

## Legislative Assembly of Alberta

Title: **Wednesday, October 27, 1993**

8:00 p.m.

Date: 93/10/27

head: **Committee of Supply**

[Mr. Tannas in the Chair]

MR. CHAIRMAN: Order. I'd like to call the committee to order. [interjections] Thank you. Hon. members of the committee, we're trying to address things through the Chair, and I'm sure that these preliminary comments are within that domain.

head: **Alberta Heritage Savings Trust Fund**  
head: **Estimates 1993-94**

MR. CHAIRMAN: The committee is reminded again that this evening we're dealing with the estimates of the Alberta heritage savings trust fund capital projects division. It is my understanding that some accommodation has been made between the House leaders, so if that could be explained at the outset so that we all understand where we're coming from.

The hon. Deputy Government House Leader.

MR. EVANS: Well, thank you very much, Mr. Chairman. I hope that we'll understand where we're coming from after I make this brief explanation. In speaking with the Opposition House Leader this afternoon, we thought that perhaps the most appropriate way to deal with these estimates would be to allow ministers who are involved in the estimates to give a brief introduction as to the topics that we will be discussing in the next few days. I would suggest that we move accordingly, then, to the table of contents. I note that it's quite inappropriate to talk about who's here and who's not here, so we could perhaps just move along in the table of contents and begin with a brief introduction from my colleague the Minister of Community Development, if that is the agreement as per my colleague on the opposite side.

MR. CHAIRMAN: Hon. Opposition House Leader.

MR. MITCHELL: Yes, we concur in that process, Mr. Chairman.

MR. CHAIRMAN: Okay. If that's the case, then we'd call upon the Minister of Community Development to make opening comments, and then we'll begin debate.

MR. MAR: Thank you and good evening, Mr. Chairman and members. The Ministry of Community Development is involved with one program that receives funding from the Alberta heritage savings trust fund. That is phase 2 of the capital development of the urban parks program. The 11 municipalities of Calgary, Airdrie, Wetaskiwin, Camrose, Leduc, Spruce Grove, Strathcona county, St. Albert, Fort Saskatchewan, Fort McMurray, and Edmonton are all included in phase 2. Phase 1 of the program, which was in place from 1980 to 1986, included the cities of Lethbridge, Medicine Hat, Red Deer, Lloydminster, and Grande Prairie.

Urban parks provide a very significant improvement in quality of life for residents of and visitors to these cities. In addition to recreation opportunities and natural amenities, urban parks also attract tourists and make these cities a more desirable place for businesses to locate. Utilization of the parks in phase 1 cities has been tremendous. In each of the five cities the urban park is cited as the most important or one of the most important quality of life attractions in that city by its residents. We are working

proactively and co-operatively with the phase 2 cities to ensure that this success is repeated in these 11 locations.

It should be noted here that these grants are block funding grants involving local municipal autonomy. Concept plans are approved by the minister, and then the cities proceed to implement detailed master plans which are approved by city council and the minister. All concept plans for all the cities have been approved. Most cities use a public consultation process prior to actual completion. These urban parks also preserve and enhance natural landscapes and bird and animal life in the heart of our major cities. For many young Albertans these natural areas are the only opportunity for them to experience and observe nature firsthand. These kinds of experiences are important to these young people's education and personal growth.

A very popular recreation pursuit and in fact the fastest growing recreational pursuit in Alberta is walking for pleasure. Earlier today at Public Accounts I stated that according to the latest Alberta general recreation survey, 1.7 million Albertans walk for pleasure. Also a very popular activity according to the 1992 Alberta general recreation survey is cycling for pleasure; 1.1 million Albertans pursued this recreational activity. All urban parks are developed or are being developed with an extensive system of formal and informal trails. Use of these trails for walking, jogging, and cycling has been very heavy in the phase 1 cities. In fact, it has been overwhelming in some cases, necessitating the widening of trails or extension of trail systems.

These are just a couple of insights into the quality of life legacy we have developed through these urban parks and through this urban parks program. In addition to this long-term value-added legacy, the construction of these parks is creating extensive employment in these cities during the development phase.

In summary, this program is a very worthwhile endeavour for the Alberta heritage savings trust fund. It is creating long-term facilities and amenities to enhance the quality of life for both present and future generations of Albertans.

Thank you.

SOME HON. MEMBERS: Question.

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

MR. CHADI: Thank you but . . .

MR. EVANS: Mr. Chairman, again, what I understood we would do would be to review each of the budgets that we can this evening very briefly, moving next to Energy and from Energy to Environmental Protection, et cetera, and then move to questions so that we have the capital fund from the heritage savings trust fund in a broader context before we get into specific questions.

MR. MITCHELL: Mr. Chairman, that is exactly what we agreed to. It was just that we were getting nervous when we heard some of the private members yelling for the question. They probably weren't listening to this agreement that we'd worked out. We just wanted to make certain.

MR. CHAIRMAN: In defence of the private members who are confused, certainly the Chairman would add to that.

The hon. Minister of Energy.

MRS. BLACK: Thank you very much, Mr. Chairman. The Ministry of Energy also has some involvement in the heritage savings trust fund capital projects division in the form of the southwest renewable energy initiative, better known as SWAREI,

which was established in 1989 to promote renewable energy development and economic diversification in southwest Alberta. SWAREI supports the development of wind energy, solar energy, small hydro methane recovery from landfills, and energy from waste. Other areas of interest include industrial energy conservation and energy efficiency.

Mr. Chairman, SWAREI has provided three types of assistance with funding of \$3 million in grants from the heritage savings trust fund. It has a power allocation of 12.5 megawatts from the Alberta small power research and development program. This program supports renewable energy development, enabling projects with allocation to sell their electricity to the interconnected utility grid on a long-term basis at the small power rate. SWAREI is also supporting projects which have received 10.695 megawatts of power allocation directly from the small power program. There's also a third element, information dissemination through the vehicle of the Alberta office of renewable energy technology, which was established in Pincher Creek. The office was established in May of 1990 to implement and manage SWAREI, and it's an independent six-person board.

To date, Mr. Chairman, SWAREI has succeeded in meeting the following objectives: the promotion and development of renewable energy technologies, the encouragement and support of economic diversification of southwest Alberta, supporting private developers in the construction and operation of significant demonstration projects, and the dissemination of information on renewable energy technologies. This year the estimates for SWAREI are \$750,000.

Thank you.

MR. EVANS: I wasn't anticipating that the hon. Minister of Energy would be finished quite so quickly.

Mr. Chairman and colleagues, I'm very pleased this evening to rise and debate the 1993-1994 plans for projects which operate in my department under the Alberta heritage savings trust fund. Because our department has consolidated now as a result of the consolidation of environment, forestry, lands, and wildlife, and parks, we have also consolidated our Alberta heritage savings trust fund expenditures. We've consolidated into three separate programs. Those are the water management systems improvement project, the land reclamation project, and finally the Pine Ridge nursery project. I believe these are all very, very important projects to the citizens of the province of Alberta, and I look forward to the opportunity to discuss these matters further with you and with hon. colleagues.

[Mr. Sohal in the Chair]

I'd like to begin by talking about the water management systems improvement project, which was first initiated in 1975 and certainly has significantly impacted all of southern Alberta in particular. It has expanded in scope quite considerably following our government's decision in 1980 to proceed with an integrated water management plan for the southern part of our province. The primary objective of this program is to ensure that adequately sized, efficient, and reliable water supply delivery systems are provided to all 13 of our existing irrigation districts in southern Alberta as well as to the Berry Creek region in the special areas. The project is essentially for the rehabilitation and upgrading of older and inefficient conveyance systems. Built during the early part of this century, a number of these headworks systems in some districts have been in operation for in excess of 60 years. The major rehabilitation program, therefore, is required, and we took on that responsibility as government to assist with this. Ensuring

uninterrupted operation of the headworks system for a reasonable length of time is essential to taking advantage of the economic opportunities we have in southern Alberta.

**8:10**

By March 31 of this year, 1993, approximately 90 percent of the project had been completed, and for the year 1993-94 we're seeking \$26.4 million. Mr. Chairman, of this amount, almost \$14 million will be used for provincially owned water management facilities, while the remaining \$12.4 million will be used for works on the main canals and the reservoirs within the irrigation districts. Of important note as well is that the request is \$8.6 million less than our request in the year 1992-93.

