

[Chairman: Mr. Pashak]

[10:05 a.m.]

MR. CHAIRMAN: I'd like to call today's meeting of the Standing Committee on Public Accounts to order. Again I'd like the record to show that the delay at the start of the meeting is due to the fact that we went out of our way to accommodate the Committee on Private Bills.

The minutes from the previous meeting have been circulated. Is there a motion to adopt the minutes as circulated? So moved by Mr. Payne. Are we agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Agreed.

There is a small item of business that arises from those minutes. If you recall from last week, a request was put to the Minister of Advanced Education to provide copies of information with respect to special purpose grants for 1986-87, and I'd like to ask the secretary to distribute those to the members of the committee.

Today again we have with us Mr. Don Salmon, the Auditor General, and his Associate Auditor General, Mr. Ken Smith, who is responsible for the audit of the Environment department records. I'll give everybody a moment to settle down.

I'd like to welcome the Hon. Ken Kowalski, the Minister of the Environment, to today's meeting, and I would invite the minister to introduce members of his department as he sees fit and to make an opening statement.

MR. KOWALSKI: Thank you very much, Mr. Chairman. Always a pleasure in attending Public Accounts. Public Accounts, of course, is one of the most important committees of the Legislative Assembly of the province of Alberta, and it's one that gets the best of all of us and certainly brings out the best of all of us.

We're dealing today, I understand, with the accounts of the Department of the Environment for the fiscal year 1986-87. That was the first year I had the privilege of serving the people of Alberta as the Minister of the Environment.

At the outset I would like to introduce the people with me. I think it's extremely important that all of the Members of the Legislative Assembly know who some of the senior people are that are associated with me as the Minister of the Environment. To my immediate left is Vance MacNichol, who is the Deputy Minister of the Department of the Environment. Next to him is Bill Simon, who is an assistant deputy minister of finance and administrative services with Alberta Environment. Two down is Mr. Ken Smith, who is the assistant deputy minister of environmental protection services. With me as well, the gentleman in the centre in the second row back, is Peter Melnychuk, who is the assistant deputy minister of water resources management services. To his right is Dr. Sherman Weaver, the executive director of the Alberta Environmental Centre, which is located, of course, in Vegreville. On the left at the back is Mr. Ron McKague, who is the vice-president of finance of the Alberta Special Waste Management Corporation. The gentleman to my right is Kevin O'Neil, who is my executive assistant.

I think at the outset what is extremely important to note is that in looking at the Public Accounts for 1986 and '87 as well as looking at the review made by the Auditor General, a year ago when I had the pleasure of appearing before the committee I made mention and noted a comment that the Auditor General had given Alberta Environment a clean bill of health for the fiscal year 1985-86. In reviewing the accounts for the fiscal year

1986-87, the Auditor General pointed out two audit observations which I think the Auditor General would agree were considered minor in terms of it all but are important in that they would have been brought to my attention and the attention of the Deputy Minister of the Environment.

One matter dealt with a situation of a direct billing from the Water Resources Revolving Fund to the town of Fairview, and corrective action has been taken with that. I guess in our desire to assist the citizens of Alberta in such a dramatic way when they have water shortages and the like, the town had made an application to the Water Resources Revolving Fund for some certain degrees of assistance. There was, I guess, a certain approach taken in terms of the direct billing that I have now had reviewed, and I'm satisfied that corrective action is now in place.

The second item that was drawn to our attention had to do with the methodology used by our computer base system in handling the revolving fund's accounting system, and that matter as well has now been corrected and would not be a recurring thing.

So all in all, on the basis of two years I'm really pleased that the Auditor General in his overview of the administration of Alberta Environment has given us a pretty top billing. I think that's a reflection, really, of the competence of the senior administrative people in not only Alberta Environment but the other agencies or departments of government I also have the pleasure of being the minister responsible for.

The 1986-87 annual budget was \$163.6 million. Actual spending was \$130.1 million, meaning at the end of the fiscal year March 31, 1987, we left on the table \$33.5 million. There's no doubt at all that that will probably prompt the odd question from members this morning. I think it's important that I have an opportunity to review the administrative mechanisms we've put in place.

All members will recall that following the election of 1986, a budget was presented to the Legislative Assembly, and as the Minister of the Environment, I requested total funding of \$163.6 [million]. Then all members will also recall that the economic situation in the province of Alberta deteriorated pretty dramatically in the fiscal year 1986-87. And the government that I'm a member of -- caucus members, cabinet members -- agreed that what we would have to do is seriously address ourselves to this deterioration in oil prices as well as the deterioration in the funding that would be provided to the province of Alberta. All departments of government were then asked to take a very difficult approach in terms of a pen to slash. We did that. We did that in the areas I'm responsible for, to the tune of \$33.5 million.

Of course, that was the result of decisions made by the caucus that I'm a member of, that we should ensure the funding would be allocated to the social services area of our province: Education, Hospitals and Medical Care, Social Services, and the like. Departments such as the Department of the Environment, which had a number of capital projects planned for in the fiscal year 1986-87, thus made some very difficult decisions. On the one hand, I feel very proud, as a member of the government that I am, that we would have had the determination to in fact make those reductions so that we could in fact meet our targeted priorities of education, hospital care, social services -- actual people programs. Some might argue and make the statement, "Well, but you had received approval from the Legislative Assembly to allocate those dollars for certain capital projects and the like."

On the other hand, there comes a point in time when all of us have to make difficult decisions and we have to prioritize. As a

Member of the Legislative Assembly and as the Minister of the Environment, it was my view that in the fiscal year 1986-87 the priorities should be people oriented and should deal once again with those three areas I've mentioned. So that no one misunderstands, I'll repeat them again: Education, Hospitals and Medical Care, and Social Services. On the one hand, I feel a little badly that we couldn't commit to all the projects that we had agreed to commit to in the fiscal year '86-87. But on the other hand, as an Albertan, as a member of the caucus that I am a member of, I feel pretty good that we were in a position to be very helpful in terms of those people-oriented programs.

I would like to point out as well, Mr. Chairman, that there were no special warrants sought during the fiscal year 1986-87, in keeping with our philosophy of restraint, budget reduction. I'd like to repeat again that this was the year that the government implemented its restraint and expenditure freeze program.

The major reasons for the surplus of \$33.5 million that we did leave on the table really came about by four areas of direction. The first was the reduction of \$23.2 million in that fiscal year with respect to the Oldman River dam construction project. Members will recall that when the announcement was made to commit to the construction of the Oldman River dam in 1984 -- we began construction work with respect to the dam in the fiscal year 1986-87 -- we simply held off certain contracts. As well, the reality of the economic situation in our province during that fiscal year: we were also able to get some bids that were considerably lower than we had anticipated the bids would come in at. As all members know, when you plan capital projects, what you do is determine in your own mind, using the expertise that is available to you, what the estimated cost of a project would be. You don't tell anybody what the estimated costs of the project will be. You put tenders out, and if those tenders come in less than the estimated costs, then you pat yourself on the back and say, "Hey, you're really saving the taxpayer in the province of Alberta considerable dollars." And in the case of the budget of 1986-87, our anticipated reduction there was \$23.2 million, the Oldman River dam construction project.

A second area in terms of reduction in capital costs was \$2.5 million, as we proceeded in the fiscal year '86-87 with only phase 1 of the Blairmore coal slack pile project. We moved in the next fiscal year, '87-88, to accentuate that project, and we will continue through the fiscal year '88-89 to accentuate that project. That's a very significant land reclamation project in the province of Alberta. Perhaps members may not be as familiar as they are with the Blairmore coal slack pile, but all members will recall the history of the Crowsnest Pass in the province of Alberta and the development of coal mining through the early decades of the 20th century. There was a certain residue that was left over that was simply piled on the ground, and it became a mountain of residue. Because of our commitment to not only protect the environment but to enhance the environment, we as a government deemed that we should do something about that, so initiated a project known as the Blairmore coal slack pile but in the fiscal year 1986-87 reduced the expenditures by \$2.5 million and simply delayed their implementation to subsequent fiscal years.

