

Legislative Assembly of Alberta

Title: **Wednesday, March 9, 1994**

8:00 p.m.

Date: 94/03/09

head: **Committee of Supply**

[Mr. Herard in the Chair]

MR. ACTING DEPUTY CHAIRMAN: Order please. I'd like to bring the committee to order, please. Thank you very much.

For the benefit of those people in the gallery we're here in the Committee of Supply, and you'll notice that the setting is a lot more informal than the day sitting. Members are allowed to be a little more casual in terms of being able to remove their jackets and have tea or coffee or soft drinks at their desks and to carry on conversations outside, I suppose, within reason.

head: **Main Estimates 1994-95**

Transportation and Utilities

MR. ACTING DEPUTY CHAIRMAN: Mr. Minister, would you have some opening remarks?

MR. TRYNCHY: Well, thank you, Mr. Chairman. I welcome, welcome, welcome the opportunity to present our budget to this august body. Tonight we spent an enjoyable evening over at the Alberta Real Estate Association members' supper, and the message we got from 10,000 members was to balance the budget. So coming back quickly I changed my speech completely to abide by what the people at that supper told us.

Mr. Chairman, I'd like to just go through some of the things in our budget. We have presented a budget responsive to the needs of Albertans and that at the same time is fiscally responsible. Our budget's been reduced by some 24 percent this year. It's been reduced from \$1.1 billion a few years ago to just under \$600 million in today's budget. From '92-93 to this year we'll have a reduction of our budget by some \$160 million. So when the people ask us to work towards balancing the budget, I have worked hard with our department people in regards to setting the tone for a budget that is, as I've said, responsive to the needs of Albertans and at the same time fiscally responsible.

I want to touch on a few subjects tonight, Mr. Chairman, and I want to talk about primary highways. We have some 13,700 kilometres of primary highways in the province of Alberta. Fifteen hundred kilometres of these highways are twinned. We have a number of projects that we'd like to consider in the days ahead, and some of them are as follows. Highway 40: we want to apply a base course. We have Highway 2, Airdrie to Red Deer. We have Highway 41 at Bonnyville tied in with Highway 55. We're looking at some work on Highway 63, Fort McMurray; I've talked with the MLA from Athabasca-Wabasca, and he has convinced me that we should do some work there. I expect to sit down and go over our priorities in regards to primary highways over the next few weeks. We're working on the interchange of 16X at 794.

Albertans have some \$12 billion invested in the highway network in the province of Alberta. I want to say to this Assembly that it's very, very important that we look after that network, and we will. Four-laning, interchanges will be a priority in the high corridor areas as we move along, and we'll be looking at a number of issues as they come up day to day in regards to priorities of where we should do what we have to do for the betterment of Albertans.

I want to touch base on secondary highways. We have some 15,000 kilometres in the province of Alberta. Sixty percent of these secondary highways are base coursed and surfaced. Even though we've got a 25 percent reduction in funding in our budget for this, this can be offset and will be offset because of our partnership with the local counties, the MDs, and the IDs. What we're doing and what has been accepted pretty well entirely across the province: a new cost-sharing formula on secondary highways. Some of these formulas will range 80-20, some will be 70-30, and some will be less than that. This is in conjunction with local governments, so we expect to see as much activity in the secondary highway projects this year as we did last year because of their commitment. We want to do this as a partnership and have them be part of the owners. Municipalities will be allowed to use their regular road grant to undertake their share of construction, and we're going to make sure that they respect and we will respect with them the ownership of our secondary highways.

As I've said at the outset, we're going to look very, very closely at what we have in place, the highways we have in place. We have to protect that network. Pavement overlay and rehab will be a top priority in this government. We've increased the budget from some \$37 million the year before to \$48 million this year, and we will see that increase as we go along because our highway network which was built in the '50s and the '60s is deteriorating. As I've said before, pavement rehab and overlay will be a top priority, and it won't be done at the whim of the minister or an MLA. It'll be done on the basis of need. To the member that's been so kind to be so considerate to involve my family in his accusations, he should be aware of that, Mr. Chairman, and I just thought I'd raise that for his consideration.

Mr. Chairman, we will construct less roads this year. We will construct less new roads, but we will not reduce our funding and our priorities in overlay and rehab programs. We're going to continue with the twinning of the Oldman River bridge on Highway 2, and that'll be completed this year at a cost of some \$2.1 million. We will continue with the highways 2 and 3 interchange near Fort Macleod, and that will be completed this year for some \$2.2 million. That's the program we've shared with the federal government, some \$30 million by the federal government and some \$30 million by ourselves over a five-year period.

Highways 16 and 41 interchange south of Vermilion will be completed this year at a cost of some \$1.5 million.

A project that's so important for those in the north, the highway between Whitecourt and Valleyview which has been called Moose Row, will be completed, widened, and brought up to a pretty fine standard in 1994.

Something else we've done, Mr. Chairman, that's never been done before, and that's working with the forest industry, a partnership with the forest industry where we've sat down with them and asked them to become involved in upgrading of the bridges that are necessary for the log haul that they use. So we've developed a cost-sharing program, and we expect to fund some \$3.8 million in repairing a number of bridges we have that are being used by the logging, forestry industry because of their overweights.

Mr. Chairman, we turn to airports. We operate some 17 provincial airports, and we maintain some 49 forestry airstrips. Since 1992 we've reduced forestry airstrips from 60 to some 49. We will look at pavement rehab on all 65 airports operated by communities, and we'll do that to protect the existing infrastructure, the same as we would on our highway network. We're going to go and be involved, as we always have, in a partnership with municipalities in regards to capital improvements on our community airstrips, and we look forward to working with them

in a partnership. We expect to have some funds available in the '94-95 budget.

Something else we did last year, Mr. Chairman, was set up an experimental emergency call box program on highways 16 and 16X, where we had a pilot project of some 20 call boxes. We are having the time frame for the results extended. Originally we expected to have the results back by December 31. We're extending that to March 31 to get a better feel for what has taken place there. We've been asked by the private sector to expand that program. I've said to the private sector that should they want to expand the program to the rest of the province where they can, because in some areas the phones will not work, bring back a plan to me, and if it makes sense, I'll give you the whole highway network in the province of Alberta to put this call box system in place.

8:10

Just to go over that, Mr. Chairman. To December 31 we've had 197 calls received. Fifty percent of the calls on these call boxes were for mechanical or vehicle problems, and they were directed to the AMA for towing services. Twenty-two percent of the calls were transferred to the RCMP, and the remaining 28 percent of the calls were from people who were requiring information or wishing to call some other party. So as I've said, we've extended this program to March 31. We want to re-evaluate it then and see what we can do in regards to that.

Now, the telephones in place were being used slightly less than two calls per telephone per month. We've invested a considerable amount of dollars in that program, but as I've said, it's a pilot project, and hopefully the private sector might become involved, and we could have them all across the province. It's a useful benefit to the motoring public. It's a funding problem. I understand that in California they collect through a levy on registration and drivers' licences enough money to keep the call boxes operating in that state. It also includes 911. We will not have any funds from general revenue. I've made it quite clear to the private sector that if they wish to expand the system across the province where it will work, all they have to do is present a proposal to myself and we would look at it. I don't see any reason why we couldn't expand it throughout the province where the cellular phone system will work.

We have, Mr. Chairman, as you're well aware, a federal/provincial infrastructure program which will provide some \$515 million in total on a three-way cost-sharing program for the province of Alberta. I note by seeing some of the applications coming in that a lot of them are for highway projects, water, and sewer. We're looking to see how we can tie in with some of our government programs to assist the local governments in that respect.

We have in the rural electrification associations system some 144 REAs with some 47,000 farm services. We also have the power companies that supply some 48,000 farm services. The program for REA funding continues to be high, and we had approximately 1,000 new farm services installed in 1993. We have changed some of the system, the programming, but we've done that in conjunction with the REAs. I just received a letter from the president of the REAs today, as a matter of fact, thanking the government for their co-operation in working with the REAs. Ladies and gentlemen of the Assembly, I wish to advise you clearly that we will continue working with these people, because they're so important to us in rural Alberta.

We also have within the system a rural gas program. Seventy-two gas co-ops, four counties, and three utility companies provide services to some 150,000 Albertans. There are over 60,000 miles

of pipeline, and it is, Mr. Chairman, the largest system of its kind in the world, not just in Canada: North America and the world. Gas Alberta acts as a broker, and of course all the costs associated with Gas Alberta are paid by the gas users. There again the program demands continue to be very high, and in 1993 we provided some 5,200 new services to Albertans in the rural gas system.

Again, we've consolidated. We've looked at changes in the funding, and that's been done in co-operation with the gas co-ops. As I've said, both REAs and the rural gas co-ops have worked hand in hand with myself and this government in getting the two best programs anywhere in the world for rural Alberta.

Something else we've developed, Mr. Chairman, and that's the community business sign program, which was announced last November, which will permit businesses in towns and villages to advertise their shops. These signs will be erected on the advance to towns on the main access. Each sign will contain some six or 16 squares, and they will have the business names on them. Alberta Transportation and Utilities will establish the guidelines. We will charge \$100 a year per square as rent, but the communities themselves, the chamber of commerce or whoever, will be totally involved in providing the sign, providing the stand, painting the sign, the upkeep of it. We will charge that fee, and we'll remove all those illegal signs on the highways that we've seen. Whether you have a van or a chunk of plywood, that'll be gone. So everybody in the province of Alberta will have the same advantage in advertising their business.

Something else we're looking at is increasing the signage for, say, market gardens, you-pick fruit and vegetables, bed and breakfasts. These kinds of things are important to the tourists, and we're going to make sure we work with these people to make sure that they have their signs on the highways in regards to identifying their services.