The second program is our land reclamation program. Since 1977 this project has been reclaiming hundreds of abandoned and derelict sites located on either Crown or municipally owned properties across the province. Through modern methods and technology, land that was once used for garbage dumps and sewage lagoons or for sand and gravel mining is transformed into property that plays a beneficial role in enhancing Alberta's agriculture, recreation, and our wildlife. The project's major purpose is to provide needed expertise and financing to reclaim those abandoned sites.

Funding is also available, Mr. Chairman, for reclamation research aimed at developing and improving the methods of reclaiming disturbed lands. This research is then published by my department through the Reclamation Research Technical Advisory Committee reports. Once each year my department works with local authorities to determine potential reclamation projects. When approved, Alberta Environmental Protection assumes responsibility for the work carried out at these sites. The department conducts all of the project planning, hires the contractors, and is responsible for on-site supervision. For the fiscal year 1993-94 we're seeking a \$2.5 million allocation from the heritage savings trust fund.

Finally, I'd like to talk about the Pine Ridge nursery, Mr. Chairman. A little history to begin with: back in 1932 at Oliver we had our first tree nursery in the province. The provincial government has established a direct role in the reforestation of Crown lands ever since. Between 1976 and '86 the heritage savings trust fund provided \$14.7 million for the construction of the Pine Ridge nursery near Smoky Lake to assume the role of providing seedlings for reforestation. The funds that we are asking for in this budgetary submission are for retrofitting and upgrading, and this again is to enhance and improve a facility that originally came under the umbrella of the heritage savings trust fund. The \$350,000 is actually a reduction of over \$750,000 from last year's allocation. These dollars are earmarked for final payments and for holdback releases on construction contracts as well as seed processing and the installation of greenhouse equipment.

These three projects, Mr. Chairman, are important. They certainly improve the quality of life of Albertans. In this time of fiscal restraint we've reduced our request for funds by over \$9.3 million compared to our 1992-1993 allocation from the fund. Despite these reductions, I'm confident my department will ensure that these programs maintain the same level of customer service Albertans have come to expect and to enjoy.

Thank you very much.

MR. ACTING DEPUTY CHAIRMAN: Alberta Family Life and Substance Abuse Foundation.

MRS. MIROSH: Thank you, Mr. Chairman. The million dollars required for operating expenditure for AFLSAF in the book is to commit to the grant obligations we have for this year. As the

House knows, Bill 17 is in second reading, and it is the intention to repeal the AFLSAF, and these dollars are needed just to fulfill the commitment. Following that, no further dollars will be needed.

That ends my comments, Mr. Chairman.

MR. ACTING DEPUTY CHAIRMAN: The hon. Minister of Labour.

MR. DAY: Mr. Chairman, the occupational health and safety research and education fund basically is there to provide funding for research that's related to and has the objectives of developing solutions to challenges in the workplace regarding workers' occupational health and safety challenges and hazards, and the Department of Labour basically administers this project. It's done in conjunction with industry and labour, with education with the general public. The projects are all assessed through a peer review process. That's to make sure that only high-quality projects are in fact even begun and then in fact continued because of the assessment they get in terms of having some demonstrable affects on the workplace itself and for the well-being of workers in various occupations.

You'll notice, Mr. Chairman, there is a decrease from the comparable estimates of some \$435,000 – that's about a 35 percent decrease in the amount that has gone into the fund – and also a decrease of three full-time equivalents. The work that was formerly done by those three individuals is now being done by various department people with no increase in staff. A reflection of just what's happened so much in the overall merger of departments and divisions is that people realize we all have to take on more tasks, more responsibilities. This particular area was no exception.

Those are my comments, Mr. Chairman, on this fund.

MR. ACTING DEPUTY CHAIRMAN: The hon. Minister for Agriculture, Food and Rural Development.

MR. PASZKOWSKI: Thank you very much, Mr. Chairman. I'd like to say a few words regarding our department and the activities within the heritage trust fund. I'm looking forward to any questions and comments that may come forward as a result of the evening's discussions.

I'll discuss our proposed expenditures in vote order. First, there's the Farming for the Future expenditure. This program recognizes the value of agricultural production and food processing as a vital revenue generator for Alberta. In 1992, 42 percent of Alberta's out-of-province and out-of-country exports, which totaled nearly \$4.54 billion, were value-added product. Since its inception 14 years ago, the Farming for the Future program has supported over seventeen hundred research programs, demonstration plots and that type of activity, and certainly there have been more than impressive results. Funded projects include research on major commodities and resources vital to the food and agricultural industry. New crop varieties, improved livestock production methods, new soil conservation techniques, better marketing information, as well as food-processing technology are part of the Farming for the Future process that's being funded. The benefits of this program to our agricultural and food economy are very positive. In 1992, 10 on-farm research projects were evaluated, and of those 10 that cost approximately \$7.24 million, there was a direct gross return of \$455.6 million over the next 10 to 15 years. We project that every dollar invested will return approximately \$60, and I think that's a very satisfactory type of investment.

8:20

Farming for the Future has made a very valuable contribution to Alberta's agriculture and food industry in both primary and secondary production, so we feel that our dollar investment has been well used. It recognizes that research and technology transfer is a very, very important component of efficient use of a competitive agriculture and food system and of the resources that are put into it.

The second vote covers another program which creates positive returns to Alberta. This program has helped many farmers develop new acres, diversified crops, and potential manufacturing and value-added products to increase yields. I refer to the irrigation rehabilitation and expansion project. This, of course, affects the southern part of the province in a more direct way, but its value to the entire province is well recognized and of course of utmost importance. A total of \$24.5 million has been budgeted to this program in '93-94. Of this amount, \$19 million will be allocated to 13 irrigation districts on an 86-14 cost-sharing basis. The amount each district receives is determined by a formula in which the government contributes 86 percent and the irrigation district contributes 14 percent.

Vote 3 attempts to fill the gaps of the irrigation rehabilitation and expansion program. This involves the private irrigators. There's a small group of private irrigators involved in a different manner than those that are administered through the Irrigation Council. When the program was extended in 1992 for three years, changes were made to the structure. Instead of staggering assistance payments to farmers over three years, all funds are paid once the project becomes operational. That is a dramatic change from the previous operation. The change is a reduced administrative cost and provides assistance more quickly to the applicants. As well, funding is now limited to \$30,000 per farm rather than \$30,000 per project. So there's been a dramatic change there in the funding process as well.

During '92-93, 18 new projects were supported in the development that covered roughly 3,000 acres. Last year only \$414,000 was utilized, so this year there has been \$500,000 allocated to this.

Finally, the fourth vote is the public lands vote. That is basically new to Alberta Agriculture, because in the past it was delivered through Environmental Protection. I guess in the past it was actually Alberta lands, forests, and wildlife. It's been transferred to Alberta Agriculture, Food and Rural Development. The enhancement . . . [interjection] We're very fortunate that we have a lot of support in this caucus, and I very much appreciate the support that comes forward. In 1989 this program was approved to redevelop 136,000 acres on 21 grazing reserves in the central and northern part of the province. The Alberta heritage trust fund has contributed \$19.2 million to this seven-year project. In 1993-94 a total of \$3,712,000 was allocated to this program, with \$107,000 going to support services and the remainder of the funding going directly to the program.

I think with that, Mr. Chairman, I'll close and we'll entertain any questions. For those we may not have time for or may not be able to deal with tonight, we commit that we will present the answers in written form.

Thank you.

MR. ACTING DEPUTY CHAIRMAN: The hon. Member for Edmonton-Roper, please.

MR. CHADI: Thank you, Mr. Chairman. I'm not sure of the process, and maybe I could have that clarified before we start. We

could address our different questions through the Chair to different departments. Shall we just go right through it, or do we have to address one by one and then come back to another ministry? How shall we deal with this? Just rattle them all off and let them . . .

MR. ACTING DEPUTY CHAIRMAN: All right.

MR. CHADI: Then let me start off, Mr. Chairman, with Community Development and project 1, Urban Park Development. There's no doubt about the fact that urban parks are well used and well deserved throughout the province in cities like Calgary, Edmonton, St. Albert, Fort McMurray, and the different counties. It just seems to me that the amount of money we expend on these different parks in times of fiscal restraint – perhaps we ought to be considering putting some sort of moratorium on them. It appears that the grants that were approved and actually funded to cities like Lethbridge, Medicine Hat, Red Deer, Lloydminster, and Grande Prairie totaled \$86.7 million under this phase of the program, which expired March 31, 1987. Then it goes on further to say that the total amount expended to March 31, 1993, was \$113,581,000. My question would be, of course: is this amount of money, \$113,581,000, expended from March 31, 1987, until March 31, 1993, or do we have a cumulative amount here of \$113,581,000?

