton-Strathcona but obviously all over the province. If we'd like to look at service and the kinds of services that well-baby clinics provide, we will all know that last year the immunization rates, which of course is one of the major purposes of our well-baby clinics, dropped far below acceptable standards in this province, and we saw the outbreak of pertussis, or whooping cough. I'm pleased to note that we've just completed a review of immunization levels in the province, and the previous level of below 85 percent has now been reached to be just under

90 percent for one-year-olds that are appropriately immunized against diphtheria, pertussis, and tetanus. That's a very good record; it's a good record compared not only across Canada but to the U.K. and the U.S. as well.

REV. ROBERTS: Mr. Speaker, the question was about GST and getting the health units exempt 100 percent. My goodness; what's going on over there? I'm trying to help her out, give her some ideas on how to support the health units.

Will the minister at least follow the recommendation of both our candidate Barrie Chivers and the Hyndman report's recommendation 20 and call the folks at the Edmonton board of health to work out with them ways of developing the Strathcona health unit – this is a brilliant idea – into a health and environmental resource centre that can boldly and creatively ensure a healthy environment for children . . .

MR. SPEAKER: Thank you. Thank you for sentence number six.

MS BETKOWSKI: Well, Mr. Speaker, there's a long gap between GST and a health and environmental resource centre, but I'll do my best.

The GST is certainly an issue which this government is on record as having led the national fight against. Nonetheless, obviously we have to look at the role of GST in health. Obviously, the impact of GST will not affect the universal health services, but we are all concerned about the indirect impact both on the hospital sector and certainly the health unit sector, because the health unit sector is not deemed to be treated the same as the hospital sector.

REV. ROBERTS: What are you doing about it?

MS BETKOWSKI: In fact, what we are doing about it, Mr. Speaker, is working through the case of the health units in Alberta, which are somewhat different from a legislative point of view than other provinces, in an attempt to make them exempt from GST, as is the hospital sector. It's already under way.

MR. SPEAKER: The leader of the Liberal Party, and the Chair will note here that we're bound to get a plug for yet another party running in some by-election.

Education Funding

MR. DECORE: Moi?

Mr. Speaker, my questions are to the Minister of Education. About a year ago the Minister of Education challenged local school trustees to review and to report back to him on the issue of corporate pooling. The trustees have reviewed that matter and have come back in an overwhelming way to say that they reject the concept. Now, in spite of that and in spite of the minister pushing his position, the school boards are putting up a lobby on Members of this Legislative Assembly to stop this concept of corporate pooling. My first question to the minister is this: given that Albertans want political reform and given that they want that reform as part of a process of consultation and that they want politicians to reflect the majority position after that consultation, why is it that the minister is slapping down the majority that now says: we don't want anything to do with corporate pooling?

MR. DINNING: Mr. Speaker, just to correct the record, the hon. member suggested that I'd asked school trustees to come back on corporate pooling, and what I'd asked school trustees to do was to review the whole problem of fiscal inequities amongst school boards across this province. There are a number of boards who, because they have a small or a narrow or a shallow local tax base to access, are unable to raise sufficient dollars locally in order to provide a quality education or an education that meets their students' needs. So I asked the association to come back to me with a solution, not an interim solution, not a short-term solution, but a solution that will meet all students' needs across this province.

I have acknowledged the tremendous work that the ASTA has done, and I do so again in this Legislature. I have shared with them my concern for the need for a longer term solution. After going out and consulting with school trustees, the Alberta Urban Municipalities Association, the Alberta Association of Municipal Districts and Counties, parents, teachers, and others across this province over the last two months, I have now laid out a proposal on the table for a long-term solution. Now I am asking school trustees to help me with that solution, modify it, change it, and make it the best possible one to meet the need.

MR. SPEAKER: Thank you, hon. minister.
Supplementary.

MR. DECORE: Mr. Speaker, usually the Minister of Education acts the gentleman on issues and in dealing with people. I'd like to know why it is that he has sunk so low as to refer to some of his opponents on this issue as people who are engaged in the dissemination of misleading information and even in downright lying.

MR. DINNING: Mr. Speaker, it does concern me that when we're in a Assembly like this or in any forum where we're debating and exchanging views, we do it on the basis of factual information. I am concerned that when a debate like this heats up, naturally the temperature is bound to rise, but I want those facts to be on the table. I have shared some concerns that I have with one particular school board in this province that some of the information they were transmitting to their parents and to their schools was not consistent with the factual information – not subjective but factual information – that we had provided by word of mouth to a number of trustees and some of the senior officials of that board. I have shared those concerns with that particular school board and have spoken with the chairman of that school board to share my concerns. I have provided them with further information this week, and I will be speaking with and writing to a number of parents who have been given that other information.

MR. DECORE: Mr. Speaker, I thought that the hon. minister would take the opportunity to apologize and retract the statements that are allegedly his. I guess he's just going to continue the battle with the Catholic board in Calgary, and I think that's unfortunate in solving this problem.

My final question, Mr. Speaker, is this: given that the AUMA, at least through the municipalities, objects to this concept, given that at least 80 percent of local trustees object to it, and given that chambers of commerce object to it, will the minister not agree that the concept is going to fail and that he

should deal with these people, consult with these people, and find another way to solve the problem?

MR. DINNING: Mr. Speaker, the decision made by school trustees back in September was based on a corporate pooling concept that was dated 1987. I have laid on the table an educational trust fund proposal, in many, many ways and in significant ways a significant change from 1987. I'll restate for the benefit of all members of this Assembly some of the fundamental principles of that proposal. One is that for educational purposes only nonresidential properties would be taxed by the province. Revenues would be protected in an education trust fund, not in the general revenues of the province but in an education trust fund established by this Legislature. Autonomy of school boards to determine collectively what would go into that pool and individually the rate at which it would be drawn from that education trust fund would be housed in legislation. Current expenditures for education purposes in Calgary, in Berry Creek, in Westlock, in Edmonton, and in every other school jurisdiction would be recognized as real, legitimate minimum costs of delivering education in that community. Finally, Mr. Speaker, transitional funds would be provided to school boards to ensure that no board was found harmless by the nature of this proposal. Our objective here is to ensure that every student in this province, not just some, depending upon where they live in this province, has access to an education that meets that child's needs.

3:00

MR. SPEAKER: Thank you.
Drayton Valley.

Tuberculosis in Elk

MR. THURBER: Thank you, Mr. Speaker. Recognizing that the fledgling elk ranching industry in Alberta has been dealt a severe blow in its infancy by some infected elk being allowed into Alberta from the United States and this being a very viable and valuable diversification in agriculture, I have a question for the Minister of Agriculture. Can you give us an update on what is being done to alleviate this problem on behalf of all agriculture?

MR. ISLEY: Mr. Speaker, I think we should all recognize that Agriculture Canada is playing the lead role in the eradication of tuberculosis in the province. They've been responsible for this role since the turn of the century. Both Alberta Agriculture and Forestry, Lands and Wildlife are co-operating fully with Agriculture Canada in this endeavour, and the feedback that I'm getting is that they're finding the tracking of animals from one farm to another much easier because of the bookkeeping requirements that are currently imposed by Forestry, Lands and Wildlife. They're approaching the problem in exactly the same way as they do with beef cattle or other domestic animals, and I'm confident that they have the matter under control.

MR. SPEAKER: Supplementary, Drayton Valley.

MR. THURBER: Yes, Mr. Speaker. Knowing that there is legislation pending for the sale of elk meat in Alberta so that Alberta ranchers have equality with other parts of Canada, do you foresee a change of timing for this legislation because of this recent development?

MR. ISLEY: Mr. Speaker, Bill 31, as the Assembly is well aware, basically does two things: it permits the sale of elk meat in this province, and it transfers the day-to-day supervision of game farming from Forestry, Lands and Wildlife to Alberta Agriculture. The regulations supporting Bill 31, which received third reading in this Assembly last spring, are nearing completion. I still anticipate that proclamation will occur early in 1991.

Groundwater Quality Monitoring

MR. McINNIS: Mr. Speaker, the Department of the Environment has recently told Albertans that it will no longer make vital groundwater monitoring data available to members of the public. Currently some lawyers in the Attorney General's department agree that the Clean Water Act doesn't allow people to know whether the water is clean or not, despite the fact that they may actually drink that water. Now, I suppose it's good that we have people in government who are checking to make sure that that information isn't released unlawfully. It's too bad there's nobody over there who's fighting for the public's right to know, that's our problem. I'd like to ask the Minister of the Environment, since we're now in session, if he will sponsor an amendment to fix the alleged problem knowing that he may be assured of speedy passage on behalf of the opposition.

MR. KLEIN: Well, Mr. Speaker, if the hon. member has a specific relative to this particular issue, I'd be glad to check into it. This is the first time it's been brought to my attention. I've been pretty good in the past about answering his correspondence, and I'll do so in the future.

MR. DECORE: But lousy at answering questions, Ralph.

MR. KLEIN: To the hon. leader of the Liberal Party. I'm doing the best that I can, which is more than he does at any time. [interjections]

MR. SPEAKER: Thank you. [interjections] Thank you. Perhaps members could engage in conversation by note or over coffee rather than back and forth during question period.
Supplementary, Edmonton-Jasper Place.

MR. McINNIS: Well, the issue, Mr. Speaker, is access to information. We have the groundwater data; we've got the Okotoks people who are trying to get a report on the contamination from 1985 of material put in their landfill. As recently as yesterday, the former British Columbia Minister of the Environment released a list of companies which are not in compliance with that province's legislation. At least he has the courage of his convictions. I would like to ask the Minister of the Environment for Alberta why this minister has refused to provide a list of companies and municipalities that routinely violate pollution standards in the province of Alberta.

MR. KLEIN: Mr. Speaker, the hon. member was informed that if he has a specific problem, a specific issue to be addressed, we'd be glad to address that issue, but if he wants us to go on an exercise of creating tonnes and tonnes of paper just for his benefit so that he can conduct his own investigation or witch-hunt or whatever you want to call it, then no, we aren't going to provide him that kind of information. If he has a specific problem with a specific company, let me know; we'll do what we can to facilitate him.

MR. SPEAKER: Thank you.
Calgary-North West. Let's go.

Northern Steel Inc.

MR. BRUSEKER: Thank you, Mr. Speaker. My question today is to the Minister of Economic Development and Trade. Over the past few years, this government, which professes – and I emphasize "professes" – to be driven by free enterprise and a market-driven economy, has invested in a variety of different companies with disastrous consequences. The litany of buy-outs and bailouts reads like a bad nightmare: Gainers, Lamco, Myrias, GSR, Northstar, Nanton Spring Water, and the recent NovAtel fiasco, where we get to buy the same company twice, spring to mind. Now I find out that the government has recently become the major shareholder in Alberta's largest steel fabricator, that being Northern Steel Inc. To the Minister of Economic Development and Trade: can the minister explain how and why the Alberta government has acquired an 83 percent controlling interest in this company, at the same time providing some \$15.6 million in loans and loan guarantees to Northern Steel?

MR. ELZINGA: Mr. Speaker, all members of this Assembly are aware that this province went through a very difficult period during the years 1986 to '89. Because of that, we injected ourselves quite heavily in the economy, and we don't for one moment apologize for that injection, because it created thousands of jobs within this province. This is just one example whereby we maintained some 250 to 300 jobs at Northern Steel. This company now has turned around since we injected some proper financial management in it, whereby in the year 1989 they made a million dollar profit. If the hon. member is suggesting that we're losing money, maybe he should check the facts.

I have also indicated that we are looking for equity investors. We've hired a consulting firm in Calgary so that we can have greater private-sector involvement in this company now that we have turned it around and have ensured the availability of jobs for close to 300 Edmontonians.