Something else we're looking at are signs for roadside businesses and services that are accessible to people with disabilities so the people that are disabled or handicapped that are driving will be able to know that this business or that business will be accessible to wheelchairs, and we're going to allow that to happen. That of course is strongly supported by the department's barrier-free advisory committee and also by the committee that's working on the Premier's Council on the Status of Persons with Disabilities. Those signs, we hope, will be completed in 1994.

We have another program that provides funding to cities in the province of Alberta. We have some 17 cities that have cost shared capital projects on highways through the cities. Mr. Chairman, I just want to say that the city of Calgary's cost sharing this year will be some \$21 million, plus the city of Edmonton will be about \$19 million, and it goes on to Lethbridge, Red Deer, 17 cities and rural Alberta. So I'm sure there might be some questions on it. We have those figures, and we're excited. We might say that the grant of \$25 per capita was not reduced, so we're working with them to do the best we can in regards to that program.

We have something else, Mr. Chairman, that I think is very important to our transport industry, our trucking industry across the province. In July of last year I set up a district advisory committee where local advisory committees were to gather together. They included MLAs, they included industry, and they included the motor transport service people. Since that program was initiated, we've had some 11 MLAs that have started committees in their constituencies, and there are an additional four or five that are in the process. These MLAs say that the process has been very, very successful because it's opened up lines of communication with the industry, with the truckers across the province. The truckers, as you know, talk to other truckers, and

it's really helped us in communicating with truckers right straight across Canada. I've been advised that over 32 issues have been resolved because of these committees, and several other concerns are on the verge of solution in the near future. That's a pretty important program, and I would advise all MLAs to get involved and get the concerns of truckers.

I might say that the trucking industry has increased some 40 percent in the last decade, more so than the gross domestic product or the population. It's going to be an industry that's going to grow some more because of our way of doing business in this province where we're so far from tidewater, and of course with the highway network being improved, we'll see that expand.

Something else that's a first: net budgeting. This is the first year of net budgeting by the government of Alberta, and transportation is on a net budgeting basis. This means that the road-user revenues such as motor fuel taxes, vehicle registration, drivers' licences, and those kinds of things related to road travel are dedicated to transportation. The taxpayers of this province now know or will know that their fees – be it licence plates, be it fuel taxes, whatever – are going to the highway network. They're paying for the provincial highway system, and it won't be going into general revenue, as some people said, to be paid to welfare. This is something that the road users and other groups across Canada have advocated for some time. I'm pleased to say that we've moved in that direction now, and it's just got tremendous support by road users across our province, as a matter of fact across Canada in this regard.

8:20

Mr. Chairman and members of this Assembly, as you read the budget – and I will close in about a minute – the road-user revenues and transportation expenditures are a good balance. Our three-year plan as we've outlined it indicates no tax increase, no fee increase, and we don't expect to have those things to be able to provide a transportation program in the province of Alberta for the next three years.

Thank you, Mr. Chairman, and thank you members, and I'm willing to take some questions.

MR. ACTING DEPUTY CHAIRMAN: Thank you, hon. minister.

The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you very much, Mr. Chairman. The minister saw fit to open his commentaries tonight with a commitment to the residents of Athabasca-Wabasca and the residents of Fort McMurray that Highway 63 would be completed. He indicated, however, in his down-home kind of folksy style that there would be some work done on Highway 63. I would be grateful if the minister, when he concluded his commentary tonight, could expand specifically on what will be done on Highway 63, and will it clean up the remaining 18-kilometre stretch that is both dangerous and in some need of repair about 58 kilometres south of Fort McMurray? This is a very symbolic issue to the residents of Fort McMurray. The residents of Fort McMurray are among some of the highest taxpayers that we have in the province of Alberta. The northeast corner of Alberta has only one major road serving it, and that is Highway 63. I was delighted to hear today that the minister has agreed to do the work on Highway 63, and I would be grateful if he would expand a little bit and advise as to the construction actually proposed in more specifics than simply saying: we'll do a little work.

MR. CARDINAL: What's an MLA for?

MR. GERMAIN: Yes, well, thank you, and that's what the minister should do. He is the minister of transportation.

I want to begin my formal comments this evening by pointing out to the minister of transportation that the last Transportation and Utilities annual report that's been filed is 1991-92. We're almost at March 31, 1994, and this document, which I understand is a companion document to the budgets and to the estimates and to the business plan, has not yet been filed for the year ended March 31, 1993. The minister might comment to us, in light of the business plans and in light of the additional information provided in the budgets, whether it is intended that this annual report come out again. The minister will undoubtedly be aware that for information to have meaning and for information to be utilized and for information to be communicated, particularly in an era where there is not freedom of information legislation yet in the province, it is important that these reports come out in a timely way. The minister will perhaps be somewhat sheepish that this report is coming up to a year past the year-end that we speak of, and if he could comment on when that report will be out, that would be appreciated.

I want to begin my formal comments this evening, Mr. Chairman, by commenting on the issue of net budgeting. Now, the concept of taking all of your expenses and taking all of your revenues and putting them together in one financial statement is nothing new. The government might be surprised to know that this is how business has operated for many, many years in this country. This is nothing new, but to the extent that many members on both sides of the House have encouraged this direction and because the transportation budget this evening is in a much more advanced stage in this concept than some of the others, the minister of transportation should be commended.

There is one mischief about the net budgeting that I do want to comment on in a general and in a philosophical way, and that is the concept and the old adage that we have always used. We hear it in this House all the time, and people say it on the street corners. They say it in the curling rinks. They say it in the churches of our land. And that is that you should not mix apples and oranges. Well, in the net budgeting concept proposed by this government, Mr. Chairman, we will be mixing apples and oranges, because when we vote now, we will be voting on a net budget basis. I would have thought that the appropriate question to put to the Members of the Legislative Assembly representing their constituencies is this: we will spend this much in operating money; do you agree or disagree? We will spend this much in capital expenditures; do you agree or disagree?

We would not, I think, be serving the constituents all across Alberta that we represent by saying, "We're collecting taxes, and we're spending this much money, and the two of them balance out." So what do we do when the revenues are in complete balance with the budget? Do we simply vote for zero? Are we going to stand up in this House and go back to our constituencies and say that we voted for zero because the budget expenditures and the budget revenues on a net budget basis balance out? Now, what happens, as the minister has projected in his taxation regime in 1996-97, when there is a surplus coming from this department according to the budget? Are we going to then be voting in the transportation votes for general tax revenues for the province of Alberta? Carrying the concept to its logical extreme, that is exactly what we will be doing, Mr. Chairman.

So it seems to me that we should return in the voting process to voting for expenditures. If we must later elsewhere vote for revenue, let's vote for revenue. What happens if the members from, say, Medicine Hat do not want to see that much revenue collected in fuel taxes and licence fees? What happens if the

Member for Calgary-Buffalo has a bunch of teenage sons all getting their drivers' licences in one year and the licence fees are up and he doesn't want to vote for that? When we vote on a net budget basis, Mr. Chairman, we will be voting on apples and oranges mixed together. That, in my respectful estimation, is not good strategy, and I would urge this House to reject that strategy.

I want to move on to my other concept, and the minister of transportation I know will take nothing personal in this comment, although he did make some aggressive comments about my friend seated to my left earlier in his commentary. I'll let the two of them sort that out. I do want to suggest that with the dips in the expenditures and the consolidation and the privatization that is going on in two departments, the department of public works and the department of transportation, we may have reached a point in the province of Alberta where we should as a Legislative Assembly be recommending to the government that they consider the consolidation of the department of public works with the department of transportation and thereby reduce some of the high-end administrative expenses.

Now, the government members, Mr. Chairman, have been quick to point out that the only two parties presently represented on the floor of this House both campaigned on a concept of cutting. Both campaigned on a concept of bringing fiscal restraint and good management back to the province, but one of the two parties campaigned on the point of view of efficiency and cleaning up administrative costs at the top. I want to say to you that if you look through history, every successful war that has ever been fought has been fought with a general leading from the front, not a general leading from the bunker behind, hiding in the bunker eating steak and caviar while the troops are out bleeding for their respective cause.

Now, the Premier has referred to the war on the deficit as a war. He has used the vocabulary: as a war on the deficit. Well, Albertans out there have indicated that they recognize that things could not have gone on as before, but they now want to see the leaders leading from the front and not from the rear. As a result, I would urge the minister of transportation and the minister of public works to get together and see if there is some way in which they can consolidate some aspects of their departments with a view to saving Albertans top-end money. Now, I know that's an awkward topic to raise because it suggests that maybe somebody will lose some pay, but we must move, I think, in this province now and we must move quickly to assure all Albertans that those people whom they look to as leaders are prepared to lead by example from the front of the trenches and not from the rear.

8:30

I want to move on, Mr. Chairman, if I might, to the issue of dedicated revenue. The minister has correctly pointed out that this is the first year for net budgeting. Well, the minister in his financial documents indicates that there are really three sources of revenue that he feels are dedicated transportation revenue. Source number one is, of course, the fuel taxes. This is a sales tax on fuel that we have had in Alberta for many, many years. The second source of revenue the minister has is revenue on registrations of automobiles, snowmobiles, and motorcycles: the registration process. The third revenue that is dedicated to transportation is the revenue that flows from licensing.

Now, if you were putting out a three-year business plan and even looking at the year that we are talking about today, it would seem to me that it would be appropriate to break down each of those three categories and indicate why they are dedicated to some of the expenditures and not the others. When you look through the transportation budgets, Mr. Minister, you will see that where

you needed a little money to nil out a department, they often showed the exact same money that they needed. In other departments they would show a negative, a loss, a net loss in the net budgeting process. How were those numbers created? Where is the global total, and why were they fractionated and fragmented in just that way?

