

## Legislative Assembly of Alberta

Title: **Tuesday, June 23, 1992**

8:00 p.m.

Date: 92/06/23

head: **Committee of Supply**

[Mr. Schumacher in the Chair]

MR. CHAIRMAN: If the Committee of Supply would come to order.

head: **Alberta Heritage Savings Trust Fund**  
head: **Estimates 1992-93**

MR. CHAIRMAN: We have been asked to look further at the estimates of the Alberta Heritage Savings Trust Fund capital projects division. The Chair understands that there's agreement to deal with vote 1, Farming for the Future; vote 2, Irrigation Rehabilitation and Expansion; and vote 3, Private Irrigation Development Assistance together under Agriculture. If this is agreeable, the Chair will recognize the Associate Minister of Agriculture

### Agriculture

MRS. McCLELLAN: Good evening, Mr. Chairman. I do look forward to discussing our department's proposed expenditures from the Heritage Savings Trust Fund for 1992-93 and certainly answering members' questions about these programs. Before I begin, I would like to acknowledge some staff members from Alberta Agriculture who are joining us this evening: Dr. Ralph Christian, executive director of research, and Mr. Brian Colgan, director of irrigation and resource management division. I certainly want to acknowledge their efforts and those of their staff in delivering these programs in a very efficient manner.

I would, as indicated, like to speak to our expenditures in the vote order beginning with the Farming for the Future program. I would also at this time like to acknowledge the hon. Member for Taber-Warner, who chairs the Alberta Agricultural Research Institute under whose mandate the Farming for the Future program is operated.

I'm sure, Mr. Chairman, all members are well aware of the tremendous impact that the Farming for the Future program has had on agriculture. While Alberta farmers represent only 9 percent of Canada's farming population, they account for 20 percent of agricultural production. This impressive level of productivity is in no small way due to the innovations that have been sparked by the Farming for the Future program. I am pleased that our government has extended funding for this program an additional year beyond the previous mandate.

Since its inception Farming for the Future has supported over 1,600 research and demonstration projects. The results have been impressive. New crop varieties, improved animal disease control, and new food processing techniques can be attributed to these projects. While it is difficult to pinpoint the exact impact of this program, a consultant's report suggests that over the next 25 years the aggregate return to the province may exceed \$900 million.

Last year's merger of the Farming for the Future program and the Alberta Agricultural Research Institute is, as expected, consolidating, streamlining, and strengthening our support for research. Moreover, it has permitted a unique co-operative effort among producers, processors, research associations, academic institutions, the federal government, and Alberta Agriculture.

Moving to the second vote, we have another long-standing program which has generated millions of dollars in economic

activity. It has also transformed the irrigation districts into one of the most productive regions of this province. The \$30 million budgeted for 1992-93 includes the first allocation to an endowment fund created to finance future rehabilitation of our canal system. Ten million dollars, \$5 million of which represents uninvested funds from 1991-92, will be set aside to support ongoing rehabilitation at the end of the irrigation rehabilitation expansion program. The remaining \$20 million budgeted for 1992-93 will be distributed to 13 irrigation districts on an 86-14 cost-sharing basis according to a formula developed and adopted by the Alberta Irrigation Projects Association, whose advice, I might add, was also instrumental in designing the endowment fund.

Since 1975 Alberta's irrigation acreage within the irrigation districts has increased by 35 percent. As well as bolstering and helping to diversify agricultural production, this expansion has led to increased demand for inputs, irrigation equipment, and a whole range of supplies and services. All Albertans share in the jobs and the prosperity that this program creates.

Finally, vote 3. Vote 3 addresses the Private Irrigation Development Assistance program, which undergoes some changes in this the first year of a three-year extension of the program. A per farm unit limit of \$30,000 has been established replacing the previous per project limit. As well, instead of staggering payments over three years, all funds will be disbursed in one payment to aid producers to get projects off the ground more quickly. Demand for this program is expected to increase as new water management projects, one of which is the Oldman dam, become operational.

I want to thank the members for their attention tonight and for their ongoing support of these initiatives. I look forward to their comments and their questions.

Thank you, Mr. Chairman.

MR. CHAIRMAN: The Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman, for recognizing me in anticipation. I appreciate your knowing.

MR. FISCHER: Five minutes.

MR. FOX: My colleague for Wainwright can rest assured that I don't have a lot to say on the Farming for the Future program this year. My record of support for the Farming for the Future program is well established after comments and input I've had over the last six years, I guess, when we're speaking about the program.

I do have some specific questions I would like to raise with the minister. There is a change in the way the funds are allocated this year with respect to the amount reported to be going to grants this year compared to salaries and wages. When you look at that in percentage terms to the last fiscal year, there is a difference there. I'm wondering if she can explain to us the reasons for that. Have we lost some staff? Is the work required to facilitate the operation of the Farming for the Future program being done by other people in the Department of Agriculture? Are we confident that we can sustain \$4.17 million worth of research activity in the Farming for the Future program given the amount of dollars allocated to salaries, wages, and employee benefits? Certainly we'd like to see as much of the money as possible going into research projects so that we can realize maximum benefit. There is quite a dramatic reduction in the staff component of the budget figures there, and I'd like to see some sort of an explanation from the minister.

I know there's an annual report released on the projects funded through the Farming for the Future program, but I'm wondering if the minister can tell us if we spend all of the money every year?

Do we have enough applications for funding assistance through the Farming for the Future program to use up the money that's allocated every year? If we do or we don't, I'd like to hear her comments on whether enough is being done to promote the program to make sure that people in the farming community are aware of the opportunity they have to make application to receive funding for a particular project that they may have been working on or have a long-standing interest in. If in fact we're getting applications for projects well over and above the amount of money we have every year, is there some consideration being given to whether or not this is the ideal amount to be allocated on an annual basis?

I'd be interested as well, Mr. Chairman, if the minister could tell us if there's been a change in the focus of the kind of projects that have been funded on an ongoing basis. I mean, do we have roughly the same number of on-farm projects initiated and performed by producers as we've always had? Do we have relatively the same number of programs that are initiated and run through other agencies or institutions? I'd be interested in her comment.

One question I'd like to raise again – it's an issue that I've raised every year when we've discussed this program – is what kind of mechanism do we have in place to monitor the effectiveness of the dollars that are being spent? For those of us that live in the country, we drive past plots or projects and we're aware that there are Farming for the Future projects going on. When we read through the annual report, we recognize the names of some people or some areas and can identify with some of the projects.

#### 8:10

I'd like to know if we have any way of measuring the value of the projects in terms of the research information that's gleaned. Do we have any way of determining whether or not we're learning what we want to learn, if we're gaining the advances in cultural techniques and information required to justify the expenditure? Is there any way that the minister or her department has set up to measure the value in more empirical terms? Like, we gained some understanding through a Farming for the Future project. Do we have ways of technology transfer or taking the information gained and making sure that it's applied to commercial agriculture or making sure that if we develop some new technique or piece of equipment, we're able to capitalize on the potential of that project through further development? I'd be very interested in knowing, and I think it's important. When we spend \$5 million a year, we need to be able to assure people in empirical and objective terms that that money is being well spent. I think we're confident it's being well spent, but sometimes we need to have some way of proving that to people.

If I just might talk about a project that I think has real merit and if I can recommend it to the minister and whoever might be listening or reading these comments in the future. I've had people suggest to me, of course, that if we could find a commercial value for stinkweed, all the farmers in Alberta would be millionaires. I mean, that stuff grows like crazy. You don't have to put any effort into growing it, but it's not worth anything.

MR. ADY: It grows like a weed.

MR. FOX: It grows like a weed. It sure does, and it stinks like a weed too.

If there's any way of finding commercial value for some of the nuisance plants, some of the noxious weeds that tend to infest our fields, we'd be doing ourselves a great service. If we could find some way, for example, of hybridizing our cereal grains so that

they could be a perennial instead of an annual plant, we'd be doing ourselves a great favour. There are all sorts of innovative little things that people suggest and pass on to all of us.

One of the things I'm interested in in terms of research is the potential of fuel-based ethanol as a means for achieving greater independence on the farm. I'm not going to reiterate all of the things that I have over the last six years in this Assembly that are the benefits of an ethanol industry. We've had quite a number of discussions, indeed arguments, back and forth as we advocate and the government criticizes the ethanol industry, but I think there's one thing that has to be noted, and I'd like to bring it to the minister's attention.

There is a company in the United States that manufactures an additive called Avocet, and it can be added to ethanol so that you can burn almost pure ethanol in diesel engines without very much in the way of modification to the engine. There is a project going on in the city of Regina right now where they've transformed their diesel buses to run on ethanol, producing the ethanol in Lanigan, Saskatchewan, running the buses on this clean-burning, renewable, environmentally benign fuel in the city of Regina. That's great for the city of Regina, but think of the implications for the agricultural community if we could develop a technology that would enable us to produce ethanol on a relatively small scale in plants located in communities, let's say, a little co-operative ethanol plant in a community that provided fuel for farmers in a 25-kilometre radius or something like that. If we can see opportunities in the development of that technology, I think we can realize some measure of independence for agricultural producers.

I mean, we're a very dependent industry right now, not only dependent on the weather and the whims of the marketplace but we're dependent on certain companies and industries that supply inputs to us, for fuel and fertilizer and chemicals and machinery. I think to the extent that we can break that dependency, if we can become relatively more independent, which certainly fits with the stated character and history of rural people in Alberta, we have a greater chance at long-term prosperity. I really believe and I hope the minister will concur and perhaps give a push in the right direction for some research to be done about the possibility of small scale ethanol production with an eye to farmers growing and producing their own fuel in a more closed loop sustainable kind of a situation.

I'll leave these suggestions and questions with the minister and await response from her or somebody else.

MR. CHAIRMAN: Any further questions or comments?

The hon. Member for Cardston.

MR. ADY: I'd like to spend just a few minutes and make some comments on the Farming for the Future program. I noticed the hon. Member for Vegreville had some questions pertaining to the number of applications that were received versus the amount there was funding available to make awards on. I presume that he was referring primarily to the actual research grants as opposed to the on-farm demonstrations. I can tell him that the funding is very heavily coveted by researchers, and ever since I've been involved with it, since 1986, there's always been more applications than there's been funding, sometimes as much as double the applications versus the funding.

The member also asked a question on how the research projects, the technology transfer took place. The department has set up a variety of means of making that information available. It's computerized under appropriate headings. It's made available through agricultural field staff for farmers to access very readily. There are brochures sent out advertising or making people aware

of projects that have been approved and projects that have been completed, so it's certainly available to anyone who is interested in doing it.

On the on-farm demonstration the agricultural regional director chairs the various committees. There are six regions in the province, and then there are people, primarily farmers, that are called to act as part of the committee to oversee the on-farm demonstrations. The researcher is obliged to work with those committees and to report back to them the results of the research that he's been able to develop from the project that he was awarded funding for.

As the hon. member mentioned, Farming for the Future is a very successful program. It's been one that has made some significant contributions to agriculture in the province as far as new technology, improvement in a variety of products that the farmers use, such as canola, and also in pulse crops and others. There's ongoing research in those areas as we speak. Having the opportunity to see the applications that come in, I believe they get better and better each year and more applicable to the actual needs of the farmers. There's a great deal of effort put into this Farming for the Future initiative by the department people, by the people that act on the committees. The program involves a great deal of farm people input at the committee level as well as academics and others who can make a contribution, and the contribution that they have made certainly shows worthwhile results for the farming sector.

I had the opportunity to chair the resource conservation committee of Farming for the Future, so I had an opportunity to have a first-hand look at what comes across to the various committees. Again, I would say that we have a success story with the Farming for the Future program, and I look forward to the future it has for providing our farmers in Alberta with worthwhile things that they need to improve their profitability.

8:20

MR. CHAIRMAN: Any further?

The hon. minister. [interjection] Oh. There's one.

MRS. McCLELLAN: Okay. I'll just answer the one question.

On the salaries and grants differential, the hon. Member for Vegreville raised that, and I think in the last estimates we discussed this also, only on the other tack, that it seemed high in administration. Hon. member, it is because of a change in the way we are working with Ag Canada research stations. I would be happy to give you a detailed explanation of how that occurred, but in the 1991-92 budget we were not sure at budget time if the federal stations would be able to accept grants and administer them for work done on those stations. So the estimate was put in. Indeed, they were able to do that, and there was a transfer of funds. But now, because of that administration, there will be more dollars shown to grants rather than any in the administrative function. It's a bit detailed, and I'd be happy to write you a note on that issue.

The other very important point that was raised was on technology transfer. Technology transfer is done in a number of ways. We consider that probably the key to the success of this program. One of the ways is in research reports. Another is, as indicated, on-farm demonstrations. Another is the distribution of final reports. Another is in publications. Perhaps one of the most recent, and I think may prove out to be one of the most useful in many ways, is the dissemination of information through the computer system. We have a system called agricultural research information systems, and that maintains over 1,200 documents on line. Any farmer with a microcomputer and a modem can access

these research documents or reports by the telephone. I think that is a very new and innovative way of disseminating research information.