MR. BRUSEKER: Mr. Speaker, my research tells me that 20 out of 21 companies that are involved in steel fabricating in this province are successful, so why do we have to look after this one?

Given that there are rumours that the government is planning to conduct a fire sale of this company for the grand sum of \$1 plus assumption of the vast liabilities of this corporation, will the minister commit to disclosing all the financial information about this company including the cost of that 83 percent acquisition of all the shares in Northern Steel Inc.?

MR. ELZINGA: Mr. Speaker, if the hon. member would do his homework, all of those facts are public already. The orders in council are public. It's related, too, in the public accounts as it relates to our budgetary commitments. [interjections]

MR. SPEAKER: Order.

MR. ELZINGA: In addition to that, Mr. Speaker, we've issued press releases indicating our involvement every time we have involved ourselves with this company. We've done so so that everything is out in the open and above board. We are now looking, as I indicated to the hon. member, for equity investment in this company, which is a very important company to the province of Alberta. They are involved in projects that have

resulted in cost savings of millions of dollars to the Alberta taxpayer, because they have contracted work to our transportation department for which other companies out of province would have charged considerably more.

Mr. Speaker, it's a worthwhile company. If the hon. member is interested in the information, I'm more than happy to share it with him.

MR. SPEAKER: Banff-Cochrane.

3:10 Energy Resources Conservation Board

MR. EVANS: Thanks very much, Mr. Speaker. My question today is to the Minister of Energy. During the public hearings in October and November regarding the proposed environmental legislation, we heard a number of very complimentary comments about the Energy Resources Conservation Board. There appears to be a high level of satisfaction with the job that the board is doing, with one notable exception, and that's regarding how that board is dealing with environmental issues. As the minister has just passed through the House legislation on the natural resources conservation board, and I'm sure his own environmental awareness has been greatly enhanced, my question to the minister is: will the minister try to beef up or agree to consider expanding the environmental jurisdiction of the Energy Resources Conservation Board?

MR. ORMAN: Mr. Speaker, first let me say that earlier, I guess it was earlier this year or late last year, the Lieutenant Governor in Council approved the appointment of Dr. Brian Bietz, who has a PhD in biology, to that board. He is the first person of his educational background on that board, and that appointment really reflects our desire to have ERCB personnel at the board level with a background in biological matters, because on a regular basis, and more so as time goes on, they are dealing with environmental issues.

With regard to the mandate of the ERCB, there are a number of areas that could be broadened to be consistent with the public mood today. As these boards and agencies, Mr. Speaker, do their work in the community, they must be modified from time to time to reflect the changing priorities of the public. We have found that with the legislation for the natural resources conservation board we have seen a broader interest in environmental matters. We will, therefore, be considering areas in the ERCB legislation and regulations that could be broadened to be contemporary with the NRCB.

MR. SPEAKER: Supplementary, Banff-Cochrane, followed by West Yellowhead.

MR. EVANS: Thanks, Mr. Speaker. I'm pleased to hear the minister's comments and his commitment to the environment. In light of that commitment, could we have a commitment today from the minister to bring forward an amendment to the ERCB legislation in the spring sitting to increase that environmental mandate?

MR. ORMAN: Well, Mr. Speaker, I look forward to recommendations from the public committee that is being chaired by the hon. Member for Banff-Cochrane. Quite possibly his discussions with the public throughout the province on environmental matters in legislation will be of assistance to me in looking at ways of bringing the rules of practice and the regulations and the legislation into more contemporary focus.

I can say that I've had discussions with the hon. member, and there are areas such as broadening the definition of public interest, intervenor funding definitions, and the issue of directly affected, which may be areas that could become consistent with the NRCB legislation, which is quite contemporary and advanced in dealing with public input in environmental impact assessment. So I'll look forward to an ongoing discussion, and if we can conclude those discussions in time for the spring sitting of the Legislature, I'd be pleased to recommend to my colleagues changes to that legislation.

Buffalo Lake Stabilization Project

MR. DOYLE: Mr. Speaker, on Friday last the Minister of the Environment told this Assembly that either the natural resources conservation board or an independent panel would hold public hearings on the proposed Buffalo Lake stabilization project. While this is important, one cannot overlook the fact that the government itself is the project proponent and the driving force behind it. I'd like to ask the Premier: given that the Premier recently purchased 640 acres of land bordering the existing recreational facilities on Buffalo Lake, would he agree that because of his land investment it is no longer appropriate for him to actively push for the stabilization project to proceed?

MR. GETTY: Mr. Speaker, I have no land bordering Buffalo Lake.

MR. DOYLE: Mr. Speaker, very clearly I said: recreational land which is right beside his property.

The fact is that the Premier's on record in the *Stettler Independent* newspaper as saying that the stabilization project is "an absolutely key item to recreational and tourist [development and] use of this lake" and that he's "tried to speed up the process." To the Premier: given that the stabilization of the water level in Buffalo Lake will increase the value of the land surrounding the lake for tourism and recreational use, including the Premier's land, how does the Premier address the perception that by pushing within government for this project to proceed, he gives the appearance that he himself might benefit personally?

MR. GETTY: I'll repeat again: of course, I have no land bordering Buffalo Lake. As a matter of fact, Mr. Speaker, the person who has been the strongest advocate and a very effective advocate of the Buffalo Lake stabilization project has been the hon. Member for Lacombe, who has been fighting for that project for some time. I'm very pleased to be able to help him and to represent my constituents, because we're going to make sure that the Stettler constituency has one of the best tourism/recreation industries in the province. One of the keys to it is having a healthy Buffalo Lake as a recreational tourism attraction. We're going to do all the necessary things from an environmental point of view, and then we're going to make it happen. Isn't it too bad?

MR. SPEAKER: Edmonton-Avonmore, followed by Westlock-Sturgeon.

Administration of Justice

MS M. LAING: Thank you, Mr. Speaker. My questions are to the Attorney General. Milton Born with a Tooth has been

incarcerated for 12 weeks and repeatedly denied bail. Although he has apologized to the court and agreed to abide by the conditions of bail, he remains in jail. The same weekend that Milton was arrested . . . [interjections]

Speaker's Ruling Sub Judice Rule

MR. SPEAKER: Order please. The Chair cautions about the sub judice rule in this House, not a convention. So be careful of what the question is.

MS M. LAING: I'm being careful.

Administration of Justice (continued)

MS M. LAING: The same weekend that Milton was arrested, it is reported that threats were made, shots fired into the night air, and guns pointed at reporters attending the first annual Aryan Nation fest in Provost, where those gathered chanted: death to the Jews. No charges have arisen from the Provost incident. To the Attorney General: why is there this apparent inconsistency in the application of Canadian laws in this province?

MR. ROSTAD: Mr. Speaker, there are no apparent inconsistencies or any inconsistencies in these matters. On the incident at Provost there was a determination. I was asked that question not too many days ago in this Assembly. There were no charges laid on the genocide issue because there was no evidence under genocide. The investigation continues, and there may be some other charges forthcoming. That was the only issue that was determined at that time. It has absolutely no comparison to the Peigan incident.

MS M. LAING: Mr. Speaker, Amnesty International has been asked to monitor the situation involving Milton Born with a Tooth. Bail is a constitutional right of all Canadians, and in only two circumstances is it to be denied: one, that there is apprehension that the accused will not reappear in court or, secondly, that the accused is considered likely to reoffend. Neither of these conditions appear to apply in this case. My question is to the minister responsible for human rights: will the minister now step in and do a thorough investigation to ensure that Mr. Milton Born with a Tooth is not being denied his basic human rights?

MR. ROSTAD: Mr. Speaker, I would like to answer that question because this is a bad, bad reflection on justice. In this particular instance the accused has had numerous appearances in court and has had his bail application addressed. It has nothing to do with whether the hon. member thinks there's an injustice. There isn't. The issue has been before the court a number of times, once automatically at the end of a preliminary hearing, which is that person's right to have that put. The court has determined that bail will not be issued. I welcome any interventions by Amnesty International.

It's a puffery of the member. Justice is being done.

Speaker's Ruling Sub Judice Rule

MR. SPEAKER: The whole matter needs to be observed under 408(1)(c) and (d), hon. Member for Edmonton-Avonmore. Westlock-Sturgeon.

3:20

Pork Industry

MR. TAYLOR: Thank you, Mr. Speaker. My question is to the Minister of Agriculture. Much has been made about the breakdown in the GATT negotiations overseas and the truculence of the Europeans to take any reduction in restrictions on trade. Yet here in Canada we have our own restrictions between different provinces when it comes to trade, particularly in the pork industry. Also, there is quite a restraint on free marketing of hogs in Alberta because of the fact that this government continues to hold on to the ownership of Gainers. Now, my first question to the Minister is a fairly easy one to answer; I like to sneak up on him slowly. My information is that the minister has been made an offer for Gainers of \$1 plus the assumption of debt. Has he indeed received an offer such as that, and if he has, why didn't he accept it?

MR. ISLEY: Mr. Speaker, I've been waiting for a long time to hear the hon. Member for Westlock-Sturgeon ask a difficult question. I've also been waiting a long time for him to somehow get that rambling that he leads up to his question with correct. I am not aware of any restrictions that prevent pork or hogs from crossing provincial lines in this country. We've had some restrictions to the south. They appear to be getting sorted out.

The specific answer to his question is: I have seen no formal offer such as he describes. If he has one, I would appreciate him sharing it with me.

MR. TAYLOR: Mr. Speaker, that's one of my problems; he's only got a 10-second memory. The question was about whether he's received an offer for Gainers and whether he accepted it.

Let's go on to trading, and maybe you'll get a chance to answer that in the next question. The next question is with respect to hog trading. We now have three hog boards in Manitoba, Saskatchewan, and Alberta all undercutting each other. Would the minister convene the ministers of agriculture of these three provinces with the idea of forming one overall pork marketing board for the three prairie provinces?

MR. ISLEY: Mr. Speaker, maybe I will have to go back and answer the first question again and hope that the hon. member is listening. My answer was no; I have never received such a formal offer. If you have one, hon. member, please share it with me.

As far as your suggestion of trying to develop one hog board to handle the selling of all hogs in western Canada, that has been a matter that's been under discussion and review for some time now. Any assistance we can get in encouraging the three hog boards involved to unify would be greatly appreciated.

MR. SPEAKER: Calgary-Glenmore.

Economic Development

MRS. MIROSH: Thank you, Mr. Speaker. The economic affairs caucus committee of this government has had the opportunity to meet with a number of groups and associations over the last few months. It appears that there has been a concern expressed by these groups that this government has no vision or orderly plan for development of Alberta's economy or the diversification potential. This has been expressed particularly by the Manufacturers' Association. Will the Minister of Economic Development and Trade please address this concern regarding his department's vision and plan?

MR. ELZINGA: Mr. Speaker, it could be that the Manufacturers' Association has indicated such statements because of the difference of opinion that we have as it relates to the goods and services tax whereby this government has vigorously opposed that tax and they have endorsed it. If we look at the record of this government, we are encouraged with our involvement with the small business community, because over the last number of years they have created 60 percent of the jobs within this province. If we look at the increase in the exportation of our manufactured goods, that has occupied now some 30 percent of our total exports.

We are delighted that we have seen diversification become a reality in this province. One only has to examine the high-technology sector, our forestry sector, our tourism. We've been very involved. Mainly because of the leadership that this government has offered through our Premier, diversification is a reality, and we're delighted that we can create jobs for Albertans.

MRS. MIROSH: Mr. Speaker, the minister has expressed this and has mentioned this many times in this House, but how do we compare with the rest of the country and other provinces? [interjections]

MR. SPEAKER: Order.