Were they fragmented in just that way so that the public would look at – any of you that ever go shopping and any of you that will buy something at a store know how quickly it is that you don't look at the small \$2 items; you only look at the big items. Take your car to a car repair and how much time do you spend looking at the \$6 sparkplug versus the \$350 alternator? Human nature is driven to look at the most jarring figures in a group of figures.

Well, by taking and nilling out some of the expenses with some of the dedicated revenue, we run a risk in this province and in this Legislature of becoming brain dead to the issue of how much money is really being spent. I would ask the minister, when he readdresses us, to tell us how it was that his department broke down and calculated the various dedications of the revenue. Were I mean-spirited, Mr. Chairman – and I'm not mean-spirited; I don't have a mean-spirited bone in my body – I would suggest that they were simply broken down at random, but I'd be interested in the minister's discussion on how that breakdown occurred.

I also notice in the business plan that the minister is showing that the revenues will be going up until 1996 and then they will drop in 1996. Now, the minister can well say to me when he responds later: whoa, hang around, stay in good health, and come back in 1996 and ask me that question. Why that question is important tonight, Mr. Minister, and why it is important in this year's budget is that we must get a feeling for the precision and the accuracy and the reliability of this year's figure. To do that we have to be confident that there was some rational basis on which the flowchart of the income stream for this department was established. If, sticking out like a sore thumb, you have a loss of revenue in one year and every other year you have the revenue going up, that begs the question: why? When you ask the question, you don't ask it in the context of 1996-97; you ask it in the context of the current year, which we are in now. So what is driving that?

Now, the budget does show that there are increased revenues in the transportation division even over last year. What's going up? When the minister uses this net budgeting approach, I think that in fairness to the Legislative Assembly the minister should come forward and say: "Lookit here. My revenues are going up by X percent. It is caused by increased licence fees; it is caused by increases to the fuel tax." Why is the revenue going up? Or is it caused because of additional traffic and transportation on the road? In other words, are the volumes going up, and is that the only reason for the increases?

Since the budget goes forward for three years and since the department has indicated that they will become a net generator of revenue, I would also like to ask the minister whether there are in fact any plans for any tax increases in the guise of licence fees and registration fees and fuel tax, or if he is not able to comment at this time on that issue, then I'm happy to receive that response if he simply indicates that those decisions have not yet been made. If those decisions have been made, I think the minister owes a duty to Albertans to tell Albertans what they're looking at in those areas.

Finally, although it is premature this year, it is going to be an interesting policy debate that the minister may wish to respond to this year in light of the fanfare with which the business plans have been launched: why is it that although the budget is being cut in

transportation, the revenues are going up so that by the end of the budget time transportation has moved from a service supplied to Albertans to a cash cow that is feeding the general revenues of the government of Alberta? If the minister is correct that individuals have told him that they don't want their gas taxes going to welfare – and I hope I didn't put words in the minister's mouth, because of course it's unsanitary to do that. If the minister is correctly saying that people have told him that they don't want their registration fees, their licence fees, and their gas taxes going to welfare and he has that evidence and that commentary from the public, then he should come forward now and explain today why it is that transportation will be a net cash cow for the general revenues of the province within four years.

I want to go on to raise some safety concerns with the minister, and in fairness to the minister, he has touched on some of them. The first area of concern that I want to raise is that it is clear in northeast Alberta, it is clear in southern Albertan, it is clear in the Whitecourt area, it is clear in the Crownsnest Pass area that we have an increased amount of logging traffic on the roads. There is an increased amount, and there are more and more situations that are perplexing and troubling. I only want to use anecdotal evidence, and I don't make a big deal out of it. A few weeks ago in Fort McMurray a fuel truck and a logging truck decided that they were too close to each other on the road, and as a result they both took to the ditch. The diesel truck rolled over, and there was a pretty significant spill of diesel fuel on the road. This is, of course, on Highway 63, and since I've been elected to this Legislative Assembly, I've pointed out how important Highway 63 is to the people of all Alberta, not just the Member for Athabasca-Wabasca or the Member for Fort McMurray's interest. Now, those kinds of safety concerns are on the increase, and I'm wondering about programs or plans and how they will impact from a budget point of view the minister's cutting in some of these areas.

Now, I want to move on to the issue of the disaster services in the context of service. I want to move on and ask, Mr. Chairman, through you to the minister, how it is that he is able to predict that disaster services in this province will be able to be cut 80 percent and still provide disaster relief to people? Is it in fact the case that tonight the minister of transportation is telling us that there will never be another flood in Alberta, that there will never be another tornado in Alberta, that there will never be another toxic spill, that there will never be another explosion, that there will never be another disaster in Alberta? Or is it in fact the case that the 80 percent cut in the disaster service money is simply downloading onto victims of acts of God and other natural disasters? If that's in fact the case, the minister of transportation has a reputation for speaking his mind – it's never held him back before – and I'm sure he will stand up and say yes, we are gambling that we'll have less disasters in Alberta and that people will be able to get disaster services in another fashion.

8:40

The other thing that is of concern to me and is a bit jarring – and there've been lots of things we've heard in this Legislative Assembly that have been jarring. I won't go into Health and I won't go into kindergarten, because we'll leave those for another day. Is it in fact the case in this province that we as a Legislative Assembly in the interests of balancing a budget, in the interests of eradicating a deficit that was caused by government mismanagement, are going to start cutting emergency services for bona fide innocent victims in this province? The minister of transportation should address that, because slashing a number on paper is different than dealing with the issue of the personalities and the

personages involved. If there are not going to be any natural disasters in Alberta in the next five years, it will work out great for the minister, and God bless him then. We will all be better off in Alberta if there are none.

Dealing with the issue of safety, I was interested in the minister's effort to encourage the call box program. The call box experiment on Highway 16X and Highway 16 was a good experiment, but there are many people that travel those roads. We have numerous isolated roads in the province of Alberta, roads that go into northeastern Alberta, roads that go into the constituency of the member opposite from Athabasca-Wabasca. [Mr. Germain's speaking time expired]

Thank you. I'll be back. You'll recall that the minister graciously took an extra couple of minutes, and the House gave him that extra couple of minutes. If I might, Mr. Chairman, just for a conclusion I will simply end there. There are many eager members waiting to speak, and I look forward to continuing the rest of my commentaries on transportation next.

MR. ACTING DEPUTY CHAIRMAN: Thank you.

The hon. minister.

MR. TRYNCHY: Well, Mr. Chairman, it seems that the critic has spoken. I think it's only appropriate that I respond to some of the insinuations that he laid before the House.

Point of Order Speaking Order

MR. GERMAIN: Point of order, Mr. Chairman. We haven't been following this procedure. The minister of the department has been given 20 minutes at the end of the night to correlate and deal with as many of the concerns as he can. It's not necessary for the minister to respond to each one.

MR. ACTING DEPUTY CHAIRMAN: The hon. Deputy Government House Leader.

MR. EVANS: Thank you, Mr. Chairman. The member opposite is relatively new to this House. There is quite a substantial tradition, hon. member, that the minister whose budget is before this committee has every opportunity to stand and deal with questions throughout the evening or at the end of the evening. Both methods have had acceptance in this House for many years. It is quite clear that the hon. minister wishes to respond to your questions immediately to try to set the record straight. Again, that is certainly within the minister's right and is part of his responsibility to address the concerns raised.

MR. WICKMAN: Mr. Chairman, I'd like to speak to that.

MR. ACTING DEPUTY CHAIRMAN: Edmonton-Rutherford, is this on the point of order?

MR. WICKMAN: On the point that he spoke on. Now, just to make sure we have the rule straight here, if the minister gets up and replies, I would hope that after that you're going to recognize somebody from this side and not him and then one over here and then to us. Otherwise they can chew up two-thirds for every one-third we chew up. [interjections] That's right. Chew up.

MR. TRYNCHY: Mr. Chairman, I've sat in this House for a number of years. Just the other night we had the minister of public works sit there and we wouldn't even allow him to answer

the questions they raised. Now, I'm sure the hon. member wants his questions answered.

MR. GERMAIN: At the end of the night.

MR. TRYNCHY: Well, look. He asked the questions and I want to respond. At the end of the night it will be the same as before: the minister won't have a chance. Now, they can do what they want, but I'd like to respond to these issues. It's so important that he has the answers, because he asked some pretty good questions.

MR. ACTING DEPUTY CHAIRMAN: Thank you, hon. minister. In my limited experience in this House I have seen it done both ways. I believe I will allow the minister to respond to the critic, and then I will take Edmonton-Rutherford's comments into account and we will again go with them.

Debate Continued

MR. TRYNCHY: Thank you, Mr. Chairman. The member started off with wanting to know that's going to happen with Highway 63. Of course, it's an important highway, and I'm going to be working with the MLA whose constituency the road is in; that's the Member for Athabasca-Wabasca. I'll know and he'll know shortly just what type of funding we'll have this year.

He asked about the annual report, and he said that the minister is sheepish. The minister is not sheepish. When the report comes to my desk, as soon as it gets there, I'll table it. There's nothing about the annual report that's sacred. When it arrives at my desk, I'll table it in this House as quickly as I can.

MR. GERMAIN: Crack the whip. It's two years behind.

MR. TRYNCHY: Do you want me to answer the questions, or do you want to speak, sir?

MR. ACTING DEPUTY CHAIRMAN: Order please.

MR. TRYNCHY: The member goes on to say he doesn't understand net budgeting, or at least that's the way I got it, because he said we're mixing apples and oranges and he doesn't understand. There's a three-year business plan out, and it shows it quite explicitly, capital and operating. He says: what happens in '96-97? He said that he wants to reject what's in the budget now. Well, Mr. Chairman, we take the funding for this year based on what happened last year. As we go through the years – and it's just an estimate. Now, we could make that a lot different, but if we were wrong the other way, he'd say, "Well, why were you doing that?" The Treasurer estimates the price of oil in the future. So they estimate it at \$14, it goes to \$9, and you're condemned. If it goes to \$21, they say, "Well, why weren't you smart enough to know what was going on?"