I will check *Hansard* to see if there are any other points that the hon. member raised that I didn't address, and thank him for his support.

MR. CHAIRMAN: The hon. Member for Stony Plain.

MR. WOLOSHTYN: Thank you, Mr. Chairman. I, too, would like to echo the supportive comments my colleague from Vegreville made with respect to the Farming for the Future program. There's one area there that I think we should be very conscious of and perhaps can maybe enhance, and that's the one in terms of marketing. With respect to agriculture in Alberta today, I think we have to take the initiative. We can't really rely on federal programs, nor can we rely on a heck of a lot of fairness coming our way from the GATT talks or, if you will, international trade unless we show the initiative to go after it.

I think – and the associate minister I'm sure will agree with me – we have to in some way develop the markets that are constantly coming and going for us in southeast Asia. Japan and Korea would be the good ones, and I'm speaking in terms of the compressed, dehydrated, if you will, alfalfa. It seems that each time we seem to get a little niche in the market, a dumping situation comes from our neighbours to the south, a plant goes broke, and we start all over again. What I'd like to see there, perhaps through Farming for the Future, if there's a direction there, is if we can somehow get into it and establish ourselves in such a way that that market will not only stay but grow. I believe it's becoming an unacceptable level of frustration in that particular area.

It adds to my concern in this particular aspect, again staying with the alfalfa – and I understand in the next short time, in fulfillment of a commitment that was made some number of years ago to the Blood Indian band around Cardston, that there is a significant irrigation works that isn't in this budget, granted, or in this particular aspect, but is in some other area. Again, I repeat that it's a commitment made to the band some previous time which will open up a substantial acreage. My understanding from speaking to the people in the south is that a good portion, if not all, of that acreage is going to be devoted to the forage crop, namely alfalfa, with the hope of again doing some export of the product. I think this would be a good time to get in on the ground floor and determine those markets before we have the product, as opposed to after the fact.

Along the same vein we have the same kind of thing happening, I believe, with canola, although I believe that's more of a supply and demand thing. Again, if we could somehow or other, through whatever program possible, establish the markets in such a way that they can have some sort of anticipated volume from year to year so that we can, if you will, in this case – I know it's a nasty word to some people across the way – enter into almost a form of supply management and hopefully increase the output year by year as we can increase the sales.

I have a lot of concern, also in the same area, to do with the beef industry and the vibes that are coming up from our neighbours to the south, where our tripartite agreement seems to be giving them an excuse if not to implement to at least discuss the possibility of implementing countervailing duties on beef. That would be a horrendous blow to our beef industry and something that I think the ministers should be aware of and combating right at the moment.

Along the lines of beef, I'm sure there's been a considerable amount of work done, but the breakthrough doesn't appear to have come yet. Perhaps we are closer to it than we may think. The Japanese market does have a desire for a specialized form of beef which we don't seem to be able to produce, but I think with a little bit of research we can reach perhaps some sort of acceptable halfway point. As the associate minister knows, the Japanese like to feed their beef for quite a considerably longer period of time than we are accustomed to, and I'm speaking two or three times as long for the animal. We're talking about five or six years as opposed to two years, which we're currently on.

One of the criteria that I believe we're getting beat at, and I don't know why, is that the Japanese demand a shelf life of 30 days or whatever for the beef. I'm not sure on that. That can be something the minister could explain further. We are either unable to meet that commitment or else we're not being aggressive enough in promoting it, because it appears from the information that both Australia and the United States are beating us into this market. This gives me a considerable amount of concern. I think if any place in Canada is ideal for doing a dressed beef export, Alberta has got to be it. We may be lacking a plant or two or an upgrading of a plant – say, for example, if the need arose, take Gainers. It would be the easiest one to upgrade into a proper efficient beef kill facility and look at using that plant specifically for an export market.

I think it's something that we should aggressively pursue. The longer we stay tied to the American market, which has been good to us – and I won't go and make any disparaging remarks about that. I think the signals are quite clear that the moment we become a little bit, shall we say, too competitive on the American market, their lobby groups have a way of getting through to the people that will – and I can only point to the unfairness of the countervailing pork duty and the ripples that it sent into our industry. Sure we won at the end, but the concerns leading up to it were the problems. I for one would frankly like to see ourselves in a position where the demand for our product outweighs any kind of nonsense to get even or to stop the product from coming across. I think one of the only ways that we can do that is to look at expanding the market beyond our borders and looking again at southeast Asia, specifically Japan, which I think has got a lot of potential. I do believe, perhaps through your Farming for the Future program or somewhere, that the impetus and the initiative should really be put on that particular aspect. I notice, for example, even in our own supermarkets. I go through some of the stores, and I'm quite dismayed to see the New Zealand beef. I don't have anything against New Zealanders, but I notice that we must be the victims of dumping or else they've got some of the poorest meat in the world and they're getting even with us for whatever reason, I don't know, or else they're outright subsidized, because their prices for the dressed meat that the consumer gets is running roughly around 50 to 70 percent of what we're getting for our own. On that particular topic, I'm sure there are some initiatives, but I would like to see perhaps a cranking up of the efforts there.

**8:30**

One last item, again to do with the cattle end of it. I would like to see a more vigorous promotion. I do appreciate that there has been a large involvement with producers, but I'd like to see a strongly accelerated involvement to sell live cattle into South America. The market is there, and again, if we don't become aggressive in that area and push what we've got, we'll be cut out by our friends from the south. I've spoken to producers who do like to sell the live stuff down there and were running into

problems with the removal, I believe, of the federal vet inspection program, which created some ripples there, and were running into problems crossing not only one border but two. I believe that, looking at working with the producers, with just a little bit of help – they're quite aggressive on their own – I think we could get a gain, not only spot sales. I'm not talking about a spot sale; I'm talking about developing a market and a demand for our product that will go on an ongoing basis. If you look to anything south of the Rio Grande, there's a lot of territory down there, and we could have a lot of good Alberta cattle leading the way.

Going on for a few moments to vote 2. I believe the minister indicated that in the last few years we've had a 25 percent increase in irrigated acreage. I forget the number of years; that's no problem. I would like to know the anticipated increase either in acres or in percentages that is anticipated by the combination of having the private irrigation development and the Oldman River dam. There must be some anticipated ideas of how much irrigation will be there either for farmland or for watering ranch stock. I would imagine the two in that particular vote would go together. The question that I have on that, however, is: would the minister be so kind as to explain what the difference is of the \$30,000 per farm as opposed to the amount per project? On that I think I would appreciate a bit of clarification.

One of the concerns I'm hearing from farmers in southern Alberta with respect to irrigation now – I think it's a very valid concern, and I think it's one where Agriculture should really take the initiative – is the basis under which farmers are paying for the power to irrigate. We hear in this House an awful lot of comments about the farmer getting free water and all this, and I don't have any problems with that. However, it's one thing to have that water come by the canal, but if the cost of getting it out of the ditch and onto your land is getting to the point where you can't afford the power bill, then there's something wrong. The point is being made to me when speaking to people down there – and I have nothing to substantiate this other than talking to individual farmers. I'm sure the minister is aware of the demand meter concept.

Consequently, regardless of when they're irrigating – I would suspect they go round the clock once they get started – they're paying for their power at inordinately high rates. That happens almost all over. I think when we're looking at agriculture and at the marginal returns compared to the high input costs, that is one area that, from the point of view of fairness, should be looked at, and it should be looked at just how these rates are applied. When I hear farmers telling me they're prepared to put in the capital investment to switch from electricity, which has to be very efficient, to some sort of carbon fuel, whether diesel or gasoline powered irrigation, then they must be getting pushed fairly close to the wire, and I quite frankly don't feel that there's any need for it. It's just a matter of setting that rate perhaps on a commercial or whatever other way as opposed to the current way it's going.

So those, I think, Mr. Chairman, would be about the end of my comments. At the minister's leisure I'd appreciate some comments in return.

Thank you very much.

MR. BOGLE: Mr. Chairman, I am certainly tempted to get into votes 2 and 3. I will limit my remarks to vote 1, Farming for the Future. One of the first comments raised by the hon. Member for Stony Plain related to marketing and the request that renewed efforts be placed on marketing. I wanted to assure the member through you, Mr. Chairman, that the Alberta Agriculture Research Institute has been endeavouring to do that over the past number of years. There's a very determined effort to identify

researchers and research projects that are focusing on the marketing side. Production historically has been where the major emphasis has been, and there's still a great deal of attention paid to increasing our efficiency and our effectiveness, but the marketing field is one that deserves and is receiving a great deal of attention.

I wanted to use a couple of specific examples as raised by the hon. member. The first relates to some of the activities in Australia. It's true that the Australians have made great strides in their chilling process in terms of their shelf life, and we're trying very hard to ensure we aren't left behind. We know we produce the best beef here, we want to ensure we don't lose any of our markets, and therefore we're watching very carefully and working hard. In fact, we've got, through some of our own research facilities in the province, some excellent work being done on the shelf life aspect.

With regard to the Japanese market and the marbling of beef, which is the point the hon. member was on, it's important for the Assembly to recognize the leadership role our minister has played in this area. On one of her visits to Japan a little over a year ago, the main focus was with companies in Japan, with stores, with other consumer groups to try to broaden, to expand the base we have in that very lucrative business, recognizing it's a small part of the overall activity, but it's a very profitable part, and some very exciting work has been done in the marbling of beef concept, again by certain research facilities here in Alberta.

So I didn't want the member to in any way feel, Mr. Chairman, that that's something that we're observers in, where we're watching the world go by. We're not. We are, with the encouragement and the leadership of our minister, the board, and through the various research committees within the Agricultural Research Institute, very determined to be as proactive as possible, keeping in mind the overall mandate of the institute is to co-ordinate research, to try to get a better bang for our buck so that the activities being undertaken by our federal government, at our universities, and in the private sector are co-ordinated in a way. That's been very successful to date.

MRS. McCLELLAN: Just to briefly wrap up, I think the Member for Taber-Warner touched on the Pacific Rim initiatives quite well. I just want to remind you that while the more marbled beef has been traditionally accepted in Japan, we also want to be conscious of the fact that they are becoming more westernized in their taste, they are more health conscious, and they are looking at usage of the leaner meat.

We have a very good inroad into that market. The shelf life that we have is, I think, presently about 30 days. I discussed that issue with them, but it is important that we give them a shelf life that we can assure. They were very comfortable with my comments along that line. It would be very irresponsible of us to try and rush that process and lose that very lucrative market by having a negative experience. I'd remind you that Alberta Agriculture was the group that led to the formation of the Canadian Beef Export Federation, which has really been the prime mover of our market access, and I would suggest that probably about 80 percent of the beef that is marketed through the Canadian Beef Export Federation comes from Alberta. That addressed one of the biggest problems we had in tender sizes and unit shipments. Our producers couldn't put together a tender of the size that was needed. So we've done a lot of market research, and the Member for Vegreville also raised that. That is one of the areas that there is more focus on in Farming for the Future.

8:40

South America. We have some very good shipments of cattle embryos or semen going into the South American markets. A

number of our companies have been very successful and have set up offices in those countries, so we work with them. As you know, we amalgamated the marketing and production sectors of Alberta Agriculture into one unit to better do those things. So I think it's important that our supply of beef animals and our market grow at the same rate. We're very conscious of that, and if you read the stats from Stats Canada, you would see that the number of animals in that sector has grown in Alberta, but it's important that our markets grow at a pace with them.

The other thing we don't want to forget is that with the liberalization in Asia, the room for processed product assists us a lot with our processors.

You did touch on a key, the need for world-class slaughter plants. Probably the biggest attribute to shelf life is having that ability to have a very, very, very sterile environment because bacteria is your biggest concern. The Asians are very concerned about the use of chemicals or anything else. We had a very successful mission there meeting with the Tokyo co-ops who are our biggest distributors, had our health people from Ag Alberta with us, and talked about some of the things that we could do. So, certainly, through the research efforts we've made inroads, and I think we'll continue to make more.

I believe the one question on the private irrigators program was the \$30,000. It is now a maximum per farm unit instead of per project. We have also allowed paying the money up front rather than spreading it over three years. Remember that those private irrigators' moneys are only for people who live outside an irrigation district, so they can be used anywhere in this province except within an irrigation district. It's a maximum of 50 percent funding up to \$30,000 per farm unit. If you'd like some more information on that particular program, I'd be happy to give it to you with the mandate.

Thank you, Mr. Chairman. I think that concludes my comments.

MR. CHAIRMAN: The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. I'd just like to take this opportunity to ask the minister a couple of questions about the irrigation district rehabilitation endowment fund. We now have the legislation coming through the Legislature at the moment, through the House this session. We also have the budget here for funding out of the Heritage Savings Trust Fund. So with these two before us this session I just have a few things I'd like to say and have the minister give us her response, if she would, please.