When I look at 1992-93 and look at the grants for infrastructure, I would imagine these grants for infrastructure are grants indeed for building more parks. That amounts to \$13,880,000 for 1992-93. Of course, the estimates were equal to that last year. Then the 1993-94 estimates are the same amounts. So, Mr. Chairman, it would appear we spent almost \$14 million last year, and it's slated again to be spent this year. For just those two years alone, that's \$28 million. If we add that to the almost \$87 million, it surpasses the \$113 million. I'd like an explanation as to whether or not the \$113 million we have in fact up until March 31, 1993, does not include the \$86 million up until March 31, 1987.

Program Support, under reference 1.1, of \$180,000 is the same amount that was estimated last year with the actual expenditures of \$168 million. I'm wondering if program support isn't being indeed duplicated. In referring to the public accounts under Community Development, I'm going to refer so the hon. minister can quickly identify what I'm talking about when he's responding. That is, of course, volume 2, page 2.34. It would be vote 6, Recreation Development, and throughout Recreation Development the program support that goes on within that department – not only the program support in 6.1 but all the other different program supports there are in there involved in that vote. Is there not some sort of duplication, and if there is some sort of duplication, can't we rectify that? It would appear to me that no matter where we can save some money, it would be prudent and the right thing to do at this point in our elected time.

**8:30**

We look at \$14 million in Grants for Infrastructure, and I also look at the public accounts. We discussed this this morning in Public Accounts with the hon. minister. I note that we have \$5.5 million in operating grants, Mr. Chairman, operating grants that go towards the urban parks and, I would imagine, to the communities that these urban parks are in. You add that \$5.5 million to operate these – and I'm sure it's just a grant that needs to be supplemented again by each municipality – and the fact that we may be looking at perhaps maybe reducing this amount or scrapping that totally if it comes to a point where we have to look at taking away things like kindergarten and the Head Start program and other programs that we're cutting. There's no question that

we have to make some cuts. It would appear to me that cuts like this would perhaps be more warranted than cuts in education. If that's in fact what may happen, then why would we consider expending more funds, funds to the tune of \$14 million more, like we did last year and like we're slated to do this year again? It just doesn't make sense to me at all.

It also would appear to me that for the urban parks that now exist, more and more municipalities are going towards user fees, and I'm wondering if we couldn't implement some sort of system. I know we asked the hon. minister this morning if he wouldn't look into it. He seemed interested enough with the suggestion that maybe he'd open up a dialogue with the different municipalities and see how we can perhaps reduce some of these numbers in terms of the operating grants.

When we talk about reducing operating grants and having municipalities look at user fees, I'm wondering if we shouldn't maybe take it a step further and start looking at having some of these parks privatized. We're doing it in provincial campsites across the province. We're doing it successfully, I think. It wouldn't be a bad idea to start looking at that avenue. Indeed, it may be a wise thing for us to do in terms of cutting down on our expenses.

The other area I'm interested in asking questions with respect to the heritage savings trust fund is Agriculture, Food and Rural Development. Mr. Chairman, in particular it's project 4, and that is Grazing Reserves Enhancement. I was trying to figure out why we would have 21 provincial grazing reserves in this province. We've got them in central and northern Alberta. I remember that as a youngster we took part one year, a time when we put some cows on a community pasture. I'd imagine that's what this is. It was okay simply because we didn't have enough land at the time to have our cows graze throughout the summer, so we took them to a community pasture. I remember being on there and driving through this little trail. It was all bush. It says here that we've got "136,000 acres of low yielding tame pastures which are reverting to brush." This pasture that we went through indeed seemed to be all bush. Anyhow, we drove through this thing, and I thought I saw a cow and stopped the pickup truck and headed into the bush. Lo and behold, I did find that cow about half a mile later, after it was running away from me, and I just couldn't find my way back to the truck at all. Here I was stranded out in this community pasture.

MR. PASZKOWSKI: You should have got another cow.

MR. CHADI: It wasn't our cow. Therefore, I couldn't find our herd. I got caught in a giant rainstorm, and I remember getting under a huge spruce tree to weather that storm out. Finally did, and being the bushman that I was, I realized that I'd have to head west. West, young man: that's what I saw. I was looking for the hon. Member for Vermilion-Lloydminster.

MR. WHITE: The Minister of Municipal Affairs.

MR. CHADI: Yeah, the Minister of Municipal Affairs.

Anyhow, so I headed west. I knew that if I continued to head west, I'd get to the highway. Well, I finally did get to that highway. Boy, I tell you that was some experience trying to find my cattle on a community pasture.

In retrospect, you think back and you say: why did we have these community pastures? I think in the earlier years it was probably not a bad idea. But is it a good idea now? Do we still need them in times when we look at privatizing, in times when we look at selling off things like the ALCB and saying that we have

no need for it simply because the private sector can do it better than government can? Why is government in the business of grazing pastures? Why? Why do we bother with it? Why don't we consider privatizing? Why don't we consider selling off the land? I mean, is it really fair for the people that have . . .

MR. EVANS: Selling off public land?

MR. WHITE: Keep going; you're doing fine.

MR. CHADI: Thank you, hon. member.

We have situations where we have farmers that have their own land and spend a fair amount of money each year buying land and maintaining it: fencing it, clearing it, cultivating it, putting it into pasture, seeding it. Not bad for an urbanite, eh?

Now we have these different farm families that are expending their own moneys on this. Perhaps to a great degree most of them have financed their properties, maybe got AADC loans or Farm Credit loans and are having to pay them off, young families, young farmers that have started out. Is it really fair to them? Is it really fair that they have to spend those sorts of funds on their capital expenditures and then have the government all of a sudden give a whole bunch of subsidized land to just anybody that comes along? I don't think it's right. I think that if we're not going to consider selling off these properties or privatizing them – I like using that word – then I would suspect that what we should be looking at is perhaps implementing a reasonable fee. I don't think that a nominal fee per cow or however it works – it used to be that way, per animal.

MR. LUND: Animal unit.

MR. CHADI: Animal unit: that makes sense. Thank you.

In the old days I remember it was something like around \$10 per animal unit. That was quite a while ago. I don't know what it's like today, but I suspect it may be, say, in that range or maybe even double that. Even if it was double that, it's still a very, very reasonable amount of money. I think it's nowhere near coming up with the amount of money that we have to expend. So if we have to keep them, if it's absolutely necessary that we do that, then why don't we do it on a cost-recovery basis? You look at reference 4.1, and we have \$107,000 in Support Services on this program alone. I'd like the hon. minister to maybe explain to me where and how we come up with \$107,000 for Support Services. Who do we hire? What do we do for that \$107,000? These are only community pastures. Throughout the province do we have a number of people running around getting lost like I did in the community pastures? Or maybe we have them out there counting animal units to ensure that nobody put one or two more animal units per pasture than they should have. Lord knows, we may even have some policing out there for that \$107,000. Maybe we ought to contact the RCMP in cases like that and have them come in and count the animal units, ensure that nobody is abusing the system. On a cost-recovery basis it would make an awful lot of sense, Mr. Chairman, and I'd like the hon. Minister of Agriculture, Food and Rural Development to just comment on that.

**8:40**

The Grazing Reserve Redevelopment. We're spending \$3,605,000, and we spent almost \$3.6 million last year. Now, where do these funds go? How do we utilize these funds? It seems like an awful lot of money for 136,000 acres. I mean, if the fencing is already in place, if we've already done that and what we're doing now is allowing farmers to come in with animals

to put on the grazing reserves, then why do we have to spend \$3.6 million annually on that program? It makes no sense at all to me, so please try to clarify that for me, hon. minister.

Those are my comments for tonight. Thank you, Mr. Chairman.

MR. PASZKOWSKI: While it's fresh in my mind, I'll try and respond.

MR. CHADI: You didn't get lost too, did you?

MR. PASZKOWSKI: No. I may get lost. I was lost earlier in the evening, and they sent me a goose and found my way out, so I was okay.

I appreciate your comments, and I appreciate the points you have made. Obviously, you're not quite as urban as you pretend you may be. I think you have some knowledge of the agricultural community and particularly the grazing reserves. The questions were valid and ones that I anticipated would have been asked. Really, as far as the question of what do they do with the redevelopment – I'll take the last one first – and the three point something million dollars: in order to keep the pastures productive, they have to be redeveloped. It's very similar to any other type of agricultural land that produces grains or oil seeds or grasses or forage. They have to be worked periodically because they become root bound. They have to be recultivated. They have to be reseeded. In some cases where it's land that was in bush, when the roots aren't properly picked, the roots come back into trees again, so sometimes you have to knock the trees down again. They keep growing. Of course, these pastures are fertilized, they're well maintained, and they're very highly productive. There is a high concentration of cattle put on them, so therefore you have to maintain them. It's just a regular maintenance thing. It doesn't matter whether we do it. If private enterprise had it, they would have to do that, and the cost would have to be there as well.