When we look at the funding in regards to capital and operating, it's spelled out quite clearly in our three-year business plan. It will reduce because if we go with our three-year program with the federal funding in our strategic highway program, where we have \$30 million from the feds and \$30 million from us, that will show the decrease. That's where it shows up, because we won't have the federal funding unless we get some more.

The next question, Mr. Chairman, is that we should consolidate public works and transportation. I say to the hon. member that the Premier has done tremendously well, reducing from 26 to 17 ministers. He suggests there's no efficiency. Now, I don't know where he gets that from, but looking at the work that the Minister of Public Works, Supply and Services is doing, I see lots of

efficiency, and I also see a lot of efficiency in my department. If he looks at the three-year business plan, he can see that the program is laid out quite clearly. He says we're confusing the public. Well, I say nonsense to that very quickly.

He wants to know the increase in dollars because of the tax. Well, Mr. Chairman, we will not be increasing. If you listened to what I said at the outset – and I made it quite clear – our three-year business plan indicates no tax or fee increases. Now, he should have heard that when I closed my comments at the outset. We don't contemplate any increase, so I don't know why he would ask that question and make an accusation in here that something's going to happen. Our revenue will increase; we don't know how far. It's because of the increase in traffic, the increase in the trucking industry, as I pointed out, and an increase in tourism. If people travel in this province or through the province and buy their fuel, we'll have extra funds. We will not increase licence fees, as he says. We will not because, as I said, in our three-year business plan there is no tax increase.

He says that it's a cash cow for general revenue. Well, he understands very little about net budgeting, because when you have net budgeting and you have a surplus, who says it goes to general revenue? It will go to new roads. It will go to things that we have in transportation. That's what net budgeting is all about. You collect the dollars; you spend them there. If you don't collect them, you don't spend them. That's what net budgeting does. So if you collect \$30 million more than you've got in the budget, you can take the next year and say, "Okay; we'll build \$30 million of new roads." Of course, being of the profession that he is, maybe I'm wrong, but I guess the way I see it, he doesn't understand where the net budgeting will go.

He talks about driver safety. How do we provide driver safety on the roads in the province of Alberta? Is it a role of transportation? I don't know if it is. We have our motor transport officers on the road. We check the trucks. We check the vehicles as they go through, and we make sure that everybody has a licensed vehicle that's been inspected. We check their licence. Maybe there's some way we can be involved; I don't know just quite where.

8:50

He went on to talk about disaster funding and why the reduction of 80 percent. Well, Mr. Chairman, it's quite simple. We could put in 80 percent more funds and suggest we're going to have disasters. Or we can do what we've done this year: fund our ordinary budget and say, "If there's a disaster, we'll bring the House back into session, as we've said we would, and have supplementary estimates." We don't know if we'll have one, because I'm not God, and I don't know if any of these numbers are. But that's the system we've agreed on, that should we have a disaster – and I hope to God we don't – if we have a flood or tornado or whatever and we need \$30 million, \$40 million, we'll have to bring the House back into session and have supplementary estimates. So it's quite simple.

Then he goes on and he says that it's a jarring, jarring situation. He said that there's been government mismanagement, and who pays? I wonder what he was referring to, because let me just give you this example so the member might understand. That outfit across the way, the Liberals, say that we have a debt in the province of \$32 billion, \$42 billion, \$50 billion. I'll use the figure of \$32 billion just to give them some flexibility. So let's assume it is \$32 billion, and we have losses. I've gone through the figures of all the losses: the NovAtels, the MagCans, everything. It doesn't add up to \$2 billion. It doesn't add up to that, but let's say it's \$2 billion. So we have \$30 billion of debt.

MR. WHITE: Peter, don't get carried away.

MR. TRYNCHY: You'll have your turn.

We have \$30 billion of debt in the province of Alberta, so where did it go? It went into roads; it went into health care; it went to education; it went to social services. It was spent on Albertans. Sure, we've messed up with \$2 billion, but let's not get Albertans to think that all the debt we have in the province has been mismanaged, as suggested by that hon. member across the way.

The member across the way made one more comment, and I'll close on this. I'll close on this. He said that we've got to have roads. Yet what do we see? One member on that side, the Liberal Party, says that roads and bridges can wait. The next member says that we have to have cutbacks in every department. The other member says that we've got to stop having capital projects; we've got to say no. The other member – and he's right here – says that for instance, they could cut \$300 million to \$400 million from transportation, and they wouldn't even notice it. Then we go on and we see the rest of it. He says that the only way we can eliminate the deficit over the next four years is to increase taxes and have a sales tax. So when they ask for roads, all those people across the way, first of all they say that we don't have the funds. Then they come into the House, as the Member for Clover Bar-Fort Saskatchewan did recently, with petitions saying, "Government, do not fund these roads."

Mr. Chairman, I'll close there. I hope I've answered some of those questions, but certainly they can have better comments, better questions that have some meat to them instead of just phony, nonsensical stories.

MR. ACTING DEPUTY CHAIRMAN: The hon. Member for Leduc.

MR. KIRKLAND: This won't be any better, Mr. Chairman. I think there were some quality questions. I missed out on the quality answers, but that's not surprising at all.

[Mr. Clegg in the Chair]

The hon. minister was very quick to open, indicating that in fact when we get into paving and priorities, there is a priority and it's not based on the political colour of the MLA. Well, Mr. Deputy Chairman, we've asked many times on this side of the House to provide us with that prioritizing criteria. We've asked for five- and 10-year plans. The requests are simply based on the fact that we would like to make sure the decisions in this province are fair and reasonable when it comes to road paving. It seems that that's not forthcoming, so of course there's an air of suspicion about that particular lack of information forthcoming. It would seem that when I stand up in the House and ask questions about a road that was paved which the hon. minister has a business on some four months ago, it still has caused the hair on the back of his neck to hackle. Well, I would suggest I'm doing my job very well as an opposition MLA then. He wants to bring it up and deny it time and time again. Well, that's fine. If he wants to bring that focus to his particular desk over there, I'm quite willing to let him do that. We'll let the people of Alberta have it in their mind what they would like to do.

MR. TRYNCHY: It's still not paved.

MR. KIRKLAND: Good. Glad to hear that. Maybe, in fact, I had more impact than I thought I had.

I'd like to start at the minister's office here when we look at expenditures, and I'll try to make my questions very clear so they're understood by the hon. minister. It seems that any question that's asked, when it gets to the other side of the House there, it's a stupid question. So I will try to simplify it to the point where he can understand it.

When we look at the public communications budget in his office there, I understand that's standardized tenders, safety programs, communication in regards to construction programs, public advertising for road bans, that sort of thing. When we stop to consider that the emphasis of the department has shifted from construction to maintenance of roads, we look at an overall budget drop of some \$100 million or thereabouts. We consider that we've shifted a bunch of money from the department for transit operating assistance to Municipal Affairs. We factor in a significant reduction in the municipal assistance grant. Then we look at vote 1.1.4 and we see a paltry \$25,000 reduction. I would submit that that department's mandate does not appear to reflect a reduction of expenditures that is relative to the reduction of activity. Can the minister explain why this budget item does not reflect a more realistic reduction?

That brings me to the next point and the next question, and that's in regards to an internal audit. Maybe I do not have a good handle or understanding of what a government internal audit is. You have heard the Liberal Party time and time again indicate that the efficiency audit is an excellent mechanism to find efficiencies. That particular item, the internal audit, identified as vote 1.1.5, shows a \$337,000 expenditure. I wonder if the minister can explain: is this a specific employee area or department? Can he give us a brief outline of the tools, benchmarks that are used in this internal audit? I wonder if he'd be so kind as to share with us any efficiencies or specific examples of cost savings that that internal audit has identified.

When we look at the offices of the minister and also his deputy, we see that generally speaking, there's about an 8 percent decrease in the expenditures in those departments. When we compare that to the overall budget, we're looking at about a 12 percent decrease. The budgets have shrunk. The department is slated to shed some 439 full-time equivalent employees. How many of those positions that are shed will be in the deputy minister's or the minister's office? What department will endure the bulk of these 439 full-time equivalent layoffs or reductions in employees? I'd be interested to know that, Mr. Deputy Chairman.

When we look under the Transportation and Utilities budget, the lion's share is consumed by construction and operation of the transportation system. The third-largest expenditure in this area is the planning, design, and management. I wonder if a serious internal audit has been completed in this area in the last two years to determine the extent of the overlap or the duplication. When we examine the mandate of this particular department, they are intended really to provide advisory, administrative, and technical services to towns, villages, municipalities, special areas, et cetera. Does the department have in its mind to follow its government's general mind-set today – that is, user fees – to charge some of these municipalities fees for the services that are rendered to them? I think in fairness to those municipalities the minister should be forthright about that today so they can plan accordingly.

Again, if I could go back to a point of relativity, under the construction and improvement of highway systems, expenditures decreased by 14 percent. I would submit that when we look at program planning, design, and management, it should also decrease by that proportional amount. It doesn't appear to do such.

9:00

One thing that sticks out – it was mentioned in the last debates; it's worth mentioning a second time – is that under votes 2.4 and 2.5 we see where the urban grants have been slashed some 23 percent. We see where the rural grants have increased 9 percent. I wonder if the minister would explain one more time why the urban folks are expected to carry and shoulder the brunt of these cuts. What is so different about rural as opposed to urban?