First of all, I think it's important to recognize that the irrigation system we have in the province has been built, established over many decades. It seems to me that once a public investment has been made in a public resource or public utility, it's reasonable and responsible to ensure that facility is properly maintained over the course of time. Certainly the objective of this project under the Heritage Savings Trust Fund has been, I think, a good one over the years. But now there's been a new change, a somewhat different shift in that at the same time as funding is going towards a project, there's also the beginning of funding an endowment fund. The concept, as I understand it, is that over the next period of years assistance to irrigation districts through a direct grant out of the Heritage Savings Trust Fund is going to decrease, and I wonder if the minister could give us some indication of how that might be decreased. Would it be in increments, a step of so much each and every year declining from \$20 million this year, say, if it were to be reduced on the basis of \$5 million a year? Then

eventually it would run out four years from now with the decreasing of \$5 million a year.

At the same time, \$5 million last year was put into this endowment fund, \$10 million this year. What's the concept of building up the fund? While one is going down, the endowment investment or the size of the fund is going up. I wonder if she could give us some indication of what's going to be the trend on that over the years. If it's going to be an endowment fund and the concept is that it will be in place for a significant period of time, would the idea of it be that in essence the fund's income would be used each and every year as grant money to the irrigation districts? If that's the case, then one would want to have a principal in the endowment fund of – I don't know. To fund \$20 million a year in grants, you'd need to have an endowment of about \$200 million, roughly speaking, in order to generate that kind of income on a yearly basis. Anyway, if the minister could give us some idea of what she intends to do over the longer term with both these programs, I'd appreciate some further information on that.

I notice, for example, that in the Bill that's gone through here, Bill 17, there's no requirement that each and every year money would be deposited into this endowment from the Heritage Savings Trust Fund. It's discretionary on a yearly basis, I presume, so that leaves it open at any time to put more or less into the endowment over the years. I also found it interesting that in terms of the payments out of the endowment fund itself, it indicates a grant may not be made from the endowment fund if any money is available under the irrigation rehabilitation and expansion project of the Heritage Savings Trust Fund Act. I take it that, given these two provisions, once funding ceases out of this vote, then and only then would money be taken out of the rehabilitation endowment fund to provide grants to the irrigation districts.

So these are some considerations that I'd appreciate a bit of explanation and expansion if she would, please.

MRS. McCLELLAN: Mr. Chairman, I think, one, I would recommend to the hon. member – and I'm sorry; I didn't have a chance just to check the exact *Hansard*. On the second reading debate of the Bill itself you will have a better understanding of some of the mechanisms, but beyond that, I'd be happy to give you some written information.

Just very quickly on the specific points. The irrigation rehabilitation and expansion program was extended last year for a further five-year mandate at \$25 million per year to be reviewed annually, as are all of our projects that are on a term such as that. Five million of that was to be invested in an endowment or trust fund per year and \$20 million to be spent on actual rehabilitation projects throughout the year.

I would just say that in the development of this, MLAs from southern Alberta, the 13 irrigation districts, and the Alberta Irrigation Projects Association worked very hard over a period of a year to come up with a program or a plan to ensure long-term funding for rehabilitation. We have been contributing to the rehabilitation of our irrigation canals for some years now, and it has always been a concern that there be some type of mechanism in place that ensured a long-term funding mechanism for the maintenance, having recognized after I think the first program that "completion" was a word that would be very difficult to define. Remember, these dollars are only spent for one-time rehabilitation, and that is very important.

**8:50**

So in essence \$5 million was allocated last year. Because of the timing and legislative requirements the trust fund Act, which allows that to begin, is in this sitting of the Legislature. Hence,

the \$10 million this year. It will be \$5 million, and yes, there is a provision that the earnings from that fund cannot be drawn on as long as there is project money under this fund. That was agreed to by the districts, that we start to build this fund for the future and not use those dollars until there aren't dollars in this particular program.

I would say that the rehabilitation program has been highly successful. It has brought land back from some difficulties, some damages that were perhaps caused by old canals. Remember that many of the canals in this province are old, not all built by districts and by us. I do want to commend the very hard work of the 13 irrigation districts, the members working with them, and the Alberta Irrigation Projects Association, for coming up with what I think is a very well-thought-out way of addressing the long-term needs of this area that contributes so greatly to this province.

I will assure the member that I would be happy to give him a bit more detail in writing on the endowment.

Thank you.

MR. CHAIRMAN: The hon. Member for Calgary-Mountain View.

MR. HAWKESWORTH: Well, thank you, Mr. Chairman. I appreciate the comments the minister has made, and I look forward to getting that information. I will review *Hansard*. I wasn't here the day of that particular debate.

Just to clarify so I understand what she's saying: \$5 million a year out of the heritage trust fund goes into the endowment fund. The \$10 million this year incorporates \$5 million from last year, \$5 million from this year. If the ongoing funding is going to run out in four or five years' time, the project itself under vote 2.2, if that project is going to carry on for another four years and each of those four or five years another \$5 million is going into the endowment fund, at the end of that time the fund would have only about \$25 million in principal plus whatever accumulated interest it's accrued as well as whatever other donations and funds flow into it from other sources. That's a significant amount of money, but given that the kind of investment that has been made in the last number of years has been in the order of \$20 million a year, that sort of an endowment fund is not going to be generating \$20 million a year in income. So can one assume, then, that at the end of the five years, the large bulk of the irrigation rehabilitation work will be completed and that a fund of \$25 million to \$30 million, in that order, will be providing the ongoing interest that would be required to maintain the system in a state of repair that's accepted and anticipated? So I'm just wondering: is the \$25 million to \$30 million fund going to be adequate to do the job over the long term?

MRS. McCLELLAN: Very quickly, I would just say that up to March 31, 1992, \$332 million has been invested in this program from the Heritage Savings Trust Fund and another \$52.7 million from the districts. But it became apparent to us that a definition of completion would be very hard to achieve. Certainly you would hope that with the number of dollars and the very good work that has gone on in the rehabilitation, the need will lessen, but it is recognized that it does need some long-term funding mechanism. This was agreed to by the districts, and certainly in a lot of consultation with the ministers and the members, that this was a way to start the process of long-term assured funding for those districts.

Thank you.

MR. CHAIRMAN: The hon. Member for Wainwright.

MR. FISCHER: Thank you, Mr. Chairman. Two small issues. It would be unusual if we didn't have an eastern Alberta MLA speak a little bit about the dollars that you put into irrigation not only through the irrigation program but through Environment as well. Now, with our new endowment fund coming along, I believe we need to have some kind of water supply security out in the far eastern part of the province. The minister is well aware of the problems we have finding water when you go to put a hole in the ground these days, because it keeps getting a little bit further down and more costly. Maybe we should be able to look at some form of balancing the competitive advantage, if you like, or balancing that off anyway.

I had another question. When we had a look at the irrigation canals a few years ago, we saw our carp in there. They were only about this long when I saw them, and they were supposed to be growing quite quickly. I'm wondering how big those fish have got, and I wonder if they're doing their job, and is there any possibility of that carp being a fish industry in this province, or are we researching that part of it?

Thank you.

MR. CHAIRMAN: Are there any further comments or questions?

HON. MEMBERS: Question.

Agreed to:

Total Vote 1 – Farming for the Future	\$5,000,000
2.1 – Support Services	–
2.2 – Assistance to Irrigation Districts	\$20,000,000
2.3 – Irrigation District Rehabilitation	
Endowment Fund	\$10,000,000
Total Vote 2 – Irrigation Rehabilitation and Expansion	\$30,000,000
Total Vote 3 – Private Irrigation Development Assistance	\$1,000,000

MRS. McCLELLAN: Mr. Chairman, I move that votes 1, 2, and 3 be reported.

[Motion carried]

### Forestry, Lands and Wildlife

MR. CHAIRMAN: The hon. Minister of Forestry, Lands and Wildlife.

MR. FJORBOTTEN: Thank you very much, Mr. Chairman. Tonight I'm pleased to have four members of my department that are sitting in the gallery. They are Carson McDonald from the Alberta forest service, Roger Marvin from public lands, and Julia Wong and Greg Kliparchuk from finance and administration. I thank them for all their hard work and welcome them here this evening.

Mr. Chairman, through the use of the fund, many programs have been undertaken that continue to play a vital role in the diversification of Alberta's economy. The sustained development of our natural resources has always been a priority of my department, and I believe it fits well with the original purpose of the fund when it was established back in 1976. My comments today, Mr. Chairman, will cover the grazing reserves enhancement and the Pine Ridge reforestation nursery program.

9:00

Back in 1987-88 we completed a \$40 million grazing reserve development program, and at that time we established 12 new grazing reserves as well as the Cooking Lake-Blackfoot grazing, recreation, and wildlife area east of Sherwood Park. This program resulted in a significant increase in grazing capacity of public lands in Alberta, and it has certainly been well received. Livestock producers, Mr. Chairman, are not the sole beneficiaries of the program, and careful consideration is given to supporting multiple uses of reserves, such as recreational opportunities. As well, grazing reserve areas are among the most popular hunting areas in the province, particularly, I believe, because they're so accessible to the public.

During the initial development of the grazing reserves in the central and northern parts of the province, the main emphasis at that time was to bring them on as quickly as possible and make sure that they came into productivity as quickly as possible to meet all the needs of the livestock producers for pasturing their livestock. I must say, Mr. Chairman, that in hindsight I believe we should have spent more time developing the pasture in order to eliminate the brush regrowth problem that we're now facing. Many of these pastures that were cleared and seeded to perennial forages have grown back to brush, and we're continuing to lose grazing capacity as time passes. These lands really must be redeveloped properly to ensure that they don't grow back to brush but instead remain productive pastures available for livestock producers in Alberta.

Mr. Chairman, the grazing reserve enhancement program was approved in 1989-1990, at that time for a total of \$19.2 million. We began implementation of that program in the 1990 calendar year, and we're going to spread that work out over a seven-year period. We had two reasons for spreading that redevelopment work out over seven years. The first one was that we wanted to maintain the existing stocking levels for those currently using the reserves, and the second reason was maintenance of the revenue flow to the province from the grazing reserve program. It only made good common sense to do it on a phase process and maintain those two priorities.

In 1990-91, \$1.4 million was spent on the program. During that year we broke 21,000 acres, and then we worked them down. In 1991-92 a further \$2.8 million was spent on seeding 21,000 acres to annual forages in the spring and breaking a further 20,000 acres last fall. This year we'll spend \$3.7 million seeding more than 20,000 acres as well as breaking and working under another 25,000 acres. So, Mr. Chairman, over the next four years a further 73,000 acres will be treated. During the process of breaking and working down the regrown pastures, we also at the same time make every effort to enhance the wildlife habitat wherever possible. As I mentioned previously, these reserves are popular hunting areas, and the enhancement of the wildlife habitat goes hand in hand with the multiple-use aspect that we believe so strongly in in my department.

Mr. Chairman, I'd like to bring to the attention of the committee members that the enhancement program has encountered some difficulties, and that's particularly true in the northeast part of the province. I am sure members are aware that climatic difficulties, primarily lack of moisture, resulted in farmers in this area experiencing both water supply problems and lack of adequate moisture to grow their crops. In the same way we run into the predicament with regard to maintaining adequate water supplies for livestock on some of the reserves. I think we also may run into problems establishing productive forage stands since rainfall has been in short supply, and it's certainly a primary requirement

of newly seeded pastures. I'm hoping that after the redevelopment is completed, the projected optimum level of forage production will increase significantly and we'll be able to provide grazing for an additional 19,000 head of livestock. Without that redevelopment taking place, the productive capacity will drop dramatically and continue to decline.

The increase in grazing obtained through the redevelopment process will yield about \$900,000 annually in fees to the province. At present the annual revenue to the province from grazing fees under the grazing reserve program amounts to about \$3 million, and if you look at the value of the weight gain from the extra grazing provided by the program, calculated at \$300 a head, an additional \$6 million will be provided to the Treasury of the province.

I'd like to take just a moment now, Mr. Chairman, to talk about the Pine Ridge nursery expansion. The tree production at Pine Ridge is an important component of our seedling supply strategy in Alberta, and it's recognized everywhere. I'm always marveling that we have people coming in from the U.S. and all over to look at how excellent Pine Ridge is. Now the new retrofitted and expanded facilities near Smoky Lake will grow approximately one-third of the trees that the forest service is responsible for supplying. Most of you I'm sure will recall that in order to address the increased demand for forest seedlings, an \$8.1 million retrofit and expansion at Pine Ridge nursery was approved by the heritage fund committee. An additional \$500,000 has been allotted for this year, which will allow for the proper completion of the retrofit and expansion, bringing the total project cost to \$8.6 million.

Mr. Chairman, there's a lengthy list of what the dollars have been spent on. Of course, it needs planning and design and boom irrigation and growing containers. It's now a facility that I think everyone can be proud of. Cost restraints have forced us to reduce somewhat the original scope of the project: the blackout and shade and expanded freezer storage. However, the recently approved expenditure of \$500,000 will allow us to reinstate the shade cloth installation in the new greenhouses that need those improvements.