As far as what's done out on the grazing leases and what all is involved with the manpower that's out there, they do patrols; they basically fix fences; they have to move cattle from pasture to pasture. The pastures are all subdivided so that the cattle don't stay in one particular part and overgraze, and therefore the pasture doesn't come back if we hit a long dry spell. They have riders who ride the fences to see that the cattle aren't getting out and they're contained, because there is a commitment that these cattle have to be looked after. By and large, the grazing reserves themselves hire those riders and maintain them.

Now, your comments regarding costing I think are fair, and that's something we are reviewing and will no doubt be discussing at some length here in the very near future. We are in a situation where budgets are very important, and we will continue to try and either privatize – that's one avenue of doing it and one way of handling it. They are public lands. I don't know whether the general provincial community would accept the concept of privatizing public lands, though, and at this stage we've made a commitment that we won't privatize public lands. Public lands are going to stay in the green zone, in the green area, and will remain public lands as such. Only in the white zone do we allow privatization, so there may be some problems in achieving privatization and it may not be all that well accepted. We may have to use another concept, and that is perhaps looking at higher grazing reserve prices, charging more for each animal that's put in.

As far as people owning their own land, this process basically allows a minimum allocation of cattle. So you can have some cattle at home. No one can come in with a whole flood of cattle, bring in all their cattle to be put on the grazing reserve. There

are allocations made to those, because the increase of cattle has been very, very dramatic, in the last 10 years particularly. We've much more than doubled in the last five years as far as population in Alberta alone is concerned, so the pressure on pastures has been increasing. We still have the opportunity of moving some of our grain farming into cattle pasture if we so wish. That is happening to a degree and no doubt will continue as long as we keep diversifying.

I hope that answers your questions regarding the community pastures.

MR. ACTING DEPUTY CHAIRMAN: The hon. Minister of Community Development.

MR. MAR: Thanks, Mr. Chairman. I'd also like to address some of the questions raised by the hon. Member for Edmonton-Roper. I also would like to thank him for his good comments and his good questions.

The first question is really one of clarification. The hon. member was asking about the \$113 million figure. I can advise him that that is a cumulative number of the phase 1 program, which was \$86.7 million, and the moneys which have been spent to date on the phase 2 program. The actual expenditure in 1989-90, since the end of the phase 1 program and the beginning of the phase 2 program, was \$900,000. The actual expenditure in 1990-91 was \$3 million; actual expenditure in 1991-92 was \$8.665 million; actual expenditure in 1992-93, \$13.88 million; and the projected expenditure in 1993-94, also \$13.88 million.

With respect to his question regarding whether these amounts will be cut back, I can advise the hon. member that we're currently at the peak spending level in 1993-94. Subsequent years' budgets will show decreases as the programs come to an end.

His second question was with respect to Program Support and whether there was a duplication of services. I can advise the hon. member that the moneys spent in this particular program were separate and discrete: manpower resources at 3.5 full-time equivalents. There is not a duplication of services that exists here, because the 3.5 FTEs represent specific expertise and services that are not a normal part of the division and are in specific regards to park planning, design, and development, which is again a discrete expertise from the other area that he was mentioning.

With respect to the hon. member's question on operating grants, I can advise the hon. member that in fact they have been cut. The original phase 1 program was for operating grants of 5 percent of the capital expended over a period of 25 years. In the phase 2 program it's only 3 percent and over five years, as opposed to 25 years.

On the subject of user fees, I would point out that these are not provincially controlled parks but are within the jurisdiction of the municipalities, but certainly the municipalities have made some efforts to privatize a number of the parks and the services that they have in their parks. It's certainly something that I would be prepared to entertain for any parks that come within our jurisdiction. Cities are currently looking at user fees and looking at other opportunities for the collection of fees. I understand that in the city of Edmonton there's been some entertainment of the concept of charging for parking facilities at local parks. As well, some efforts have been made to charge per hour fees for the use of athletic fields and such.

If there are any other questions that the member would like me to entertain either inside or outside this House, I'd be pleased to do that.

8:50

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

DR. PERCY: Thank you, Mr. Chairman. My first questions are directed to the Minister of Agriculture, Food and Rural Development on project 1, Farming for the Future. Just a little background on this particular project. About three years ago I was spending time in Australia doing some work on economic modeling of small regional economies, and I had the opportunity to go through a number of Australian universities. What was remarkable was the knowledge that they had of Alberta universities, particularly in the area of agriculture research. Much of it, I think, was in fact generated by this program, Farming for the Future, and the research into forage crops, the tillage. It really had generated a very strong, positive reputation for both research undertaken within universities in Alberta and applied research in general in the province as used in agriculture. So in terms of spin-offs and identification of the province as an area where there is productive research of a good applied nature, this program – at least from my experience, from the groups I have talked to – is visible and certainly has had an impact.

My questions that relate to this, then, really relate to some areas of cost recovery. This again reflects my ignorance of the specifics of this program, particularly with regards to some of the activities which may lend themselves to patenting of innovations or processes. To whom does the patent belong? Does it belong to the researcher? Does it belong on a shared basis between the researcher, the university or entity that he works with? Does the province in lieu of its investment have a share of that? In that sense it's almost like an equity position, one would think, for the province if they do have any share of the patent rights. I'm just unclear, because that would strike me as one mechanism, then, for trying to operate this on a cost-recovery basis but sharing in the risk and the failure, and it would be fair. So I just have no idea what the process is there for those things that are demonstrably commercial in nature as opposed to that which is generally in the public domain, whether or not the minister has thought of that with regard to those types of activities that are demonstrably patentable and commercial in nature. As I say, from everything that I have seen of this program and the people I know who work in it in the private sector and in the universities, it has had a very positive effect.

My next question relates to project 2. In project 2 it says in Implementation that "funds are administered under agreements executed annually with the districts." My question there is: with regards to Irrigation Rehabilitation and Expansion, is it done on a pro rata basis, or is it a priority listing and then the various districts fit into the priority listing, or can each district just fund their set of priorities? One might think there would be a particular set of projects in a particular district that might dominate those in other districts. I'm just very curious about the priority ordering, so that that which is most desirable is funded first or whether it is, as I say, on a pro rata basis across districts. If projects are in a sense the priority listing, do they stay year after year? So it's just the mechanics and the process by which the funds are administered with the agreements with the various districts. One would hope that a provincially funded program would opt to finance those projects that are most desirable from Alberta's perspective, regardless of which district they're located in.

With regards to project 3, Private Irrigation Development Assistance, here again my question concerns really the issue of cost recovery and whether or not the province is looking towards

user fees with regards to these types of investments, issues of metering, and the like. What is proceeding in that area? As we're moving to a wide range of cost recovery across departments – the move to net budgeting, for example – I'm curious to what extent, with respect to some of the projects undertaken in project 2 and project 3, we're moving to a cost-recovery basis or some form of net budgeting at that level too.

Then jump ahead to Environmental Protection and project 3, Pine Ridge Reforestation Nursery Enhancement. There again my question really relates to the operation of the reforestation nursery. To what extent is it being operated on a cost-recovery basis? Are user fees in existence, being contemplated? How would they be set? Are they tied into the reforestation levy so that the capital which is invested by the province – at least if we move to net budgeting, is there some mechanism for attempting to finance these investments? Because it would just be a write-off, in any case, with respect to the firms.

[Mr. Tannas in the Chair]

I have one final set of questions for the Minister of Agriculture, Food and Rural Development with regards to project 4, Grazing Reserves Enhancement. This is less of a question and more of a statement. It's clear that with grazing reserves you have a variety of different types of property rights here, and the province has stratified these rights. Some are then for the purposes of grazing. The province also holds on to the subsurface rights and may then allocate those to firms as they attempt to recover natural gas or oil. The rights belong to the province, but they are attenuated somewhat because some, as I say, have been allocated for grazing, some have been temporarily allocated so the firms can pump oil out. The reason I bring this up is because I think it's a very clear illustration that property rights have a slippery definition to them, because you can allocate different features of property under different types of tenure and access.

