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**Standing Committee on The Alberta Heritage Savings Trust Fund Act**

**Wednesday, September 6, 1978**

**Chairman: Dr. McCrimmon**

9:00 a.m.

**MR. CHAIRMAN:** Good morning, gentlemen. We'll call the meeting to order.

We have with us this morning the Hon. Dave Russell, Minister of the Environment. Last year Mr. Russell did not appear before the committee for the main reason that he had spent very little money in the previous year, so it was not considered necessary to have him appear. However, there have been further developments in his department with respect to the heritage trust fund from the report of 1977-78. So, Mr. Russell, if you would care to make a few opening remarks with respect to your department's usage of funds from the heritage trust fund, perhaps we could have questions afterward.

**MR. RUSSELL:** Okay. Thanks, Mr. Chairman.

First of all with respect to last year's recommendations, I think there are only two that the committee made which have a direct bearing on the programs that are the responsibility of Environment. I believe I can say we're proceeding with both of those: that "River valleys within municipalities should be considered for development and upgrading for recreational use" is certainly something we're looking at, and we're starting to make progress in that field. The other recommendation was that "Consideration be given to investment in water management." Of course that's received a great deal of attention.

Insofar as the programs that are currently contained in the heritage trust fund, there are four. The first one is irrigation headworks improvement, and Environment together with the Department of Agriculture is carrying on a ten-year program of investment and upgrading, primarily in the southern Alberta irrigation districts. Agriculture spends its money at points which we label below the headworks, so that any of the systems that are the property or responsibility of the individual irrigation district or lands that are privately owned containing works receive their funds through annual grants from the Department of Agriculture. From the headworks -- that is, the major sort of control structures and anything above them, or main distribution canals below them -- are the responsibility of Environment. We're spending our money on those on a contract basis rather than a straight annual appropriation.

The second major program we have under way is land reclamation. This is a new one which is just in its second year now and proving to be, I think, very worth-while and very popular. We're doing improvements to unsightly or dangerous pieces of land located all over the province. We do this either by transferring funds to three other departments -- Transportation, Recreation, Parks and Wildlife, or Energy and Natural Resources -- wherein they apply those funds directly to their own projects within their own responsibility, or else we have the big catch-all of other projects throughout the province. For example, these might include cleaning up and rehabilitating old sewage

rooms, cleaning up old gravel pits, dangerous or unsightly abandoned mine sites, those kinds of things.

The other two projects that are the responsibility of Environment are the two major provincial parks in the two metropolitan areas. Capital City Park was a project carried out completely by Environment in conjunction with the city of Edmonton. When I say "completely by Environment", I mean what land assembly there was and what capital improvements were necessary were planned and paid for by Environment. The Fish Creek Park in the city of Calgary, which is sort of the sister park to the Capital City Park, is carried out slightly differently in that we use our land assembly division only for assembling the land. When it is assembled we then turn it over to Recreation, Parks and Wildlife, which takes the necessary legislative steps to have it declared a provincial park and then undertakes capital improvements within its own budget. So the parks are slightly different. But that gives the members a brief overview.

I'd be glad to answer questions at this point.

MR. CHAIRMAN: Mr. Taylor.

MR. TAYLOR: In connection with the last point you raised, Mr. Russell. Having had the experience in Capital City, with your own department being pretty well responsible for the entire project, why is the Calgary one being handled differently?

MR. RUSSELL: I don't know. It's something that just happened prior to the time I was Minister of the Environment. I think the former minister, because the Capital City Park was in his constituency, had a very deep personal interest in it and was anxious to see Environment take it on as a complete project. It is slightly different in that it is not a legally declared provincial park. It's a series of existing city parks which are held together by certain improvements and rehabilitative measures that were carried out as capital projects under the Department of the Environment.

The parks are different in that the Capital City Park has the bulk of its funds in capital improvements, whereas in the Fish Creek Park the bulk of the funds are going into land assembly. It's the unique and naturally beautiful valley that we're trying to assemble for park purposes and, relatively speaking, very few improvements are going into Fish Creek as opposed to Capital City Park.

MR. CHAIRMAN: Mr. Notley.

MR. NOTLEY: Mr. Chairman, I have several questions. But I must confess that I'm a 'coffeeholic' and I see that the coffee has been delivered. Can we each get a cup of coffee before we proceed.

MR. CHAIRMAN: Well, we can; there's no reason why not. If everybody would like to get a cup of coffee and bring it back to your seat and carry on, that's fine.

Before we go on, if we complete Mr. Russell this morning we will be moving on to Mr. Dallas Schmidt. Those are the only two ministers that I have arranged for this morning, so hopefully by 12 when we will be adjourned, we will be able to get through the two departments.