Moving on down through the budget, I see a \$765,000 expenditure referred to as a capital amortization provision, a resource railroad. I would assume and I ask the minister to confirm that this is a payment associated with the Alberta Resources Railway. If this is the case, I would ask the minister if the sale of that railway will eliminate this yearly \$765,000 expense.

I'd like to stop at disaster services for a brief moment. I heard the minister explain that we would reconvene this House if in fact there was a need to secure more money or to secure money to deal with a disaster. I was looking more so at the revenue side of it, and I see there's a \$300,000 increase in projected revenues. Again, with the government's mind-set I am forced to conclude that this is fees that will be meted out against municipalities. Would the minister share with us what is intended? If it is in fact fees, what is intended to be charged for? Again, this is in fairness to the municipalities in this province so they can plan their budgets accordingly.

I read an article recently that indicated that the department had undertaken an assessment or inventory of its many landholdings. From what I understand, some of that land has become surplus. I didn't identify it in the business plan. I wonder if the minister has some intention to off-load that surplus land. The process that that will be done: whether it's public tender or whether in fact it will be handed over to a real estate agent to sell it at great expense to the taxpayer.

I would like to bring some constituent observations to the debate tonight. The owner of a large trucking company in Nisku has conveyed to me that the use of triple axle trailers is creating a serious rutting problem in some areas of the province. I would ask the minister if we've undertaken a study to determine whether this is in fact the case. Rutting, generally speaking, is a very difficult problem to eliminate in pavement, and I foresee large expenses in the future if in fact this rutting is actually happening. Has the minister planned accordingly, if a study has been undertaken and identified it?

On the item of truckers, I had a trucker phone me the other day and ask me if they were building a ring road around Barrhead. I said I did not know. I have not had the opportunity to proceed up there and ask that question. I would ask the minister if in fact that's the case. He conveyed to me that it was, and they were in the process of building a new bridge across the Paddle River to accommodate it. He can put that rumour to rest at this particular time if he'd be so kind.

Mr. Deputy Chairman, I've exhausted my questions for the time being, and I certainly would be more than willing to hand the floor over to somebody else who might pursue a line of questioning in a different vein.

Thank you.

MR. DEPUTY CHAIRMAN: Thank you, hon. member.
The hon. Member for Lethbridge-West.

MR. DUNFORD: Thank you, Mr. Chairman. I'd like to try and set a new standard for brevity, so I need words that count. First, congratulations to the minister and his staff. Secondly, I support

the deficit elimination; I support the three-year plans. But within that context the following phrases apply. Job creation by the private sector is in the north-south corridor; therefore, export highway. Tourism generation is job creation, and that is another east-west corridor; therefore, Red Coat Trail.

Thank you.

MR. DEPUTY CHAIRMAN: The hon. Member for Edmonton-Rutherford.

MR. WICKMAN: Thank you, Mr. Chairman. I have a few comments I'd like to make on the Transportation and Utilities budget in front of us this evening. Let me start off by asking the minister if I heard him correctly or if I heard him incorrectly: if he in fact will be recorded in *Hansard* as having made a statement that we messed up by a few billion dollars. I can recall that a number of years ago when I was a young fellow, some Prime Minister made the reference: well, what's a million dollars? It cost him the next election. In terms of the inflation I would suggest that a few billion dollars being messed up would burn some Albertans considerably.

Mr. Chairman, the minister read some quotes or references from material that he attributed to members of this caucus, and I want to do likewise in the spirit of fair play. I'm going to refer to some direct references from *Hansard*, and I do this because I have to point out that I've got to be cautious in the statements that I make that will follow. You always do things for the people that vote for you; if you don't do that, you don't come back: that was the minister referring to new road construction in his riding even though new construction was frozen. October '93. Oh, here's a good one. Duco's people didn't elect me; the Whitecourt people did; you think about that: again the minister making reference to activity within his riding. Or, "I'll tell you that if the Member for Redwater keeps on interrupting – he's lost some pavement, and I can assure you that before I'm done, he might lose everything." So I've got to be careful. Those roadways that we have in Edmonton-Rutherford, Mr. Minister, I want to preserve those roadways. "I can assure the hon. member across the way that he has lost any road program for the next four years."

MR. DEPUTY CHAIRMAN: Order. Sorry to interrupt you.
Hon. Minister of Energy.

Point of Order Imputing Motives

MRS. BLACK: A point of order, Mr. Chairman. Standing Order 23(j): I think the hon. member is involved in imputing motives on the minister. Secondly, I wish he would deal with this year's estimates.

MR. WHITE: A point of order.

MR. DEPUTY CHAIRMAN: Well, we hadn't dealt with that point of order. Do you want to speak on this point of order?

MRS. BLACK: You can't have a point of order on a point of order. Sit down.

MR. DEPUTY CHAIRMAN: Order.

Are you speaking on behalf of the hon. Member for Edmonton-Rutherford, or does he want to comment on the point of order?

MR. WICKMAN: Mr. Chairman, I'm carrying on with my comments. I have 20 minutes, and I want to utilize them fully.

I don't want to sit here and start debating a little point of order. [interjections]

MR. DEPUTY CHAIRMAN: Order. Hon. member, certainly I think that most of us were here when the comments that you were making there – you know, we are here to look at this year's estimates, and I just wish you would stay with the estimates.

MR. WICKMAN: Well, Mr. Chairman, I simply made those remarks to explain why I've got to be a bit cautious in my remarks, because I don't want to see my roadways in Edmonton-Rutherford penalized. I tend to be a bit protective of them.

Debate Continued

MR. WICKMAN: Anyhow, getting to the estimates, Mr. Chairman, my first year sitting in this Legislative Assembly I can recall talk about billions of dollars being spent to pave roads throughout Alberta, and that money just flowed freely. Certainly things have changed, and there's a need for that change. It's time this government woke up, smelled the coffee, realized you couldn't go on just spending, spending, spending even though in a lot of instances those expenditures were not warranted. So now we have a situation where, of course, money has tightened up very, very severely, and now it's the distribution of those dollars that are there, that are made available. It's our responsibility, I believe, to ensure that those dollars are spent wisely, equitably, and fairly.

I would point out, and it has been pointed out to some degree by the hon. Member for Leduc, that when we look at the number of dollars under programs 2.4, 2.5, and such – and I do want the minister to respond to this, because he didn't respond when the hon. Member for Leduc raised the point – we see in rural Alberta the expenditures increase by 9 percent, yet in urban Alberta we see a dramatic decrease of expenditures, 23 percent. Now, that's in that one program, the financial assistance for urban transportation. The minister owes an explanation to the people of Alberta as to why there is one set of rules here and then there's another set of rules here. That member should be concerned because she's affected by that set of rules that do not appear to be very fair, unless there are things happening down in Calgary that aren't happening here in Edmonton, but I don't think so, because Edmonton has superior representation.

9:10

MR. LUND: Why the difference then? If you've got good representation, why the difference?

MR. WICKMAN: We work harder.

MR. DEPUTY CHAIRMAN: Order. Order, hon. members.

MR. WICKMAN: As I carry on, despite all the interruptions that are taking place, let's take a look at urban transportation. Let's take a look at what's happened. Let's look at the budget, page 267, program 2, construction and operation of transportation systems. The subprogram 2.5, financial assistance for urban transportation, 1992-93, \$103 million, then down to \$76 million, \$58 million. We have a situation where those grants to provide financial assistance for urban transportation have decreased dramatically. At the same time that that has happened, we have seen a consolidation of a number of programs affecting municipalities, including the Alberta partnership transfer program, transit operating assistance. That has been eliminated, and those funds, what's left of them, about 53 percent less, have been consolidated and transferred to the Minister of Municipal Affairs, who has a

very, very unique record of his own, who is feared by the municipalities for the hatchet job that is being done on their budgets.

So we see, Mr. Chairman, the crunch that urban Alberta is under. The cities, the real need for movement of traffic – we see what those municipalities now have to struggle with. We see how they have to make do, and they have to attempt to make do with dollars that are very restrictive when one talks in terms of accessing public dollars. Now, the Minister responsible for Municipal Affairs has promised that he's going to bring into this House a new framework for those municipalities to operate under. The bottom line is that whether you open up new means, new mechanisms of grabbing public dollars, as I pointed out in question period yesterday, it still comes from that one, and that only one, taxpayer's pocket.

What the minister of transportation has done is very similar to what the minister responsible for Municipal Affairs likes to do, and that is download, off-load to the municipalities, pass the problem on to them and make it very, very difficult for them. Now, we see as a result what's going to happen in the larger populated areas of Alberta. We had a start on the light rail transit system in Edmonton. We saw Calgary progress further with light rail transit because the mayor at that particular time went ahead and spent – spent, spent, spent – on the expectation that provincial dollars were going to kick in, which they didn't at that time. That's one of the reasons that the city of Calgary now faces an accumulated debt close to a billion dollars. Edmonton, meanwhile, under the excellent leadership of the former mayor, did things totally differently, left the city in good shape financially, but of course the same amount of light rail transit was not accomplished. It's obvious now with the new restraints that we won't see light rail transit proceed for a period of time, and those are the consequences that result because of budget restraints which have to take place. It does force the municipalities to readdress the methods they are doing things. The difficult part that they have, Mr. Minister, that they point out to us through you, Mr. Chairman, is: why is rural Alberta treated so much differently than they are? They want to know: is there political motivation to that, or can the minister justify it somehow? He has an obligation to justify it, and he hasn't done so yet.

Mr. Chairman, reference has been made to the possibility of privatization of a ring road system in Alberta. The minister did get up in the House and say that he is not initiating such a process, but if somebody comes along, he'll certainly entertain that. Well, yes, the minister has a responsibility to entertain any input that may come from Albertans, and I would ask that the minister keep us informed if in fact any proposals do come forward that call for some aspect of privatization of the development of major roadway systems in the city.