The total project is nearing completion. It's on schedule, and \$1.1 million is the estimated expenditure for 1992-93. The upgrades and the state-of-the-art technology in the new greenhouse space at Pine Ridge will contribute significantly to the continual supply of high-quality seedlings in this province as part of our ongoing commitment to reforestation. Despite some scheduling difficulties, the first crop of 3 million trees was grown in the new greenhouse in January. I think it's really an impressive sight. On July 10 we're having the official opening, and I certainly encourage all members that would like to attend to come, because I think you'll be very pleased with the dollars that have been spent. I know that the member from Smoky Lake is looking forward to hosting those who come.

Mr. Chairman, that concludes my opening remarks. I'd be happy to address any questions.

MR. CHAIRMAN: The hon. Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. I just have some few comments on vote 1, Grazing Reserves Enhancement. I think it's a good program, and I'm pleased to see the government maintaining and in fact increasing their commitment to enhancing the resources in the grazing reserves in the central and northern part of the province. The rehabilitation that's required is obvious to anyone who's been involved with people who make use of grazing reserves.

I want to focus my comments on something the minister said about the particular problems in the northeastern part of the province. I'm pleased that there's a minister in that government that recognizes the seriousness of the drought in northeastern Alberta. It shouldn't surprise me that it's the Minister of Forestry, Lands and Wildlife, because it was that very minister that responded with some meaningful programs in 1988 when there was a drought in the northeast part of the province. We had a program brought in to provide some water for the community pastures in the northeastern part of the province because there was a drought.

*9:10*

I must admit that I get somewhat frustrated when I talk to the Minister of Agriculture about the ongoing drought in the northeastern part of the province and he describes it as – well, it used to be that one dry year does not a drought make. He's modified that in his recent statements in the Legislature to say that half a dry year does not a drought make. That's somewhat inconsistent with the reality in northeastern Alberta, where we've had probably at least four, perhaps as many as seven consistently dry years. I would identify that area as being between Two Hills, Myrnam, up to St. Paul, and towards Bonnyville. Some extremely dry conditions over a prolonged period of time, and again I want to point out to the Minister of Agriculture, if he's listening, that for him to maintain that there's not a drought in the northeastern part of the province and yet fund . . . [interjection] Order please, hon. member. Yet to have funded programs to respond to the drought in 1988 is just inconsistent. He obviously doesn't recognize it, but it is a very serious problem.

I can tell the members of the Assembly that not only are a significant majority of the sloughs dried up in the northeastern part of the province, not only are the dugouts virtually empty, little mud puddles in the bottom of dugouts that are supposed to provide moisture for livestock, but indeed many of the lakes are disappearing. It's a frightening sight when you see a lake that has been, you know, a full and significant body of water in an area that has just been withering over the last few years. Indeed, there's a couple of them within a mile and a half of our farm that are just disappearing. So it's a serious problem.

MR. JOHNSTON: How do the fish feel?

MR. FOX: The fish regret it because they're having to evolve ahead of schedule. They're having to sprout legs. You know, we can make light of it, but it is a very serious situation, as I know the member appreciates.

I'm wondering if the minister has any plans with respect to meeting the water supply needs on the grazing reserves in northern Alberta. He talked about the significant numbers of dollars that are going to rehabilitate the grassland and pasture and fencing that's required, but if we don't have water, if the livestock don't have water to drink, then all the grass and fences in the world mean nothing.

I'm pleased to see the Treasurer take such an interest in these rural issues. [interjection] It's a cause and effect.

MR. SIGURDSON: All your hot air, Dick, causes the water to evaporate.

MR. FOX: Propter hoc ergo propter hoc. Post hoc, post . . .

MR. JOHNSTON: Post hoc, ergo propter hoc.



MR. FOX: For a guy who majored in dead languages, he changes his tune, because he taught it to me differently one other time. Anyway, my mum always told me to beware of bean counters who majored in dead languages.

MR. JOHNSTON: My mum always said to beware of socialists.

MR. FOX: It's probably not on the record, Mr. Chairman; we're trying to have a serious discussion here about the water needs in the northeastern part of the province, and the minister's dry humour is not helping to resolve that problem.

I would like the Minister of Forestry, Lands and Wildlife to advise the Assembly whether or not he's got any contingency plans to address the water crisis in northeastern Alberta so that the animals – the livestock, cattle – that'll be making use of the grazing reserves in that part of the province will be able to.

MR. CHAIRMAN: Are there any further comments?

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: The hon. minister.

MR. FJORDBOTTEN: Mr. Chairman, to answer the specific question asked by the hon. Member for Vegreville, no, I don't really have any direct contingency plans right now. It hasn't been brought to my attention at this point that it's at a crisis point. I don't think we should wait for a crisis point to try and resolve it. If there is a need in the area, I'll certainly do all I can to try and be helpful. I don't think we need a general program for all of them, but if there is a specific pasture that has a problem, if they bring it to our attention, we'll certainly do what we can.

MR. CHAIRMAN: Is the committee ready for the question?

Agreed to:

1.1 – Support Services	\$107,000
1.2 – Grazing Reserve Redevelopment	\$3,605,000
Total Vote 1 – Grazing Reserves Enhancement	\$3,712,000
Total Vote 2 – Pine Ridge Reforestation Nursery Enhancement	\$1,127,000

MR. FJORDBOTTEN: Mr. Chairman, I move that the votes be reported.

[Motion carried]

### Tourism, Parks and Recreation

MR. CHAIRMAN: There's vote 1 and vote 2. Any questions or comments?

MR. SPARROW: Mr. Chairman, you'll note vote 1 has no dollars to be voted. It's been a very successful program to date. Some 274 projects have gone through that municipal recreation/tourism area program. It's been very, very successful. For any member that wishes to recommend to the heritage committee that it add some dollars to it next year, I'm sure that many communities could utilize it.

The main part of vote 2 though, Mr. Chairman, we should address for a few minutes. It's a pleasure to briefly speak about the success of the urban parks program as it relates to the

Heritage Savings Trust Fund estimates. The Capital City recreation park in Edmonton was the first major endeavour in this area, and it represents a positive blend of recreation, conservation, historical and cultural values. It also provides a means of capitalizing on the fantastic river valley resource while at the same time mitigating some of the negative environmental land uses that were there previously.

Fish Creek provincial park was the next initiative, Mr. Chairman, and it is unique insofar as it was the first provincial urban park. No one will dispute the value of these developments and the appreciation of the legacies that they've created, including the support for expanding the concept of urban and community park development. That support led to two important programs, one of which is still being funded today by the heritage fund. The urban parks program further expanded support for the provision of facilities in their second phase, but in the first phase we saw some \$86.6 million committed to five cities over the term of 1979 to '85. Those cities were Grande Prairie, Lethbridge, Lloydminster, Medicine Hat, and Red Deer.

Phase 2 of the program now is targeting 11 communities, and those 11 communities are in the midst of the fourth year of the program. They include Airdrie, Camrose, Fort McMurray, Fort Saskatchewan, Leduc, St. Albert, Spruce Grove, Strathcona county, Wetaskiwin, and additional developments both in Calgary and Edmonton. As I said, it's in the fourth year of a 10-year funding program, which will disburse about \$82.2 million over its life, and \$12,600,000 were expended in the first three years of the program. Basically, this year, in 1992-93, we have identified a need for \$13.88 million to support the development schedules set out by the various communities.

Mr. Chairman, I'm sure that we will continue to work with the communities to look at the long-term feasibility of these parks. The new parks that were built in the last four years will only be looking at a 3 percent operating grant over the first five years, so it's important that the design of the parks allow for tourists and local people to spend money within their parks, as self-sufficiency of parks can be obtained if designed in the right way. All communities are being asked to review their operational plans with a view of self-sufficiency of operations. We must allow tourists and local people to spend money willingly to assist in maintaining these parks.

Mr. Chairman, I would ask that all members support this vote.

9:20

MR. CHAIRMAN: The hon. Member for Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Chairman. Just a couple of comments on vote 2. I believe this is one of those programs of the heritage trust fund that acts as a very, very beneficial mechanism. It's extremely well received. I guess when one looks at the cities that have felt the impact of these particular dollars, we can look to the city of Edmonton and the enjoyment and the beauty that one receives, particularly Edmontonians, from the river valley; not only the appearance of the river valley, not only the fact that it sets Edmonton apart as a city in that sense, but also the utilization and the enjoyment that citizens receive. The same holds true for Lethbridge, Medicine Hat, Red Deer, Lloydminster, and Grande Prairie, which have been able to utilize dollars from this particular program to enhance green areas and those recreational and parks areas within their systems. That becomes very, very important, and it adds a great deal to the quality of life. It's one of those things that when times get tough, there's a tendency to kind of put it on the back burner. It is fortunate that we do have the opportunity to proceed with phase 2 or step 2.

I've got a couple of questions that possibly the minister could respond to. My understanding – correct me if I'm wrong – is that a portion of the \$86.7 million under phase 1 in fact did go towards assisting the city of Edmonton in terms of the initial river valley plan, the first phase as adopted by the city of Edmonton, although I can't be certain of that. It could have come from some other provincial source of funding. I do recall the agreement that was struck while being on city council. Possibly the minister could break that down, explain as to whether the \$86.7 million under phase 1 went strictly to those cities outlying: Lethbridge, Medicine Hat, Red Deer, Lloydminster, and Grande Prairie.

Also, Mr. Chairman, could the minister elaborate in a bit more detail as to what amounts of funding are anticipated in the long term to complete phase 2 for the 11 municipalities that are identified in this particular program? The \$14 million we're talking in terms of is a portion of the overall commitment that is there, and I would appreciate knowing just to get a better idea as to the global nature of phase 2 and how it impacts specifically on those 11 municipalities. This is one of these programs that I don't have any difficulty whatsoever supporting.

**MR. CHAIRMAN:** The hon. Member for Calgary-Mountain View.

**MR. HAWKESWORTH:** Thank you, Mr. Chairman. I'd just like to pick up on a couple of comments the minister made a little earlier in terms of urban park development. I'd like to begin by just talking briefly about an event I was at over the weekend with the Minister of the Environment and the Minister of Technology, Research and Telecommunications. It was the official dedication of Nose Hill park, which is one of the largest urban parks in Canada. I think what was evident at that dedication is what this particular vote wants to achieve in other communities as well, where a group of citizens get out to celebrate, you know, the importance that parks have for the recreation and enjoyment for people in the urban areas. What we have accomplished in Calgary we appreciate, and what we appreciate for ourselves we would like to see other communities have the same enjoyment of and the same opportunities as well. So I can appreciate that when the minister says that urban park development has been a very popular program throughout the years and across the province, he's quite right in making that statement, because of course parks play an important part in urban life.

In fact, just to tell you a little bit of an anecdote about that dedication this past weekend, some of the people who were there remember the very day, July 4, 1972, that they started a petition in Calgary to try and get Nose Hill dedicated as a park; so almost 20 years to the day that they gathered next to a parking lot on 64th Avenue in north Calgary, in order to celebrate the accomplishment of something that many of them had given 20 years of effort and work to achieve. That's really what parks represent for a lot of people, Mr. Chairman. They mean a very, very great deal to them as far as the quality of life in our urban communities is concerned.

So when I hear the minister make a statement later on in his comments that a key element or key policy objective is that people ought to spend money in parks and that investing money in parks simply for the sake of parks isn't enough, that there needs to be opportunities created for people to spend money, I say to the minister that that's not always appropriate, that parks have their own inherent value as a recreation opportunity, and that it's not always essential or even a good thing that they should be turned into simply another economic activity. Now, I recognize that some parks in a city network perform different functions. For example, using my own experience in Calgary, Prince's Island

plays a unique role in comparison to Nose Hill or Edworthy or some of the other major parks in that city. This past weekend when the Caribbean community had the Carifest at Prince's Island, admission was charged and food was sold and money exchanged hands. For that kind of a role in the urban community – Prince's Island – it's quite appropriate that economic activity be provided. In fact, I understand the city has licensed a restaurant in Prince's Island park itself. So with some parks that's quite an appropriate activity, but, Mr. Chairman, not in every case is that the case. Different parks have different roles to play.

What's true in Calgary I presume is equally true in other communities in the province. When the minister talks about providing funds to other communities to assist them in their urban park development, I concur wholeheartedly, but I would hope that it's not an absolute condition that in all circumstances those communities have to provide opportunities for businesses to operate in those parks. That has to be part of the overall parks planning in a community, and it's not always appropriate in each and every instance. So I think that has to be recognized and respected.

I'd just like to make one other comment in regards to urban parks, Mr. Chairman. For many, many families and people in our communities the urban parks are really the only recreation opportunity that they have. Many of us in this place would think nothing of getting in the car and driving out to Kananaskis for a round of golf or a weekend in an RV or a trip to Banff for a day or for a week; book into a motel and enjoy all that those parks have to offer. There are many, many people in our communities who don't have the incomes or the resources to be able to enjoy those sorts of recreational opportunities. For them the break in their urban life is to spend an afternoon or a day down in one of the urban parks in their community. I know just this last weekend, for example, visiting Beaver Dam Flats in Calgary, I was amazed at the number of people that were just simply out strolling through the park on a Sunday afternoon, just enjoying the natural area in Calgary.