The reason I bring this up is in light of the debate this afternoon on the issue of embedding property rights. Once you start going into an area like this, you see that property rights really start to become quite slippery. It certainly would strike me as being very difficult in an area such as project 4, where you have really a variety of attenuated property rights to administer these programs, if particular Bills were passed without amendment. That's more of a statement than it is a specific question, but the question would be: in light of this program, how would one attempt to administer it if we had a very rigid definition of property rights and we had competing claims of access?

With respect to the Minister of Environmental Protection, I note that in project 1 the funding estimates, the actual for 1992-93, were \$13.5 million. It has declined to \$12.5 million, but I see that there has been no decline in Program Support expenditures, which I find surprising, particularly if you look at the column for the estimates for '92-93, which were \$19.9 million, and we see estimates for '93-94 of \$12.5 million. We've downsized the program, but there still seems to be some administrative bloat in place. That's the extent of my knowledge of agriculture; I do know that cows do on occasion get bloat. So that is with regards, then, to project 1. I'm curious as to why there has been no decline in Program Support although the size of the program has in fact been diminished.

I'll stop there. Thank you very much, Mr. Chairman.

MR. CHAIRMAN: The Minister of Environmental Protection.

MR. EVANS: Perhaps I'll stand and speak to these before I get bloated, Mr. Chairman.

The Member for Edmonton-Whitemud made two points, one about Pine Ridge nurseries and talking about cost recovery. The history of Pine Ridge nursery – in fact, the history of nurseries in the province vis-à-vis public lands – has been that the province since 1932 accepted the responsibility for reforestation.

9:00

MR. CHAIRMAN: Hon. minister, the microphone has difficulty picking up your voice through the middle of your book. Thank you.

MR. EVANS: My cup. There. That should be a little bit better. I hope that *Hansard* picked up my comments about the history since 1932.

Now, we had a change of circumstances with a rather rapid expansion in forestry development through the late '70s, into the '80s, and certainly into the '90s, Mr. Chairman. We are looking at the Pine Ridge situation. We are looking at what we are spending now, because the budget for tree seedlings is very, very high. In point of fact, this fiscal year it's \$13.9 million. We are short about \$5.3 million, actually, in terms of our total budget, because we have in Environmental Protection reduced substantially our overall budget some 8 percent, and that has reduced the total amount that we've been able to put into tree seedlings.

We are in discussions presently with the forest industry in this province. We are talking about a number of issues, such as stumpage fees, such as tree seedlings and where the responsibility should lie. As the hon. Member for Edmonton-Whitemud may well know, we are currently supplying seedlings to the entire industry, whether it's an FMA, whether it is a large quota or a small quota, a commercial timber permit or a local timber permit. Again that goes back to the history of our involvement, but I'm not so sure that we can continue to do that in the fiscal times that we are in today.

I think the member's point is well taken that we have to look at Pine Ridge in terms of a balance sheet, and we have to look at what the cost benefit is of that Pine Ridge facility. Clearly, we are also trying to encourage the economic opportunities for small operators throughout the province. We have some 17 private operations now in various parts of the province. They've been in existence for a couple of years. When we actively, a couple of years ago, tried to encourage seedling operations to get going, we were referring to the fact that the province had been supplying the forest industry and that the Pine Ridge facility could not meet the entire demand in the province. It's expanded from about 20 million seedlings up to about 30 million seedlings, but right now the total purchase of seedlings in the province is about 72 million per year.

We have to recognize the history, Mr. Chairman. We have to recognize that we have a fledgling seedling industry in the province that is competing out there in the free market, and we have to recognize what Pine Ridge has done in the past and the excellent research that we get from Pine Ridge right now. It's not merely a seedling operation. It's a centre for research and a centre of expertise on seedling growth. It's a centre of expertise with respect to new varieties of trees and such things that will make life extremely exciting in the future in our forest industry.

I accept the member's comments and agree with him that we have to look at Pine Ridge very closely and see if we can realize a better mix of cost benefit and assure him that we are doing that in conjunction with the forest industry of the province and

recognizing that there is only so much money that we have available to us.

In terms of Program Support in project 1, which is our Water Management Systems Improvement program, the hon. Member for Edmonton-Whitemud has expressed some concerns that Program Support is not decreasing, although the total amount being put into that program is decreasing. I just remind him that we are in a time frame now that will see the current funding expire in 1995. These are very intensive operations that we're talking about in 13 irrigation districts in the province. As I mentioned in my preliminary remarks, some of these infrastructures, the canals and the headworks, have been in existence for some 60 years. We are spending the time and the effort dealing with the irrigation districts, providing them with the expertise that we have in government to make their operations as successful as possible, recognizing that with 4 percent of the land base we're getting about 16 percent of the agricultural production in the entire province. It is labour intensive. It is requiring a very substantial amount of program support, and we want to make the most of the resources that we have on the capital side, make them used as efficiently as possible, because we realize we have a short time frame left in the approved funding for these projects up to 1995.

Thank you, Mr. Chairman.

MR. PASZKOWSKI: Thank you very much, Mr. Chairman. To the hon. Member for Edmonton-Whitemud. I appreciated the questions and certainly will try to answer them. Regarding the patenting and intellectual property – that was the first question; was it not? Basically universities insist upon owning intellectual property, so that's the first catch on any intellectual property. As far as Farming for the Future, what we try to do is provide seed money and try and involve as much of the industry's money or whatever the matching participation may be to participate in. Very few projects that we have are oriented to commercial types of properties, so the patenting process has really not been something that's been too much of an issue. To date we're starting to get a little bit of return back, primarily from the canola industry. I think we've got something like \$20,000, as I recall, in return from the university that has produced a canola variety that is being marketed. I think it's the Argentine variety. There is a process that takes place, and everyone that gets a grant, of course, is expected to give a full report. At the end of the project everyone is expected to give a report as quickly as possible, as the project is being completed. In that way we can advise the public how the money is spent, what the results of that project have been, and finalize the project. It makes it a lot easier for all of us.

The second question was regarding irrigation. There is no cost recovery per se. We fund 50-50 to get water to the farm, basically. With that there's a maximum of \$150 an acre up to a maximum of \$30,000 per farm. I think I'd mentioned that in my opening remarks. The farmer pays all the costs that are on his farm.

As far as the interdistrict grant allocations are concerned, the priorities are set by the districts themselves. The districts are the ones that establish the priorities. There are some formulas that are in place. The current formula was adopted in 1991 and is a five-year mandate till 1995. It was recommended at that time – the 13 districts of course are involved – that the formula would be that 15 percent of the funds are allocated to the districts on the basis of the length of canals. The balance of the funds are allocated on the basis of assessed acreage, 50 percent, and water rates, 50 percent. The second factor is modified to direct more funds to those districts that are least advanced in their completion. It's not a totally structured type of formula. There is some flexibility,

because if it was totally structured, it would be very difficult to maintain the flow of funds to where the greatest need may be. This allows, too, some degree of flexibility.

9:10

Cost recovery for grazing reserves. Generally, on grazing reserves the government receives the royalties that are underground. There is damage done to the surface, and there is inconvenience done. So the inconvenience damage goes to the reserves or the grazing leaseholder or whoever it may be. There may be surface damage done to the amount of pasture. The Crown owns the grazing reserve property, and livestock are basically grazed under the permit system. Of course, we have the grazing leases and we have the grazing reserves, which are two different processes.

The nice part about grazing reserves of course is that they are multiple-use types of facilities. We have to realize that hunters and recreationists or whoever can also utilize or have the opportunity of using grazing reserves. That's public land, and therefore, although the cattle graze it, there's also multiple use for that land.

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

MR. WHITE: For what?

MR. CHAIRMAN: Mayfield. No?

MR. WHITE: Yes. I thought you said Three Hills, and I said: gee, I moved.

Thank you kindly, Mr. Chairman. My questions today are specifically to do with the Minister of Community Development, and they're with regards to phases 1 and 2 of the Urban Park Development project. These projects are and have been well received in the communities where these funds were delivered, in fact go right to the heart of what the heritage savings trust fund was set up for. It goes to the enduring benefit of the citizenry and to a lasting legacy in particular, not just the physical improvements because the physical improvements to these spaces have in fact allowed the land use to change significantly in these areas. Just less than a quarter mile from where we stand, there's good evidence of the ministry's expenditures.