Mr. Chairman, a third aspect with respect to this surplus was the reduction in total expenditure of \$1.1 million as a result of requests under a program that existed at that time called the emergency water supply program. As it turned out, in that particular fiscal year the draws on that program were less than anticipated, so we were able to retain \$1.1 million.

Then the balance of that -- the \$23.2 million, the \$2.5 mil-

lion, and the \$1.1 million, as opposed to the \$33.5 million overall reduction -- came about as the result of the restraint programming that we had within the Department of the Environment and other agencies under my responsibility, where we simply told people that they were going to be doing less traveling. And when I had to tell the deputy minister that, gee, it's great that he can go out, and if the group wants to meet with him, you're going to have a new target level in terms of what you're going to be paying for lunch and use some of the fast-food outlets and the like -- it's amazing how that sort of thing works over a whole department; you can establish certain savings.

Mr. Chairman, I would like to point out that that is a very, very cursory overview with respect to this major department. Perhaps at the outset it might be helpful if I now started delving into a few more specifics so that I might be able to ensure that all members of the committee . . .

MR. CHAIRMAN: Hon. minister, should I just check with the committee? Maybe they have some questions they'd like to put to you with respect to those specifics.

MR. KOWALSKI: Mr. Chairman, I'm prepared to be as helpful as possible to all members of the committee, because as you know, I believe the public has a right to know and I am prepared to provide that information.

MR. CHAIRMAN: I appreciate your skills, hon. minister, but let me just have a sounding with the committee, if I may. Would you rather begin to put some questions to the minister, or would you like the minister to complete his statement with respect to specifics?

MR. DOWNEY: We'd like to hear the minister; that's what we're here for.

MR. CHAIRMAN: You'd like to hear somewhat more from the minister? Is that agreed? [interjections] Well, wait; would you please indicate in some way so that . . .

Mr. McEachern.

MR. McEACHERN: How about we set a time limit of 10:30 on his comments so that we do get some questions in?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: It appears that that's agreed, hon. minister.

MR. KOWALSKI: Do I take it, Mr. Chairman, that I have the opportunity to provide more information, but there's a caveat in terms of the time?

MR. CHAIRMAN: Yes.

MR. KOWALSKI: Oh, okay. Well, I'm certainly just attempting to be helpful, Mr. Chairman.

MR. CHAIRMAN: We appreciate that.

MR. KOWALSKI: Perhaps, Mr. Chairman, just by way of some of the items that expenditures were made for in that fiscal year. I'm not sure what documents all members would have in front of them, but in terms of the overview of the Department of the Environment one can take a look at the documents that came

out of the public accounts documents.

In one area you will see a rather substantial capital investment of \$1 million that went to a project known as the relocation of Money's Mushrooms, a composting operation in Airdrie. There was a relocation there of \$1 million. That was an industry that was located near the city of Airdrie, that had been located near that community for some period of time. All members will recall that Airdrie sustained a pretty substantial population growth over a period of years. Of course, what always happens is that when people start moving into a particular area and the community starts to grow, pride of community comes into being. All of a sudden all the people who purchased property, land, near the town of Airdrie suddenly decided in their own mind that really their quality of life was now being reduced because of Money's Mushrooms. It's the classic kind of example.

So then they come to government and say: "Now look, government. You on the one hand said that you're going to be providing public dollars in the community of Airdrie to have urban development. You want homes to be built in Airdrie. But at the same time, what are you going to do about Money's Mushrooms?" It's not, I think, really different from an item that both yourself and the Member for Calgary-Millican talk to me periodically about, and that's called Hub Oil. So after a period of years in terms of looking at quality of life in Airdrie and air quality management . . . This comes under, really, a section in the documents that you would have in reference. I guess 2.2.2 under Pollution Control.

We arrived at an agreement with Money's Mushrooms under a program that we had, which is an ad hoc program, for the relocating of industries due to environmental reasons. We came up with a system that a capital grant of \$1 million was given to Money's Mushrooms in Airdrie to basically see a significant reduction in odour at the Airdrie operation. That came about simply because most of the manure, the residue they have in the manufacturing of mushrooms, fell into a composting situation. The firm was subsequently relocated. Also, with it the firm in question had to post with us financial security that they were committed to continued operation of their new facility for the next 10 years.

So what we did in terms of the philosophy of not only protecting but enhancing the environment: we came up with this very special grant for Money's Mushrooms to retain this industry in the province of Alberta, to ensure the protection of jobs, and at the same time satisfy a concern that individuals would have with respect to air quality. That program -- so there's no misunderstanding by hon. members -- is not a program that's built into the budget of the Department of the Environment on an ongoing basis. If there are certain concerns brought to our attention, we would access such a program. I would have two choices, basically, in accessing public dollars for that: to wait until the next fiscal year comes around and see whether or not I can get Executive Council approval to have that built into the Department of the Environment budget; or, secondly, react to it by way of special warrants.

In the fiscal year 1986-87 the planning had been done prior to that, and it was one of those items that -- it was subjective, in my own view, in my own mind, whether or not we should have proceeded with it in that fiscal year on the basis of the whole economic situation in the province of Alberta. I concluded, really, that quality of life in the community of Airdrie was very significant. It was something that had been lingering for some period of time, and there was simply no other alternative but to relocate. So that basically is the reason why we did that. Of

course, it's highlighted within the documents as being a rather significant one.

Throughout this budget as well, despite the fact that we did reduce the capital dollars of the Department of the Environment, we also made significant strides in assisting a variety of communities in areas throughout the province of Alberta. Members will know that in the document as well there is a program called the Alberta waste management assistance program. That, essentially, would be references 2.6.1, Pollution Control. Members can see that within there there were significant dollars allocated, and there were a number of regional waste management projects throughout the province of Alberta that were agreed to and proceeded with.

As an example, in the county of Lac Ste. Anne, located to the west of Edmonton, which includes little communities such as Cherhill, Rich Valley, Darwell, Onoway, and Gunn, in that particular year we had committed \$509,030 for a waste management assistance program there. We also did one in the deep south, in the southwestern part of the province, in the Cardston area, called the Cardston regional waste management system; in the east-central part of the province of Alberta, which included special areas 2, 3, and 4, the MD of Acadia, and a whole variety of little communities ranging from Altario, Compeer, Cereal, Cappon, Consort, Cessford -- and the list goes on till finally you would get, alphabetically, to Youngstown -- a regional waste management system called Big Country regional waste management system and in that fiscal year had allocated \$225,360 to a very needed project there, as we did in the southeastern part of the province, the Redcliff regional waste management system.

Of course, so that no one comes along and says, "Well, gee, Kowalski, you know, you're discriminating against certain constituencies in favour of other constituencies," which all hon. members would simply know would not be part of my philosophy or the way in which this government operates, we also moved with the Beaver regional waste management system, which is essentially in the political constituency of Vegreville, and got involved there with transfer stations and landfills and the like. Further east of that one we dealt with the Beaver regional waste management system, which is part of the constituency of Vermilion-Viking and essentially in Beaver county. To a lesser degree in terms of assistance, it was provided in the political constituency of Vegreville. Also, in the Provost regional waste management system we were tied in with the MD of Provost and other municipalities there, and on and on the list goes.