**9:30**

These urban parks provide an important opportunity, and I certainly support the objectives of vote 2. You know, the motto in Tourism, Parks and Recreation is Take an Alberta Break. Well, really by voting money for urban parks, we're allowing people to take a community break. That to me is what parks provide for our people in terms of recreation and enjoyment of life. In an urban environment urban parks provide an important dimension. I certainly would just like to make a few words of comment here in support of this vote and just simply say to the minister that I hope I didn't misunderstand his comments that in all instances local communities have to establish in parks economic or business opportunities. In some cases that's appropriate but not in all.

Thank you.

**MR. CHAIRMAN:** The hon. Member for Edmonton-Calder.

**MS MJOLSNESS:** Thank you, Mr. Chairman. I just have a quick comment to make under vote 2, Urban Park Development, mostly pertaining to my own riding, Edmonton-Calder. I think most of us realize as we become more environmentally conscious that our parks and any activities that we can do in the outdoors are becoming more and more important to us. It's becoming more a part of our lives to be outside and to enjoy various recreational activities in parks. I know that in my particular riding there are no parks at all, period. I know that one of the elected officials at the municipal level said to me one day that oh, yes, in fact there

were parks, because they were counting in all of the school yards as being parks. To me, though, they aren't parks, because there are no trees necessarily, there are no park benches, and so on.

I think this is a very important vote because all people in a municipality should have access to a park, and not everyone does if they have to travel long distances to get there. In my particular case, Mr. Chairman, in my particular riding it is a long distance to go from north Edmonton all the way to the river valley. Although there are other parks that might be a bit closer, it still is a fairly long distance. I'm not sure if I should be taking this cause up with elected officials at the municipal level here in Edmonton.

I'd just like to say to the minister, however, that I do believe that this is an important vote; it's an important aspect of a whole city and city development. I'd like to ask the minister if in fact there are requests by municipalities for more parks. Does this money cover all those requests? I realize there has been an increase in this vote, but I'm just curious to know whether or not there are a lot of developments that haven't taken place purely because there hasn't been enough money allocated. I'm just curious.

Thank you.

MR. SPARROW: Mr. Chairman, with reference to the questions from the Member for Edmonton-Whitemud, the \$86 million in phase 1 was for the five communities. Previous to that, money was allocated to Edmonton and Calgary on separate bases. I don't have the exact figures, but it was previous to that element. I have the breakdown of those communities if you so wish.

With reference to what's left, we're in the fourth year. I said that we've already spent about \$12 million for the first three years, \$14 million this year. It adds up to \$26 million; subtract it from the \$86 million and that means \$60 million left to go in the future. If you want more specifics in the case of Edmonton, they have in this program \$15 million. By March '92 they had spent \$1 million, and for '92-'93 they're looking at \$2.2 million this year. So they have a fair amount of money left in Edmonton, approximately \$12 million that is unspent.

That ties into the question from Edmonton-Calder: definitely the park design is done by the city and the designating of where that money is spent is done by the city. So the city of Edmonton designates where they spend this money, on what trails and on what parks. I should also add for the benefit of the Member for Edmonton-Calder that the reasons you may not have a park in your area may go back into the history of the planning of the city, but every quarter section in the city when it's subdivided gives up 10 percent for parks and school grounds. The city decides what to do with those lands. In many cases more than 10 percent is given up in each and every development. If you're in an older community, they may have disposed of that land for other purposes.

As I said, these funds are designated. There's still \$11 million or \$12 million that the city has got the right to plan, and they decide where they spend this. I know many communities will be putting bicycle trails and hiking trails all the way through their existing community, leading people to a central park and making access easier for them to get to the parks. So there is an opportunity. You should be working with your alderman and/or with the city parks people, because they do all the planning.

With reference to the comments from Calgary-Mountain View on funding of operations, I sense there's a unwillingness to talk about making a profit. We took one of these park designs in one of the communities, and if they just looked at a pure park aspect, it would cost them \$250,000 to run this little park. If they allowed people to spend money within that park, their operating

costs were eliminated and they had a net profit to the community of \$350,000 a year, just by allowing people to spend money within a park willingly. I know and you know that even if you're riding bicycle trails, you want to stop someplace; dad would like to buy his son something. If you allow that, the revenue generation is a very profitable aspect that they should look at. That's what we're suggesting, that they should look at it, because long-term operation costs are tremendous.

Just in the difference in this new program for the 11 communities, it's \$30 million of long-term operating costs that have to be looked at if they don't plan properly and look at the operational self-sufficiency of what they build onto that park. Calgary's park is a good example. Right now the private sector in Fish Creek is building a golf course totally at private-sector cost, and it will be a revenue generator for that park.

So, Mr. Chairman, I think I've covered each and every concern that has been mentioned. I'd like to ask all members to vote positively on these two votes.

MR. CHAIRMAN: Is the committee ready for the question?

HON. MEMBERS: Question.

Agreed to:

Vote 1 – Municipal Recreation/Tourism  
Areas

2.1 – Program Support	\$180,000
2.2 – Urban Parks – Capital Grants	\$13,880,000
Total Vote 2 – Urban Park Development	\$14,060,000

MR. SPARROW: Mr. Chairman, I move that votes 1 and 2 be reported.

[Motion carried]

### Executive Council

#### 1 – Occupational Health and Safety Research and Education

MR. JOHNSTON: Mr. Chairman, my hon. colleague the minister has asked me to just make a few general comments with respect to this important vote in the Heritage Savings Trust Fund. I want to say that nothing could be more important, in my mind, than applied research, and when applied research is focused in the area of occupational health and safety, I think it certainly serves all of us to ensure that dollars are committed to this important purpose.

9:40

I recall that when the first \$10 million was committed to this program some 10 years ago, I was concerned about whether or not this was an effective use of heritage fund money. To some extent the tests that were applied by the independent research of Ernst & Young, which conducted a review, a peer group evaluation in part and a technical evaluation of the investment that the heritage fund made, some \$10 million, certainly confirmed for my mind and I think for the government's mind that this is a valuable investment of heritage fund money, part of this unique diversification which we are fortunate to be able to achieve through the heritage fund.

Applied research is important. It allows us to direct our attention, in co-operation with labour and the private sector, to bring about changes and review possibilities for improvements in those areas where we have a shared future. It's for that reason, Mr. Chairman, that I would certainly encourage members to add their check to this important part of the vote, to encourage members to support this aspect of our investment in workers' occupational health and safety programs.

Mr. Chairman, I could go on in detail to talk about some of these programs. I was impressed in particular with the materials research which has been done: work on asbestos, for example, and alcohol in the workplace. Certainly all of those were intriguing to me. I think these are important problems that have to be addressed, and this is where applied research certainly works. [interjections]

MR. CHAIRMAN: Order please.

MR. JOHNSTON: Here we are, Mr. Chairman, trying to have a serious debate on an important issue, an issue which I thought would be important to the socialist so-called labour representatives across the way. And what do we have? They're deriding this particular issue. They're deriding the government's investment in this area, which is protecting the worker in the workplace. My good friend Mr. Roberts should know better than that. [interjection] I know he's not taking on the issue; he's taking on the person. I understand that.

Mr. Chairman, I have found a personal interest in this area. I must say that the results have been impressive, and I can say that the government's commitment to this is just as clear as it was about 10 years ago when we in fact invested well over \$10 million. I think this is a modest amount, but modest only in the context of the successes which we've seen here, and important in underscoring our commitment to this area.

Mr. Chairman, I would ask, first of all, that we do proceed with this vote this evening. Secondly, should there be more questions of detail that are necessary from my colleague the minister, I will commit on his behalf and on behalf of the government to ensure that the fullest possible follow-up is provided and that we would make available that follow-up to the member who asked any detailed questions that I can't answer.

Mr. Chairman, I would move that we agree with vote 1 under Executive Council, Occupational Health and Safety Research and Education.

MR. CHAIRMAN: The hon. Member for Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Chairman. Just a few comments on vote 1, Occupational Health and Safety Research and Education. I would trust that the minister responsible for Occupational Health and Safety will take the opportunity to read the comments in *Hansard*. I trust he will.

MR. JOHNSTON: He will.

MR. WICKMAN: He will? Thank you, Dick.

Mr. Chairman, I think that if one looks at an area related to Occupational Health and Safety Research and Education – let's talk in terms of occupational hazards, occupational risks, on-the-job injuries and such, which of course are all related to occupational health and safety. If we look at Workers' Compensation, it's very, very closely related because that's a reflection of the number of injuries that do occur in the workplace, a lot of them occurring unnecessarily because preventative programs, sufficient research, whatever, were not done in those particular areas. But as time goes on, they change in nature. They don't seem to change in scope; they don't seem to change in numbers.

Even in the Ombudsman's report that was just filed, Workers' Compensation is number one, the number one government department or agency with the most complaints. Surprisingly, it is extremely high in terms of those complaints being upheld by the Ombudsman in favour of the party that's grieving. In other

words, there are legitimate concerns with injured workers in the workplace. What it is, I believe, is that it's no longer the case as, say, 10, 15, 20, or in my own particular case, 27 years ago, being injured in an industrial accident which was very clear, cut and dried, not disputable. Today we seem to get into a lot of areas where because of changing technology, changing stress, and additional stress within the workplace, the nature of the injuries, of the diseases, and of the occupational hazards differ. We get those so-called gray areas much, much more, and those are the ones that seem to become particularly difficult to deal with. Those are the ones where a sufficient amount of research and education has not been done and still continues to occur, people that have back-related injuries, neck problems, repetitive motion effects, and so on and so forth. The list goes on.

More and more we hear about stress within the workplace, stress that at one time wasn't really recognized to that degree as being an environmental injury or cause for a legitimate leave of absence. Now it is, more and more so, right within the provincial employ. If one were to look at the stats, the number of employees that do leave because of stress is extremely high in some areas. The same holds true for the cities. The same holds true for hospitals, for school boards, for the private sector, and so on. There are rapid technological changes. Just watching on television last night the lowering of the 2 and a half million dollar laser X-ray equipment in the university hospital was very enlightening in terms of health research, which of course helps injured workers and so on.

The point that I'm trying to make, Mr. Chairman: I don't think it's sufficient to deal with research and education in occupational health and safety as we may have 10 years ago, as we may have five years ago. We have to recognize the pressing areas, the pressing priorities, the ones that are that much more difficult to get a handle on with today's knowledge. A lot of it simply is because in the past we weren't aware of the effects of certain types of occupational hazards; for example, the repetitive motion that I referred to. Ten years ago if one had complained that they were being affected in the workplace because they had to sit by a typewriter for eight hours a day, they would have been written off as a kook, saying no, that's not a reasonable objection to go on workers' compensation, request sick pay, whatever. But we do now recognize that it is a legitimate occupational disease or occupational injury, and the same with environmental or atmosphere conditions within the building.

I believe, for example, we have many workers in the Legislature Annex that feel the effects of a poor working environment, and I don't mean a poor working environment in terms of the people that occupy, let's say, the third floor of the building or the other floors but a poor working environment in the sense that the circulation is not proper, it is not conducive to the activity that goes on, and there are people that are suffering in that building. We get that phenomenon more and more in high-rise structures throughout the province, and that seems to be an area that isn't really that thoroughly researched. People who complain about it, saying that they have some consistent, continuous effect because of the atmosphere or the environment in the workplace, can have a very difficult time selling that feature simply because we're not knowledgeable enough as to what is happening. That's where research and of course education becomes very important.

Yes, I support this. I would like to see the emphasis continue to shift as time goes on. Even though there's only a marginal increase this year of .4 percent, at least it's not being cut back, at least there's some recognition that some good does come out of safety research and education. When we talk in terms of our heritage fund, this has to be a very, very important area.

9:50

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

MR. GIBEAULT: Thank you, Mr. Chairman. I do want to add a few comments tonight as we consider the Occupational Health and Safety Research and Education vote under the Heritage Savings Trust Fund capital projects division.

As was noted, we're looking at an allocation this year of \$1.185 million, most of which will be for grants for various projects. The total budget's going up by a half percent and the grants part by 2.4 percent, so I suppose it could be worse is what we could say. But, Mr. Chairman, I don't think we should be patting ourselves on the back too much in terms of this amount. I mean, \$1.1 million is two-tenths of a percent of the amount of money that this government lost on NovAtel this year. So in the scheme of things, to keep things in perspective, it's really not a lot of money, but I acknowledge that it has contributed to a lot of very good research in the field of occupational health and safety.

I would like to suggest some changes in emphasis in terms of the health and safety research program if the government finds itself not able to increase the overall amount of resources for this valuable program. Mr. Chairman, those of us who look at these things have observed recently – the figures were in the Occupational Health and Safety department's own magazine recently – that although the number of accidents was down this year, and that's certainly a positive thing, after you take off people who died while in their capacity as workers in airplane, rail, and car accidents, there really hasn't been much of a decrease in the overall accident rate. Further, we discovered when we looked at the numbers that there was in fact an increase in the number of workers who died in 1991 over the previous year of 1990 in terms of those who died due to exposures to toxic and hazardous products, in particular asbestos.