I think you were next, Mr. Notley.

MR. NOTLEY: With respect to the land acquisition in Fish Creek Park, Mr. Minister, is the \$12,923,787 on page 38 all allocated to land acquisition this year, or are there any other investments under the fund vis-a-vis flood control or any other features?

MR. RUSSELL: No, that's all land acquisition.

MR. NOTLEY: And would that be with respect to the money that would be tendered for the five parcels remaining, the 426 acres remaining, or is there other land that has been voluntarily purchased during this particular report year?

MR. RUSSELL: It's both.

MR. NOTLEY: Can you give a breakdown as to the -- I realize you can't give the amount that's been tendered while the expropriation proceedings are under way, but could you give us the amount that has been paid out of that \$12,900,000 as a result of voluntary negotiations?

MR. RUSSELL: There was the purchase of the West Indies Airlines property, which was 102 acres, which came to just in excess of \$1.7 million. I'm rounding off figures now. There was Calmi Investments, which was 40 acres for \$450,000. There was . . .

MR. NOTLEY: Calmi, was that?

MR. RUSSELL: Calmi.

There have been a number of payments made which aren't settled yet because they're what we call voluntary expropriations. There are four parcels, all dealing with the Shaw family, and they represent -- one is 26 acres, another one is 31 acres, another one is 18 acres, and another one is 20 acres. We've paid into the courts prices ranging from \$173,000 to \$550,000 for those parcels.

MR. NOTLEY: Could you give the group total, then?

MR. RUSSELL: Well, the total for those four Shaw parcels would be . . .

MR. APPLEBY: Just read them off. Dr. Backus has his calculator here.

MR. RUSSELL: It's just in excess of \$1 million for those four parcels.

There was the purchase of a 14-acre parcel from Kelwood Corporation for \$117,000, and that would be it.

MR. NOTLEY: So we're looking at 102 acres for \$1.7 million, another 40 for \$450,000, the Shaw properties for just over \$1 million, and Kelwood for about \$117,000. If my arithmetic is right, that would be approximately \$3,200,000 for the other parcels?

MR. RUSSELL: It sounds right. I perhaps shouldn't be doing this mental arithmetic this way. I realize we'll have to make all these figures available eventually because they're heritage funds and they're public. For the reason that the expropriations are before the court, I've been advised not to give our exact figures unless really forced to, because it would prejudice our

position. So I'm trying to round out the figures and give you the dollars without identifying specific amounts against certain parcels.

MR. NOTLEY: That's fair enough, Mr. Minister. I don't want you to give the exact figures, but I think we want to get some idea of the ballpark figures. What that would mean then, if my arithmetic is correct, is that approximately \$9,700,000 would have been paid into the courts for the five remaining parcels, 426 acres. Would that be a correct assessment?

MR. RUSSELL: You're probably within a million, Mr. Notley.

MR. NOTLEY: Well, C.D. Howe once said, "What's a million?" But I would think, just following through your figures here, that that would be essentially the correct figure.

Just to follow that along, Mr. Minister, when the government decided to proceed with Fish Creek Park, was it the original concept to include the entire area that is now in the geographic limits, including the 426 acres at the west end, or was that something the government decided to add as time went by?

MR. RUSSELL: No, the entire park as it's now constituted and proposed was the one that was announced in the news release in February of 1973. In fact, the park was slightly bigger then. I have a copy of the news release, and it was about 2,800 acres; the park will be slightly smaller than that. We had to make some adjustments as we got into some detailed survey work. We found that the proposed boundary split a couple of private residential lots in half, and we let those things go. So are some adjustments. There are a couple of smaller parcels owned by religious orders that would have been nice to include in the park but weren't essential to it. We weren't able to negotiate a satisfactory price, so those are out. But everything, including the Mannix parcel, was proposed in the original park.

MR. NOTLEY: When did the government decide -- I believe you've been quoted, Mr. Minister, as saying that there was an RDA proclaimed. When was that decided? Do you have the date?

MR. RUSSELL: The RDA was put on in 1973.

MR. NOTLEY: You don't have the date handy?

MR. RUSSELL: No. I could get that, Mr. Chairman. I have some transcripts of Hansard here and we can easily get the date of the O.C. that put that on. It was during 1973.