MR. ELZINGA: Mr. Speaker, I'm glad to repeat for all hon. members the real advantage that the small business community has within the province of Alberta in that those small businesses that are under the income of some \$200,000 have the lowest taxation rate of any province in Canada. We are delighted that we also had some 18,000 participants in our interest shielding program. Also, we've got the Alberta capital bond program for the small business community, our export loan guarantee. Alberta Opportunity Company has had some 5,000 small businesses access that . . .

MR. SPEAKER: Excuse me, hon. minister. There seem to be a couple of pre-Christmas caucus parties going on here. Would you be quiet for a moment, please?

A one-sentence wrap-up.

MR. ELZINGA: Mr. Speaker, let me wrap up in one sentence by indicating that within the province of Alberta we have on stream or in the process of development projects totaling in the vicinity of \$25 billion, projects such as Westcan Malting, Alberta Energy Company at Slave Lake, Consumers Paper at Redcliff, Union Carbide, the Dow Chemical expansion.

MR. SPEAKER: Thank you, hon. minister.

A request under Standing Order 30. The Member for Vegreville.

head: Request for Emergency Debate**Tuberculosis in Elk**

MR. FOX: Thank you, Mr. Speaker. I rise under the provisions of Standing Order 30 to request that we adjourn the business of the House this afternoon to debate the urgent matter described in the following motion:

Be it resolved that in light of the recent serious outbreaks of bovine tuberculosis in game-ranchled elk the Legislative Assembly urge the government to suspend indefinitely proclamation of the Livestock Industry Diversification Act, Bill 31 . . .

MR. SPEAKER: Order in the whole House, please. Government members, especially cabinet ministers, as you're going out, please have your conversations with your members at the back. Thank you very much.

MR. FOX:

... and agree to undertake a comprehensive environmental assessment that includes open public hearings, independent scientific evaluations, and a complete review of the failure of the regulatory process in the current crisis.

Mr. Speaker, if I may, speaking to the urgency of this matter and in trying to describe why I think it warrants consideration by the Assembly this afternoon, I would refer very briefly to the history of Bill 31. I think we can all acknowledge that it was a direct reversal of stated government policy. They moved to legalize the sale of elk meat in the province of Alberta in spite of giving assurances to interested Albertans that that would not be done in this term. It was an about-face by the government, and they refused at the time to agree to hold open public hearings so that the tens of thousands of Albertans who believed that this was a wrong-headed move, who knew that this would have a serious negative impact on the wild populations in the province of Alberta, who felt that it was going to end up being some sort of fiscal boondoggle in the province of Alberta could be heard.

The government at every point refused to allow public hearings on the issue and, indeed, allowed only very limited debate on this important issue in the Legislature. They referred repeatedly to the comfort that should be provided by the regulations that are in place, that there are regulations, that fish and wildlife officers could enforce these regulations, that there would be accurate count kept of the animals on each ranch, and that movement would be monitored.

Mr. Speaker, in spite of the assurances given by the Minister of Agriculture in question period today, what we see today is that these regulations have broken down, that there is an absolute nightmare out there in terms of trying to keep track of where diseased animals are; who's got which animals on which farm. I might refer to the most publicized case of bovine tuberculosis in game-ranching elk. It's on the Cliff Begg ranch. In spite of the fish and wildlife records claiming that he owned 160 elk, 25 deer, and 25 bison, Agriculture Canada has only been able to confirm that there are 150 elk, 12 deer, and 15 bison on this ranch. Now, the gentleman in question has given several what I would determine as far-fetched explanations for these discrepancies, including coyote depredation, even though there are no carcasses, the sale of animals to an apparently nonexistent game rancher in the province of Saskatchewan. Great concern is caused by these discrepancies and the regulatory failure that is now before us, Mr. Speaker. It seems that reporting that was required to have been done has not been done, and I think we have a very serious situation made more serious by the fact that there is now a second confirmed outbreak of tuberculosis in the province of Alberta unrelated to the herd at the Cliff Begg ranch. In case the minister is unaware, it's on the Dean Baumann game ranch near Drayton Valley.

3:30

All of this potential threat with bovine tuberculosis in game ranching elk, Mr. Speaker, causing concern not only for wildlife populations in the province but the very large and very important domestic cattle industry in Alberta, caused Agriculture Canada to impose the captive ungulate order last week Friday. This order is expected to be in place for 30 to 60 days, prohibit-

ing any farm-to-farm movement of elk and any other game ranching animals. So I think we have mounting evidence of the growing threat. In fact, with the levels of compensation rumoured to be paid to game ranchers in the province perhaps an average of about \$10,000 per animal, with the number of animals that are suspected carriers of tuberculosis in our province and branching out into Ontario and Saskatchewan, this may well be the most expensive disease outbreak of animals ever experienced in Canada, Mr. Speaker.

It's a very, very serious issue, and I think the urgency of debating it today is the apparent discrepancy that exists between the two ministers that have shared responsibility in this regard. The Minister of Forestry, Lands and Wildlife, on tape quoted as saying that until the fledgling domestic elk industry is cleared of the disease, the province won't proclaim legislation governing the commercial sale of the animals' meat, and the Minister of Agriculture ...

MR. SPEAKER: Excuse me, hon. member. You've now had five minutes. Perhaps you'd conclude with regard to the urgency of the debate.

MR. FOX: The urgency of debate, Mr. Speaker, is that bovine tuberculosis in elk poses an enormous threat to the game ranching elk in the province, to the wild elk in the province of Alberta, to the domestic cattle industry in the province, and, the case could be made, to people in the province. It's an enormous cost to the people, and the ministers can't get their act together. The Minister of Agriculture rose in the House today to announce that proclamation would proceed sometime in January. With respect to the motion passed by the House yesterday, the House may adjourn later today, may adjourn tomorrow for all we know. I submit that this is the last opportunity that we as members of the Legislature in the province of Alberta sent here by Albertans have to convince this wrongheaded government that they'd better come to their senses, suspend proclamation of the Bill, and allow Albertans to have a say on this important issue through public hearings and through independent scientific assessment.

MR. SPEAKER: Thank you.

The Minister of Agriculture.

MR. ISLEY: Mr. Speaker, I stand in my place to speak in opposition to the motion from the hon. Member for Vegreville. Although I would agree that there is a serious problem that Agriculture Canada is dealing with, it is a disease problem that they are very knowledgeable and capable of handling. I can't for the life of me follow the argument that this matter has some urgency before this House. I can't for the life of me follow the logic that the hon. Member for Vegreville is trying to use in suggesting that there is some connection between Bill 31, a Bill that received the three necessary readings in this House last session, and an outbreak of tuberculosis in the province.

Bill 31, Mr. Speaker, if you analyze it, does two things. Number one, it legalizes the sale of elk meat in the province of Alberta and, in doing that, brings in a meat inspection staff and other resources in the control of diseases in the slaughtering industry. Now, that hasn't occurred yet. Secondly, it transfers the day-to-day supervision of game farming from Forestry, Lands and Wildlife to Agriculture. The logic the hon. member is trying to use in suggesting that a Bill passed by this House not yet proclaimed somehow led to an outbreak of tuberculosis fails to pass the test of logic in my mind, and holding proclamation of

the Bill or doing an EIA on that particular Bill will have no bearing on the problem.

I would repeat, Mr. Speaker, as I did in question period, that what we're dealing with here is an animal disease issue. Agriculture Canada is responsible for the control and eradication of diseases of this nature. They've done a tremendous job of maintaining our tuberculosis-, brucellosis-free status in our livestock industry. They're employing the very same technologies, the same staff, the same tests, the same eradication procedures in elk as they have done in beef cattle and other livestock in the past. As I suggested earlier on, it's a matter that Agriculture Canada is capably dealing with, that in my judgment they have under control, and certainly wasting the time of this House discussing it will not assist in any way in solving the problem.

MR. SPEAKER: Thank you.

Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker. I want to take a couple of minutes to support the request by the hon. Member for Vegreville. As one that supported the idea of game ranching and still does, I don't see anything that the government should feel remiss or concerned about in suspending the proclamation at this time. I think there's quite a panic out there in the industry. We get the case, for instance, of Agriculture Canada stopping buffalo from being sold. We have over 5,000 buffalo in northern Alberta that have had a clean record for a generation now, and they would like to continue selling their beef. They think Agriculture Canada is overreacting to what was their own mistake in the first place, because obviously somehow or other they let elk get into Alberta without proper examinations and were maybe not examining them at their sales.

The Minister of Agriculture should be quite pleased, Mr. Speaker, to support this type of motion, because surely he wants an industry handed over to him clean as a whistle, not one that's got some TB in it and some with no TB in it. In other words, by proclaiming it he has taken on the responsibility in industry. It seems to me that only normal prudence would indicate that he'd have everything in good shape before he takes over, and this thing moves in that direction. I know public hearings always scare the government, but I don't see anything particularly bad about it because the public hearings would cover a lot more than elk. I would look at it as a chance maybe to educate people in what elk ranching would do rather than something negative. I wouldn't be that concerned about it.

Mr. Speaker, I do think it is urgent, though, that some of the people that are suffering now are raisers of bison or some other exotic animals. They have all been quarantined by the federal government in, I think, an overreaction to the whole area of elk ranching. If this government said that they would delay the proclamation till everything was cleared up, I think it would help soothe Agriculture Canada and their jumpy veterinarians from extending the quarantine all over the place as they are now doing. [interjections]

MR. McINNIS: Mr. Speaker, on the subject of urgency.

MR. SPEAKER: No, hon. member.

MR. McINNIS: Just on urgency.

MR. SPEAKER: I'm sorry, hon. member; the answer is still no. The practice has been in the House that when we are . . . Under Standing Order 30(2) it does read:

The member may briefly state the arguments in favour of the request for leave and Mr. Speaker may allow such debate as he considers relevant to the question of urgency of debate and then shall rule.

We've heard from each caucus, and that has been set out with House leaders prior to meetings. I see nods of agreement. Thank you.

The Chair would first point out a number of difficulties here.

First of all – this is not a difficulty – the hon. Member for Vegreville did indeed comply with Standing Order 30(1) in giving two hours' notice. With regard to the matter of urgency it's quite obvious from scanning *Hansard* that even if we just look at the issue in terms of this fall sitting of the Legislature, the matter has come up on more than one occasion; for example, question period on December 7, question period November 26, and then again in question period today. It was also raised in committee by the Member for Edmonton-Jasper Place, I believe, on November 26. This, of course, deals just simply with this current sitting and does not take into account discussions which occurred with regard to the legislation earlier this year.

There's another difficulty involved here, though, that earlier today when the Member for Vegreville gave notice of motion to the House, the Chair did intervene and ask if it was under Standing Order 40 or Standing Order 30, because more appropriately in the form in which it has been submitted it really is a request under Standing Order 40, the reason being that under Standing Order 30 no motion can be formally presented under our Standing Orders.

Therefore, the Chair rules that this matter does not proceed because it is defective in form and also fails the test of urgency.

3:40

Orders of the Day

head: Written Questions

MR. GOGO: Mr. Speaker, I move that all written questions appearing on today's Order Paper stand and retain their places on the Order Paper.

(Motion carried)

head: Motions for Returns

MR. GOGO: Mr. Speaker, I move that motions for returns appearing on today's Order Paper, except for the following: 369, 370, 371, 389, 390, and 393, stand and retain their places on the Order Paper.

MR. SPEAKER: Thank you.

The Member for Edmonton-Kingsway.

MR. McEACHERN: Mr. Speaker, I'd like to speak against that motion. I find it almost as insulting as the one last week when he said that no motions were going to be put before the Assembly. The fact that he's named about six . . . [interjection] Well, there are only six motions out of 41 – in fact I counted them – that he intends to bring forward today. They are all by one member of the Assembly, and I commend him for putting them forward. They are good motions asking for information

about AGT and its subsidiaries: very important and vital information that we should have. Certainly we will support him when they are on the floor.