I think perhaps that suggests to us, Mr. Chairman, that we ought to look at having a greater emphasis on research into those toxic products in the workplace that are increasingly causing more disabilities and ultimately even fatalities. Asbestos is clearly the worst one. I've been after the minister of Occupational Health and Safety repeatedly to bring forward a new asbestos regulation in the province. He's been the minister for three years and he still hasn't done it, so I have to wonder how much commitment he has to improving the situation there. I mean, research is one thing, but we've got to go beyond research to education, on the one hand, and then regulation and enforcement on the other hand. There's no point doing a lot of good academic research if it's not going to be implemented in terms of education of both employers and workers and then regulation, according to what we've learned in the research, and enforcement of those regulations. That is a big problem that we have in the province now. We are doing some very good research here under this program, but it doesn't seem to go nearly as far as it should in terms of education, and it doesn't seem to go at all in terms of regulation and the enforcement thereof.

Another area that we should be looking at as well, Mr. Chairman, is in terms of the increasing number of workers who have to use computers, word processing equipment, and similar kinds of machines in the office environment and tend to be exposed to the repetitive stress injury syndrome, get carpal tunnel disease and complications from repeatedly using the same muscles over and over again. In fact, I myself don't use a computer eight hours a day but I do use one a lot, and I find that even using it as much as I do, which is less than many office workers, my wrists and fingers do get very stressed. After a while I have to stop

doing it for a while and apply some kind of either heat or massage therapy to try to relieve some of the tension and the pain it has caused there.

You know, Mr. Chairman, we've been looking at some of these problems caused by the increasing automation, if you like, of work in our society, yet we still don't have in the province of Alberta, as they do in some other jurisdictions – the city of San Francisco, just to name one – a provincial regulation in terms of ergonomic standards for office workers. Other jurisdictions have been able to do that. They've been able to set limits on the amount of time you're exposed to a video display terminal. They've codified the distances that people should have in terms of their workstation and the keyboard that they have to work on and so on, and that has resulted in significant reductions in the number of people who have come down with some of these debilitating conditions.

Maybe one of the reasons that we're not doing much in that area here in Alberta, I would submit, is that if you look at the makeup of the grants steering committee for this program, which is on page 16 here of the 10-year review, how many women do you think there are on this committee? Most of the office workers are women, but if you look at the makeup of this committee, we've got one, two, three, four, five, six, seven, eight, nine, 10, 11 people, and how many do you think are women? I'll tell you, Mr. Chairman. There's not a single one on there; none. Now, I wish the minister of Occupational Health and Safety was here to explain that situation. It's regrettable that he's not. Zero out of 11. What kind of a batting average is that? What does that say to the thousands of women workers in the work force in our province? Does it say we don't care about the health and safety problems that they have in the workplace? That's the implication and the message that I think it does send, and I think that's utterly shameful. I would suggest to the minister that he really ought to make some effort to make the grants steering committee much more balanced so that we do get research that does address and speak to the concerns in the workplace of the women workers of our province.

Mr. Chairman, I also think, in terms of the heritage trust fund program here on occupational health and safety research, that we do need to get more workers, worker organizations, and their unions, for example, involved in the research, because there is no one better than workers themselves, who understand the problems that they have to deal with in their workplace and who would be able to be very actively involved in the research. When we look through some of these reports, most of it is done by academics. We have nothing against academics, but surely when we're spending a million dollars, we ought to have a good chunk of that being developed in terms of research projects by workers themselves. When you involve workers and employers in a research project, as opposed to just being a nice project that somebody can do their PhD thesis on, you get to have, I think, more effect actually. People who are involved in designing the research project and seeing how the results are going to be implemented to improve their workplace in their industry and in their particular plants are going to get much more ownership of the results of that kind of research and much more of a climate, if you like, of an attitude that those research results are theirs, and they are going to take the responsibility to implement the results thereof.

Those, Mr. Chairman, would be some of my remarks on this particular vote, and even though it's not as much as I and many of my colleagues would like and there are few shortcomings there, I think overall we do support the program in its intention. It certainly has produced some very good research. I think if it were adapted in some of these ways that I've mentioned tonight – in terms of having a gender-balanced grants steering committee

that would more accurately and appropriately reflect the concerns of women workers in our province, and if it would shift its emphasis, perhaps, to working on some of these areas of industrial disease and toxicity exposure problems and the ergonomics of the modern office worker – we'd be making some progress.

I would encourage members to support this vote.

**10:00**

MR. CHAIRMAN: Is the committee ready for the question?

HON. MEMBERS: Question.

Agreed to:

Total Vote 1 – Occupational Health and Safety Research and Education	\$1,185,000
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MR. JOHNSTON: Mr. Chairman, I move that the vote be reported.

[Motion carried]

## 2 – Alberta Family Life and Substance Abuse Foundation

MR. CHAIRMAN: The minister responsible for Seniors.

MR. BRASSARD: Thank you, Mr. Chairman. Vote 2 deals with the formation of the Alberta Family Life and Substance Abuse Foundation. The foundation is primarily going to be concerned with research and attempted developing of programs to deal with the ever-increasing problems associated with substance abuse. We've had a program in this province called AADAC that has been most effective and recognized worldwide as one of the best around. It's been in business – in fact, we just celebrated our 40th anniversary in this province. Even then, the recidivism AADAC encounters is unbelievable. There's no question that we need to take a look at what we're doing and how we're doing it and devise better ways of dealing with it.

Also, the mandate of this foundation is to create a greater awareness, an understanding on behalf of families, and to work closely with the Premier's Council in Support of Alberta Families to help them cope with substance abuse in its many forms. It's very premature to talk about this program in too much detail because the board has just formed and, as we speak, is evaluating a number of projects of a research nature that it would like to embark on as soon as possible. So it is very much in the formative stage, but we look forward to its increasing substantive role in dealing with substance abuse in this province. I would ask every member of the Assembly to support it.

MR. CHAIRMAN: The hon. Member for Edmonton-Avonmore.

MS M. LAING: Thank you, Mr. Chairman. I could not miss this opportunity to give the hon. minister a blast over this Alberta Family Life and Substance Abuse Foundation, \$5 million that has been put aside out of the heritage trust fund. We hear that it is for research and education, with the objective of strengthening families through the discovery of new knowledge and application of that knowledge with respect to substance abuse.

Mr. Chairman, the hon. minister has said that we already have AADAC, which is a world-renowned agency for prevention, education, and treatment. What he is suggesting is that this new Family Life and Substance Abuse Foundation could do the research. But I would point out that in establishing this foundation, the steering committee that set up the foundation had to be

educated by the staff of AADAC. They were neophytes in the area of substance and alcohol abuse, and they had to be educated by the very people they would then seek to have power and control over. We heard recently that a new board has been appointed, as the minister has said, and the only thing I've heard to say the chairman has qualifications for the position he has been appointed to is that he has a family and is good at chairing meetings. He has no knowledge or experience or expertise in substance abuse or addictions. So we have to say: why on earth are we wasting money on another board when all this government needed to do was honour the legislated mandate of AADAC and give it the funds to do the research needed?

We have heard that AADAC has a world-renowned reputation for education, prevention, and treatment, something this foundation is to promote. Yet AADAC this year suffered a significant cut in funding, a total of 4.2 percent overall funding but 29 percent in the areas of education and prevention and a total of \$1.4 million, this money taken primarily from the very areas that are so essential and that this minister has said are important, which are prevention and education. In addition, money has been taken from in-patient treatment services, and recently we heard of the closing for the summer of the George Spady detox centre here in Edmonton. Again, what kind of sense does this make? People do not get over an addiction without treatment resources.

We have on one hand money being put over here while it's being taken from another agency that already has a record of being able to do this. Certainly we need new dollars for research and education and the application, but there is no reason AADAC could not have done that. AADAC has a background of expertise. Certainly the staff would be able to design the research. It's not that difficult, and they would bring with it a strong base in the information already available, both as to prevention and treatment, in the delivery of programs. We have to be concerned about how this board will be making decisions for the funding. AADAC will be one of the agencies applying. Why do we need another bureaucracy?

Another concern is that research projects that lead to education and treatment are often simply that; they are projects. The outcome of the research may, as with the outcome of many research projects, gather dust on some library shelf, or else the treatment and education projects that are tested are time-limited and there is no provision for long-term funding, even for the most successful programs. Again, why not deliver this in the context of an existing agency?

Another aspect I want to go to is the aspect to strengthen family life, the new buzzwords in this province, as if AADAC did not treat substance and alcohol abuse and do prevention and education in the context of family life and as if their treatment didn't save families from the ravages of substance abuse. Certainly AADAC had programs for family members and involved families if there were families to be involved. I think it's important to recognize that addiction is not like a diseased appendix that is simply removed in isolation from the context in which the patient lives. When we're looking at addiction, any treatment agency, any education, any prevention agency has to recognize a social and psychological and emotional context in which the addiction develops and is sustained.

To say that this will be to strengthen family life is really just taking advantage of buzzwords and doesn't change anything – unless of course it does change something, and that means that people that do not have families will not be able to benefit, will not be the subject of research, will not receive the benefit of treatment, will not be targeted with prevention. What does it mean, and what's the definition of “family”? What are we talking

about when we're talking about families? Does it mean, then, that people that don't have families won't be involved or those that do have families, if their families aren't willing to be involved, will be excluded? Will families of people with substance and addiction problems be coerced into participating in the treatment or the education? I think this whole orientation is troubling in that it implies a lack of understanding of what addiction and substance abuse is about and what agencies like AADAC are all about.

#### 10:10

This focus on strengthening families is worrying inasmuch as it may fail to address the dysfunctional family, the family members who are violent and abusive, which may in fact set up the personality dynamics that set up the substance abuse itself. Over and over again when we hear about women who have difficulty with substance abuse, we see there are histories of violence in the families of origin. That is a pretty consistent factor. So what are we talking about when we're talking about strengthening families? Are we going to insist that these women have to work it out with their families of origin, families that abused and exploited them? Is that what we're talking about? More than that, if we focus only on strengthening families, we can also see this agency then turning its back on the systemic social problems that give rise to substance abuse, the poverty so many people live in in this province, the hopelessness and the despair that come when there are high unemployment rates, lack of education for meaningful work, lack of opportunities for education, lack of a sense of future. It seems to me what we're doing here is looking at individual problems instead of systemic social conditions. This foundation would be better off dissolved and the money sent directly to AADAC where treatment, prevention, education, and needed research could be done in a meaningful way and then applied with real people.

Thank you.

MR. CHAIRMAN: Thank you.

Are there any further questions or comments?

MR. BRASSARD: Mr. Chairman, perhaps I could make a few comments. I'm not going to get into how far afield the hon. member drifted in dealing with the family, but let me take just a couple of the points she raised. First of all, there is no intention for this foundation to have any control or power over AADAC. It's not another bureaucracy in any way, shape, or form. AADAC has been in business for 40 years, as I mentioned. We're still having problems. We're still treating some of our drug abusers, for instance, with methadone, and we all know methadone itself is more addictive than the heroin it's used to treat. There have got to be different ways of dealing with drugs. We've got to help families get in touch with what is happening. I raised four children myself. By the grace of God I stand here; none of them have been savaged by some of the drug abuse that exists in society today. I don't know how families cope. We must do things differently in this area, and I'm looking to the foundation to help us.

Mr. Chairman, I don't think it's fair to say that places like the Spady detox centre are closing simply because of funding. There's more to it than that. We've already heard from the chairman that they're doing repairs to the centre and we would have to close that for a period of time anyway. I won't get into that. All I can say is that we desperately need to take another look at the way we're dealing with drugs in this province, and this foundation is going to provide it.

I ask all members to support this vote.

MS M. LAING: Mr. Chairman, with all due respect, it is my understanding that AADAC will in fact have to apply to the foundation or may apply to the foundation for funding for its program. In that way the foundation exercises control over AADAC inasmuch as they exercise control over the dollars that may go there. I would also stand by my statement that the funding to AADAC has been reduced by \$1.4 million this year, most of that in the area of education and prevention but a certain amount of it, a 2 percent reduction, in treatment in a time of inflation when the costs go up. So how can the minister say there is no impact, there's no change when the reality is that we have seen cuts in funding? I again would come back to the point that AADAC dealt with families. They had residential treatment for the families of people suffering from alcohol and substance abuse. Those programs were already in place. So again, why is it being taken away?

Under its former legislation, AADAC had the mandate to do research. It was not funded to do research, but the legislation was in place that would have allowed for that. So in setting up the foundation, the legislation in regard to AADAC had to be changed to take away some of the power AADAC had in the past. I don't understand how you justify an additional bureaucracy. Simply give the money to the people that are doing the work, that have the capacity to do the research and deliver the programs, instead of paying for this board, some of them employees of AADAC and one, in particular, who professes no expertise except having lived in a family and knowing how to chair meetings.

MR. CHAIRMAN: Is the committee ready for the question?