Mr. Chairman, it's that kind of people-oriented programming that I think is really important, really fascinating and part of the programming that we would just be so delighted to talk about this morning and, in fact, take a little opportunity to do some bragging. Because I think these messages are important. No doubt there will be questions that hon. members would want to raise, and I would like hon. members to know that I would be just absolutely delighted to respond to each and every question that would be provided to me and, in fact, in the greatest amount of detail that would be requested.

So I'm your servant, and I'm at your disposal, Mr. Chairman. Once again I repeat, and I'll conclude by repeating, by saying, that I find this Public Accounts Committee to be one of the most exciting committees we have in the Legislative Assembly and really look forward to in-depth discussion here this morning.

MR. CHAIRMAN: Thank you very much for your succinct and

generous remarks, hon. minister.

Mr. Payne.

MR. PAYNE: Thank you, Mr. Chairman. I regret I will have to leave somewhat early today because of a health and social services caucus committee obligation, so I appreciate the chance to get in early.

Mr. Chairman, the minister characterized the first part of his remarks as a "cursory overview." I'd like to thank him for that cursory overview and the not-so-cursory underview that followed. I'm sure I speak for the members of the committee when I indicate that that kind of overview is very helpful to us as we try to address the public accounts.

My question and one or two supplementaries today, Mr. Chairman, is triggered by some observations, some troubling observations, made by the Auditor General in his 1986-87 annual report. For the benefit of the members of the committee who may have the annual report with them today, I'm referring to information provided by the Auditor General on pages 42 and 43. The Auditor General observes that in early '86 -- so I guess that would be better than two years ago -- a new computer-based system was implemented to handle many of the Water Resources Revolving Fund's accounting functions and then lists, I believe it's five or so, accounting functional deficiencies. In that these are public funds, I was concerned by those observations. I'd like to ask the minister at the outset: what actions have he and his officials taken to resolve these deficiencies cited by the Auditor General?

MR. KOWALSKI: Thank you very much, Mr. Payne. I'm looking at the documentation provided by the Auditor General, I guess, in his report, page 43. What happened is that in early 1986, as the statement indicates... The reflection of the Auditor General is basically indicating that a new computer-based system was implemented to handle some of these items under the revolving fund account. I guess in retrospect we perhaps didn't go as far as we should have gone. That became an internal administrative matter, but we've dealt with that matter. We've discussed that matter. It's internal administration. I, as the minister, am satisfied that in fact the correction has been taken. But to provide you with additional information in terms of the specifics of the technical aspects of it, I'll ask Mr. Bill Simon, who's an ADM of finance and administrative services in Alberta Environment, to provide additional detail to you, sir.

MR. SIMON: Yes. Thank you very much. The original intent of the computer-based system was to establish an inventory system, and the actual original intent was met. When the Auditor General came in, he reviewed the system with a view to making some enhancements and he identified these enhancements and made some recommendations. He also indicated that we should do a postimplementation review, which was actually done. The enhancements that were recommended are currently being done and implemented.

MR. PAYNE: Well, that's encouraging.

A supplementary, Mr. Chairman, please. The Auditor General observations that I've just cited, of course, are made under the heading Observations from Extended Audit Work. There are also some related observations made from the financial audit work, and in particular there's a reference to a management letter to the deputy, Mr. MacNichol, at the conclusion of the financial audit, with the recommendation

that the Department of the Environment establish certain procedures... to ensure that the [Water Resources Revolving] Fund supplies goods and services only to the Water Resources Management Services group of the Department.

Can we assume that that proposal to recommendation to the deputy has also been implemented?

MR. KOWALSKI: Yes, we certainly can. It's a very important point that was brought to our attention by the Auditor General. The best I can understand is that billing went directly from Alberta Environment to the town of Fairview for certain circumstances and certain services, and the process should have been that the billing should have gone through another process.

The point of the matter is that I guess some of us, who are not as worldly as others, when we get requests made of us like to get the problem resolved as quickly as possible. My heritage basically says, "Okay, paper is great, and all the rest of that stuff is very important," but if people are in need, the view I've always taken is that we should deal with it as quickly as possible and should worry about the paper flow later. But every once in a while you get caught in that sort of response. Nothing was done deliberately. We thank the Auditor General for bringing it to our attention, and we'll smarten up.

MR. PAYNE: Mr. Chairman, one final supp? Before we leave the question of water resources, then, or at least the Water Resources Act and the revolving fund, could I get the minister to comment on the legal opinion that was sought by management? That legal opinion is referred to also on page 43.

A legal opinion obtained by Management following the 1986-87 audit confirmed that providing and billing services to the Town of Fairview contravenes the Water Resources Act.

Can we assume that that statutory contravention has been resolved now?

MR. KOWALSKI: Yes, we can, and I'll ask my deputy minister, Mr. MacNichol, to just provide clarification of that.

MR. MacNICHOL: Yes. Thanks very much, Mr. Chairman. The only thing I could add is that from now on the revolving fund bills the department itself, rather than a municipality. From now on the revolving fund will send an invoice to the department itself, rather than a town or a village.

MR. KOWALSKI: I should point out, by extension of that, that we do have on file a copy of the letter dated August 27, 1987, from Mr. MacNichol to Mr. Salmon, the Auditor General. Just in terms of clarification of this particular thing, Mr. MacNichol writes:

The practice of invoicing municipalities for services provided by the Water Resources Revolving Fund was discontinued immediately after receiving the legal opinion. In future the Water Resources Revolving Fund will ensure that machinery, equipment, services, stock, and material are provided to the water resources management service of this department only.

Very emphatic.

MR. PAYNE: That's very reassuring. Thank you, Mr. Chairman, for the opportunity to ask those questions.

MR. CHAIRMAN: Okay. Mr. Brassard.

MR. BRASSARD: Thank you, Mr. Chairman. I have a question that relates to page 12.6 of the supplementary document, and it's in reference to 4.3.5. I noticed that there's been

\$1,860,661 spent on water rights licensing. Can you give me an indication just how many licences would be used in that, Mr. Minister?

MR. KOWALSKI: That's page 12.6, reference 4.3.5, where it says that \$1,860,661 was spent on the water rights licensing? Approximately 1,500 licenses were issued or reissued, and an additional approximately 1,500, again, were issued or reissued for surface or groundwater. I would also like to point out that we also process a large number of permits, transfers, and cancellations, and each one of those has to be looked at. So basically we're looking at that volume of nearly 3,000 in any particular year. All members will know that in the past when we've talked about licences in this Legislative Assembly, particularly with one licence that came up in the fall of 1987, I pointed out the volume of licences a department like Alberta Environment would have to deal with. It's a very, very complex business, and of course when it comes to water, and particularly water in the last number of years, there are a lot of concerns. One person needs that gold, and another person somehow feels that he or she is being robbed of that gold.

So when an application is made for a water licence and you get virtually everyone in the community wanting to have a say in it and everything else, I wish we were in a situation in Alberta where we had an enormous surplus of water. But the fact of the matter is that in our province we are in an overall deficit position with respect to water. We may have a surplus in the more northerly part of the province of Alberta, but certainly south of the North Saskatchewan River, from there to the American border, we are in an acute deficit position with respect to water. Where we're at today, it's going to make things even more difficult as we go through 1988. The situation now, by way of the measurements and the instruments we would have, is that the snowcap in the Rocky Mountains is the lowest it has been in the history of the province of Alberta. That snowcap feeds our rivers. All hon. members know they can have access to information we provide through the water resources centre, updated every several weeks, and we have a running tab on the flows of all the rivers and the streams in the province. Right now we are in a very, very negative position. That snowcap will melt over the next four to six weeks, and if we do not have any rain when we hit July 1 approximately, then we are going to see literally hundreds of streams in the province quickly disappear and we're going to see water flows in our major rivers deteriorate dramatically.