But, Mr. Speaker, there are some 35 other motions on the Order Paper which the minister is ignoring by his motion. It would not take the government five minutes to agree to pass all of those motions. They are all good ones, and all should be passed. Therefore, I don't understand why we don't have time today to deal with some of the other 35 motions that are on the Order Paper. Last day I pointed out some of the ones about NovAtel, another subsidiary of AGT, that I have on the Order Paper, that I think are crucial and important. But I've also added several that speak to other issues that are also very important to this Assembly. These are new and important issues that have arisen since the Assembly sat last spring, and they should be dealt with.

The minister knows as well as anybody else that by passing Motion 20 yesterday, this House could adjourn at any moment at the whim of the government. Therefore, it's incumbent upon the government to respond to these motions for returns. You can't do them six at a time in a few days unless he intends to be here through Christmas and into January. Now, if that's what he wants, fine; I'm willing to be here for that. But I don't believe for one minute he has any intention of doing that. So I don't understand why he's wasting the time of this Assembly by saying that we should go on to discussing motions that were put on the Order Paper last February and are now not so relevant as some of these motions for returns which are on the Order Paper now and should be dealt with before this Assembly adjourns.

I just want to point out a couple of the important ones that I've added to the list here so that the minister understands the importance of some of the questions being raised. Motion 425, for example:

That an order of the Assembly do issue for a return showing copies of all studies and analyses done for or by the Department of Technology, Research and Telecommunications or other government agencies assessing the financial viability or technological competence of Myrias Research Corporation.

We lost \$20 million on that deal, and this government hasn't come forward with an explanation or answer as to what's going on with that situation. We should be able to have those facts and figures and a discussion on that motion.

I also have a couple here on the Alberta stock savings plan. The government has decided to abandon it. It's time for a full accounting as to exactly what went on with the Alberta stock savings plan so that the taxpayers know how many dollars they put into it, how many jobs it created, how effective it was or wasn't, so that they can decide whether or not this government made a mistake with it and whether or not we should have that kind of a program at all; maybe compare it to some other stock savings plans from across the country and see if that's good economic management or not. There are two motions I have on the Order Paper in regard to that item.

Another important motion I have, 437, asks for information about Intermodal Services Limited: again a very topical question right now and something that the people of Alberta have a right to know.

So, Mr. Speaker, I don't accept that this government can just deal with one person's motions. They are good ones. There's half a dozen of them, but it only takes five minutes to approve them. So why didn't he stand up and approve them and then bring forward some of the others? I don't understand the attitude of the Government House Leader, who seems to think

that we don't need to deal with these questions before this House adjourns. It seems to me that it's part of the Standing Orders of this province that these motions must be dealt with before the session ends, so I'd like to know when he thinks he's going to do that if he intends to adjourn this House in the near future.

MR. GOGO: Mr. Speaker, I've listened with great interest to the hon. Member for Edmonton-Kingsway as though he were the only member in this House. He infers that other members' motions are not important. He infers that no other member of this Assembly has any rights.

MR. McEACHERN: 'That's nonsense, and you know it.

MR. SPEAKER: Order.

MR. GOGO: The hon. member, Mr. Speaker . . .

Speaker's Ruling Interrupting a Member

MR. SPEAKER: Government House Leader, thank you. [interjections] Members, please. You know your own Standing Orders about interruptions, and we'll adhere to it, or else you're going for a walk.

MR. McEACHERN: Well, let him state the . . .

MR. SPEAKER: Order. There's also a citation in there that the Chair deserves to be heard in silence. So if there are any more interruptions, you will indeed take a hike.

The Deputy Government House Leader.

MR. GOGO: Mr. Speaker . . .

Point of Order Factual Accuracy

MR. McEACHERN: A point of order.

MR. SPEAKER: Thank you. Let's listen to this point of order.

MR. McEACHERN: I did very carefully wait for you to finish your comments before I spoke. My point is that the minister when he is speaking should state the facts as they are. I did not say that other members' motions were not important, so I don't think he should say that. That was the point I was trying to make.

MR. SPEAKER: Your reference is Standing Order . . . Thank you.

There's no point of order.

The Deputy Government House Leader, please.

Debate Continued

MR. GOGO: Mr. Speaker, I was about to say that the hon. Member for Redwater-Andrew and the hon. Member for Edmonton-Whitemud and the hon. Member for Calgary-Glenmore since January have had matters on this Order Paper like surface rights, a matter to be discussed today, which is important to his constituents. I get the inference from the hon. member representing the New Democrats that they're the only people that exist. Do they think for one minute that they can pre-empt other members of this House who want to present to the government their thoughts on behalf of their constituents?

Because that's what the hon. member is talking about, Mr. Speaker.

**Point of Order
Imputing Motives**

REV. ROBERTS: A point of order.

MR. GOGO: The hon. member . . .

MR. SPEAKER: Hon. Deputy Government House Leader.
Point of order, Edmonton-Centre.

REV. ROBERTS: Mr. Speaker, under Standing Order 23(i) I would wish that the Deputy Government House Leader would use caution in his language in terms of what certain members of this Assembly have in terms of inferring or imputing motive. There is certainly every opportunity at this point in the Orders of the Day to debate this motion. We are legitimately debating a motion under Motions for Returns that some motions stand and retain their places. If the member opposite has some difficulty with debating that motion which he put forward, he should say that, but he should certainly not infer or impute motive to some members of the Assembly that we only have certain interests at heart. We want to follow the Order Paper as it is, get some motions for return, and then get on to other matters on the Order Paper.

Thank you.

MR. SPEAKER: Thank you. I'm sure the minister will take your advice under consideration, and I'm sure that other members on both sides of the House will pay attention to it with regard to question period.

The Deputy Government House Leader.

Debate Continued

MR. GOGO: Thank you, Mr. Speaker. In closing debate on this motion that some six motions for returns be held, I would remind hon. members there are some 90 motions other than government motions on the Order Paper compared to motions for returns. These are members who sincerely want to impress upon government – and I would remind hon. members of the House that government consists only of Executive Council – members who on behalf of their constituents want to put forward arguments. Tuesday last the hon. members of the opposition – only members of the opposition – occupied a full hour in arguing, whereby the hon. Member for Redwater-Andrew could not present his motion.

So I simply close the debate by saying: let's be fair to all members of this House. The government's prepared to respond to six motions for returns today, which I think is very significant, and if the hon. Member for Edmonton-Kingsway would simply wait until the ministers responsible answer . . . [interjections]

**Speaker's Ruling
Interrupting a Member**

MR. SPEAKER: Thank you, hon. minister.

MR. SIGURDSON: The Second Coming.

MR. SPEAKER: Order, Edmonton-Belmont. I don't know if you were present a few moments ago. Well, the word is here: there'll be silence while someone else is speaking. If you missed that, I'm sure you recognize it from your own careful study of Standing Orders.

The Chair doesn't mind if we're going to be here till the end of January in terms of your own particular individual schedules, but we're not going to have this House disintegrate into a shouting match.

Debate Continued

SOME HON. MEMBERS: Question.

MR. SPEAKER: There's a call for the question.

[Motion carried]

3:50

Alta-Can Telecom Inc.

369. Mr. Bruseker moved that an order of the Assembly do issue for a return showing all documents detailing the profit or loss associated to investments by Alta-Can Telecom Inc.

MR. BRUSEKER: Mr. Speaker, I'd like to first of all thank the hon. Minister of Technology, Research and Telecommunications for taking the time to answer these questions and fulfilling a commitment he made earlier.

Speaking briefly to Motion 369, Mr. Speaker, I think I've already addressed this motion on another occasion. Alta-Can Telecom is, of course, a subsidiary of Alberta Government Telephones. Therefore, profit and loss investments made by Alta-Can Telecom could and perhaps will have an impact upon the net value and profitability of Alberta Government Telephones. So I would urge all members to support Motion for a Return 369.

MR. SPEAKER: That closes it. [interjection] Thank you. [interjection] No.

The House will take a five-minute break because there's a procedural difficulty incurred from a motion earlier in June.

[The Assembly adjourned from 3:52 p.m. to 4 p.m.]

MR. SPEAKER: Order please. Order. As diligently promised, at 4 o'clock we reconvene. The Chair appreciates the consultations which took place. Some of it was a procedural variation which had occurred back in June.

With regard to Motion for a Return 369, the Member for Calgary-North West has technically summed up the debate.

[Motion lost]

Alta-Can Telecom Inc.

370. Mr. Bruseker moved that an order of the Assembly do issue for a return showing all annual reports of Alta-Can Telecom Inc. and its affiliated companies from incorporation to 1989.

MR. STEWART: Mr. Speaker, I accept Motion 370.

[Motion carried]

NovAtel Communications Ltd.

371. Mr. Bruseker moved that an order of the Assembly do issue for a return showing all annual reports of NovAtel Communications Ltd. from its incorporation until 1989.

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

MR. BRUSEKER: Thank you, Mr. Speaker. Just speaking briefly to this motion again, NovAtel Communications Ltd., as we know, is a subsidiary corporation of Alberta Government Telephones. We've seen recently that there has been a concern with respect to the future profitability of NovAtel and therefore indirectly AGT as a result of NovAtel's projected performance over the 1990 fiscal year. As recently as today there have been articles in different media that say that projected sales will be some \$50 million less than first anticipated, which again, of course, is going to have possibly another impact on the profitability of AGT.

I will close debate there and hope that the minister will agree to this one as well.

MR. STEWART: Mr. Speaker, I accept Motion 371.

[Motion carried]

Telesat Canada

389. Mr. Bruseker moved that an order of the Assembly do issue for a return showing a list of all transactions between Alberta Government Telephones and Telesat Canada.

MR. BRUSEKER: Again, Mr. Speaker, the intent of this motion for a return is to look for some background, some of the details into the financial dealings between Alberta Government Telephones and other companies, corporations; in this particular instance, Telesat Canada. So being on a roll, I hope, I'm sure the minister will agree to this one as well.

MR. STEWART: Unfortunately, Mr. Speaker, I must reject this one. If you read the motion carefully, in talking about "all transactions," the uncertainty that exists there may indeed include each and every call that utilizes the facilities of Telesat Canada. If the hon. member would refer to *Beauchesne* 446(2)(g), I would think he would see that the reason for refusal of the motion is on that ground. Also, the type of information that presumably is requested here I believe would be internal information with respect to Alberta Government Telephones. Therefore, pursuant to *Beauchesne* 446(2)(n), it would not be producible.

MR. SPEAKER: Additional comments? Call for the question.

[Motion lost]

Alberta Government Telephones Commission

390. Mr. Bruseker moved that an order of the Assembly do issue for a return showing a copy of the Alberta Government Telephones Commission reports for the last five years regarding the application of the capitalization policy as detailed in the 1988-89 AGT annual reports.

MR. BRUSEKER: Mr. Speaker, the purpose of this motion for a return is to deal with the future development of Alberta Government Telephones. Of course, as we all are aware, the telephone and telecommunications industry these days is a very highly computerized, very highly technical field that requires constant inputs of capital for upgrading of new equipment. I believe that during the debates that came out of the Bill sponsoring the privatization of AGT, one of the comments made on a number of occasions by different ministers, including the Premier and, I believe, the Minister of Technology, Research

and Telecommunications, was that AGT required substantial additional capital in order to develop and be fully competitive. So what we're looking for here is: what is the plan involved behind that?

[Mr. Deputy Speaker in the Chair]

MR. STEWART: Unfortunately, Mr. Speaker, I must reject the motion on the same basis that I indicated for 389: the uncertainty with respect to the motion itself in referring to "the capitalization policy as detailed in the 1988-89 AGT annual reports." I've gone through those reports, and I don't see any indication of the detail of the capitalization policy that the hon. member refers to in his motion. As well, on the basis of *Beauchesne* 446(2)(n) we'd have to say that the motion should be rejected.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Kingsway.