The start of my questions relates to the information that's provided here. There are two short paragraphs and six numbers that actually mean anything. The numbers that are in fact missing are: how in fact are these 14 million some odd dollars distributed throughout the province? That would be nice to have in hand so as to make some kind of an evaluation as to whether the benefits are delivered to urban Albertans on a per capita basis to a similar benefit. The reason I ask that, and going to the minister's first statements about quality of life, relates specifically to the moneys spent on a per capita basis. There are areas in this city and in many others with three-level splits with attached garages and the like that spend their leisure and recreation times at the Glenora club, the Winter club in Calgary, and at many others of those places. There are in fact, and I'm sure you're aware, Mr. Minister, many in your city and in mine who don't have those privileges and rely on public spaces for their recreation. So my questions, maybe not so much questions but comments, relate to the benefits that these programs are bestowing upon those that don't need that so much and the ones that certainly do. I know that there are those in Calgary who have some difficulty now getting to one of the major developments of this program, Fish Creek park. It's quite a ways away from the Forest Lawn area of



the city, the downtown areas, the Calgary-Montrose people, those people that need and use those facilities. Likewise, in this city we have the northeast that has some access to the river valley, and we have Jasper Place that really does not. Development in this city has gone from northeast through the centre of the city and has not progressed any farther west and south of this point. Therefore, those citizens that are living in those areas that I mentioned, because of distance are simply not able to avail themselves of the opportunity to enjoy those parts of the valley.

Other questions come to mind, in particular, having had the benefit of seeing three of these other areas: one in Fort Saskatchewan, another one in the county of Strathcona . . . [interjection] Oh, yes, of course St. Albert, and Red Deer. Looking at the sums of money that have been expended, I would appreciate it if you could give us the history of the project from '87 on, just the capital costs. Upon review of those numbers, sir, I'm sure you'll find that on a per capita basis virtually every other urban municipality that has been served by this program has been served to the tune of six to 10 times the amount that has gone into the major urban centres. Now, I could accept that and would have no difficulty accepting that, save and except – the facts are really true and we know them to be true – that the people in need are not simply in those smaller centres and simply not six to 10 times the amount that are in the city. I should like the minister to review that and, if possible, make some further comment on how and if it's possible now under these times of restraint to rectify that situation.

There are some other considerations. Should this program be extended? I for one think it is one of those items that should be the last to be cut before we get into the cuts in education and things of that nature. Certainly those are priorities, and you and I understand that, I'm sure, but should you have to come to some cuts in some other areas of your department, this member believes that this is one of the areas that should not be, because your initial statement was the quality of life, the quality of life of those that can't afford the benefits of Kananaskis and those kinds of things.

Kananaskis leads me to another question. Should this program be extended to the net benefit of all? It wasn't in your department at the time, but it's related, and it could well be in the heritage savings trust fund capital fund: is there and will there be, to your knowledge, in the recreation field what we could call at the time a Kananaskis of the north? Is there something that will be relatively close to this population centre so that the citizens of these areas could in fact enjoy the benefits of that wonderful facility? [interjection] It could well be, sir, in Lakeland, as the member opposite has made mention. There are a number of areas surrounding this major population centre that would do well to have that magnitude of development put into the area and then deliverance of the kind of service that you and I would both appreciate having for our citizenry.

I should like to thank you for your time, members. Those are all the questions I have for the moment on this matter.

MR. CHAIRMAN: The minister wishes to reply?

The hon. Minister of Community Development, in reply.

9:20

MR. MAR: Thanks, Mr. Chairman. I thank the hon. member for his thoughtful comments. I'm sure that he has certain insights because of the political service that he's had to the city of Edmonton and some personal knowledge of the urban parks program as a result. I can tell him that on the subject of the per capita grants, the amounts that were budgeted for various urban

centres outside of the city of Edmonton and the city of Calgary were \$300 per person for capital funding.

Secondly, with respect to his question on how the \$14 million approximately is distributed, I can give him these figures. For the city of Airdrie: a total allocation of \$3.2 million; the 1993-94 projection, \$600,000. For the city of Calgary: total allocation, \$15 million; projected allocation for this year, \$1.619 million. Camrose: total allocation, \$3.9 million; projected '93-94 allocation, \$700,000. For the city of Edmonton: total allocation, \$15 million; '93-94 projected allocation, \$2 million. Fort McMurray: total allocation, \$10.5 million; 1993-94 allocation, \$2 million. Fort Saskatchewan: \$3.6 million, total allocation; 1993-94 projected allocation, \$750,000. Leduc: total allocation, \$3.9 million; projected '93-94 allocation, \$750,000. St. Albert: total allocation, \$11.1 million; '93-94 projected allocation, \$2.1 million. Spruce Grove: \$3.6 million, total allocation; '93-94 allocation, \$1 million. Strathcona county: \$9.4 million, total allocation; '93-94 projected allocation, \$1.6 million. Wetaskiwin: \$3 million, total allocation; '93-94 projected allocation, \$761,000. In total the urban parks program phase 2 capital funding allocation: a total allocation of \$82.2 million; the 1993-94 projected allocation, \$13.88 million. If the hon. member wishes to have a copy of this, I'd be pleased to provide that to him.

With respect to the particular programs in the various cities, the hon. Member for Edmonton-Mayfield indicated some concern about where the moneys would be allocated within a particular municipality, and I can advise him . . . [interjection] No? He was not asking that?

That concludes my comments, Mr. Chairman.

Thank you.

MR. EVANS: I can make a comment on Lakeland, Mr. Chairman. The hon. Member for Edmonton-Mayfield was pondering whether there might be a Kananaskis north. In point of fact, for a number of years we have talked about Lakeland provincial park in the Lakeland area east of Lac La Biche as being a potential development area. We're not talking about it in the same context as Kananaskis, quite frankly, and the focus would be different. We have an advisory committee in place at this point in time, and they are going to be coming forward with a number of recommendations to my department.

The concept I think, as it will evolve, will see Lakeland, an area of incredible wilderness really, develop as a wilderness opportunity with some trail development that was actually in the past trails from Hudson's Bay out to Lac La Biche during the fur trading days, certainly a great opportunity for canoeing, going from one lake to another with portaging, some campground development, but essentially primitive campground development so that the area will remain as a primitive and a wilderness setting, which is very much in keeping with the entire area. I think it is a marvelous part of Alberta, and I'm looking forward to having some time hopefully next summer with my family to do a little paddling on some of the lakes in that area. The concept is alive and well, hon. member, and I'm sure it will proceed with the assistance of the citizens' advisory committee from that area, who are very much involved in the planning process.

MR. CHAIRMAN: Lethbridge-East.

DR. NICOL: Thank you, Mr. Chairman. What I'd like to do is just kind of start – I'll go through agriculture first, and I've got a couple of questions on the environment, as well.

In the agriculture area, I'll just start on vote 1, Farming for the Future. This is a really good program. I can vouch for the

integrity of the system. While I was at the university, I did happen to get a grant through it and had the opportunity to work with the administration, and I think they do a very good job. Some of the questions that do come up on it have to do with the degree to which it's industry driven. Do you have an advisory panel? How do they set direction in the research that's funded? You've given a good list of the kind of categories under which applications can be applied for. My understanding is that some of the work now is being done on a co-operative basis, that you're working with other institutions, that some of the producer organizations are getting involved and they're helping to direct some of these sector researchers. Just a little explanation of how that's working and whether or not you see that expanding, whether or not you see this kind of work kind of directing it on a more integral basis.

Also, are you doing any work with some of the other funding agencies, Agriculture Canada or some of the other support services, for the agriculture research and infrastructure development? The concern also is driven by the degree to which the product is identified in competition on the world market. We keep talking about the drive to the international system. How much of an emphasis is put on that kind of research, the kind of competition we're going to be faced with if the General Agreement on Tariffs and Trade is passed, with the tariffs, the kinds of studies that are being done to help technology, farmer adjustment, management strategies, these kind of things? Is any of that being done within the context of Farming for the Future? Give us an idea of what direction the potential may take.

You also make reference here to some of your research being done, quote, in-house. I assume this is directly within government agencies – is it? – or supported by Alberta Agriculture. Some kind of an indication of the degree to which your in-house versus your direct competitive-bid structure is set up and the research funds in that area.

Many of the other questions that I had have been kind of taken over. You mentioned a little earlier that \$1 is giving us about \$60 of value added. Is this in the total agricultural industry, or is it across the whole economy base that this 1 to 60 return that you were mentioning is being derived from?

Basically, on the second vote, Irrigation Rehabilitation and Expansion, you talked quite extensively about the way that this was being put out, the 86-14 formula. A little background maybe on where that came from mostly to advise some of the other members of the House. My understanding is that there's pressure now to review that to see whether or not it's still a viable funding ratio. I think we're all aware of the major study that was done by the Alberta Irrigation Projects Association this summer with a view toward showing the benefits that accrue to the rest of society. I'm wondering if discussions are under way now to take some of the new results that came out showing possibly an even greater contribution by the government as opposed to the private sector. Or is there a consideration being put in place to deal with, say, a 25-75 or some adjustment in that formula, how that gets broken down on the rehabilitation?