Two more points here, Mr. Chairman, then I'm going to pass on to others that want to speak. The infrastructure was referred to. The infrastructure has great, great potential in terms of job creation. There has to be an emphasis on those projects that are approved to create jobs, create plenty of jobs, and at the same time provide infrastructure, not like some of the requests that we hear happen in various parts of Canada that really don't fall within that infrastructure. The government does have an opportunity to make up somewhat, allow the municipalities to move ahead with some of the projects that otherwise couldn't develop and at the same time provide jobs, real jobs, good jobs, but that, of course, is now up to the provincial government as to what they will deem to be acceptable and what they will allow and what they won't allow. I would ask that the provincial government be very stringent on that, that those projects approved meet that criteria.

My last point as I conclude. Mr. Chairman, I'm very, very cautious on any references that I may make, but here is something that the minister has to explain. Again, it was brought up by the Member for Leduc: references to what the minister does in his own riding as to whether in fact he goes out of his way to ensure that his riding is given special treatment, using his position that he holds to provide that special treatment. We hear it continuously, Mr. Minister, references made that, yes, a roadway is going to be improved that goes by his business or goes by his house. The minister owes it to put it on the record that no, it is not going to happen – we know it hasn't happened up to now – and make that very, very clear so that the people of Alberta can judge each of us on the basis of providing equal treatment to all taxpayers in a very fair, equitable fashion and not play these little political games and do away with any pork-barreling or patronage that may have occurred in the past.

So I would hope that the minister runs that type of operation that reflects very honourably on all Members of this Legislative Assembly.

9:20

MR. DEPUTY CHAIRMAN: Thank you, hon. member.

The hon. Member for Calgary-Bow.

MRS. LAING: Thank you, Mr. Chairman. I would also like to add my congratulations to the minister and his department for the prioritizing he has done in the urban transportation grants in these days of fiscal reality.

Calgary has seen in the last year the 14th Street exchange open, and that's a welcome relief for us who have to travel that way to the airport. We have seen the low-level-floor buses come into the city. This has enabled the disabled and the frail to ride on a regular bus without having to wait for the handi-bus or special taxis, so that has really enabled them to get around the city.

Flexibility and a willingness to work with the municipalities has been much appreciated and has been expressed to me by some of the aldermen. There are indeed nationwide and global fiscal problems today, and this minister works very hard at addressing the needs with less resources. An example of his willingness to listen and to work out special arrangements is what has happened in Calgary with the Stoney trail that's proposed. Change in the traffic patterns, due to the new subdivisions, has brought traffic from north of the Bow River through the constituency of Calgary-Bow. At the current rate of travel, this heavy traffic load puts great stress on the 85th Street bridge and the streets of Bowness. In addition to this stress on the infrastructure, the inconvenience to the northern area travelers and the members of the Bowness community has caused the city of Calgary to designate the Stoney trail as their first priority for road construction. In his usual spirit of co-operation, the minister has agreed and has worked together with the municipality to find a solution. The first stage of this ring road, under the primary highway connector program, is a welcome solution to the traffic problems of the northwest. Given the financial resources of today, this city was extremely pleased to see that the trail would still go forward.

[Mr. Tannas in the Chair]

Mr. Minister, could you please explain the accommodations and the funding arrangements which have been made to reflect the fiscal realities of today, and what would be the implications for the future development of this connector highway? In line 2.5.3, I notice, of the supplementary estimates there is a gross sum for this program. Perhaps you could break it down for us. This

construction is welcome in Calgary, and the spin-off benefits will help enhance the economy of Calgary during these times of fiscal restraint.

On behalf of my constituents in Calgary-Bow and the city of Calgary I would like to thank the minister and his staff for the work that they have done in ensuring that Stoney trail becomes a reality. He is truly doing business in a new way.

Thank you.

MR. CHAIRMAN: The Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Chairman. Just a few questions for the minister this evening. First of all I'd like to get a little more detail – a different perspective, I guess – on some of the questions that have already been addressed.

The minister indicated that project selection was done and is being based on need. As a layperson in the transportation area I can sit here and envision six or eight or 10 different criteria that I would put into a formula that would be used to determine need of either a new highway or a repair on an existing highway. I was just wondering about some of the criteria that are used in terms of traffic flow, in terms of the number of ruts or potholes that are in a road. How do you deal with these kinds of criteria, say, for transferring a highway from a gravel road to a paved road, whether you're going to put in hot pavement or cold pavement, these kinds of things? How do you go about prioritizing this? Because I have to go back to my constituents and explain how decisions are made. I feel that I want to give everybody a chance to feel comfortable about our decisions here in the Legislature, so I want to have a basis that I can explain this. You mentioned this need criterion, and I would just like a little more detail on that.

You also spoke of some specific projects. You talked about the Highway 2 bridge at Fort Macleod and the 2, 3 interchange at Fort Macleod being finished. Has the minister and his department done planning in terms of the direction for that north-south twinning project after that? Is it going to tear down Highway 2? Are we in Lethbridge going to have the opportunity to have a little bend in that highway – well, get into the Member for Pincher Creek-Macleod's nice little town and off to Lethbridge then down through the Coutts border exchange? If the minister would give us an idea of the stage that planning is in and how much of that planning will be carried forward in the coming year. These kinds of decisions are really important to the people in Lethbridge as they plan for their growth patterns.

I've listened with quite a bit of interest to the debate that's gone on on the net budgeting concept this evening. I guess I have a couple more issues that I'd like to bring up in terms of how net budgeting gets applied within the mandate of the transportation ministry.

First of all, I have no problem with fuel taxes being part of the dedicated revenue. The question comes up in terms of how you've done it. I look at auto registration and drivers' licences. To me a driver's licence is not there because you're using the highway; a driver's licence is there because it's a mechanism of determining whether or not you're qualified to drive. I would suggest that this kind of fee should be dedicated to the Department of Justice as opposed to the department of transportation. So I have some questions there in terms of the rationale that you claim this money instead of the Department of Justice.

I have the same kind of concern about car registration. To me this is a means of keeping track of vehicles, not in terms of a fee for road use. It's more in line with a Justice function as opposed to a transportation function. I have no problem with trucking licence fees, when you're getting up into thousands of dollars for

a registration, because that is in line with their use of the road more than just the registration of a vehicle, which could probably be at the same level as an auto or a light-duty truck. So I'd like some explanation for the rationale for what I perceive as Justice fees that end up in the transportation department rather than over in the Ministry of Justice.

Also there were some references tonight in terms of the mechanisms you have used for projecting your dedicated revenue over the next three years of your plan. I'm impressed with the idea that the ministry expects our road use and licensing to increase sufficiently to give you that kind of growth. I would just question the minister's commitment that if at some point in time there was a surplus, we'd end up creating more highways. Would the minister consider the possibility of a fee reduction or a tax reduction on gasoline as a means of balancing your ministry's portfolio in terms of the budget? It seems that as we get to a cost-recovery level within the operation of your ministry, if there's a surplus there, it should be returned back to the potential users in terms of a tax reduction rather than creating more highways that we'll just have to maintain. I recognize that as transportation and road use increase, we will need to expand our highway system. That's why on my first point I was asking for this needs justification - you know, your formula - so that we can see that as you expand and put in place more highways, there is really a rationale for them.

I drive quite frequently between Calgary and Lethbridge, and it has always amazed me the fact that we have a beautiful Highway 2 between Calgary and Fort Macleod, and if you go down to Granum and turn east to take a different route to Lethbridge once in a while, you travel four miles over and here's another paved highway straight down to Macleod. You've got two paved roads that are four miles apart. It's a little bit of a problem, in my mind I guess, in terms of why those two roads are justified with, you know, hot pavement and they're only four miles apart. Is there enough road use on that secondary highway that it warranted pavement? So this is the kind of reason that I would like to see, some kind of an explanation of your prioritization.

I support the idea of a call box system. It's an appropriate method that you've talked about in terms of outsourcing to the private sector. I guess if it gets outsourced, if it gets turned over to the private sector, I would not like to see a system where if you didn't happen to have a credit card or a quarter or a loony and you went into one of these boxes at the time of an emergency, you were strapped. I would hope that the minister deals with these in a way that in a true emergency nobody is deprived of their use. That should become a criteria for the regulations that you put into negotiation with a private supplier of that service. It would be really quite versatile then and available to everyone in all circumstances for their use.

9:30

Other items in your budget are the REA and rural gas aspects. As the critic for rural and agricultural affairs I look at this, and I say that, you know, this is a good program for rural users. Yet representing an urban constituency, the constituency of Lethbridge-East, I ask myself: how is this equitable for the urban versus the rural issues? I look also at the idea that what we have now is a subsidy or a support or an assistance program being put in place for rural residents, and this in essence gets compounded again by the Department of Energy's program that deals with the energy equalization payments through their EEMA program. What you end up with, then, is that in some areas you have a double whammy for the rural people and other places you have a subsidy offsetting a payment they have to make. It really

complicates the whole program. I think that you could end up with something that would be a little more simplified if you got together with the Minister of Energy and worked out some kind of a compromise where you weren't taking it out of one pocket and putting it back into another or taking it out of both pockets: you know, working out a program that basically reflected a little more equity for the users of these energy positions.

Within your department's reorganization you mentioned that you're planning or have implemented a reduction in regional offices from six to four and from 15 to 10 district offices. I guess what I'd like the minister to explain to me is: what is the function of the regional offices that they couldn't have been eliminated as you move toward the new management styles where more authority and more autonomy is given to the lower level workers, the people who are actually performing the functions? Could the regional offices be totally eliminated, or are there functions that are carried out there that are needed that couldn't be done either at the central office or at the district offices? We see that basically you've maintained a three-level administrative structure, and I was wondering why this couldn't have been reduced to just two.