MR. McEACHERN: Yes. I'd like to just add my voice to the Member for Calgary-North West in suggesting that the minister should try to put together some information about this. Is he telling us that AGT under this minister's jurisdiction had no capitalization policy, no plan on which it was going to capitalize further expansions or new developments? One of the big points that he made when he decided to sell AGT, or at least so he told us, was that in fact AGT was going to require a couple of billion dollars over the next three to five years and that's one of the reasons they had to be privatized: because the Alberta taxpayers shouldn't have to take on the burden of raising that kind of money. I don't think he had a policy at all, and I don't think he thought the thing through fully.

Surely in the first year, year and a half, or two years, however long it takes for the minister to complete the sale of AGT, it really means that the government is taking \$1.4 billion out of the company. To do that, they of course were selling shares across Alberta and Canada and maybe even some foreign ones to a certain extent. So where is AGT going to get the new capital, then, that it needs to meet this private-enterprise competition that the minister has touted so much? It would seem to me that what he's doing is putting the new AGT in the hole to the tune of about a billion and a half dollars by taking that much out of it.

It's going to be two years at least if not three years before the new privatized AGT can again go to the markets, and when they do, they will find that most of the small investors in Alberta and Canada have taken up their offerings already and have put what money they want into it. In order to get new money, they'll have to look for new partners that will not be content with a 5 percent ceiling, as the legislation now says, or the 10 percent foreign ownership limit. So we'll have big corporations that are willing to become partners of the new AGT looking to buy in, but they won't want those kinds of restrictions; they'll want to become substantive partners that have some say in running the company. That's the only place he's going to get new capital for the new expansion of AGT in the three- to five-year period that he was referring to.

So I guess the minister's answer in saying that, you know, he didn't find anything in there about a capitalization policy is just the same as he didn't think about capitalization in the long run or plan it through or he would never have proceeded with the sale in the first place. If he has anything worth giving us, then

he should give it to us. Probably he hasn't, and that's why he's turned it down.

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

MR. BRUSEKER: Thank you, Mr. Speaker. In closing debate, I would just like to express my disappointment in the minister's response to this. My disappointment stems, as I said earlier in my opening comments, from the concern about future growth and development of this company, one of the moving factors, albeit not the only one, but it was of the prime factors behind the government's policy decision and subsequent implementation to privatize Alberta Government Telephones. So although the minister says that he couldn't find it in the 1988-89 annual reports, clearly there was a mention of it in there that talked about where this company needed to go in the future, and that led to the privatization.

Although I have no doubt that the hon. caucus colleagues of the minister will join him in voting this motion down, I would urge all members to give it their consideration and vote in support of Motion for a Return 390.

[Motion lost]

Alberta Government Telephones

393. Mr. Bruseker moved that an order of the Assembly do issue for a return showing:

- (1) What are Alberta Government Telephones' present monthly local rates for the following groups of subscribers: rural business, rural residential, urban business, and urban residential?
- (2) What are AGT's present monthly long-distance rates for the following groups of subscribers: rural business, rural residential, urban business, and urban residential?
- (3) How many long-distance customers were served by AGT on a yearly basis for 1989 or the latest year available?
- (4) How many customers were served by AGT on a yearly basis for 1989 or the latest year available?
- (5) How many local calls were made by AGT subscribers in 1989 or the latest year available?
- (6) How many long-distance calls were made by AGT subscribers in 1989 or the latest year available?

MR. BRUSEKER: Thank you, Mr. Speaker. I'd like to speak briefly to it, although the motion does seem quite long. The purpose of this motion deals with the concept of cross-subsidization, which was something that was raised early on and throughout the debates on the privatization of Alberta Government Telephones. As the minister is aware, the jurisdictional control of AGT is passing from provincial to a national body, therefore, things like long-distance rates for AGT are changing. In fact, since I put this motion for a return on the Order Paper, the rates have changed, so that may make it a little more difficult for the minister to respond.

The intent of this motion is to obtain information from the government regarding the breakdown, not just the consolidated figure at the end of the financial statements but in fact a breakdown in terms of different departments from where the money has come and where the money is being expended. I suspect that this should not be a terribly difficult category for

the minister to respond to, so I urge all members to support Motion for a Return 393.

MR. STEWART: Mr. Speaker, I accept Motion 393.

MR. McEACHERN: Mr. Speaker, I'd like to speak to it.

AN HON. MEMBER: Well, it's accepted.

MR. McEACHERN: The fact that it has been accepted doesn't mean that it isn't a debatable motion just the same. [interjections]

Just a couple of points that I would like to raise. For example, you guys will laugh, but it would have been much more acceptable and reasonable for the minister to have accepted this motion last spring rather than hold it over till the summer and wait till the privatization has taken place and many events have occurred that make it now rather late to get this information. It will be useful, we will look at it, and I thank the minister for giving it to us, but it would have been a good idea. [interjection]

Mr. Speaker, if the Member for Calgary-McCall has anything worth saying, I wish he would stand up and say it publicly instead of sitting there bitching away when I'm trying to speak. [interjections] Get on the Order Paper and stand up if you want to speak; otherwise keep quiet.

The point I wanted to make initially, then, was about the timing of this thing. Clearly the government could have given us information last spring. The other point I wanted to make is that it's all very well for the minister now to say he'll provide this information, but last spring when we were debating the privatization bill for AGT in this Assembly, the minister indicated that there would be no change in rates because of the privatization. I suppose he could argue that the main reason for the changes in rates were due more to the long-distance market so-called competition that is coming whether we like it or not with Unitel's application to the CRTC, but of course Alberta Government Telephones would not have been regulated by the CRTC if it stayed a public company instead of a private company, so the minister can't hide behind that.

The long-distance competition is very closely tied in with the privatization. The two are part of the same ball of wax in changes that are being made in the telecommunications industry in this country. To bring us in line with Americanization . . .

Point of Order Imputing Motives

MR. GOGO: Point of order, Mr. Speaker.

MR. DEPUTY SPEAKER: The hon. Deputy Government House Leader is rising on a point of order.

MR. GOGO: Under 23(i) the question's been put by the hon. member for Calgary-North West, a very serious question. The hon. minister has responded in the affirmative. Now the hon. Member for Edmonton-Kingsway is making really a lark of it by saying that the minister's hiding behind something. The minister has agreed to respond. Let's get on with the business of the House, Mr. Speaker, and let hon. members have their day.

MR. McEACHERN: On the point of order, and of course I have a right to speak to it, the point that I make is still a valid one.

Debate Continued

MR. McEACHERN: I will go on to the second point I wanted to make to do with the rates, and that is that the minister, when he was privatizing the Bill, said that the rates would not change, yet at the same time we were debating that, he had put out an order because . . .

AN HON. MEMBER: Sit down, you jerk.

AN HON. MEMBER: Order.

MR. McEACHERN: Mr. Speaker, I don't see why this member should stand here and say, "Sit down, you jerk," when I've got the floor. I've legitimately got the floor, and I will not put up with that kind of bullshit from him. He does not need to act like that. [interjections] Well, that's these two members. They won't keep their mouth shut.

AN HON. MEMBER: You used to teach school, eh?

MR. DEPUTY SPEAKER: Order please. The Chair must say that the Chair didn't hear the comments the hon. member is complaining about.

MR. McEACHERN: That is because, Mr. Speaker, they make sure that you don't hear. They make sure that just we hear. He said exactly what I just said. [interjections] If the minister wants me to get on with this, then he'd best ask his other people to quit interrupting and let me get on with it, because I have a few things I want to say.

The minister of telecommunications promised that there would be no change in the rates to Albertans, that there would be no difference to the monthly bills of the people of this province if he privatized AGT. Yet when AGT could no longer be regulated by the Public Utilities Board and when it was not yet privatized so therefore could not be regulated by the CRTC, the minister was in total control with the committee he set up. While he was in control, he was the one that gave the order that allowed AGT to raise monthly rates by between 20 and 30 percent in every part of the province except Edmonton – which has its own system, as people know – at the same time lower long-distance rates, and at the same time send out a letter to all the weeklies of this province telling the people of rural Alberta that the rates would not change.

Now, Mr. Speaker, had we had this information before, at least we'd have had the rates on hand and had them in the Assembly when we had a chance to debate the Bill, and we could have gone into the debate on the rates with more information and facts before us and caught the minister out more easily than we can now. It's a little late. Now he's already privatized it; now he's already made the changes.

If the deputy leader of the government would like to expedite the business of the House, then what this government needs to do is to agree to give us more of the information we ask for in motions for returns. When they say no, that's when it takes the longest. That would speed things up much more than worrying about playing off one set of motions against another.

[Motion carried]

**head: Motions Other than
Government Motions****Surface Rights Compensation**

222. Moved by Mr. Zarusky:

Be it resolved that the Legislative Assembly urge the government to introduce amendments to the Surface Rights Act to ensure that a compensation order be a right attached to the ownership or occupancy of the land.

MR. DEPUTY SPEAKER: The hon. Member for Redwater-Andrew.

MR. ZARUSKY: Thank you, Mr. Speaker. It's a pleasure long overdue to finally debate this motion in the House, which was on the Order Paper probably since January of 1990 and in another form since 1989. I'm glad it did finally come up.

I think the opposition really bombarded this one, because Thursday last I had four constituents here to listen to the debate of this motion. I think it is a very important one. They saw how the opposition, both parties, do not care about what is happening in rural Alberta with surface rights. I'm sure they took that back to Redwater-Andrew constituency and maybe many of their friends all over Alberta.

Mr. Speaker, I just want to tell the House what this motion is all about. Motion 222 calls for the government of Alberta to amend the Surface Rights Act in order that compensation payments be attached to the land. Such an amendment would ensure that the current owner or occupant of the land receive surface rights payments compensating for disruptive activities on land.

[Mr. Jonson in the Chair]

Mr. Speaker, for those that probably don't know what surface rights payments are all about or are intended to be, it's mainly an inconvenience of dealing with the operation of a company which has the right to work the minerals under the surface of the land or a company authorized by some other legislation to construct a power line, pipelines, or telephone lines on private land. Surface rights is a term that people in Alberta associate mainly with oil company activities on farmland. That's through a surface lease or entry fee. An oil company gains the right either to put in a road, oil well, or pump on a farmer's land, and the oil company must then provide regular compensation payments, which essentially represent the rent of this bit of land that they use.

I can tell you that it's for the inconvenience of farming around either the oil company's road, wells, pumps, or other obstructions, and I think this is probably coming out more than ever right now with the low grain prices and the crisis in agriculture. Right now you can't afford to be going around roads and oil wells or gas wells in the middle of a property or whatever other part of the land that's being farmed. Being a farmer with some gas wells and probably roads to them and different pipelines, I know what the inconveniences are and the actual costs of fertilizer and fuel and grain for seed. So these are some of the things that we have to look at.

4:20

I think, Mr. Speaker, the entire process seems simple, workable, and fair. The industries are allowed to carry out these operations, and the farmer continues to farm, with compensation for the small amount of land that is rented by the operator. This co-operative agreement exists in most cases, but I think, however, we have some situations in the province in which the operator, meaning the intruding company, is operating on a farmer's land but the farmer is not receiving any compensation. I think this situation arises when the landowner who originally signed the lease agreement with the operator retains the surface rights payment after the land is sold. This creates a situation where the operator continues to exercise the right to operate on land while the new owner receives no compensation at all. I know this is happening in many areas, probably where there are older oil fields. Redwater is a good example; the oil fields have been there since 1947 or even earlier.