The idea that irrigation rehabilitation is going on also has brought a lot of the land out of wildlife habitat. It's an area that your counterpart in environment may want to comment on also. My understanding is that there are some programs. Are they funded through this same program, say the work with Ducks Unlimited or some of the other wildlife organizations, where they are establishing habitat? Is that done under this same type of funding arrangement that came out with Farming for the Future?

The 86-14 formula that you have: is there any possibility that, you know, as this gets to be regenerated, all the canals get put up,

it will be phased out? You had mentioned, I think in response to one of the earlier questions, that the canals now in some of the districts are approaching 90 percent rehabilitated; in others they're down in the 50 percent range. Is it the intent of the government that as this renewal of the delivery system is completed, the farmers will be put on a self-financing basis, or is this the function of the endowment fund that is being created? To what extent, then, would that endowment fund be expected to carry the rehabilitation, or will there be an expectation of more of it falling to the agriculture sector, the producers, the landowners that are involved?

9:30

You also mentioned in the write-up on it that some of this is for expansion. What are the plans now for future expansion? What proportion of the expenditures right now under this program are going into rehabilitation versus expansion? Would you give me just a little bit of a definition of what you're meaning when you talk about expansion? New districts? Would this be something like the – I think it's the Barons water users that are talking about trying to draw some water out of the . . . [interjection] No, it's still on vote 2, Irrigation Rehabilitation and Expansion; right? [interjection] No, this is still vote 2. My understanding is that that group around Keho Lake or Barons have talked about forming their own association. Would their delivery canals be funded out of this kind of expansion category that's included in your definition here? That's kind of the concern I was looking for.

Okay. Now moving into vote 3, private irrigation development. You'd mentioned that this was given a five-year extension in '92. Is this basically going to be a terminated project at the end of the five years, or is there consideration of renewal, or are you letting the producers know now that in the next three and a half years basically we'll see the end of this project? What kind of expansion do you perceive?

I know there were programs put in place associated with the Oldman River dam that would allow for some of the water that was captured in that project to be diverted into the private irrigation development schemes. What is the stage of planning that you're in on that? What number of acres do you anticipate being developed? What kind of, you know, long-term commitment is being made to some of these producers, or will most of it be very easy to access off current canal systems?

I have a couple of other questions. I think if I remember right, the cost share you had mentioned was 50-50 with the private producers. Okay. Thank you.

Okay. Next, vote 4, Grazing Reserves Enhancement. There was some discussion earlier on by one of the members who talked about the possibility of privatizing grazing leases. This is something that I think should be looked at with caution. It's a multiple-use land pattern on most of our grazing leases, and we have to be aware of the fact that a lot of the public look on these as their recreation areas. I'm quite confident, and I think the producers as well feel that over the years a fairly good working relationship has developed between the steady users – you know, the repeat users – and the leaseholders. We would have to be very careful in terms of how we jeopardize this multiple-use concept that exists on the grazing lease.

The idea of competition comes up when you look at all of the votes that are being considered under the Agriculture, Food and Rural Development heritage fund administration in the sense that what we have on your grazing reserves is that you're paying a lot of maintenance, the brushing, where the private operators that own their own land adjacent to a reserve have to look after their own. Have you had discussions or are there a lot of considerations in

terms of what the impact is on the competitive position of producers who have to deal with their own costs, where others are getting a subsidy from the public purse to effectively be competitive with the producers that are operating on their own?

The same kind of idea falls into irrigation. You know, the private producers have to 50-50 their development, where the district producers get basically an in-place delivery system, and then they get an 86-14 subsidy on rehabilitation. Have the different producers been concerned about the relative effectiveness or the relative equity of the two programs when they have to deal with each other producing the same commodities at the same price and delivering them into the same market? These are the kinds of concerns that I had.

A couple of other very general comments. We look at each of these programs again, and they represent the use of public moneys in the support of private business, the agricultural sector. I was wondering if any concerns have been raised about, say, irrigation rehabilitation and how this might affect the Canada/U.S. trade agreement or the new GATT negotiations if they're ever realized. Would they be considered to be possibly a yellow type of subsidy for the agriculture sector, or has anybody even suggested that they might possibly be red in terms of the categories that the GATT classification system would put in place? I think it would be very difficult to classify them as red, but, you know, when they get into the yellow, well . . . [interjection] Okay. You know, I just had some comments on that area to see how that falls out, because it seems that vote 1 probably is the most neutral of the public expenditures, where some of the others seem to have some impact on the supply side of the world market. You know, they could be considered to be detrimental to the international balance system.

As we move into the environment area, again, just dealing with the water management and the irrigation systems, the basic Water Management System Improvement under project 1, or vote 1, for Environmental Protection, you have basically reduced to the tune of \$7 million the operating expenditures. I was wondering if this is an indication that you're finishing up the development of canals associated with project development. What do you see as the future investment by Environmental Protection out of the heritage fund moneys in that area? You know, I assume that a lot of this has to do with possible expansion. Is any of this money earmarked for support of the Blood irrigation project? Is the provincial government involved in that at all, or is that totally just a water supply situation where the federal government is putting in the infrastructure on reserve? Are we making contributions in that area?

The main canal and rehabilitation, the extent that that's completed. How many more years do you see this project continuing? Again, as I asked on the rehabilitation part of it, is there any possibility that for the main canal some of this would be considered capturable back from the producers?

9:40

There's also a lot of discussion in terms of the efficiency of water use that comes out through the different canals. The minister of the environment or the minister of agriculture may want to comment on considerations of possible metering at the farm gate to control use and to get greater efficiency in the water allocation. Has this kind of thing been thought of? I know it's been adopted in many other irrigation areas across the United States and that. Is it a thing that we can expect to see in the future in southern Alberta?

The water management facilities summary of capital investment at the bottom of project 1 under Environmental Protection. You've basically reduced just a little over a million, a million two

in that. The main focus seems to be on the rehabilitation of the facility. I guess I don't understand what that is when you've got the headworks and the canals on the operating expenditure. This is basically development of new facilities at a headwork in terms of capital expenditure. [interjection] Right. So if you could just explain where those might be located, what you see in terms of the completion phase of that. How much of that is associated with the windup and the completion of the Oldman River dam or some of the developments of others? Just some comments on that.

Project 2 under Environmental Protection, Land Reclamation. Again to the minister of environment. My understanding is that this is basically restricted to public lands – is that right? – as mining or a dump is discovered on public land. I know that as we drive south from Calgary, there's that posttreatment plant that they've done that reclamation on. Is this the kind of thing that's being done there as well in conjunction with a private landowner? Is that funded through this kind of project? You know, if you could just give us a little bit of an update on whether or not this is progressing as optimistically as it was when it was put in place. It seemed to be a very positive aspect of reclaiming land that was polluted by chemicals used for treating posts, and this would be something that could be used in a lot of other sites if it's proved successful there at that test site.

I guess a couple of other questions that I had there have already been touched by others.

Thank you, Mr. Chairman. I'll sit at that.

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

MR. PASZKOWSKI: Thank you very much. I very much appreciate the questions that the hon. Member for Lethbridge-East asked tonight and continuously asks. I appreciate the constructive format that's always used. I want to thank you for that. Hopefully we'll be able to continue with that type of relationship, and hopefully in the end agriculture will be the major benefactor. I just wanted to mention that, and I thank you.

The Farming for the Future question was: how is it administered? Basically, there's a board of directors that administers the Farming for the Future allocations. It's comprised of roughly half industry, half researchers. In the half of researchers are government people as well in the research area. The industry, of course, involves farmers and basically grain companies and so on.

As far as the 60 to 1 return, that is directly to agriculture and to the food economy.

The question was asked whether any benefits were there for international trade. Yes, there are. There was some work done with ultrasound for providing beef to suit the Japanese market. So that's an example. There's also been research done to extend shelf life on food products, which of course has been very beneficial and very helpful to extend products that are produced in Canada. Matching grants are required. Mainly the private sector provides these matching grants. They're provided on a roughly 50-50 basis. That's generally the format.

The question regarding Ag Canada. Yes, we do work in conjunction with Ag Canada. We co-operate with Ag Canada on any projects that we can work together on. Dr. Ralph Christian, of course, is the one that's in charge and has a good working relationship with his federal counterparts. The nice part about it all is that department researchers compete for the funds, so there is some competitiveness as well within the group.