MR. NOTLEY: I see. Mr. Chairman, just to follow it along, what consideration was given in 1973 when the RDA was proclaimed to proceeding with expropriation? Now I don't pretend to be a lawyer, but as I understand The Expropriation Act, the seller of land, or the person who is being expropriated -- I guess that would be the best way of putting it -- has a year to decide whether or not to accept the offer that the government makes, at which time it is then adjudicated by an impartial tribunal that will use the market price between a willing buyer and a willing seller. That's my understanding of the legislation we passed. With that in mind, why would the government not have proceeded in 1973 with expropriation of the entire area, not just the parcels

that are subject to controversy but the entire area? Because there was a major sale, as I recollect, of the Burns property early in 1973.

MR. RUSSELL: Yes, the park area is divided into two halves, split by the Macleod Trail. There were a number of different kinds of landowners in the park. On the one case you had land held by legitimate land developers who had, for all intents and purposes, plans of developing residential subdivisions in the park. As soon as they were told that there was going to be a park they were very anxious to get rid of their land and get land elsewhere. So those were the easiest kinds of purchases.

The second class of people were speculators, people who had owned land and were just hanging on to it as an investment, generally raw, undeveloped land. They were more difficult to deal with because they were in it to make money.

The third group was a fairly difficult group too. They were existing family residences, and generally they were very substantial residences, more what we would call country estates. Again that was a very difficult kind of acquisition to make. I met with the landowners as a group immediately following the 1975 election to try to explain to them what our plans were and how we would proceed, because we'd had a number of anxious inquiries. In the meantime the RDA had been imposed during 1973 and the land acquisitions had started since then. We had publicly announced that the land acquisition would probably take a period of several years and that the park would be developed from east to west, so that the people in the centre and the west end knew that they'd be the last to be put out and go. In the meantime we tried to see what arrangements we could make insofar as relocating those families was concerned.

Against that background, some of the people in all groups -- that is, developers, speculators, and private residence owners -- carried on negotiations with the government on a willing-buyer, willing-seller basis, and we acquired a number of purchases that way. Two went into voluntary expropriation and one is a forced expropriation. The forced expropriation is a lady who owns a key parcel. It's small in acreage but by its shape -- it's very narrow and very long and it splits what we call the Mannix property from the rest of the park. So it's a key parcel. We've just finished our second inquiry pursuant to The Expropriation Act. Having lost the first one, we had to go through a second one. The commissioner ruled in our favor in that case, so we commenced expropriation proceedings. In the case of the Shaws and Mr. Mannix, they've agreed to expropriation at this point.

MR. NOTLEY: But as I understand it, after the money has been tendered to the courts they still have one year in which to accept.

MR. RUSSELL: They have a year in which to accept or state their intentions of contesting the stated value. In the case of the Shaws the year is nearly up. And you can see as you go along here, you're trying to establish as you go along what are current market values in order to give you a stronger base to negotiate your next coming purchase.

MR. NOTLEY: Could I just follow that up, Mr. Chairman. It strikes me as being reasonable that the government would wait for a period of time to try to negotiate voluntary purchases of the land. So I don't think there's any question about that. What I find a little difficult to understand is the time frame in view of the rapidly escalating land prices, in Calgary especially. I realize that the RDA was proclaimed, but the RDA is still not going to keep the values down at 1973 levels. There's still going to be huge inflation.

Now whether one talks about the current market value or the \$20,000 an acre or \$22,000 or \$23,000 that would be approximately what this figure represents, it's still a huge increase.

My question really is: why did the government, after waiting a couple of years and making an earnest effort for two years, say from 1973 to 1975, to arrange voluntary purchases, why would we not then proceed with expropriation on the entire thing so that everybody would be treated fairly according to The Expropriation Act? Because in my view The Expropriation Act does set out fairly honest and fair guidelines for dealing with the rights of landholders.

MR. RUSSELL: Well, I believe that's essentially what we did. The first expropriation we were involved in was the Shaw one, and it still has not been settled. In our view that was a key one to decide whether or not the courts were going to award values that we had negotiated voluntarily on a willing-buyer, willing-seller basis. So in our view the Shaw expropriations will really be a key decision, and we were anxious to get those behind us prior to going to any further ones. Now we weren't able to do that, but we came close.

MR. NOTLEY: Was there any consideration given in 1974-75 to commencing expropriation on all the properties?

MR. RUSSELL: Yes, that was considered. I should say that in the Capital City Park and Fish Creek Park that policy question came up, and we said publicly -- perhaps it was wrong; I believe it was the right decision -- that we wouldn't force people out of their homes in order to build parks. I said that here in the Legislature. In the case of the Capital City Park, adhering to that principle meant making several boundary changes and design alterations to the park to accommodate existing residences when the people vowed they were going to stay there.