Agreed to:

Total Vote 2 – Alberta Family Life and  
Substance Abuse Foundation

\$5,000,000

#### Health

##### 1 – Applied Cancer Research

MR. JOHNSTON: Mr. Chairman, I'm very pleased to encourage members of the Assembly to support this request for \$2.8 million for cancer research, both in co-ordination with the Minister of Health and on behalf of the Cancer Board. As I said before, some of these target areas of research are certainly valuable to us in the province of Alberta, and I think this request for \$2.8 million, which adds to the very large number of dollars we have already allocated over the last 15 years, totaling some \$51 million or more, obviously will prove valuable to us in the area of cancer prevention and cancer research. The minister advises me this year that she has added to her list of research projects some 15 new projects which have been ongoing, bringing the total to 29 projects now being funded by this important vote in the area of cancer research.

Mr. Chairman, you would think I would be awkward in dealing with some of this terminology. I agree with you; I am. But I can say in looking at the information I have before me that in fact some of the work being done in the area of diagnostic treatment, dealing with the area of radiation treatment in particular, as in the application of radiation treatment to the prevention and elimination of carcinogenic developments, is important. It must strike us all as being an important part of the research we do. In particular, some of the work done on the longitudinal study in breast cancer and work effects arising from the pulp and paper industry certainly is contemporary by any measurement in terms of the demand for dollars in this important area.

I think the protocols for this research are well screened. I know the Minister of Health has taken a personal interest in this area.

In co-operation with the board, she is in the process of attempting to develop a format for medical research in the area of applied cancer research generally, and I expect that over the course of the year, in further announcements and further discussion with the minister, you'll see that the framework will start to develop. Research in this area is an important investment. Research in this area will save lives. Research in this area does in fact commend itself to the Legislative Assembly and I think should be an important segment of the Heritage Savings Trust Fund investment.

Mr. Chairman, as I said before, the \$2.8 million this year adds to the already invested dollars of about \$49 million, and on behalf of the minister I would ask the members of the Assembly to provide their encouragement and support. Should additional information be required, I know I can commit the Minister of Health, my friend Nancy Betkowski, to provide more detailed follow-up by way of memo to the member who may seek it, as I promised the Member for Edmonton-Whitemud. I would ask the members of the Assembly to put their stamp of approval on this important investment in cancer research from the Heritage Savings Trust Fund.

**10:20**

**MR. CHAIRMAN:** Questions or comments? Is the Committee ready for the question?

The hon. Member for Edmonton-Centre.

**REV. ROBERTS:** Mr. Chairman, for the sixth year now this allocation has proceeded, and the questions seem to be repeated. I think they're legitimate ones. I get partial answers, but let me try them again just to keep them on the record. Maybe now they might get the attention of the Provincial Treasurer, because he'll see that by virtue of my comments what we should do here is save some money. Given his expenditure control Act and the big deficit, he should find ways to spend money. Basically what I've argued in the past is that to have this \$2.8 million go for applied cancer research in itself makes sense. I agree that the protocols are well established. People on the Alberta Cancer Board know what they're doing; they are world renowned in terms of their research and how the projects are determined.

We do have some questions in particular when it comes to applied research. The irony that exists with respect to bringing, as they say, from bench to bedside a number of research initiatives – then when it gets to bedside, guess what? There's no money to actually fund the treatment the research develops. A good example of this is Interleukin 2. Just go down to the Foothills hospital in Calgary and talk to oncologist people who have worked with this new drug which has amazing results in terms of the research and the applied research, in terms of what it does to slow and lessen cancerous developments in the tissue. They argue perhaps some side effects, some toxicity or other. However, what happens? The Foothills hospital by virtue of its funding from the department doesn't have enough money to buy enough Interleukin 2 to put it to use for all patients who can use it. So we're getting a number of these developments which the researchers . . . And we know in terms of medical research we're almost doubling our amount of information every four or five years. The more money we put into research, the more treatments they're going to have and the more pressure it's going to put on the actual operating dollars.

I just threw that out because I think we need to have a broader picture, and this broader picture could well be developed through what I understood to be a tridepartmental review involving the ministers of Health, Advanced Education, and Technology, Research and Telecommunications. Have the three of them say:

okay, let's not just put money through the heritage medical foundation, let's not just use research through Advanced Education into medical schools, let's not just put money through hospitals and medical care into this particular fund. I guess there's some history as to why we have applied cancer research and why we don't have a separate vote for applied heart research or applied diabetic research. I mean, everybody has their favourite major disease. But let's put all these research efforts, both the pure and the applied when it comes to health and to treatment in the health system, together under one umbrella and use a health applied research co-ordinating council that can look at where the illnesses are increasing, where the technology, particularly in Alberta, might have some competitive edge or some competitive advantage. Since we have a cluster of researchers here in Alberta, let's not try to duplicate the cancer research that's being done at the Mayo Clinic or Hopkins or wherever else. By virtue of a co-ordinating council for health research, we can get a bigger bang for the buck, which is one point, and be able to streamline the amount of moneys put into all these disparate ad hoc efforts.

Now, I've had some discussions, or at least the Minister of Health herself has said that another area we could put some money into is research into health services. Let's look at how we deliver health care and health treatment. There's a variety of different management techniques, different methodologies which health services itself needs to do some research on, one of which is research into major diseases. So it would seem to me we should have a more streamlined, more efficient, more co-ordinated research council looking at this whole area, have as one of its key areas right off the top health services research to know how we're going to get the biggest bang for the research dollar and then be able to again, as I say, know where Alberta has its competitive advantage or competitive edge in some areas.

Now, I know through the medical research foundation that we have in fact a cluster of people around orthopaedics, that we can do some good work there that isn't being done elsewhere. Diabetics and diabetes research is major here in Alberta. We're getting juvenile diabetes funds from the private sector here in Alberta, one of three sites throughout all of North America. They're coming right here to Edmonton. When you look at it, we do have some competitive advantages in some areas of health research.

I don't know how much we have in terms of cancer vis-à-vis the multimillions and multibillions of dollars that are going to cancer research throughout North America and through the OECD countries; \$2.8 million here seems to me to be significant. But just dangling out in a very ad hoc manner in this vote, in this allocation here tonight . . . I've made this point before. It needs to be brought in in a more co-ordinated and clear way in which we know it's part of an umbrella, a co-ordinated health research council that links up through information systems available today with other researchers throughout Canada and the U.S. As I say, reduce some overhead costs, get a bigger bang for the buck, more efficient use of these dollars to make Albertans healthier, to be able to address the scourge of cancer which continues to increase, but do it in a much more efficient and effective manner, which I know the Treasurer particularly would like to use because it's going to save dollars and increase health care and that's the magic formula we need to have.

**MR. JOHNSTON:** Mr. Chairman, I'm sure the member has engendered my respect in the area of fair social comment with respect to medical issues and medical research. I listened very carefully to what he had to say. I think, though, it would be unfair to say that there was not co-ordination with respect to



medical research in this province. It goes without saying that there was a co-ordinating tool, a co-ordinating policy, and a co-ordinating effort being directed by the medical research facilities under the Heritage Savings Trust Fund. The \$300 million which was set up of course was important and I think has in fact touched on some of the areas.

As well, the member does make some important observations about the focus, about the need to co-ordinate, and I think the member, as he has said, has made the point before. I believe the minister, as I've indicated, is in the area of establishing a more rigid or, if not rigid, certainly a predictable framework for this kind of investment. I will in fact have a discussion with her – as the member has done – about how this would emerge.

I think in the case of research it would also be faulty to say that the \$2.8 million is being dangled out there. In fact, in this particular vote we will have spent well over \$50 million over the course of the past three years. There is a certain argument, I suspect, that suggests that a continuing investment in this area must pay off as well. I'm sure that is the initiative and that is the way in which it's worked, unless the member makes an important point about other areas of sickness that need to be researched. I would say, though, that the current popularity of AIDS and AIDS research and dollars being directed into AIDS research may well have taken some legitimate researchers off other long-term projects and directed them, because of dollars available, into that area. I don't know if that's accurate or not – I've read about it – but I think it's worth commenting on here.

Mr. Chairman, I hope the members would support this valuable dollar investment.

AN HON. MEMBER: Question.

Agreed to:

Total Vote 1 – Applied Cancer Research	\$2,800,000
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10:30

MR. JOHNSTON: Mr. Chairman, I move that the vote be reported.

[Motion carried]

MR. CHAIRMAN: With the committee's permission, I'd like to revert to vote 2 of Executive Council to allow the minister to move that that vote be reported.

HON. MEMBERS: Agreed.

MR. BRASSARD: I move that vote 2 of Executive Council be reported.

[Motion carried]

**Technology, Research and Telecommunications  
1 – Individual Line Service**

MR. CHAIRMAN: There's one further vote. There's no money involved, but the vote has to be called. Are there any questions or comments?

HON. MEMBERS: Question.

Agreed to:

Vote 1 – Individual Line Service	–
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MR. ANDERSON: I move that that vote be reported, Mr. Chairman.

[Motion carried]

MR. ANDERSON: Mr. Chairman, I move that the committee rise and report.

[Motion carried]

[Mr. Speaker in the Chair]

MR. SCHUMACHER: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that sums from the Alberta Heritage Savings Trust Fund not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1993, for the purpose of making investments in the following projects to be administered by

Agriculture: \$5,000,000, Farming for the Future; \$30,000,000, Irrigation Rehabilitation and Expansion; \$1,000,000, Private Irrigation Development Assistance.

Forestry, Lands and Wildlife: \$3,712,000, Grazing Reserves Enhancement; \$1,127,000, Pine Ridge Reforestation Nursery Enhancement.

Tourism, Parks and Recreation: zero dollars for Municipal Recreation/Tourism Areas; \$14,060,000, Urban Park Development.

Executive Council: \$1,185,000, Occupational Health and Safety Research and Education; \$5,000,000, Alberta Family Life and Substance Abuse Foundation.

Health: \$2,800,000, Applied Cancer Research.

Technology, Research and Telecommunications: zero dollars, Individual Line Service.

MR. SPEAKER: Does the Assembly concur in the report?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.  
Deputy Government House Leader.

MR. ANDERSON: Mr. Speaker, I move that we now revert to Introduction of Bills.

MR. SPEAKER: Unanimous consent is required. All those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried.

head: **Introduction of Bills**

**Bill 34**

**Appropriation (Alberta Heritage Savings Trust Fund,  
Capital Projects Division) Act, 1992**

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 34, the Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Act, 1992. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

[Leave granted; Bill 34 read a first time]

head: **Government Bills and Orders**  
head: **Second Reading**

**Bill 43**  
**Municipal Statutes Amendment Act, 1992**

MR. SPEAKER: The Member for Rocky Mountain House.

MR. LUND: Thank you, Mr. Speaker. It gives me a great deal of pleasure to move second reading of Bill 43, the Municipal Statutes Amendment Act, 1992. This is an omnibus Bill and involves amendments to the Local Authorities Election Act, the Municipal Government Act, the Municipal Taxation Act, and the Regional Municipal Services Act.

These amendments have been asked for by municipalities, so I would urge all members to vote in the affirmative on this Bill. If there are any questions or comments, I will answer them in committee.

MR. SPEAKER: The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Speaker. Just a couple of comments. I noticed in the Speech from the Throne the promise was made that there would be introduction of "a new Municipal Government Act that will serve as a model for the 21st century." Now, I don't know whether Bill 43 is what, so to speak, fills the bill or not. It seems to be much more in the nature of a housekeeping piece of legislation than a new Act to govern municipal affairs for the next 10 or 15 years.

What it does, Mr. Speaker, as I read the Bill, is make some changes in terms of the municipal elections coming up. It specifies a "minimum number of electors . . . to sign the nomination of a candidate." It seems to be fairly straightforward: some changes, as I understand it, in terms of the advance polls that give returning officers some additional, I guess, flexibility in terms of getting notices out throughout a community in terms of where and how the advance poll would be conducted. There are a couple of changes in the Municipal Taxation Act: I presume nothing more than to incorporate the regional airports authority that was adopted by the legislation a year ago and incorporate it in terms of leases and improvements in the ability to exempt regional airports authorities from business assessments. Then just a couple of other minor amendments: one to add Metis settlements, and another to do with the appointment of people to the regional services commission. So they all seem to be relatively minor, Mr. Speaker.

There's just one in particular, however, that catches my eye, and it has to do with changes to the Municipal Government Act particularly as it concerns annexations by one municipality to the other. Sections 21 and 22 of the existing Municipal Government Act have to do with outlining the role of the Local Authorities Board and the role of the Lieutenant Governor in Council in terms of receiving petitions and making decisions in terms of approving annexations from one municipality to another. Included in section 22 is that the Lieutenant Governor in Council may prescribe terms and conditions, if any, governing the annexation. In this particular Bill in front of us, Bill 43, there's a new section added that provides powers to the Lieutenant Governor in Council to "require a municipality to pay compensation to another municipality," then in addition to prescribing the amount of that compensation, how the amount might be determined, and provides for arbitration under the Arbitration Act.