The only good thing we can say about the whole situation is to pat ourselves on the back that over the last decade or more this government has committed itself to a major, major program of water conservation and preservation and management. We have some 140 reservoirs, weirs, dams in our province that store and capture that water and allow us to use it. If we did not have those facilities, if in fact we followed through the uncanny and ridiculous advice provided by some of us to get rid of dams — blow up the Oldman River, blow up the Dickson, blow up the Big Horn, blow up the Brazeau, get rid of the seven that are to the west of Calgary on the Bow River — we would have an economic disaster unparalleled in the history of our province.

The other two types of water, of course, which are extremely important are the surface water, the water we would find in our lakes and our dugouts and our ponds. One doesn't have to be a genius to drive through the countryside, look out the window, and see that each one of those is deteriorating. Though that surface water is fed only by rain, we haven't had any moisture at

all in this province since August of 1987. The third type of water, which is the water we don't see, is groundwater, the water beneath the surface of our soil. We have 250 test wells throughout the province of Alberta that are essentially in a depth of approximately 20 feet to 1,800 feet, and more than half of them are now feeding information to us saying that they are at the lowest recorded level in our history. Ladies and gentlemen, water and dealing with these licences is going to become acute during the year, and I'm maturing prematurely in my life. The colour of the hair is getting a little grayer. When I look at the leader of the Liberal Party, there's a young man, 38, 39, losing his hair and he's gray, and I fear that as we go through 1988 some of us may suffer similar circumstances.

MR. CHAIRMAN: The fine flow of information he is providing us on water and water resources.

I'd just like to advise the minister that I try to keep the members of the committee to asking questions that are directly related to the Auditor General's report and the public accounts for the year '86-'87. That's for the minister's information only.

MR. KOWALSKI: I'll be governed by your request, Mr. Chairman, but the findings make me so enthusiastic.

MR. CHAIRMAN: Well, I appreciate your enthusiasm, and I'm sure the members found your information very, very useful and very helpful. But I'm going to try to get us back onto the accounts themselves. So Mr. Brassard, your second question.

MR. BRASSARD: I forget what it was. But as one of the direct beneficiaries of the Dickson dam, I would certainly hope that if anyone's considering blowing dams up they would not touch that one, because it certainly benefits our community. But coming from an area that really doesn't have much to do with irrigation and does not fully understand it, could you give me just a very brief idea of what an average licence costs and how much water that entitles an individual to? Is it based on so many gallons per hour? What is an average cost? I don't understand.

MR. KOWALSKI: Well, I think I'll take a break here for a minute or two and let Mr. Peter Melnychuk, the assistant deputy minister of water resources, give you that technical information. Peter.

MR. MELNYCHUK: Well, on the basis of the licences themselves, they vary from almost any amount in terms of acre-feet of water, which is the way the licence is described. The acre-foot of water that one could apply for can range from just one or two acre-feet to several thousand acre-feet depending on the purpose for which the water is to be used.

MR. BRASSARD: Can I just clarify that point? When you say an acre-foot of water, is that the water applied to an acre a foot deep? Explain that.

MR. MELNYCHUK: No, that is the way the licence is described. An acre-foot of water is the volume of water that is involved in an area that would cover one acre to a depth of one foot. So that is the volume on which the licence is described. The fees for the licence are on the basis of a schedule in the water resources regulations. I don't have the fee schedule in front of me, but the fee is tied to the volume.

MR. BRASSARD: Thank you. Well, the final supplementary was that I was going to ask just how the Oldman River dam would impact on that costwise and everything, but in that it's not in the '86 expenditure, I'll withdraw that question.

MR. CHAIRMAN: Okay.
Mr. Jonson.

MR. JONSON: Yes, Mr. Chairman. My question is with respect to the approximately \$6,341,000 spent on the cost-sharing program for water management projects, and it's located on page 12.6, reference 4.3.4. Now, I have a couple of specific supplementaries, but I would like the minister to just briefly provide the details as to what the guidelines are and how this program is provided to the public. What are the restrictions, the guidelines on it?

MR. KOWALSKI: That's 4.3.4., the cost-sharing program for water management projects, \$6,361,000? That basically is a cost-sharing on a grant that we would provide to local governments to finance water development and control projects with them. But we would provide a grant of up to 75 percent of the capital and the engineering costs. These projects, all kinds of them . . . Some will range in modest expenditure levels -- as an example, there was one near Fort McMurray called the Hangingstone River project, which was for erosion control; it cost \$1,100 -- to larger ones. There's one called the East Bonanza erosion control project, which is near the community of Bonanza in northwestern Alberta. That particular project cost \$487,785. The hon. member should know that in his own constituency of Ponoka-Rimbey, we dealt with the Rimbey south lagoon effluent and stormwater disposal project; there was some \$261,000. There are so many of them. Perhaps the Member for Westlock-Sturgeon would like to be assured that we have not forgotten him. We had dealt with one called the Legal Creek drainage project, \$22,875.

Mr. Chairman, I'd have to be governed by a caveat put on me by you, because I think these projects are really important, and I could certainly give you illustrative example after illustrative example. But it's a result of co-operation between the government of Alberta and the local municipality, and I repeat it again: 75 percent funding from the province of Alberta, 25 percent funding from the local municipality.

MR. CHAIRMAN: Perhaps Mr. Jonson could determine how much detail he'd like in his supplementary.

MR. JONSON: Mr. Chairman, certainly these projects are appreciated, and I know there are quite a number of them. However, as the minister was good enough to point out, having benefited from such projects, I still have a couple of questions about the way they're governed, shall we say.

My first supplementary, then, is: is there an administrative procedure in place whereby there is a checking or a liaison with, let us say, public lands and wildlife over the impact a particular project may have on some particularly sensitive habitat for wildlife so this can be worked in conjunction with each other?

MR. KOWALSKI: Yes, indeed. In keeping with the inter-departmental co-operation our government insists should take place, we would want to make sure that every time a project that would come under this particular program would be implemented, in essence there would be interim departmental co-

ordination of the project. There also would be, in nearly all cases, public advertisements of certain types of projects so that all citizens in the area would be notified of them. Of course, because we're driven by requests from local municipalities, those local municipalities then would deal with their various groups -- as an example, an agricultural service board which would have a multitude of players involved in it, local citizens, representatives and, for the main part, perhaps some fish and game associations and the like.

The purpose of all of this -- and perhaps in the past we have not done as good a job as we should be doing in the future -- is that we just have to be ensured that when we talk about these drainage problems or these flood control programs or these erosion control programs, we have to remember that we're doing simply more than draining land. I think that as we go into the future, we have to look at what's happened in the past in our history. A lot of land has been cleared and we've destroyed a lot of wildlife habitat. In the future we're going to have to be a heck of a lot more cognizant of the negative impact of land clearing, indiscriminate land clearing, taking 160 acres and clearing it completely and not leaving an amount of trees around the outsides of those corridors or even wetlands within those corridors for habitat involvement and management. That's a subject matter and also a message I've now given to everybody since I've become the Minister of the Environment.

You know, the best dam builder in the world is the beaver, and the beaver is very important to the history of this country. Yet it seems that for so many decades in our history we've indiscriminately gone out and said, "Let's terminate the beaver; he's a pest." The beaver will store water, and in those parts of the province of Alberta where there are beavers in multitude, we also do not have critical problems of the type that we would have with water. You know, not to be facetious or anything else, but perhaps the next dam we build in this province will be a natural dam. We'll go and plant trees for 50 years and then import beavers into the area. The beavers will deal with the trees and the water will be impounded by way of natural means. But that's facetious, and of course we don't have 50 years to wait. Well, some of us may have 50 years to wait, but others perhaps will not.