In the case of the Fish Creek Park in Calgary there was always the question in the back of our minds as to whether or not the last mile -- the west end, the Mannix property -- should be included in the park. It's a very expensive piece of property to acquire. The acreage is very large. It's by far the largest parcel, and the improvements on it are very substantial. So we felt we had to reserve unto ourselves the right whether or not to end the park at the boundary of the Mannix property or include it. It had always been our intention to include it, but we wanted to have some idea of the price before we made that decision.

MR. NOTLEY: That really was the reason I asked the first question, what the geographical limits of the park were envisaged to be. Because it seems to me that if you're dealing with acquisition of land, obviously the first step is to try to reach a voluntary settlement with the landowner. If land values are escalating very rapidly, it would strike me that the second step would be to look for either alternative land or to eliminate that land from whatever the project may be. The third step would be expropriation.

But I would ask you, Mr. Minister: at what point did the government decide firmly that it was necessary to have the Mannix parcel in order to meet the objectives of the park? It strikes me that one of the obvious things we should have done at some point is say, is it worth this or not?

MR. RUSSELL: Yes, we considered that. When the park boundary was originally drawn and announced back in 1973, the Mannix property was included. It was the intention to tie up the whole valley. During the course of the

negotiations we of course watched what was happening to the rapidly escalating land prices in Calgary, but felt fairly secure in that those were developable land prices that were escalating that rapidly. There's going to be a very good debate on how much of the Fish Creek valley is developable in an engineering and flood plain sense. That's a key factor with respect to the land values that are applied.

But we did in fact consider the exact things, looking for alternate land. We looked at land east of the Bow River and thought perhaps the park could go eastward rather than westward and leave the Mannix parcel out of it. We gave up that idea for two reasons. Number one, the land had already been tied up and optioned by Daon Development and formed part of their annexation application. Secondly, it wasn't very attractive. We were looking at it as a potential golf course site, and it was pretty barren land -- barren in the way of natural growth on it -- and it was good, productive agricultural land. So we made the decision that we should probably stay with the proposed park boundaries as they had originally been announced. Based on just about an entire acquisition of the whole valley we made the offer on a voluntary expropriation basis to the Mannix family. That's where the matter stands at the moment.

I don't mind saying it's a large amount of money. We're debating for, I think, a substantial amount, and that's why we're going into court. It's in excess of 300 acres, and whether you're looking at the last per acre price we paid of \$17,000 an acre, which was the West Indies property, or the suggested price of \$30,000 or \$40,000 an acre by other people who are making suggestions, represents quite a difference. I don't think there's any major difference in the value of the improvements. We're not debating those, because a series of appraisers can give you a pretty accurate price on the value of the barns and stables and the house, and they're very substantial. But we are going to have a good debate over the land value.

MR. NOTLEY: In the final analysis, then, we can hope that the sellers of the land or the people we are expropriating will accept. But if they don't, then within the perimeters of the year's time frame, whether it's fairly soon in the case of the Shaws or next March in the case of Mr. Mannix, they will proceed to adjudication by an impartial tribunal.

The question of the land value in the area. You indicated, Mr. Minister, that it was in a flood plain, but Markborough Properties had, I believe, an option on the land for \$30,000 an acre and felt that it in fact would be developable land had it not been set aside for a park. At least that's what I've been given to understand.

MR. RUSSELL: Well, we've had some interesting debates with various engineering consultants, not only in Fish Creek but in Fort McMurray and other parts of the province, as to what is developable insofar as a flood plain is concerned. Of course you can make all kinds of adjustments by putting in man-made fill and putting buildings up on stilts; there are all kinds of things. But I think the counter-debate can be made that if you have to go into those kinds of improvements, that affects the value of the land. It's not as valuable to a developer if he has to do those things. And the determination of where the one in a hundred flood plain contour comes is another issue for debate.

Frankly I think we're on pretty solid ground in this debate on the expropriations that are now under way. The history of that valley itself -- I think there is legitimate question as to whether it would ever have been zoned by the city for residential development, whether or not it was a park.

That's another debate: just because land is located within a city doesn't mean it's automatically going to be zoned for residential development. So there are all these kinds of debates going on.

The other question and issue that's been raised, and we all raise it in hindsight: we look back at land we could have got at last year's prices and think, why didn't we do it? In going to the Provincial Treasurer for funds, when you make an offer on land you've got to put out the cash. Again there's some question: are you further ahead or just as far ahead if he keeps the cash and invests it at 10 per cent per year or in short-term investments, or do you give it to the other party and let them work with it while you're fighting over expropriation values while the land is increasing? I don't know what the bottom line on such a balance sheet would be, but in all cases it's a judgment decision.