10:40

Now, this is a brand-new section, Mr. Speaker, and I would have hoped the member introducing it would have spent a little time enlightening us here in terms of what is anticipated. Does the compensation mean, for example, nothing more than refunding the costs of legal counsel or planning advice or certain technical requirements that a municipality might employ in terms of presenting their position at a hearing? Is that all that's implied, or does it mean that a municipality annexing another would be required to compensate a municipality for a loss of tax base? Those are two quite different questions.

Just to try to put it in some specifics, if the city of Calgary, as it has in the past – and I speak of that city because it's the city I come from and represent in this Assembly – were to launch a petition asking for the annexation of a portion of the municipal district of Rocky View or the municipal district of Foothills, to give two examples, and this were to go through the Local Authorities Board and be approved and in the end be approved and adopted by the Lieutenant Governor in Council, what might be the kinds of compensation the city of Calgary would have to pay to either of those two rural municipalities? Does it mean simply that, say, if the rural municipality of Rocky View spent \$200,000 defending their point of view before the Local Authorities Board at a public hearing, that would be what the city of Calgary would have to pay in the form of compensation to the municipal district? Or does it mean that the city would also or in addition or instead be required to pay to Rocky View the costs of the tax base that the municipal district has lost as a result of the annexation? For example, if some rural industrial park were part of the annexation, that could be a substantial amount of money.

I realize that this has been a source of controversy and conflict over the years between urban municipalities and their surrounding neighbours, the question of what happens when land is annexed and what it means to a rural municipality to lose a tax base. I'm just curious. Given that this new power is being added to the Municipal Government Act, I would have liked to have had some explanation of what's involved here and how extensively this door is being opened in terms of compensation. Does it mean also that the Lieutenant Governor in Council could require compensation to be paid over a number of years, over the course of 10 or 15 years? What criteria would apply to the cabinet? Would there be any requirements under regulations, or would it be an open-ended power that would give the cabinet carte blanche discretion to incorporate anything they might want to incorporate into that annexation order?

What it does, Mr. Speaker – perhaps this is what is intended by the legislation – is to give an urban municipality pause before it begins an annexation proposal, an annexation application or a process, because it's unclear or uncertain. At the end of the day, at the end of the process, even if they were successful in terms of an annexation application, there's no knowledge ahead of time what the compensation might be that would have to be paid from one municipality to the other. So maybe what this is intended to do is to act as a break so there's no, I suppose, frivolous application made, but then, of course, I'm not aware of any frivolous annexation application that's ever been made in this province.

So it just opens up a whole number of questions for me that I would like to have some explanation about and some indication of what's intended here. I think it's more than a housekeeping item that's being incorporated in this legislation, and I'd like a clear understanding from the member introducing the Bill what the real intent is that lies behind this.

MR. SPEAKER: Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Speaker. I'd like to make a few comments on Bill 43 during second reading, and hopefully the concerns will be addressed when it is dealt with in Committee of the Whole.

A point has been raised by the previous speaker about the Municipal Government Act. It's my assumption that this is a sort of housekeeping Bill and that the overall Municipal Government Act that has long been promised is coming further down the road. It's my understanding there is still a great deal of consultation, the process going on with municipalities, before the new MGA is in front of this House. I do have some questions, though, and some comments.

When we look at the changes that are proposed here – because the Bill was just tabled very, very recently, I haven't had the opportunity myself to touch base with the Alberta Urban Municipalities Association and the Alberta Association of Municipal Districts and Counties, but I just assume that both those organizations on behalf of the respective municipalities do support the various changes proposed in this Bill. I would suspect that in a lot of instances – and I would hope the member would clarify, if not tonight, during committee stage, as to whether there were actual resolutions at conventions of these two organizations calling for some of these changes.

Some of the areas that I do look at. The first one: when we look at the numbers of electors, five to 25, on a piece of paper, many would argue and say that that's unreasonably low, that that simply encourages the so-called fringe candidates or the kook candidates in the terminology some would use. I don't see any difficulty with that. I don't see any difficulty in keeping the democratic process as open as possible. When we talk in terms of five to 25, I think that's good, because if he talked in terms of, let's say, a minimum of 50, in the smaller municipalities 50 signatures in support of their nomination papers could be very, very difficult for some people to obtain. I don't believe the democratic system should be set up in such a way that it makes it difficult for anyone that wants to test the waters to test the waters. So that part of it I think is good. It allows that openness that should be there.

The question of the advance polls. I would hope, and possibly this is not the proper piece of legislation to do it, that somewhere along the line when we talk in terms of the advance polls, advance polls serve purposes for incapacitated voters, for voters that have disabilities, for voters that will be away on election day. But one of the basic philosophies, one of the basic rights that still is not there that should be there is that every poll, every voting station should be accessible on election day. One should not have to go to an advance poll to cast one's vote. That can be an inconvenience at times in that advance polls are limited in number. I can recall even the last time I ran for alderman in 1983. I could not vote in my own home poll because it was inaccessible. There is not provision yet that makes it mandatory for every polling station to be accessible, and that should be done.

**10:50**

Comments have been made by the previous speaker on one other area that I'll touch on tonight, and that's the question of annexation. Annexation is a very, very complex issue, and it does need a lot more to be said on it than is in the Bill. Annexation strikes me two ways. I can recall the great debate between the city of Edmonton and the outlying communities when it came to the grand annexation to the city of Edmonton a number of years ago and the impact it was to have on areas like St. Albert, the

county of Strathcona, Sherwood Park, and so on. Of course a similar process, not to the same degree mind you, occurred in Calgary. The Calgary annexation to establish bedroom communities I believe was even larger than the Edmonton one, but the impact was not as severe as it was in the Edmonton area. The controversy was not as great.

There was a great deal of difficulty with a more recent one, and I think it points out clearly that there has to be a better way to deal with annexation. The Member for Clover Bar should be particularly interested in this. There has to be a better way of dealing with the annexation process than what we have at the present time. In Fort Saskatchewan and the county of Strathcona it has left some people with very, very bitter feelings. It was a dispute. The way it was resolved was not in the best fashion. There's still a great deal of unhappiness amongst the two different parties involved. They may now say, "Well, we've accepted the situation" because they've had to accept the situation, but the process should be such that it prevents that type of conflict, that type of bitterness from occurring. I would hope that if this Bill is not there to address that, the member would at least elaborate as to what the intent of that particular section is, like I said if not tonight then when the Minister of Municipal Affairs has the opportunity to possibly elaborate on some of those sections.

On that note I'll conclude, Mr. Speaker.

MR. SPEAKER: Was Edmonton-Mill Woods attempting to speak earlier on this issue?

MR. GIBEAULT: No.

MR. SPEAKER: Thank you.

MR. GIBEAULT: Mr. Speaker, just a few comments briefly. I was hoping that the government would come forward with something a little more substantive in terms of the Local Authorities Election Act, because as many members may recall, in Edmonton we've had a couple of serious scandals recently involving two councillors, one for not paying their business taxes, being grossly in arrears. Even though the declarations the candidates have to sign require them to declare that their taxes are current, apparently there seemed to be no recourse to take action either by the citizens or the council to censure or remove from office a councillor that is in that situation. That caused a great deal of consternation among the constituents of that particular ward in the city of Edmonton. The other case, that was perhaps even worse, was a councillor who was convicted of wife assault, and despite public outrage over the matter that councillor is still in office.

There really does seem to be a feeling among people in Edmonton anyway, and I suspect in other municipalities around the province, that our municipal councillors, just like provincial or federal representatives, really should be people who are not criminals. I mean, surely that's not too basic a criterion for people to be public representatives, yet we've got a situation where a person is convicted by a court of a serious crime like spouse assault and continues to be in office. Mr. Speaker, I don't accept that. My constituents don't accept that, and I don't see why the government, after all that uproar over those two incidents, did not bring forward an amendment to the Local Authorities Election Act that provides for some recourse to the citizens to deal with situations like that. I would like an explanation for that negligence.

MR. SPEAKER: The Member for Rocky Mountain House in summation.

MR. LUND: Thank you, Mr. Speaker. I'll be very brief. The Member for Calgary-Mountain View raised the issue about this not being a very comprehensive Bill. Well, I want to inform the House that this is not the new Municipal Government Act. That one will be introduced and will lay over for discussion.

The issue about compensation – and we'll certainly get into this discussion in much broader terms as we go into committee – is very simple. The problem right now, and it arose more recently in the county of Strathcona/city of Fort Saskatchewan annexation, is that there was no mechanism currently within the Municipal Government Act, except by using sections 21 and 22, where the province must pass a regulation that allows for the compensation to be ordered. So this cleans that up. The other problem with using sections 21 and 22: the validation of that order has to happen in the next sitting of the Legislature. So this simply cleans it up much more.

The comments from Edmonton-Whitemud I think are now covered in this, and the comments from Edmonton-Mill Woods, of course, were not related to this Bill.

With that, I will move second reading of Bill 43.

[Motion carried; Bill 43 read a second time]

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

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

[Mr. Jonson in the Chair]

MR. DEPUTY CHAIRMAN: Order in the committee, please.

**Bill 38**  
**Alberta Income Tax Amendment Act, 1992**

MR. DEPUTY CHAIRMAN: Are there any comments, amendments, et cetera, to be offered with respect this Bill? The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Well, I'm just curious, Mr. Chairman. You know, there are a number of different income taxes this government has, including the flat tax, and I'm just wondering why, when it comes to giving citizens of Alberta a tax break, this government doesn't get rid of a more regressive tax rather than attacking the somewhat more progressive income tax. It seems to me that if we wanted to both give a tax break to Alberta citizens and at the same time ensure that our tax system remains relatively fair, it would have been better for the government to proceed along those lines rather than giving a reduction in the income tax basic tax payable rate as contemplated in Bill 38.

You know, some years ago it was Peter Pocklington who tried to make the idea of a flat tax popular. It seems to me that every time I see this government implementing any changes to the tax system, it's towards a more regressive rather than a more progressive system. So I just say to the minister that leaving in place a regressive tax doesn't make sense to me. If he wanted to achieve tax fairness, he should have gotten rid of the flat tax, and he could have also at the same time given a proportionally bigger break to lower income Albertans. What Bill 38 does is give a small decrease to people of low income and a big decrease to

people of high income, and I think that's just not the emphasis that our tax system should be going.

**11:00**

MR. JOHNSTON: Mr. Chairman, I'm not too sure, at least from the analysis that we have done, that the Member for Calgary-Mountain View is accurate in his conclusion that if you were to reduce the personal income taxes by adjusting the flat tax as opposed to the tax on federal tax, you'd have a more progressive system. To the contrary, we think that it wouldn't work quite that way. In fact, our models at this point would show that by taxing on the so-called income or close to the income side, you have a more progressive type of tax.

Moreover, Mr. Chairman, we have a lot of low-end deductions which ensure the progressivity of the tax in Alberta. As I've said before, we have the second most progressive tax system in Canada.

Thirdly, Mr. Chairman, we want to maintain the flat tax. If you're looking only at dollar amounts, then you're indifferent as to how you do it. I've said already that we want to maintain the progressivity, but there is a negotiating position here as well. The federal government has said to some provinces that the flat tax will end in any event, so if it's going to end in any event by unilateral action by the federal government, who will simply say that as of next year you cannot oppose a flat tax, then we would have to find some other way to deal with the tax side. To deal with the high-income individual, as the member knows full well, we have a surtax in place on top of any other provincial tax, which does in fact tax away additional income at the high level.

We, I must say, are working still further on this area. We are trying to replicate as part of our long-term studies on the impact of taxation in the province just what would happen on a variety of changes in the tax system, which compliments some of the negotiations and studies being done at the federal level on tax on income as opposed to tax on tax: all fascinating for those people who are intrigued by this area and not too fascinating for the person who simply says that the government is taxing too much. That's why the message here is that we're reducing taxation.

HON. MEMBERS: Question.

[Title and preamble agreed to]

[The sections of Bill 38 agreed to]

MR. JOHNSTON: Mr. Chairman, I move that Bill 38 be reported.

[Motion carried]

**Bill 39**  
**Alberta Corporate Tax Amendment Act, 1992**

MR. DEPUTY CHAIRMAN: Are there any comments, amendments, or questions with respect to this Bill?

HON. MEMBERS: Question.

[Title and preamble agreed to]

[The sections of Bill 39 agreed to]

MR. JOHNSTON: Mr. Chairman, I move that Bill 39 be reported.

[Motion carried]

MR. ANDERSON: Mr. Chairman, I move that the committee rise and report.

[Motion carried]

[Mr. Speaker in the Chair]

MR. JONSON: Mr. Speaker, the Committee of the Whole has had under consideration certain Bills. The committee reports the following: Bills 38 and 39.

MR. SPEAKER: Those who wish to concur in the report, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried. Thank you.

MR. ANDERSON: Mr. Speaker, tomorrow afternoon it's intended that we deal with various Bills on the Order Paper, starting in second reading with Bill 34 and proceeding as far as the Assembly chooses to debate.

[At 11:06 p.m. the Assembly adjourned to Wednesday at 2:30 p.m.]