MR. JONSON: A final supplementary then, Mr. Chairman. I realize that these projects are recommended through local authorities, but does the department provide any direction to local authorities to differentiate between projects which are designed to solve a problem -- that is, there is excessive flooding over what is historically the case or there is some problem with the road and so forth -- versus what might be called projects which purely enhance the value of land for one or more landowners?

MR. KOWALSKI: Well, we are driven, I guess, by way of the caveat that I've already indicated, as a result of the request made to us by local municipalities. And one can always be assured in one's own mind that a request being made by the local municipality would enhance the property values of certain ratepayers within that particular municipality. The local municipality would have to put in 25 percent of the cost. I'm informed that in some cases throughout the province when landowners come to the local municipality and want to access this program, some municipalities say to the local landowner or landowners -- well, it's always landowners; it's more than one -- that in essence that share of 25 percent should be borne and

made up by the local landowner. That isn't so in some of the other municipalities in the province.

But to answer your question very, very specifically, we're talking about the movement of water from one person's property through another person's property to, in essence, a drainage ditch or a creek or a stream or river. There's no doubt at all in my mind that from a purely agricultural point of view, if you can't farm a quarter of land and all of a sudden with a drainage program you can farm the quarter of land, then you've had your property values enhanced. But that isn't the reason for the program. The program is to manage, conserve, and preserve water. Notwithstanding that, I'm sure there must be an example someplace that one could pull out and say, well, as a result of this program somebody's property values have gone out -- I'm not naive.

MR. CHAIRMAN: Mrs. Mirosh.

MRS. MIROSH: Mr. Chairman, I have to commend the minister for his unspent \$30 million-plus. I can understand now why there is a discrepancy in the numbers with regard to the Blairmore coal slack piles.

I'll divert my question to page 12.5, vote 2.7, Chemical and Pesticide Management. Under the biting fly control, there's an expenditure of \$1 million-plus. Could the minister advise as to how much was expended for mosquito control?

MR. KOWALSKI: Mosquito control? 3.27? Oh, I'm looking at the wrong page.

MR. CHAIRMAN: Page 12.5.

MR. KOWALSKI: Just a second here. It's a matter of . . . The biting fly control program is a program we have built into the Department of the Environment, and the program is called biting fly assistance program. That primarily means that the biting fly we're talking about is the mosquito. In one part of Alberta it also deals with the blackfly. That would be along the Athabasca River, between the town of Athabasca and Meander River. What this program is is a program that every municipality in the province of Alberta can access. There's a formula that allows how they can qualify for the particular program, and each year these municipalities submit the documents to us and we then take the total amount of money in the program and prorate it on the number of applications we have. As an example, in that particular fiscal year there were 40 claims submitted for the tune of \$629,993.93 that was afforded. The allocations ranged from figures for the city of Fort McMurray, which received \$292,693.41, to smaller municipalities -- the village of Tilley accessed \$541.12. It's once again driven by a request made from a particular municipality in the province of Alberta, asking for assistance.

Some municipalities do not believe they should spray for mosquitoes; others do believe they should spray for mosquitoes. It's a quality-of-life program. Members will recall that during this fiscal year I indicated at the conclusion of that fiscal year that if the economic situation in the province of Alberta continued to deteriorate through the fiscal year 1987-88, in all likelihood this would be one of the programs we would have to terminate. Because I don't think we should go around killing things, but that's my personal view. Mosquitoes -- although I've never determined in my own life why God created a mosquito or invented a mosquito -- nevertheless do exist and

some people get very upset when they have mosquitoes. So I go back to the basic point of quality of life, and I guess if citizens in our province want to access a mosquito control program or biting fly assistance program, we would have one in place, and in the subsequent fiscal year, of course, we did have one in place. Again, I repeat it's quality of life, but I have a bias as an individual who also happens to be the Minister of the Environment: I don't know why we go out killing things.

MRS. MIROSH: I don't like mosquitoes.

What impact does this use of chemicals have on our environment?

MR. KOWALSKI: That's of course part of the debate that goes on continuously and consistently. In terms of the major items of pollution that we have in our province, vehicle emissions are the largest cause of pollution in our environment. All of these applications for biting flies, mosquitoes, or blackflies are provided under very, very controlled circumstances. They are provided in an urban area like the city of Edmonton or the city of Calgary, as an example, by people who are qualified to make those applications. They are done under the most stringent and safest possible forms of application. So when you see these people go out and spray, you'll see that they're all wearing safety equipment with masks and the like. It's controlled, and warnings are given out to the public and all our municipalities indicate when such applications are made. People are advised when such applications are made.

We have no control, though, as a government, over the usage of such control methodologies by the average citizen. The average citizen who takes that little aerosol tin out in their backyard and goes zap, zap, zap and sprays all his or her trees and this sort of thing, for the most part just gets up early in the morning or gets up late at night -- they're going to decide to go bug killing today, and of course they do it. What that cumulative impact on an environment like the city of Edmonton would be is, I think, almost impossible to determine. Because first of all, you wouldn't have any access at all to determine how many people were doing it at what time, and you'd have to be concerned about the conditions in the wind.

I guess the bottom line in the whole thing of all this is that under controlled circumstances, if we're knowledgeable about what it is we're doing, we can minimize the impact in the environment, but I just have to believe -- I just have to believe -- that the usage of some of these chemicals has a negative impact. Whether or not it's a long-term negative impact is something I simply can't measure, and I'm not aware of any measurement facility provided by anyone that would measure it.

MR. CHAIRMAN: Mrs. Mirosh?

MRS. MIROSH: No. That's good, thank you.

MR. CHAIRMAN: Okay. Mrs. McClellan.

MRS. McCLELLAN: Thank you, Mr. Chairman. Through to the minister. As the minister is well aware, I come from one of the most arid parts of this province, so I am interested in a point, again on page 12.2, item 4.6, on Water Resources Planning and Co-ordination. I would like the minister to just provide me with a quick overview of what's being carried out with the funds which are in the amount of \$4,963,268, or \$5 million in round figures.

MR. KOWALSKI: That's 4.6; \$4,963,000 was the actual expenditure. We had programmed or budgeted in there \$5,830,000 and there was a surplus of some \$867,000, and the hon. member would like to know how those dollars are broken up?

MRS. McCLELLAN: Yes. I would assume by the statement Water Resources Planning and Co-ordination that it is in that, and I'd like to know how those funds are expended to provide that service, not in minute detail but in an overview.

MR. KOWALSKI: Okay. We'll try and be as general as we possibly can.

Part of those dollars are broken up into administrative support. There are five permanent positions. Then, of course, if you're going to go out and manage, co-ordinate, supervise, review, you have research involved in there as well, so you've got professional services provided as well. That comes out to \$558,000. Then we have \$2,248,000 of the total projected, that was spent, involved in certain management studies. As an example, \$300,000 was provided for the Peace River basin water management studies.

All members will recall that after becoming the Minister of the Environment, I said one of the things we have to do in our province is have a first-class, good understanding of the various water drainage basins we have in our province. So we committed in that first year \$300,000 to the Peace River basin water management study. We committed \$330,000 to the North Saskatchewan River basin plan. That was to provide us with an inventory of baseline water resource data in our analysis for the North Saskatchewan River. We had \$263,000 committed that year to the Athabasca River water management study, \$50,000 to the Cold Lake-Beaver River study, and some \$600,000-plus to look at a land inventory for irrigable land in the province of Alberta.