I know that the argument comes that the lease agreement is attached to the title and when the land is being sold or bought, this should all come out, and the person knows whether he's buying the surface rights or not. In cases where land changes hands only once or where it's current it seems to work okay, but in these oil fields where the leases have been in since early years, there are some cases where the land has changed hands three, four, maybe five times even, and all of a sudden this gets lost and the new owner coming in doesn't realize what some of these inconveniences might be.

As I said, you'd think these situations are very rare, but in my constituency of Redwater-Andrew, mainly in the Redwater area, there are many farmers that have come to me with this problem of not realizing what they were getting themselves into. Some of them have met with me; others have signed petitions which have come in to the minister and asked for this to be resolved. What they are looking at mainly is not getting a whole chunk of money or whatever for the oil well site or the road being there but just for some compensation for working around these situations. I think these are some of the things we have to deal with today. Many of the members in this Assembly, if not all, will realize that there is a problem situation out there which can be corrected, and I think we should be able to seek an equitable solution.

There are some problems resulting out of this, and before I expand on some of these possible solutions, I think it's important to further outline the problems that result when compensation payments are collected by individuals or parties who no longer occupy or own the land. I think the distortion intent is where this is at. Quite simply, Mr. Speaker, the government must take action, because when compensation doesn't get into the hands of the landowner or occupant, we defeat the purpose of the original intent of surface rights payments. When Albertans decided that we needed a fair and direct process to satisfy both the operators and landowners or occupants, they did not intend compensation to go anywhere else but to the person who lives and works on the land. If the compensation isn't going to this person, I think the process simply doesn't work.

As I indicated earlier, for the most part the process *is* working, but in a number of cases it isn't. Now, I know the Alberta Surface Rights Board suggests that approximately 20 to 30 percent of the time a former landowner will retain payments. I think that is not an insignificant number, and each year we continue to allow this, we compound this problem.

Mr. Speaker, it's not the first time this issue has been brought before the Alberta Legislature, because I know that in 1982 a select committee to review surface rights submitted a report to

the Alberta Legislature advising the government to amend some of these sections of the Surface Rights Act. Reading through the report, one of the recommendations involved the question of assignment of compensation. The committee felt that landowners with industry operation on their land should be the ones who receive compensation for their leases and not the previous owner or anyone else. So you can see that was a recommendation of this committee.

MR. TAYLOR: Mr. Speaker.

MR. ACTING DEPUTY SPEAKER: Yes, hon. member. A point of order?

MR. TAYLOR: Not a point of order. I was just wondering if the hon. member would permit a question to try and clarify his motion.

MR. ZARUSKY: Go ahead.

MR. TAYLOR: I have trouble, hon. member. You say the compensation is a right attached to the ownership or occupancy of the land. Listening to you, it sounds like the occupancy. What do you mean?

MR. ZARUSKY: Hon. Member for Westlock-Sturgeon, I think if you'd give me the chance to go on with the explanation and the points . . .

MR. TAYLOR: I'm sorry, I've waited 10 minutes.

MR. ZARUSKY: Be patient; it's coming.

Mr. Speaker, as I've said, I am coming to all these, and if the hon. member wants an explanation of an "occupant," I guess that could be done. I think what he's thinking is that occupant is one that would be renting the land on a year-to-year basis, which is happening in some cases. But that's a yearly agreement. That is completely different. Occupant also means a person that's farming the land on an agreement for sale, on a long-term lease, lease to purchase, and on some mortgage agreements. Those are also considered occupants, hon. member. I think as we go along, you'll see why some of these are very important. Only a few years ago in Saskatchewan a review of surface rights legislation was conducted, and it also recommended that legislation be introduced to ensure that surface rights payments run with the land.

Is that enough of an explanation for you?

MR. TAYLOR: No. You've left me on both sides of the fence. But I'll keep listening. I still want to know who's supposed to get the money, the owner or the other.

MR. ACTING DEPUTY SPEAKER: Order please. Proceed, Member for Redwater-Andrew.

MR. ZARUSKY: Thank you, Mr. Speaker. When I first started, I think the motion said that compensation should either go to the owner or occupant of the land. Now, I've explained what "occupant" could mean. It doesn't mean a person that's renting on a yearly-basis contract, because that contract is renewed every year. So there shouldn't be any problems there. Also, "occupant" could be where it's an inheritance and where there could have been some family disagreements and for some reason the right person isn't getting the compensation.

4:30

I want to get back to the committee that went around the province in 1982. I know the committee ran across situations where land had changed hands, as I said, three or four times, which happened in the Redwater area in the previous 20 to 30 years. Successive people have been willed lease revenue, and finally it turned out that the lease compensation was also willed to a public institution, which again puts a different twist into all this. Meanwhile, the farmer continues to work around the operation and has no way to resolve the matter. In this case, as in most, the operator sided with the farmer, and I can tell you he was completely frustrated.

I know that in Saskatchewan many cases were found where compensation was being collected by individuals in other provinces, other states, and in fact other countries, some who had never seen the land, let alone worked on it. So you can see the inequities there. Such examples presented a strong case for amending legislation, but unfortunately in the end these recommendations have not been incorporated into legislation because it was felt that such a condition would violate contract and property rights. So you can see that at that time this is what happened, but I know that legislation can always be opened up again.

Mr. Speaker, I think there's no perfect solution to this problem, but when we talk about the violation of rights, it seems that allowing compensation payments to be allocated all over the countryside and leaving the individual and the land with nothing is a much greater violation of rights. I think just today there were some questions on human rights, and this being human rights week, I think it might be an appropriate time also to debate this.

Mr. Speaker, I think there are also legal inconsistencies, because another problem concerning this issue is the current relationship between the original lease and the right of entry and allocation of compensation. Under section 16 of the Alberta Surface Rights Act, a right of entry allows the operator "the exclusive right [to] title and interest in the surface of the land" for reasonable operational practices. This amounts to a statutory declaration that the right of entry order and its provisions run with the land. Since the right of entry runs with the land, the obligation and responsibility to honour the right runs with the land as well.

Now, here are some points that I think are quite relevant. As indicated earlier, the Surface Rights Act, specifically section 32, allows for assignment of compensation, transferring the right to receive payment, yet the Act maintains the operator's right of entry and the obligations of the landowner or occupant. So if the right of entry or lease agreement runs with the land and along with it runs the landowner's or occupant's obligation to honour that lease, why shouldn't we ensure that payments compensating for that obligation run with the land as well? So you can see that one side has all the rights on their side, and the other one, because of changes in ownership or occupancy, doesn't. I think this is an area where we could alleviate some problems between operators and farmers, because another problem that results from assignment of compensation is difficulty between the individual working on the land and operators. When a farmer deals with the inconvenience of roads, pumps, and well sites without collecting compensation, I think a poor working relationship often develops. You know, if you figured it wasn't as bad and all of a sudden you got all this and you're dealing with the operator and not getting paid for it, it sort of creates problems when you're right out in that field.

I think because the landowner/occupant was not involved in the original lease agreement, he or she is not always aware of the particular conditions and restrictions of access. As I said, in the Redwater-Andrew constituency cases have developed where the farmer is not even able to determine which section of land the operator has the right to enter and operate because he is not allowed to examine the original lease agreement. In these cases the farmer has literally locked the operator out until he's permitted to check the lease to find out if the company is operating according to the conditions of the original agreement. I think if situations like this were rectified, Mr. Speaker, that would allow a better working relationship to develop between the operator and the farmer. Again, these stresses wouldn't be there.

In rural Alberta the agriculture industry and the oil industry have always served as the economic backbone, because one complements the other. I think co-operation between the two industries is important, and we need to consider ways in which we can enhance the relationship rather than continue to drive a wedge between the two. These are some of the areas, as I've said, where we want the agriculture and oil and gas industries to work together to create the jobs we need out in those areas and, at the same time, make the farmer happy.

I'd also like to point out that in almost all cases the operators want to see compensation payments go to the current landowner and occupant. I think when that happens, as I said, it's a win-win situation. I don't think I need to go into the question of owner/occupant any more; I think I've explained that not only to the hon. Member for Westlock-Sturgeon but also to other members here. I know that right now the government of Alberta already recognizes and practises a policy of occupancy, and that is when a rancher secures a grazing lease on Crown land. This rancher is the occupant of the land, and they are allowed to collect compensation payments for any operation activity. So that is going on out there on leased land, in community pastures and other areas.

Currently the Surface Rights Board assigns compensation to the occupant in many situations. I think the Act recognizes an occupant's right to receive compensation. If we amend the Act to ensure that compensation payments run with the land, we must also recognize that not only landowners but also occupants would be entitled to it, as I've explained earlier. I think in each of the cases, whether it be long-term lease agreements for sale or others – I said common-law mortgages – the occupant has possession of the land but does not have title, and he or she must incur the cost of operator obstructions and activities. For this reason again, the occupant should receive compensation payments.

4:40

Some of the possible solutions to this Act would be, as I've said, to amend the Act so rights run with the land. I think the most obvious course of action is to amend the Surface Rights Act so that compensation payments run with the land, as I've said in the past. This provision has been incorporated into the Manitoba Surface Rights Act. Section 62 of the Act reads as follows:

Orders of the board and agreements respecting surface rights entered into between an operator and an owner or occupant shall run with the land and shall enure to the benefit of and be binding upon the successors in title or interest of the owner or occupant, as the case may be.

So it's been legislated in some provinces.

Mr. Speaker, an amendment to the Alberta Act incorporating the same provision is the intent of Motion 222. Through

discussing this matter with the Manitoba Surface Rights Board, it seems they have had very few problems with the assignment of compensation since the legislation has been put in place. If we amend our Act in a similar manner, I think future problems with the issue can be avoided.

I guess one of the other areas we could look at, Mr. Speaker, is to increase compensation to benefit current owners. I think the proposals I have mentioned to this point would only impact some of the future cases, but we'd also have to deal with some of the past ones. As I've said, I have a concern for the farmers who have already bought land with industry activity but do not receive this compensation. I think they could be brought into this motion and Bill by giving them an increase in dealing with the oil companies and getting them an increase of compensation and some of this going to them.

Mr. Speaker, I know that some of these individuals who have bought land with surface rights going to the previous owner have no legal recourse to collect surface rights, but the government can take action to assist these farmers. That is, as costs for farmers increase, compensation payments are subject to review. I think they also could be increased when operations are increased and economic changes come. An increase in compensation would reflect changing economic factors and increasing industry activity on the land. We need to make sure that the landowners or occupants who are impacted by these changes benefit also from these increases.

In conclusion, Mr. Speaker, I think it's clear that we have a problem out there. It's been brought up, I'm sure, with some other members of this Assembly. In many situations surface rights compensation payments are subsidizing someone's pension or holidays, and I think where they should be used is to offset costs for the farmer and the farming operation. The result is difficulties, as I said, between farmers and operators, long hours of hearings for the Surface Rights Board, contractual disputes, and, in short, confusion. I think we can limit these problems in the future by amending the Act as I have indicated. For those who are already in this situation, we need to amend this Act so increases go to the current landowner or occupant. So there is an area where this can be addressed.

I think these proposals are fair and equitable solutions. I would ask at this time that the members of this Legislature support this motion, and I would hope for passage of this motion in the Legislature today.

Thank you, Mr. Speaker. I look forward to support on this motion.

MR. ACTING DEPUTY SPEAKER: The Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker. In rising in this debate, I first want to congratulate the Member for Redwater-Andrew for bringing up an issue that is certainly a very high priority with many people out in the rural areas. However, I did find it awfully confusing as to the point he was trying to get across.