As far as the irrigation funding is concerned, the endowment fund was basically originally set up with the idea of the govern-

ment phasing out of maintenance. That was the original intention of the endowment fund. At this stage it's just a bit premature for me to speculate on what's going to happen with the whole funding process. I wouldn't want to make any comments, because we are going through a three-year plan that will be making some very major decisions on not just irrigation but on all aspects of research, all developments as far as agriculture is concerned. That isn't going to be that far away, and of course come early February we'll be coming forward with another budget that will give us a clearer direction. At this time we're still consulting with all the various agencies. I wouldn't want to usurp that consultative process, because quite frankly we don't have a firm policy as to what's going to happen regarding funding. We're just in the process of developing our budgeting process. We want to do that in a consultative manner with the various groups that we are going to be dealing with. We're committed to that. We're going to make our decisions in a consultative process with the various groups that require funding. It's difficult, of course, with budget restraint to project just where it is that we may be going.

As far as the wildlife development fund, my hon. colleague from Environmental Protection basically funds that element of it. Agriculture is not involved in that.

To date we've rehabilitated 43 percent of the irrigation canals in total. That's all the irrigation districts. Expansion will occur by rehabilitation. There's a tremendous opportunity to allow for expansion, largely because what we'll do is improve efficiencies. Through this improvement of efficiencies it will allow for a further 93,000 acres to be added to the existing system. As you know, the process is basically working towards better utilization of the water: less seepage and involving less of the salinity that develops when you have an excessive amount of water seepage. Better use of the water: that's ultimately what you have as a result, of course. That's important because water is a precious resource and one that's a diminishing resource in a sense that we need it. The need for water is continuing to grow and will continue to grow. We know that's going to be the case. So we have to continue to endeavour to better utilize a very precious resource, and we will continue to do that.

As far as the Keho program is concerned, it's for irrigation districts. Keho at the present time is not yet a district. So it's not a district in itself; it's just in the development stage.

What effect irrigation on GATT? I agree with you that Farming for the Future is probably the greenest of all of the four programs. Generally the colour changes in GATT reflect the direction of a program towards a specific commodity. As long as you maintain a neutrality – and from our perspective, at least, it's felt that irrigation is a water supplier, and depending on the use, of course, if it's neutral, GATT generally considers it to be green. As it becomes more commodity specific, the redder it becomes. So I don't think that the irrigation would be considered – I don't see it any worse than amber, very likely a light green, so I don't think there'll be a problem there.

**9:50**

I appreciated your comments regarding grazing leases because that certainly reflects our position. We have to be careful. We want to maintain the multiple use. I think that's important. We've got a relatively good program in place now, and there seems to be a general satisfaction from all the users of the public lands. I think by privatizing it we'd just antagonize one element of the users group at the present time. Again, we're consulting with the various users and will continue to that, but at this stage

I would think we would want to use it as public land and maintain that public usage.

I think that's pretty well answered the questions.

MR. CHAIRMAN: The hon. Minister of Environmental Protection.

MR. EVANS: Thank you, Mr. Chairman. I want to thank as well the Member for Lethbridge-East for his questions. The first matter I'd like to deal with is the issue that he raised about whether wildlife habitat enhancement was covered under our Water Management Systems Improvement. I did motion across to the hon. member that that was not covered. It is covered under our normal budgetary process in the general revenue fund. We're really talking about capital improvement here, and that's really the essence of project 1 under the heritage savings trust fund.

The hon. member has referred to the reduction in the capital budget and was wondering whether that signaled a change in philosophy about our commitment. It certainly does not. In fact, the 15-year project that comes to an end in 1995 will have seen a grand total of project costs up to 1995 well in excess of \$600 million, I imagine. In point of fact, Mr. Chairman, this year the total project costs are up at the level of \$586,979,000, a very, very substantial amount of money. What is happening, though, is that we are trying to identify those canal projects where, because the canal systems have been in existence for up to 60 years, we have the most need. We are doing that working with the irrigation districts and attempting to identify what they consider to be the highest needs.

I can just briefly identify what we are doing with this grand total of \$26,400,000: the St. Mary irrigation district, the main canal rehab is a very substantial part of that budget; the United headworks rehabilitation; the continuation of the Eastern irrigation district; the continuation of the replacement of the coulee syphon in the Bow River irrigation district. Engineering work on the St. Mary dam spillway, which the hon. member is well aware has some significant problems attached to it just because of the angle that the water flows down: the concrete slabs that are receiving that water are taking the water at such velocity that the concrete has been lifting. There have been a number of anchors put in there, but there is some concern about how long these anchors will stay.

#### **Chairman's Ruling Decorum**

MR. CHAIRMAN: Order. I wonder, government Whip, if you could maintain a little level of quietude, please, so we can hear the minister's worthy remarks and answers.

MR. EVANS: Thank you very much for that vote of confidence, Mr. Chairman. I appreciate those charitable comments.

#### **Debate Continued**

MR. EVANS: Also, the Carseland/Bow River headworks project, another project that we are dealing with. In terms of future years we have identified some of the most extreme needs. Some of these are in the Western irrigation district, which hasn't in the past been receiving a great deal of assistance. Quite frankly, they now have a very keen and aggressive and focused board who are looking for some assistance to do rehabilitation, and we're certainly going to look at that very, very carefully. Again, then we'd be looking at going beyond the preliminary design and the final design work on the St. Mary dam and converting some money over into the capital improvements there, particularly on

the spillway. In point of fact, I would say that all we are doing at this point in time is just recognizing that we have a transition into maintenance, and we are not going to be focusing really on major expansions in the 13 irrigation districts at this particular point in time, given the funds that we have and the rehab that we must do to keep the system sound.

The hon. member also inquired about the Blood irrigation project. He did mention – and he's quite correct – that this project is entirely within the boundary of the reserve property. It is a joint federal/provincial project, hon. member. The federal government has put considerable moneys into it. We are assisting with the project as well, because we see it as an advantage. It's a very positive water maintenance initiative by the Blood reserve, so we are quite interested in assisting.

The question was raised about main canals and are we considering ways of charging back and realizing some profits from the provision of water. Well, as the hon. member knows coming from southern Alberta, the operation of the irrigation districts is very much a volunteer exercise by the people who are part of those districts. Without their efforts there would be considerable costs that would have to be borne somewhere, and I believe they'd be borne by the provincial government. So we've been very sensitive to that local involvement and the dedication of the people who are involved in the irrigation districts. That being said, we're always looking at ways to enhance the opportunity to do more rehabilitation and to continue, when it is justified to do so, to expand the existing system. Looking at ways of charging back, metering at turnouts, et cetera, is something that we are considering and we discuss on a regular basis with the irrigation districts.

The hon. member also asked about the rehabilitation of the facilities and what we were doing with new facilities. I hope I've answered that.

He then went on to ask about land reclamation and inquired whether any of the budget was going into private lands. No, it is not. The land reclamation budget essentially is focused on lands and problems that have arisen before legislation came into effect, lands that aren't covered by the Land Surface Conservation and Reclamation Act, which is one of the nine Acts that now come under the Environmental Protection and Enhancement Act. Normally the projects that are included are abandoned landfill sites, sewage lagoons, sand and gravel pits, underground mine hazards, and surface mine sites. I think, if my memory serves me correctly, there have been in excess of 500, 600, or 700 sites that have been reclaimed, hon. member. I think the inventory shows

that there are probably as many as 500 more that could be reclaimed. So it's extremely important that we continue to focus on this. Although we do have a means of dealing with new problems, we recognize that we must continue to support these older problems as they arise and ones that aren't covered by legislation. I would say that this is an excellent use of these funds, heritage funds of the province of Alberta and the citizens of the province of Alberta, excellent use of those moneys to assist in these cleanups.

With that, Mr. Chairman, because we have had a couple of hours now to debate these matters and we will be going on for further debate and discussion on future days, I would move that we do now adjourn.

**10:00**

MR. CHAIRMAN: All right. The Minister of Environmental Protection has moved that the committee adjourn. Are you agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Opposed? Okay.

The hon. Deputy Government House Leader.

MR. EVANS: Thank you, Mr. Chairman. I move that the committee now rise, report progress, and beg leave to sit again.

[Motion carried]

[Mr. Clegg in the Chair]

MR. TANNAS: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions of the Alberta heritage savings trust fund capital projects division, reports progress thereon, and requests leave to sit again.

MR. ACTING DEPUTY SPEAKER: All in favour of that report?

HON. MEMBERS: Agreed.

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

[At 10:03 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