What we want to do and what we started doing is to classify 2.4 million acres of land that has the capability of initiating long-term production under irrigation. So you had, really, a subtotal for those various general areas of study of \$2,248,000. In addition to that, we've committed an additional program — at least to commit an additional \$1,795,000 for manpower and co-ordination planning of the South Saskatchewan river basin planning program. There's \$294,000 for that project, \$2,000 to look at the Oldman River basin. Of course, the Oldman River basin is much, much beyond simply the Oldman River dam. It's looking at the whole Oldman River. And we looked at water management projects in the Little Bow, Willow Creek area, the Ross Creek area, the Pincher Creek area, the Etzicom area, some floodplains studies in the southern part of the province and the possibility of storage in the Milk River. We had another \$250,000 provided to the Bow River basin, \$181,000 provided to the Red Deer River basin . . .

MR. CHAIRMAN: Excuse me just a minute, hon. minister. Did you want that kind of detail, Mrs. McClellan?

MRS. McCLELLAN: I would, because it'll probably eliminate some supplementaries, so if you'll allow that. [interjection]

MR. CHAIRMAN: Well, after you're recognized, hon. member. Back to the hon. minister.

MR. KOWALSKI: Just one last point here, Mr. Chairman, and

then I'll be quiet.

One other major capital expenditure had to do with in-stream flow needs forecasting. In order to really understand what's happening with water, of course, you've got to have the concrete information. We've got to be able to forecast if we want to manage, if we want to conserve, if we want to preserve, or if we want to be in a position to be in that statement when somebody says, "Well, you had a flood there; didn't you know you were going to have a flood?" We're pretty confident that we can basically predict floods, where those floods are going to occur, and when they're going to occur. Of course, by being in that position, we can then provide the alerts to individuals to minimize the negative impacts on their lives. In order to do that, you've got to have the base data, which means you've got to go out physically and look and see; you've got to have methods to forecast. You've got to have the data so that when we make the statement that we've got the lowest snowcap today in the history of our province in the Rocky Mountains, we know we've got a data base that goes back decades and decades and decades.

MRS. McCLELLAN: The final comment and question, I guess. This funding, as you've identified it to me, would signify that we do have a water management position in place in this province and that it is going to continue?

MR. KOWALSKI: We are one of the most informed populaces in the world when it comes to understanding water management, conservation, and preservation. In fact, we are inundated by requests from here, there, and everywhere throughout the world to share our expertise. I think members should be very, very proud to know that half the irrigation in the country of Canada is located in the province of Alberta. There's a tremendous export market of expertise out of this province to help developing countries and even developed countries throughout the world.

Members, I'm sure, would want me to tell them that — I think it's August 1 of 1988 — I will be participating at an international conference in water management and conservation in Columbus, Ohio, with the United States minister of Agriculture. I'm the only Canadian who's been invited to participate in this worldwide international conference on water conservation and management. I think that's really a credit to our leadership role that we have in the country of Canada, in North America, and in fact in the world when it comes to this whole area of water management. I guess it's negative when you hear people saying, "Well, you've got to come up with a policy." We do have a policy, a very sophisticated policy, and we have had to have one because less than 1 percent of the land mass of this province is water. Secondly, we have surpluses of water in the northern part of the province; we have deficits of water in the southern part of the province. Our policy is well known. We have a policy statement. I talked about it in the House the other day when there was a motion on the floor brought forward by the Member for Cypress-Redcliff, and we're determined that we're going to maximize the usage of our water in our province with management, management, and more management.

MRS. McCLELLAN: Thank you.

MR. CHAIRMAN: You're welcome, hon. member. I should just point out that if we raise questions in such a way that it permits the minister to extol the virtues of his program, it makes it very difficult for me to restrict other members from raising is-

sues that are critical of government policy. That's why we try to keep questions basically on the accounts themselves. There's some latitude here, but in any event, hon. members, I'm going to read through the list of names of people that I have on the speakers' list so it will give at least the minister some indication of the numbers who still would like to put questions to the minister today: Mr. Ady, Mr. Bradley, Mr. McEachern, Mr. Fischer, Mr. Downey, Mr. Musgrove, Mr. Taylor. It's the order in which I saw hands being recognized.

MR. TAYLOR: Take me off. No way I can sit around that long.

MR. CHAIRMAN: Well, the meeting will come to a conclusion at about 11:25.

Mr. Ady.

MR. TAYLOR: We've been averaging 10 minutes a question.

MR. CHAIRMAN: In any event, Mr. Ady.

MR. ADY: Thank you. [interjections] As soon as we get rid of the distraction here.

MR. TAYLOR: I'm holding up the speech. I'm sorry.

MR. CHAIRMAN: Before the hon. member leaves... He's left. I was going to point out that I think this is really an opportunity for opposition members, I suppose, to perhaps have a priority when it comes to being recognized for questions, if they're here and have their hands up. Some hon. member was making that point.

Mr. Ady.

MR. ADY: Mr. Chairman, the overview that the minister gave sort of answered a question that I was sure I was going to be able to put him on the spot on. That had to do with the Money's Mushrooms issue. So I would just like to sort of sum that up by saying that I assume that every municipality got just monetary value for the million dollar monetary investment in Money's Mushrooms' move. I can assume that, Mr. Minister, I suppose.

So I'd like to move on to another question that I have. On page 12.2, reference 4.4, there was an expenditure of \$7,999,656 for Operation and Maintenance of Water Resources Systems. Could the minister explain which divisions or branches of Alberta Environment are responsible for these expenditures?

MR. KOWALSKI: The divisions include the irrigation head-works branch, which was responsible for operating and maintaining irrigation systems, serving eight irrigation districts in southern Alberta. It also included the projects management branch, which was responsible for operating and maintaining provincially owned and cost-shared nonirrigation projects; the equipment and materials branch, which was responsible for a fleet of vehicles and equipment as well as warehouse and yard facilities; and support was also provided by the special projects and administrative services group.

I should point out that in 1987 the operation and maintenance division was amalgamated with the design and construction division to increase efficiency and effectiveness.

MR. ADY: I'll forgo supplementaries to let it move along, Mr. Chairman.

MR. CHAIRMAN: Mr. Bradley.

MR. BRADLEY: Thank you, Mr. Chairman. I wanted to compliment the minister on his overview of the excellent work of his department in terms of the restraint during that very critical period in '86-87. With the indulgence of the Chair I'd also like to compliment the minister on the Blairmore coal slack pile project, which he alluded to. It's been an issue down in my area. I can remember giving a speech on that topic before the Environment Conservation Authority of Alberta public hearings on land use in 1973. That's some 15 years ago, and it's certainly been a subject of discussion down there. I'm very pleased to see that the government is proceeding with reclamation of these old coal mining sites in the Crownsnest Pass.

I wanted to ask a question on page 12.7 and 12.8, basically vote 6, which is Interdisciplinary Environmental Research and Services. I take it that this is the vote of some \$11.6 million which has been spent in research at the Alberta Environmental Centre at Vegreville. It's my understanding we have a world-class research facility there in terms of its approach in being an interdisciplinary environmental research program. I wonder, given the fact that we spent that \$11.1 million out of the \$11.6 million that was just allocated, if the minister might be able to give us an overview of the research programs that have taken place there and the benefits which are accruing to the people of Alberta by the type of research that has taken place there. There's just a wide variety there. Are we getting the benefit from that type of expenditure that we're allocating?

MR. KOWALSKI: Well, I really think we are. The Alberta Environmental Centre, which our government created and had then developed with the community of Vegreville, I think is one of the outstanding research facilities you're going to find anywhere. Essentially, the research that occurs at the Alberta Environmental Centre is environmental research. It works as a service agency for some 15 government departments and agencies that make a call on specific research projects at the centre.