The other aspect that I'd just like to address for a minute is in terms of your road construction, how the decisions are made to focus on the type of surfacing that goes onto a road, whether it's left as gravel, whether you use the cold pavement or the hot pavement, and what the trade-offs are in these in terms of long-term maintenance. More of the maintenance for the gravel and the cold surface pavement is transferred to the municipality than is maintained within your provincial supervision and provincial operation. So what in essence happens is that as some of these highways get cold surfaced, it creates a higher cost of maintenance for the local municipalities. What kind of consultation goes on with them, and what kind of potential cost sharing is there in terms of the maintenance that goes into these municipalities where these decisions have been made?

I guess it kind of shows that in terms of the transportation department and how these decisions are made, I'm speaking as a novice in this area right now, but it's the kind of thing I'd like to be able to deal with my constituents on a more informed basis.

Thank you, Mr. Chairman. That concludes what I have on the budget this evening.

MR. CHAIRMAN: Pincher Creek-Macleod.

MR. COUTTS: Thank you very much, Mr. Chairman. I'll be very brief in my comments this evening. I'd like to ask the minister of transportation if in his estimates there might be a few of the items that I addressed last fall in this House that affect major highways in my constituency.

If you travel from Edmonton straight south on Highway 2 to Fort Macleod, you have a 110 kilometre speed limit all the way on this beautiful four-lane divided highway. Once you reach the town of Claresholm, that highway continues to have the same privilege that you've been driving on for the previous four hours, and from Claresholm to, oh, about four kilometres north of the river there at Fort Macleod it's a 100 kilometre speed zone.

AN HON. MEMBER: You got nabbed; did you?

MR. COUTTS: No, we didn't get nabbed, but it's been close on occasion.

Many of my constituents not only in the Claresholm area but in the Fort Macleod area, because they use that road a lot, can't understand why a divided four-lane should stop right at the town

of Claresholm when it continues on. So it's my hope that in those estimates you could look at extending that 110 kilometre speed limit right down to the new junction at Fort Macleod, highways 2 and 3.

The next thing I'd like to ask the minister. We have a potential problem on Highway 3 west, the Crowsnest trail, heading toward Pincher Creek. If you're heading west, you go to the right and you go to the Oldman dam. If you turn left, you go into an access road that takes you into the town of Pincher Creek. This particular interchange has a number of lanes to it on Highway 3, but it's getting used extensively over the past couple of years, and the more use it gets, the more potential there is for accidents on that particular interchange. There's a small hill just at that area, and at night that interchange is very, very hard to see. There are no lights there. I did request it last year, and it would be my hope that in these estimates this year we could look at putting a series of - I don't think it would take too many - maybe six lights at that interchange. It would really, really help for night visibility there. So I would hope that the department could take a look at that in these estimates.

Other than that, we're in pretty good shape in our area, and we really appreciate all the effort that your department went to last fall to fix up the road by the reservoir that was falling into the reservoir. It's being maintained and looked after very well, and I don't anticipate any more problems at the Cowley bridge.

One other thing that has been mentioned to me is out of my constituency, and I thought I would bring it to your attention. Highway 40, I believe, is in Kananaskis Country. There's a group of people from the Crowsnest Pass area that thought a nice name for that road would be the Bighorn road. With all of the wildlife and the elk population in this area, that might be a good suggestion. That was spurred by - I see the hon. Member for Stony Plain saying: no, we can't do that. When it comes to naming roads, I appreciate the consideration for the naming of Adanac road. I know that the Drain family will look forward to that when we have it solved this spring.

With those few comments, Mr. Chairman, I thank you very much and anticipate the minister's answers.

Thank you.

9:40

MR. CHAIRMAN: Bonnyville.

MR. VASSEUR: Thank you, Mr. Chairman. Just let me begin by complimenting the department on some of the activity that took place just shortly before the end of the year in my riding. We have a very busy stretch on Highway 28 between the town of Cold Lake and Grand Centre, to the extent that there were numerous accidents and, unfortunately, some fatal accidents on that stretch of road. The department was quite fast last fall, just shortly before Christmas, to the extent that they erected temporary facilities in regards to lighting, with some contracts going out this spring to make sure that the safety problems are rectified in the construction of passing lanes and turning lanes and erecting permanent lights.

Again, in the context of budget restraints, this particular project was scheduled to proceed as twinning at one time, but understanding the financial constraints, we know this project is going to be delayed. I'd like to inform the minister that both the communities of Cold Lake and Grand Centre would still like to have this project on the list of priorities within the constituency.

There are a couple of other areas within the constituency, Mr. Minister, that I want to talk about. Again, within the context of financial constraints I'd like to make some suggestions on how we can probably even save some money in a couple of areas. In

referring to secondary 881, we discussed this particular highway in estimates debate here last fall. On September 15, as a matter of fact, the question was asked of the department: what was happening with secondary 881? We were told in *Hansard* that the realignment was going to go back to the original alignment that is called the St. Vincent alignment and that secondary 882 was going to be eliminated.

After taking that out of *Hansard*, I proceeded to give that information to the constituents, the people from the ID, the people from the MD, honestly believing that that was the decision. Unfortunately, back in November I got a letter from the department, Mr. Minister, that reads:

Secondary Highway 881 is presently located north of Highway 28A through Mallaig. The relocation of the secondary highway back to the old location will require further discussions and the approval of the local municipalities, namely, the Municipal District of Bonnyville, the County of St. Paul and Improvement District 18.

I've since gone back to these people, and from the information I have, they're all in agreement with the relocation of 881 to its original location. I would highly recommend that 882 be scrapped entirely. I believe a couple years ago we spent half a million dollars for six kilometres of high grade that goes absolutely nowhere, serves absolutely nobody. All it really did was interrupt the sexual behaviour of the bush rabbit. There's absolutely no purpose for the road, and I'm sure that even my grandchildren won't have a purpose for that road.

The other area where we could possibly do some redesignation would be on 657. The portion of that particular road that runs east and west south of Muriel Lake has very little traffic. It was upgraded a few years ago to high grade, probably ready for pavement and certainly doesn't have much of a priority. If I may suggest it, if there is anything as redesignation of a particular road, that that particular redesignation go to the extension of 41 going straight south from Bonnyville, what they call the Gurneyville road, to the Long Lake Cree nation. Just to indicate to you, Mr. Minister, that I'm not taking any preference here at all, the people from Long Lake were the ones that supported me the very least during the election, but I do think - not only think, I know - that road in the MD of Bonnyville is the one that's used the most. It's got the highest traffic count, even exceeding some of the secondary paved highways in that area, and the MD would be very supportive of that redesignation. It is looked at as a top priority in that area, and that could be done with the canceling of 657.

In conclusion here, in replying to the comment that the minister made about my comments of \$300 million to \$400 million in transportation, I noticed that in the estimates we've reduced this year the expenditures by about \$80 million, and if I multiply that by four, I get \$320 million. I really didn't think that comment, when I made the comment at the time, would have that much influence on your decision, but I want to thank you for that.

Thank you very much.

MR. CHAIRMAN: Edmonton-Roper.

MR. CHADI: Thank you very much, Mr. Chairman. I'm pleased with the opportunity to speak to the estimates of Transportation and Utilities tonight. I'm quite astounded by some of the comments that were made by the minister himself, particularly with respect to net budgeting. It's very simple for the minister to stand up and say that nobody on this side of the House knows anything about net budgeting or budgeting at all for that matter. When you start to think of the fact that this minister was in this House for more than six terms, perhaps maybe more than that, 20 years or even more, in times when Alberta was rolling in cash,

when we had a lot of money and we had surpluses each year, to times when we got into deficit budgets – I think for the last 10 years or more we were into deficit budgets, and we're going to be into them for the next couple more years – I would ask how this minister could get up and say that nobody on this side of the House understands budgeting when he should have used his expertise in budgeting in order to balance those budgets back 10 years until now. That is incredible for him to say something like that, and it's incredible to say that we know nothing about net budgeting when it comes to dedicated revenues.

The dedicated revenues as shown are going to have a surplus by next year and then the following years after that. For the minister to say: well, we know nothing about it – those funds ought to go towards new roads. Those funds ought to go towards something else. We ought to dedicate it to something within Transportation and Utilities. Well, I think I've got a novel suggestion for this minister, Mr. Chairman. Why not use some of that money to pay off the debt that you created? A huge debt. You said \$32 billion just to satisfy the Liberals. You're not satisfying the Liberals. I hope you're satisfied, Mr. Minister, because you're the one that created it.

My friend from Leduc mentioned something with respect to excess properties, excess properties that Transportation and Utilities might have. Well, this has been going on for a long time, Mr. Chairman, that properties in the province of Alberta have been sold off from Transportation and Utilities. I would hope that some of those properties, when we do sell them off, the excess pieces of property – again another novel idea, Mr. Minister – would be to use those funds to pay off some of the debt that you created. Amazing. They'll never think of it.

9:50

I was astounded, Mr. Chairman, when I heard that the hon. Minister of Transportation and Utilities is going to get into the business of highway signs. What a marvelous idea. Somebody's saying on the one hand that we are not in the business of being in business and we ought to get out of the business of being in business, but lo and behold we're in the business once again. Here we're going to charge a hundred dollars a year for a sign, and 16 or so, if I remember correctly, per sign, so we're talking \$1,600 a year per sign. I wonder if the Minister of Municipal Affairs and the minister responsible for privatization really knows what you've said, because I'm pretty certain that he wouldn't agree with you in that regard, unless you're trying to create a new business to give to the Minister of Municipal Affairs to privatize. If that's the case, then you ought to tell us right here and now. Because I think it's best left to the private sector, and it's none of anybody's business in this House or the government to get involved in the business of being in business, particularly when it comes to highway signs. We ought to consider calling the sign people and the people in that business and saying, "Hey, we've got a wonderful idea for you," and put out some bids perhaps, and let's see who goes and gets involved in the sign business on the highways.