If the amendment the hon. member wishes to put to the Alberta Surface Rights Act is to restrict owners of land from retaining ongoing compensation after they have sold the land, I think he's certainly on the right track there and I'm one hundred percent in support of that, because in effect what they're doing is splitting title, which they wouldn't be allowed to do if they were going to try to keep title for two or three acres out of a quarter section or 10 acres out of a quarter in order to keep it for housing or shooting or ducks or anything like that. Yet here,

somehow or another through the medium of a clause in their sale agreement, they are allowed to hold on to the money paid as compensation for well sites or rights of way, whatever it is. I think that is patently wrong, and I'd certainly agree with the member on that.

Then I move on from that. When it gets to occupancy, I have a great deal of trouble understanding the member. Certainly if a deal is made after a renter or occupant has made a deal to lease and the owner goes ahead and gives out rights of way – power lines or well sites, whatever it is – it has diminished the value of the lease to the lessee in the fact that he or she has to move their equipment or farm or whatever it is around the site. So I can quite see that a right of entry agreement maybe should not be signed unless both the owner and the lessee agree in a case like that. But I don't think the lessee who leases a farm that the present owner is already getting payments or compensation for should really have any complaint, because he or she or their family can see with their own eyes the difficulties they will have moving around equipment or rights of way. Consequently, I'm sure the free market that exists between lessor and lessee will set a price for his lessee that takes into account the inconveniences the present owner has encumbered on that lease by allowing . . . Or maybe he didn't allow it; maybe he had to allow it. But certain things take place. In other words, the lessee is already getting compensation, hopefully by reduced rent, Mr. Speaker, for the inconveniences that you see scattered on the property. So I think that is covered.

But I do think there's certainly a point where if a lessee sits on his farm quite happily and all of a sudden looks up and finds that the owner's leased out three well sites in the middle of his prized barley field for some money, there has to be some compensation worked out there. To that end, I think the members are correct. In fact, in Manitoba – I noticed the member quoted – section 26(1) of their Act allows a board to split between the owner and the occupant the amount of award that comes from a surface rights entry. In fact, as a general rule they give the right of entry payment to the owner and the ongoing annual compensation to the lessee. That seems to work out not too badly.

4:50

I also think that when we talk about the owner and the lessee having rights for compensation, we have overlooked some areas. For instance, the owners, in the name of the people of Alberta, own many of the grazing leases we let out. Yet we've allowed the lessee in those cases, for instance, just the opposite of what the hon. Member for Redwater-Andrew is mentioning. I don't know if I have more oil wells than he has, which is my adjoining constituency, but I'm certain they make more noise. There's an awful pile of wells around my place. Most of them I didn't drill, I regret.

The fact of the matter is that oil well leasing rights up in this country in general don't return more per quarter section, even though you may drill three or four wells on a quarter, than actual farming practices do. But when we get down to southern Alberta – and I remember having a number of gas wells in the Atlee-Buffalo area – there the long-term grazing lease owners were making much more money out of the well sites I had to drill on their land than they were out of the cattle. Of course, it's fairly natural down there. It's so dry that a cow gets thin just walking between tufts of grass.

MR. KLEIN: That's why we need the Oldman dam, Nick.

MR. TAYLOR: We'll get over to your dam later on. The only water you could get there was from Tories crying if they didn't get a grant. Nevertheless, it's a long, long way over from the Alberta-B.C. boundary. This was over on the Alberta-Saskatchewan boundary.

But here we made a mistake, and I think we still do to this day, that some lessees – in other words, occupiers with cattle leases – are depriving the owners, the people of Alberta, of their fair share of income in that the income is much greater than what the lessee is paying for the lease and the inconvenience the lessee has. So you can see that maybe a board is necessary. But there's a case now which is the opposite of the hon. member's area, in my area, where the lessees are doing very, very well indeed.

Then we look into another area where the lessees are doing very well indeed. I'm a little concerned about this one because it's very new on the horizon, but the hon. member might look into it and talk with the hon. minister of forestry about it. These forestry management agreements are in effect doing the same thing as the grazing leases in southern Alberta. Oil companies today are very, very concerned – and not only oil companies but anyone else – because so much of northern Alberta has gone under forestry management agreements, or FMAs. These people are being a little bit unreasonable when you want access to drill a well or put a pipeline or something else in. In other words, the owner is being deprived there too. So my reading of Alberta, although I come from a constituency where the lessee is usually the 'screwee' rather than the 'screwor,' is that when we go around the rest of Alberta, it moves the other way around: it is the owner of the land that is getting a shafting, in a way the people of Alberta, in that they are not getting a fair return from grazing leases. Or, on the other hand, they may be getting oil well drilling, roads, and pipelines that could be of some use, of great help in developing our assets, yet it's being held up by the lessee; in other words, the timber people.

Actually, when you look through the project and the way things are going, I think the legislation now has an inborn twist towards the lessee or the occupant rather than the owner, although in the particular case of farming it does indicate from time to time discrimination against farmers who are operating under a lease because, as I mentioned, some of the rights are granted after they make the lease. If the rights are granted before they make the lease, I see no complaint, but we have to take a very close look. I wouldn't want the minister's concern or the minister's well-meaning intention of making sure that the occupant is not . . . I guess I can't even use "shafted" anymore, Mr. Speaker, because that was thrown out in question period. I'll think of another word later on: "discriminated against." In most cases it's the lessee who is doing the discriminating against further development of the area, which in most cases is the taxpayer's ownership. In other words, we're losing revenue from oil and gas leases in cheap areas of the south where there are grazing leases, and we're going to lose revenue and the chance to build wells if FMAs, our management areas for logging, are allowed to continue, as they apparently now do, to have almost exclusive rights to charge right of entry, compensation for timber damage, compensation for acreage taken out of the FMA.

In saying that, I guess after dancing around that much, I can say I'm supporting the motion from the point of view that it will draw attention to the House to get some good drafting. I approach it from a slightly different angle than the Member for Redwater-Andrew. I am more worried about the loss of revenues to the people of Alberta through making the occupant or the lessee the chief arbiter of what happens to land after he

or they or the corporation have rented it. I am very concerned that we're going to lose moneys that way and lose development, but at the same time, I also want to make sure that any lessee that has taken the land under certain conditions is not unduly discriminated against by further development. In other words, any compensation that should come in for the loss of timber or the loss of farming or inconvenience should definitely go to the lessee if it happened after the lessee has made the agreement.

MR. ACTING DEPUTY SPEAKER: The Member for Calgary-Forest Lawn.

MR. PASHAK: Thank you, Mr. Speaker.

Point of Order Parliamentary Language

MR. McEACHERN: Mr. Speaker, I would like to rise on a point of order.

MR. ACTING DEPUTY SPEAKER: Yes, hon. member?

MR. McEACHERN: A little earlier in the debate . . .

MR. DAY: What's your citation?

MR. McEACHERN: I used an unparliamentary word, and I wish to apologize. Do I need a citation for that?

MR. DAY: No, you don't.

MR. McEACHERN: No. Okay. A little earlier, when I was speaking in the House, a member came in from outside and said something to me that he probably should not have said, but of course I should not have reacted by using the word I did. I guess I should not repeat it, but I do think that if members on the government side have something they really want to say when a member has the floor, they should stand up and say it on the record.

MR. ACTING DEPUTY SPEAKER: Order please.

MR. McEACHERN: What's the problem?

MR. ACTING DEPUTY SPEAKER: Hon. member, you requested the indulgence of the House to raise a point, which I understand is that you wish to apologize to the House and withdraw a remark that was previously made during this afternoon's session. I would ask you to do that, and that's it.

MR. McEACHERN: Well, I'll just say that I was provoked into it, and I apologize. One should not react in the same manner as the people doing the provoking.

MR. ACTING DEPUTY SPEAKER: Thank you.
The Member for Calgary-Forest Lawn.

Debate Continued

MR. PASHAK: Thank you, Mr. Speaker. I'd like to commend the Member for Redwater-Andrew for bringing this motion forward. I think it's reasonable on the surface, one might say, but down deep there may be a problem or two with the wording of the motion. In any event, I'd like to remind the hon. member that . . .

Speaker's Ruling Decorum

MR. ACTING DEPUTY SPEAKER: Pardon me, hon. member. Order.

I would ask the members for Calgary-McCall and Edmonton-Kingsway: if you have a conversation you wish to conduct, please leave the Chamber so that the Speaker . . .

5:00

MR. McEACHERN: I'd like him to know that I don't wish to talk to him at all. I've already talked to him.

MR. ACTING DEPUTY SPEAKER: The Speaker is not interested in one member's opinion of another at the moment. I'm merely trying to provide quiet during debate.

The Member for Calgary-Forest Lawn.

Debate Continued

MR. PASHAK: Thank you again, for the third time, Mr. Speaker.

MR. TAYLOR: Just don't skip over the surface now, eh?

MR. PASHAK: This isn't a skating rink, hon. member.

In any event, Mr. Speaker, I'd just like to remind the hon. Member for Redwater-Andrew about the debate that took place in the Energy estimates last spring in which I raised the whole question of surface and grazing rights and suggested that there are lots of problems in that area of government legislation and that hopefully the government will contemplate making some significant reforms.

I take it from the remarks the member made that his concern is not with the energy industry or whatever but more with calling your own government to task, in effect, for not dealing with this situation. As I understand the situation as the member presented it, there are situations that exist that go back historically in which an owner of land at a particular point in time entered into an agreement, perhaps with an energy company, and then no longer had title to the land, may have moved off it but retained the agreement he had with that energy company. So he was basically collecting the right-of-entry fees and this sort of thing. I think that would be just, to correct that situation, and that's why I commended the member for bringing this motion forward. It seems to me there is a case of unfairness here that should be corrected.

But in the actual motion that the government member introduced, he says "to ensure that a compensation order be a right attached to the ownership or occupancy of the land." It could very well be that the person who owns the land is not the occupant. So what is it? I mean, if he was just clearer in terms – and perhaps he can answer this question. It's the same problem that the Member for . . .

Where's your riding?

MR. TAYLOR: Westlock-Sturgeon.

MR. PASHAK: . . . Westlock-Sturgeon brought forward in a way, because it could very well be that the occupant of the land at a given point in time, although he may not have ownership, is the person that should be entitled to those surface rights. You can't have it both ways. I think the motion should have spelled out the conditions under which an owner gets the surface rights and the conditions under which the occupant should get the surface rights. That's just a confusion that I'm having, and

maybe the hon. member can straighten that out when he concludes debate on the motion.

MR. ACTING DEPUTY SPEAKER: The Member for Banff-Cochrane.

MR. EVANS: Thanks very much, Mr. Speaker. I'm pleased to have an opportunity to partake in the debate on Motion 222. I would begin by saying that no doubt my comments will be slightly different than the comments from the members for Westlock-Sturgeon and Calgary-Forest Lawn.

However, I do want to begin on the same tone that they began their comments on, and that is by congratulating the Member for Redwater-Andrew for bringing this motion forward. It's really quite unfortunate that we weren't able to proceed with the motion last Thursday when his constituents were in the House and would have had an opportunity to listen to the debate. I'm sure he will send them all copies of *Hansard* so they will have some opportunity to participate, but it's not the same as being here. I think the reason the hon. member brought this motion forward was to address an issue that had been raised to him by a number of his constituents. That's a very laudable reason for bringing forward the motion, and I applaud him for doing so. That's the job we're here to do; we've got to represent our constituents.

As I understand it, the intent of the motion is to urge that the Surface Rights Act be amended so that any compensation order – and I stress "order" – be attached to the land. I do have some concerns with the motion itself, and before I get into any more conversation and comments, I'd like to just look at that motion. There is a reference to the compensation order, but as the hon. Member for Redwater-Andrew is aware and I'm sure most members in the Assembly are aware, compensation orders only occur when the operator and the owner of the land can't reach an agreement to allow resource extraction on the land. So in that light there is a very substantial part of the issue of surface rights that's not addressed by this motion. I would just point that out, charitably of course, to my colleague the hon. Member for Redwater-Andrew.