The centre is basically five wings or five components or five areas: the plant sciences area, the chemistry area, the animal sciences area, the environmental technology area, and the common services area. They're doing some really, really unique things there that I think for the most part we don't get as much publicity in the Alberta environment or the Alberta context in terms of what the outstanding components are. As an example, the executive director of the research facility, Dr. Sherman Weaver, was telling me not too many days ago that one of the unique things that he's got there is a machine that can basically date back -- I'm going to ask him to just give you a little more information with respect to it -- the ages of certain things in our province. All members will recall a couple of years ago when the shroud of Turin made world headline news: this piece of cloth that apparently was on Jesus Christ at one time. Somebody wanted to have it dated. We can date things like that in the province of Alberta at the Alberta environmental research centre.

There are some very, very unique types of research going on. It was my good fortune here last year to have a couple of scientists from China who were on exchange with Alberta, because of our sister province. They came over here to see if they could develop and have developed within the province of Alberta, Chinese mushrooms. Now we talked about Money's Mushrooms a little earlier, but to get an exotic, esoteric, high-value mushroom that would feed our restaurants in this province is

something, of course, that we really want to talk about: diversification.

The centre is very, very unique. It's ultramodern, and there's no doubt at all that we could always do more. That always is the caveat that we have in terms of research. But as all members will know, there is more research going on in the province of Alberta per capita than any other jurisdiction in the country Canada, and this is one really, really important flagship. I'd like nothing more than to basically be in a position to provide more dollars to the Alberta research centre. But we have to manage, and we have to manage very well. But I'm going to ask Dr. Weaver just to highlight maybe two or three or four more examples of some really unique kinds of projects that he's got going there.

DR. WEAVER: There are a couple of areas, Mr. Chairman, that I just made a quick note about that are, I would say, of world-class standard. I can quote some examples as to how the world has come to Alberta.

I should point out at the beginning that the Alberta Environmental Centre carries out -- approximately two-thirds of what it does is not, in fact, research but what we call service. For example, we are the designated northeastern regional crops laboratory for Alberta Agriculture. There are other regional crops laboratories at Fairview, Olds, and Brooks, but since we have an interdepartmental mandate, Agriculture has designated us as part of their regional crops network. We also do most of the drinking water testing for chemical parameters in the province of Alberta with the exception of the large cities. So we have a very large service component.

But in addition to that, our research components which are somewhat unique I made a note of. One of them is in the area of biological control; that is, trying to replace present methods of controlling insects and weeds by nonchemical means, and basically we're using predator insects, for example. This has received worldwide attention. We have a very active program to support the Alberta greenhouse industry which has a major problem with pests in their greenhouses and yet can't use chemical control. We've recently begun to look at the use of fish to keep weeds out of irrigation canals in southern Alberta instead of using chemicals and mechanical means.

The minister mentioned the environmental isotopes which are radioactive carbon and radioactive tritium naturally found in the environment. Our biggest client there is the department of culture. Through the archaeological survey of Alberta, we can date things to an age of approximately 40,000 years. We could have made the measurements on the shroud of Turin that are presently under way, had we been asked. That's quite a unique facility in western Canada, certainly. One world-class facility we have -- I have a staff member who, maybe optimistically but maybe not, calls some of these things national treasures.

We have a facility for doing inhalation toxicology, which is looking at the effect of toxic gases and air cells on living organisms. We have one of only two in Canada. The other one is a federal organization in Montreal. Our main emphasis right now is on hydrogen sulfide gas which caught the big impetus, although we were already planning for it, at the time of the Lodgepole blowout and the subsequent Lodgepole hearing. The main client there is the Department of Community and Occupational Health. But because it's such a unique facility, we're getting tremendous interest from American and Canadian industry, governments, and other agencies wanting to use our facility.

Potable water is a major concern. I agree with the minister that the water is probably the number one problem in the province of Alberta. We're more concerned with quality than quantity in Vegreville. It's part of the departmental emphasis on both quality and quantity, and we concentrate on quality. We're looking at the effects of pulp mills, including the existing ones and future ones, and what they may have on surface water and drinking water. We've had a fairly major program going through a mobile water treatment plant we've put together with the Kananaskis centre in Calgary, looking at what's properly called beaver fever or giardia. We spent several years trying to find out how to eliminate the giardia problem, especially in the Kananaskis and Banff areas. That's a program that's reaching a successful conclusion.

We're very active in one last area I'll mention, and that's waste management generally. We have a worldwide reputation for doing research on incineration and on fixation or stabilization of hazardous wastes. The U.S. EPA and Environment Canada have both come to us and literally offered us money to do research in these areas. We've also had approaches recently from Korea and Taiwan. They want us to do research on the disposal of hazardous wastes for them. We are also using other techniques such as fermentation. Two of the major wastes in Alberta are straw and sawdust, and we found a way to grow exotic mushrooms with the help of our Chinese friends that the minister alluded to. So this has been a successful program as well. Our main clients here are, of course, the Special Waste Management Corporation in Swan Hills people, Community and Occupational Health, and in the case of incineration the Department of Hospitals and Medical Care. These are just a few of the highlight programs that have drawn international attention.

MR. CHAIRMAN: Thank you very much.
A supplementary, Mr. Bradley?

MR. BRADLEY: Yes, Mr. Chairman. A supplementary question relating to this vote 6. I wonder if the minister or Dr. Weaver might elaborate with regards to the staffing at the Environmental Centre. Is it up to its full complement? When the centre was established, it was part of the decentralization program of the province of Alberta. There were sentiments that we wouldn't be able to attract world-class scientists outside the urban areas. Have we been successful in recruiting the type of scientists that are necessary to staff that centre?

MR. KOWALSKI: Well, that's an area that is very difficult, I guess, to deal with. On the one hand, we want to see the Alberta Environmental Centre in Vegreville be the world-class facility that we know it can be. On the other hand, I guess, as the Minister of the Environment, I also have a responsibility to this Legislative Assembly to basically make sure that we have budget parameters. I know that Dr. Weaver, of course, would say we need more people, and he has talked to me about that, and I recognize his concern.

In retrospect I think the situation in Vegreville is no different than the situation in Barrhead with the Alberta Correspondence School or the situation in a variety of other communities. We have attracted world-class researchers; no doubt at all about that. The economy of the world has also changed, and some people are leaving now, as well, because of opportunities that they would find elsewhere or because of the concern that some research projects that they would want to have could not be implemented as quickly as they have. But it's a concern that I

recognize, and it's a concern that as the Minister of the Environment I want to see corrected. The Alberta environmental research centre is extremely important to Alberta; it's extremely important to Canada.

Dr. Weaver made mention of the overtures that have been coming to Alberta by some countries throughout the world, and he just very quickly skipped over the contact that had been made by the United States Environmental Protection Agency literally coming here and offering us money to do research for them. I can think of no greater compliment, and I think that all members will find that we'll be providing increasing priority to the centre in terms of research.

MR. CHAIRMAN: Thank you. You're entitled to one further supplementary, but do you mind if we get one opposition member in today before we come . . .

MR. BRADLEY: I have one more very important question that I wanted to ask relating to vote 5.0.5 and 5.0.6, the Government and Industry Acid Deposition Research Program, some \$500,000 allocated there, and the Acid Deposition Research Projects, some \$341,020. That's a very important initiative, and I wonder if the minister might be able to give us an overview as to what was accomplished with the acid deposition research program in the fiscal year that we're looking at? I know that the medical diagnostic review was funded by Social Services and carried out by the acid deposition research program, but there has been a lot of concern about sulphur dioxide and acid deposition in the province. It's a very important initiative. I might wonder if we could have that sort of an overview as to what has been accomplished.