Mr. Chairman, I want to ask a question with respect to the supplementary estimates and in particular – something weak here, Mr. Minister; I'm pretty sure you can handle this one – the heating fuel grants. Support services in heating fuel grants. What the devil does support services mean? Fifty thousand dollars going towards support services to remote heating grants of \$250,000. Could you explain that to me, Mr. Minister? Because I don't understand what it means. Why is it that we're into providing grants for remote area heating of \$250,000? It seems to me that we ought to be getting out of that and it should not be

in this department, especially when we look at rural water development and support services that are no longer in existence. We look at 4.5.2 and we see farm water grants are no longer in existence, from almost a million dollars in previous years to where we're at today.

Another question that I have is with respect to the Fort Chipewyan winter road, and that is a road that is in the hon. Minister of Family and Social Services' riding. That road was built because of the hard work done by the people of Fort Chipewyan, the people who toiled, the people who got in there when they asked this government time and time again to build them a winter road, refused to build them a winter road. They actually got some money together and hired a cat and bulldozed their own road. Here we are with the transportation department now maintaining that road, and I'm told that we're using water, Mr. Chairman, to fill the potholes in that road, because what happens is that they fill it with water, it freezes, and then it's smooth again until it warms up once again. That happens every second day, so they're in there again with the water trucks. My understanding is that it's costing about a million and a half dollars every year to pour water on that road. I've got another novel idea for you, Mr. Minister. Why don't you just fill it with sand and be done with it? Why would you fill it with water, or is that too complicated?

Mr. Chairman, I'm going to conclude my comments for the evening. Thank you very much for your time.

MR. CHAIRMAN: The hon. Minister of Transportation and Utilities.

MR. TRYNCHY: Thank you, Mr. Chairman. I'll start at the back here and see if I can answer the questions. The Member for Edmonton-Roper mentioned that there's property sold by Alberta Transportation and Utilities. I'd like to know where he got that information.

I appreciate he's astounded by what we're doing, but the signing in the province is being done by the private sector. The government's not involved one iota, except we will charge a fee to the private sector to put up the sign.

He talks about heating grants for remote areas. Well, I can appreciate that they don't care about rural Alberta and the people living far away where they can't get natural gas. That's what he said. He wants to know why we're in the business of remote area heating grants to rural Alberta. I want it in *Hansard* that they don't give a darn about rural Alberta, and he just said it.

MR. CHADI: Not true.

MR. TRYNCHY: Yes, Mr. Chairman.

MR. CHADI: That's why I was talking about Fort Chip, because I do give a damn.

MR. CHAIRMAN: It was hard to hear, but it sounded awfully like an obstruction of water on a main course way, and that's not permitted in the House.

MR. TRYNCHY: Mr. Chairman, I would appreciate if he'd sit and listen. I listened while he spoke. I never said a word. I took notes of what he said. Now, you know, I just want to answer his questions. The way I got it was that he doesn't care about rural Alberta, and remote area heating grants shouldn't be done, according to that gentleman.

The Member for Bonnyville wants twinning. Yes, I guess he does, but he did say that we could eliminate \$300 million to \$400 million this year and not miss it, so I guess he's asking for something that we don't have money for.

He talks about 881. I say to him and I say to the ID and the MD and the county that as soon as they decide what they'd like to do with 881, I will sit down with them and see if we can accommodate them.

They want to scrap 882, and I guess if it should be scrapped and we have a look at it, we'll do it.

He doesn't support 657. I guess that's up to him. He talks about doing something with 41 south of Bonnyville. There is no such road as 41 south of Bonnyville according to my map. So until something else is designated, it can't happen, and we're not going to designate new roads at this time with our budgets in the condition they are.

The Member for Pincher Creek-Macleod talked about 110 kilometre speed limit, in some areas 100, and I don't know what that means, but we'll have a look at it. If there's some way we can resolve that, we will.

I'll have a look at the Highway 3 west problems, and we will review our priorities to see if we can fit that in.

Highway 40, Kananaskis: I understand Highway 40 through Grande Cache is called Bighorn Highway, and if that's the case, probably we could extend the signing all the way through Highway 40.

Lethbridge-East. He wants to know how we arrive at the overlay and rehab programs. Well, Mr. Chairman, they're done by the departments: not done by the minister, not done by the MLA, they're on a scientific basis with the computer trucks and all that stuff that it takes to designate . . . [interjections]

MR. CHAIRMAN: Order, hon. member.

MR. TRYNCHY: Our rehab program throughout the province is done on a scientific engineering study done by the department. When it's done on that basis, there is no highway in this province that needs rehab that I will refuse to do. That includes Highway 22 that runs past our community. That road has been paved for years. The road that runs past that shop that my wife, my son, and my daughter own, which is wrong, will be paved if it's needed regardless of what they say or anybody else, because that's the system we use in this province. That's not the only road that'll have overlay; we'll have all the highways that are necessary to be overlaid, and rehab will be done. That's our priorities. They say: don't build roads, and if we get more money, reduce fees. We have the lowest fees in the province. [interjections] That's okay.

MR. CHAIRMAN: Gentlemen. [interjections] Hon. members, the level of secondary not roads but secondary noise here is reaching so that it is exceeding the primary.

MR. TRYNCHY: He wanted to know why Justice didn't receive the funds for licence plates and registry. Well, they do. We provide the funds to that department that it takes to run that, and the balance of those funds from licence fees, driver's licences goes to registry. After that, the balance of it goes to transportation.

How do gravel roads get designated to be base course or paved? That's only done in conjunction with local municipalities, be they MDs, counties, or IDs, and only if they cost share. So it's their priorities, and we negotiate with them, and that's how we do it. So if there's a gravel road that is being done, it's being done because that's a priority of that country, MD, or ID.

He suggests there's one road that's so close to the other one that

it should be torn up because it's too close, four miles away. Well, I guess we could do that, but I'm not so sure that's what the people of that constituency would like. I'm sure the county that paved that gravel road at some time was very sure that that was a road they wanted paved. So we'll have to check *Hansard* in regards to that, and I'll try to see if we can talk to that constituency's representatives in the counties, MDs, and IDs to see what they think.

10:00

He says he's against rural gas and REA funding. Well, I say to him that if he's not sure what's going on, why doesn't he go and talk to the presidents of both of those associations or go to a convention and listen to them? The IDs have representatives on the REAs. The MDs have them; the counties have them. The rural gas associations and the REAs of the province are very, very important people, and I think the member should take some time and talk to them before he makes the statements that he says in this House.

He wants to eliminate regional offices. Well, okay. I'll take that as notice, and we'll see if we can eliminate the office in Lethbridge and move it out.

He wants to know, on the maintenance of gravel roads, who does it and why we do them. Gravel roads in any constituency are the responsibility, if they're secondary roads, of the local government, not the province. We sit down with them and we share with them on a cost basis, 70-30, 25-75, or 80-20, and we'll work with them to see if we can put base course on their priorities. So there again he should be talking to his local elected councils and he'd understand what's going on.

Lethbridge-West, the export highway. Yes, we'll continue working towards the four-laning of the export highway between Lethbridge and Coaldale and then on from Lethbridge, we hope, to the American border.

The Member for Edmonton-Rutherford said: spend our dollars wisely. He wants to know the difference between IDs, MDs, rural roads, and the city. Well, Mr. Chairman, it's quite simple, and if he has a pencil handy, maybe he can write this down. We have reduced primary highways from \$159 million to \$135 million. We have reduced the secondary highway funding from \$89 million to \$79 million. We've reduced the resource roads in rural Alberta from \$50 million to \$12 million. We've reduced improvement district roads from \$18 million to \$10 million. The reason is because a lot of the IDs have now become MDs. So instead of the funds that were flowing to the IDs, they now flow to the local municipality. It is not an increase in funding; it's a change of funding. Had the member looked further and seen the reduction to the IDs, improvement district roads, he'd have noticed that, but of course that's a little difficult.

We've increased the funding to rural municipalities from \$29 million to \$34 million, but we've kept all the city grants at their last year's figures. Last year they received \$45 million. This year they're receiving \$47.3 million, so there is no reduction in the grants to the cities. Let me go through this. The basic grant to the cities is set at \$25 per capita. The primary highway connector grant for Calgary, for Stoney trail, would be \$8 million, and there's a grant of some \$2 million for Edmonton.

He forgets to look at the rural grants. We've reduced rural grant funding to counties, MDs, and special areas by up to 30 percent, and it's in the budget. So when he says that we cut the cities and not the rural areas, he's wrong. The biggest reduction to the cities is 20 percent. The biggest reduction to rural municipalities is 30 percent.

He suggests that he wants the minister to be equal in road sharing. I want to share with these members in this House that if

there is no construction of new roads in the minister's riding this year – and there won't be – there'll be no new construction in any of their ridings, because they want to be equal. So I'll make sure they're equal. You betcha.

I just want to mention the highway that they talk about. Highway 22 needs an overlay, will get an overlay. It has not been done. It will be done in time.

I'm getting a lot of signals here that we should wrap up and come back again.

Mr. Chairman, there are a number more comments that will need attention, but I will bend to the request of all colleagues on both sides of the House as I beg leave to adjourn debate and ask that we rise and report.

[Motion carried]

[Mr. Clegg in the Chair]

MR. TANNAS: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions of the Department of Transportation and Utilities, reports progress thereon, and requests leave to sit again.

MR. ACTING DEPUTY SPEAKER: Thank you, hon. member. All in favour of that report?

HON. MEMBERS: Agreed.

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

[At 10:09 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