The other issue is an issue that's been raised by the Member for Westlock-Sturgeon, and that is the issue of ownership versus occupancy. I would feel much more comfortable with this motion if we were talking about ownership itself and then, if we were going to deal with occupancy, that the categories of occupancy were clearly defined so that there could be no mistake as to the intent of the motion.

However, with those preliminary comments, I would say that my natural reaction – and perhaps it's got something to do with my professional background . . .

MR. FOX: Typical lawyer.

MR. EVANS: Well, I hope I have some qualities typical of lawyers, hon. member.

MR. FOX: For Vegreville.

MR. EVANS: For Vegreville.

My natural reaction is to ask why the laws of contract shouldn't be allowed to rule the day on this kind of an issue. Contract is a principle that is entrenched in our British jurisprudence, as is the concept of property rights. These are two very, very important concepts, and unfortunately, from my perspective, the motion that is presented by the hon. member erodes both of

those concepts: the privity of contract – the ability of parties to contract – and the principle of the importance of property rights.

[Mr. Speaker in the Chair]

Now, that said, I am very impressed by my colleague's comments when he's focusing on the injustice of this particular process. There is an injustice, and the injustice is as a result of the fact that we're talking about compensation here. Compensation is, in my view, some kind of an arrangement that is intended to neutralize certain effects that have occurred and to somehow offset a deficiency. Now, clearly, if you have an owner of land not receiving a compensation order but someone having the opportunity to be on that owner's property, the very concept of compensation gets put aside. You can't have compensation if the person who is the owner of the land is not able to partake of the advantage of the use of that individual's land, and I think that's probably the main reason why the hon. member has brought this motion forward.

However, if you take a look at the Surface Rights Act – and I look at this in particular because the motion talks about compensation orders and not agreements between parties – there is a provision, section 37(1). I'm going to quote it for the members that might not have it in front of them:

An order of the Board or a certified copy of it may be filed with the Registrar of Land Titles for the appropriate land registration district and, on payment of the proper fee, the Registrar shall register the order and endorse a memorandum of its registration on the certificate of title to the land affected.

So we have a situation where, if you have an order, the operator can have that registered against the title of land, and then we have competing interests. We have the interests of the person who buys that land who says, "I may not receive dollars and cents to compensate for the surface disturbance on my property," but, by the same token, there's a registration on the title, so that individual was aware of the status of the title when he or she purchased the property.

5:10

I think there's a good argument as well, Mr. Speaker, that often the price of a piece of property that's subject to a surface rights order will be less on the premise that the vendor, the owner of the property who is selling, will retain that right to compensation. So we have a very complex situation, and I think it's appropriate that the hon. member has brought it forward.

I want to talk about, in my view, some of the merits of the motion from the hon. member. I think I heard him say that if this motion were to proceed, there would be a simplification of the details surrounding the sale of land when that land is subject to a surface rights order, because it would just automatically go over to the new owner of the land. That's a laudable objective; however, I'm concerned with a couple of questions of practice. If you're going to transfer that interest over to the new owner of the property – and we're talking about a compensation order here – how does it go over? How do you arrange for the payments which have been ordered between the vendor of the property and the operator to be transferred over to that new owner? How do you make that new owner privy to the contract, a contract which has been enforced by the Surface Rights Board but a contract nonetheless? That then impacts that new owner because of the change of ownership. Who pays, Mr. Speaker, for that cost of transference? Is that a cost which should be borne by the new owner? Well, I should surely think so, if we're going to give that owner the benefit. However, I don't think that's been addressed at this point in time.

There is another point, and that is the efficiency of the operation of the Surface Rights Board. If I understood the hon. member correctly, he was arguing that the efficiency of that board would be enhanced because it wouldn't have to deal with as many board orders if it was just an automatic matter of transferring over to a new owner. Again, I'm not sure if that would have that much effect, in fact, because I'm not sure that the Surface Rights Board itself deals with that many surface rights matters in the province. I think the vast majority are dealt with by contract between the operator and the owner of the property, and as I understand it, only a significantly smaller percentage actually go before the board.

I'd think one matter that bears considerable consideration is the issue of either eliminating or reducing animosities between landowners and operators, and I think that would be enhanced by this kind of motion. Clearly the hon. Member for Redwater-Andrew has situations in his constituency where properties have been transferred and surface rights have remained. The current owner of the property is getting no financial benefit whatsoever from the surface disturbance on his or her land, and as a result of that there is no incentive for that individual owner to work in an appropriate, businesslike manner with the operator. Now, as I understand it from the little bit of research that I've done on this issue, there are some operators who are paying incremental increases, just as we talked about the legislation requiring in Manitoba. In Alberta there are some operators who are paying the incremental increases to the current owners of properties. Those incremental increases aren't significant, Mr. Speaker, and I don't think there's any legal justification for doing that. I think that if the matter was taken to court, there would be a decision against that practice. But this is something that is happening in the marketplace to address some of the inconsistencies in the current legislation.

Again, if we are to talk about the concept of compensation, we have to look at the issue of the current landowner. But as I mentioned, I think we also have to look at that in light of what we see as a concern that ordinary contract rules will apply, and also we have to look at the other remedies that are available today in the Act. I didn't hear the Member for Redwater-Andrew talk about any kind of retroactivity in his motion or his explanation of his motion, so from that I presume that those constituents of his who are landowners today and not receiving the benefit of a compensation order would not benefit themselves from this kind of an amendment. I say that because it would appear that we'd only be looking into the future. Now, if we are in fact only looking into the future, I think we have to look into the future with a view of section 37, which gives everyone the right to file the compensation order, "everyone" being the parties who are involved, the operator and the landowner. Thus, if someone does buy the property, they take that property with notice of the current status of the land. Presumably, if they're negotiating properly, if the vendor is not inclined to transfer those land surface rights, they will argue for a reduction in the price of the land.

Therefore, Mr. Speaker, although I do feel that the member's motion has merit because of that whole issue of compensation, I am very much concerned that what he is trying to remedy – that is, the specific concerns of his constituents – would not be remedied because these, as I understand it, are older agreements, either agreements or compensation orders, and as such the motion would have no impact on them. Then, if we look at the merit of this kind of proposed legislation relative to what is already on the books in the Surface Rights Act, I don't think we would be accomplishing anything by forcing that issue. On the

other hand, we would be prohibiting the right of the landowner to retain the right to a surface lease payment. Now, that is inconsistent with the mineral rights legislation that we have in this province, where you can retain mineral rights and still sell the surface of your property.

The hon. Member for Westlock-Sturgeon indicated that we're talking here about a separation of title. Well, clearly we are, but I don't think there's been any justification brought forward today for making a distinction between surface rights and mineral rights. On the basis of that, I think we should allow that the member has addressed the concerns of his constituents; however, in my view he has not convinced me that we need the type of legislation that his motion presumes.

So again, in conclusion, I'd like to thank the member for bringing this matter to the attention of the Assembly, and I appreciate the opportunity to speak on it.

Thank you.

5:20

MR. SPEAKER: Thank you.

The Member for Drumheller.

MR. SCHUMACHER: Thank you, Mr. Speaker. Motion 222 really deals with contractual rights and property rights in our province for a certain area of the province. The hon. Member for Banff-Cochrane has pointed out that the motion really is directed at surface rights legislation and that legislation which establishes the Surface Rights Board. That board deals with maybe something less than 10 percent – I'm sure it's less than 10 percent – of the arrangements between operators of mineral interests and the owners of the surface interests. So this motion is really quite narrow in its scope, but I suppose the intent was to maybe have it a little larger in scope.

I'm sort of surprised that the hon. Member for Vegreville hasn't participated in this debate because I know he's always watching out for the interests of Alberta farmers, and it would also give him an opportunity to laud the actions of the former New Democratic Party government in Manitoba. I believe that's the only jurisdiction in Canada that has opted to mandate and to legislate that these property interests or rental interests should run with the land. My own reaction to this is that our country and the western world have really done quite well under the system of the market economy, and we all know that the hon. Member for Vegreville also doesn't have much use for the market economy, and that's why I'm surprised that he hasn't jumped on this bandwagon . . .

MR. FOX: If you'd quit filibustering.

MR. SPEAKER: Order.

MR. SCHUMACHER: . . . to further weaken that economy in our jurisdiction.

But, Mr. Speaker, what's happened so far in our province in this area demonstrates the great flexibility of the British approach to dealing with property rights. I know I just dealt with one of these surface rights matters, not under the surface rights legislation, but there was a lease between an owner of land who is now quite elderly. She's a widow, she's past 80, she was doing some estate planning, and she was wanting to turn over the farmland to her children. But she didn't find herself in the economic position of being able to divest herself of all the income from this farmland. It happened that there was a surface lease on one of the quarters, and she really felt it was

necessary that she retain that income. I was happy to be able to advise her that under the laws of this province she could transfer the land to her son and retain the surface rights income, which comes to about \$2,800 a year in this particular case. I think I would feel pretty badly if I had to say, "Well, the law of Alberta wouldn't permit you to do this." That's, of course, an interfamily relationship.

Going back to the idea of the market economy, if a certain parcel of land has one, two, three, or four oil wells or gas wells on it, has a steady source of income for the owner, and the owner then decides he would like to keep that, he's going to have to discount the price of his land in order to sell it. The person who buys it buys it well knowing what the income is going to be. I know many people in our province think that the occupants of the seats in this Legislature are all King Solomon or should be, but I think it's quite obvious that none of us is, not any one of us is. I don't know why we should try to arrogate to ourselves that role when we know we're not capable of discharging it.

So I would urge hon. members to seriously consider the real merits of this legislation, notwithstanding the fact that I know there can be hardships right now. But those hardships resulted from somebody's misjudgment. Nobody twisted anybody's arm to do it. I think I would have to say that those are some of the things that happen in this world. It's not a perfect world; some people do make mistakes. But I think it's asking a little bit too much of this Assembly to say we've got to really grossly interfere with the law of property rights and contracts in order to accomplish it.

Thank you.

MR. SPEAKER: Does the Chair take it, then, that the member is moving to adjourn debate?

MR. SCHUMACHER: Mr. Speaker, I move that we adjourn debate on this motion.

MR. SPEAKER: Thank you.

Having heard the motion, those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The motion carries.

Speaker's Ruling Parliamentary Language

MR. SPEAKER: Earlier in the afternoon there was an unfortunate exchange between two members of the House. The Chair was listening in my office, and I'm pleased that the Member for Edmonton-Kingsway saw fit to withdraw the inappropriate word that he used.

However, having examined the Blues as well, I can understand that the Member for Edmonton-Kingsway felt provoked to make some comment. The Blues show quite clearly that an hon. member said, "Sit down, you jerk." Now, that also is an inappropriate comment in this House. Under *Erskine May*, for example, page 394, section (3), "The use of disorderly or unparliamentary expressions."

Where any disorderly or unparliamentary words are used, whether by a Member who is addressing the House or by a Member who is present during a debate, the Speaker will intervene and call upon the offending Member to withdraw the words.

Now, the Chair knows who uttered the words, and I would ask that hon. member to stand up and withdraw.

MR. GESELL: Mr. Speaker, I would wish to apologize to the House, to the members here, to you, and also to the member that I provoked. I withdraw those.

MR. SPEAKER: The Chair would also like to point out for the record that the Chair is well aware of the fact that some members in the government benches have been baiting members in the opposition. Hopefully, this is enough of a lesson to have that come to an end. Failing that, the Chair will unilaterally move members in their seating position in this House.

Deputy Government House Leader.

MR. GOGO: Mr. Speaker, I move that when the members reassemble at 8 p.m., they do so in Committee of the Whole.

MR. SPEAKER: Thank you.

Having heard the motion, those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The motion carries.

(The Assembly adjourned at 5:29 p.m.)