MR. KOWALSKI: I think the acid deposition research project is one of the really incredibly important projects that we have going. Basically we're talking about acid rain, acid depositions in our province. All members will know that not too many months ago this joint committee of government and industry released a series of reports and also indicated -- I think it's in the month of July 1988 -- that their final reports will be provided to us. I've tabled in this Assembly all of the reports to date.

But the key guy who's been co-ordinating and heading up this particular area is Ken Smith who is our assistant deputy minister of environmental protection services. I think, Ken, you should take us through a few more specifics with respect to the program.

MR. SMITH: Mr. Minister and Mr. Chairman, the acid deposition research program is in fact scheduled to complete critical point one this summer. During the fiscal year that is under review here this morning, we were in a start-up and early stages of implementation. The project itself is one that is being managed jointly with industry and government and executed through the auspices of the Kananaskis centre at Calgary, and it has in tandem with the Kananaskis centre, western research, and a variety of international scientists that have been providing us with excellent advice and steering committee direction on the priorities and the way we have implemented that program. It's receiving international recognition, and we're very hopeful that the results that come forward in July will provide us with a sound scientific basis for approaching acid rain and acid deposition in Alberta.

MR. CHAIRMAN: Thank you very much.
Mr. McEachern.

MR. McEACHERN: Thank you. Before I get into to my series of questions, could I just ask the minister if he'd be willing to release the documents he's been reading from today in answer to some of the other questions: the ones on the 40 communities that participated in the insect control, the town and municipal water management section, the \$6 million there -- you were reading from an extensive list there -- and the other list on the river basin studies and costs that you read from. Could we have copies of those for the committee?

MR. KOWALSKI: Absolutely; no problem at all. In fact, do you want me to read it into the record?

MR. McEACHERN: You could send them through the chairman; it would be great.

MR. KOWALSKI: Sure; no problem at all. This is all public information. I made it all available in the past, but . . .

MR. McEACHERN: You have it in a nice package, so it would be convenient. Thank you.

What I was wondering: in planning for the budget, the original document -- and I suppose it must be from the April 3 budget and then was revised later -- the special waste management amount went up from \$3.66 million to \$18.66 million. I'm wondering if the minister can recall or can check from his figures how much of that was involved with the plans for Swan Hills, or was that some of the other projects that he was talking about around the other parts of Alberta? The \$18.66 million is vote 7, I guess; at least it was in that. I think it's changed.

MR. CHAIRMAN: Page 12.8, vote 7, Special Waste Management Assistance, and 7.01 . . .

MR. McEACHERN: Eighteen million dollars is vote 7, but it was \$3.66 million in the original budget, and then you must have stepped it up for the June budget from the April budget.

MR. KOWALSKI: The figure for the fiscal year '86-87 would amount to \$18.66 million. That's the one the member would like to talk about? Well, certainly between April and of course May, we had a provincial election; we had a change in ministers. I am of the firm determination that all members will know that when I was appointed Minister of the Environment on the 26th day of May, 1986, I said that I would have three priorities. One dealt with communications and creating a high level of interest in the people of Alberta in the area of the environment. A second one was efficient, effective management of the Department of the Environment and other associated agencies. The third one that I publicly made at that day was that we would implement the objectives that this government had laid down with respect to the Alberta Special Waste Management Corporation. We would have the project concluded. We would have it done. So of course it required additional dollars, and that \$18.66 million was provided to get us on a high roll to get the project involved completed so that we would be in a position -- and were in a position on September 11, 1987 -- to officially open that plant to the people of the province of Alberta. So the dollars were there on a high-roll basis to complete the project. I'd be very happy to break down the figures if the hon. member would like.

MR. McEACHERN: Just roughly would be fine.

My second question. I guess we have to go to the supplement on page 7.37. I see that Canadian Forestry Equipment was paid some \$4,980, which was part of a total of \$241,881,000 that they were paid from a whole variety of departments. I guess my question is: was that one major project that a lot of departments took part in, or was that a whole number of different projects?

MR. KOWALSKI: That was for \$4,000?

MR. McEACHERN: Four thousand nine hundred and eighty dollars. It's 7.37 in the supplement.

MR. KOWALSKI: Okay. Does it come under a particular vote, Mr. Member? Because it's . . .

MR. McEACHERN: The ones where you have the individual payouts.

MR. KOWALSKI: The Canadian Forestry Service?

MR. McEACHERN: Yes.

MR. KOWALSKI: Okay; somebody will find that for me, but I'll just point out that what we do with the Canadian Forestry Service, of course, is have an ongoing relationship with them. It's the Canadian Forestry Service that would provide us with expertise in terms of tent caterpillars, as an example. The Canadian Forestry Service would be the agency that's been designated in the country of Canada to keep a running tab of what's happening with insects in the forestry regions not only of our province but other provinces in the country. If an individual were to ask me the question today, "But what is the tent caterpillar situation in the province of Alberta?" we would obtain and access that information from the Canadian Forestry Service. Well, I can't be clear until I find that expenditure level of \$4,000. It would seem to me that perhaps it would be for some relationship in terms of assisting them to do their work.

The other thing that we do in consultation with the Canadian Forestry Service, of course, is to get expert advice with respect to the ongoing biological impact or what's happening in our forests. Secondly, every time the requests are made of us to approve the usage of herbicides in the forests, it's the Minister of the Environment who must ultimately give the licensing approval for that. It is not the minister of forestry, public lands, or wildlife. So we have ongoing consultations with respect to that, and it may help to defray some of their costs in a very minor way.

MR. CHAIRMAN: Final supplementary.

MR. McEACHERN: Yes. On the Vegreville centre, I wanted to ask — it was part of a decentralization plan. On balance, if you were to have built it in the city instead of at Vegreville, would that have made a great deal of difference, for instance, to the economy of Vegreville, which is one of the reasons for decentralization? Because I know that a number of people, you know, use car pools and drive out there every day and come back to Edmonton.

MR. KOWALSKI: Well, if we had not built it in Vegreville, needless to say, it would have had no impact on the community of Vegreville. Of course, one of the reasons for diversification, decentralization, fits in with the philosophy of the government that I'm a member of that says that we shall have economic development and balanced growth throughout our province. So there's absolutely no doubt at all that it's been a very, very helpful local economic driver in the Vegreville area.

But it's also true that a number of individuals who have chosen to work in Vegreville will also live in Edmonton or other communities, because this government has no policy that says that individuals who work within a particular municipality must live within a particular municipality. So I'm sure that there's some downtime that individuals would have to give in terms of access to their jobs, and undoubtedly some of those individuals would maintain their lives and their involvements in their communities in Edmonton or other communities rather than Vegreville and, I guess, in many ways would not be viewed as a resident of the community of Vegreville. That's not at all uncommon, and certainly that's been faced by all communities in the province of Alberta when we moved on economic decentralization projects.

MR. CHAIRMAN: Well, I'd like to thank the minister and members of his department for taking time out of their busy schedules and appearing before the committee today. I'm sure that all members of the committee appreciate the considerable amount of information that they were provided with today.

One further announcement would be that next week the minister that will be before the committee will be the Minister of Agriculture, the Hon. Peter Elzinga.

Mr. Moore.

MR. R. MOORE: I move that we adjourn. I thank the minister and his staff for an excellent overview on . . .

MR. CHAIRMAN: Are we agreed that we adjourn?

HON. MEMBERS: Agreed.

[The committee adjourned at 11:29 a.m.]