I think the important thing is that we've tried to treat all these people exactly the same, whether it's a farmer at the Dixon dam on the Red Deer River or somebody in the Capital City Park or in Fish Creek Park. We've tried to voluntarily acquire their land, let them stay on it with our money until they absolutely need it or make their choice as to when they leave. I feel comfortable that we've made that policy stick and that everybody has been treated equitably.

MR. NOTLEY: Mr. Minister, there would be a very substantial increase even in the value of the flood plain land, because if we were looking at the flood plain land in 1973 values we could also depress those values compared to surrounding land values. In fact we have to compare apples with apples. So in the past five years, whether one is talking about developable land or land that is subject to some dispute as to how developable it is, nevertheless the land value has gone up very substantially. I'm not here to argue the point, but I think that we could probably have some years at 9 or 10 per cent interest to make up the difference between what any kind of land would have been worth in 1973 in Calgary and what it would be worth in 1978.

That just brings me back to the other point I want to raise. The minister indicated, Mr. Chairman, that the government decided that there was no other alternative but the five parcels in the west because the east land was not suitable. Was there any serious consideration given, Mr. Minister, to just reducing the size of the park by the 400 and some acres and just saying: we're going to have maybe not a Cadillac park or a Volkswagen park but a Chevrolet park; we'll just leave the 426 acres out, and some of the people in Calgary are going to be mad and probably the mayor at that time will take a few strips off the minister, but so be it; we just can't afford that kind of additional investment?

MR. RUSSELL: Yes, we did consider that. There are two aspects to that. We had a citizens' advisory committee and the public opinion poll and a newspaper advertising thing whereby the overall design for the park was developed by local citizens, and it included that west end. We could have taken it off because it's in one solid lump, the most westerly mile; it will be the last piece we get, and I suppose we could take it off. There are two aspects to that. Number one, it leaves the existing landowner in the park valley in an extremely favored position, and I'm not sure if that would be a good thing to do or not. I don't think so. Secondly, I don't know how long we're going to be here, but I like to think that 50 or 100 years from now people will look back and say: that was a great thing those guys did back in the '70s, keeping that valley for a park, just like they kept Central Park or Stanley Park in



Vancouver. So we're having our wobbles and our difficulties arguing over prices. The acquisition, the assembly program has been an extremely difficult one, but we're nearly there and I think it will be a worth-while project when it's finished.

The point the hon. member made about land prices as they go on: of course we kept a rolling summary of what our per acre price for the total park was working out to, both with certain parcels in and with certain parcels out. It's interesting because the area east of the Macleod Trail, when you figure it all out, came to \$4,875 an acre. Then we got some more land west of the Macleod Trail, and when you lumped that into it, it brought the average up to \$8,150. As you go on you can make those kinds of computations that the more land you acquire the higher it brings up the average. But the average is kept very low by the big initial acquisition that was made east of the Macleod Trail from the Burns ranches, which was really a very good purchase.

MR. CHAIRMAN: Mr. Clark.

MR. CLARK: To the minister. Mr. Minister, would you go back and explain to us in a bit more detail what kind of commitment the heritage fund has as far as the Capital City Park and the Fish Creek Park are concerned, in dollar values if you could. And, Mr. Minister, one of the problems I have in the course of these discussions is to sort out where the heritage money stops and where the operating budget of the province takes over. So if you could outline that for me that would be a place to start.

MR. RUSSELL: With the two parks the heritage funds are for capital items; that is, land assembly and, in the case of the Capital City Park, improvements to the land. Now the only costs of an operating nature included in those would be people who are involved in those activities, like consultants or management fees or appraisers or that kind of thing.

MR. CLARK: That would come out of the fund?

MR. RUSSELL: They're billed against the item in the fund so that if there are appraisers involved in the land acquisition from Calmi to the Fish Creek Park, the cost of that appraisal is billed against the Calmi land acquisition. After the park is operative, the sort of park operating expenses are then billed against Recreation, Parks and Wildlife.

MR. CLARK: As far as Edmonton is concerned?

MR. RUSSELL: I'm talking about Fish Creek. In the case of Edmonton it's really a unique thing which is covered by an agreement signed by the city and the province wherein by agreement there are phased down percentages of cost sharing in the ongoing operations and maintenance of the park over a period of years. Those percentages change downwards. Again in the case of the Capital City Park the same kinds of procedures are used. The cost of getting anything done is applied against that particular project. For example, land acquisition and building the pedestrian bridges across the river, all the activities involved in getting those things done are billed against the capital costs of the project. But once the park is in operation, we go into our agreement with the city and share those operational costs as per the agreement. And those costs are not in the heritage fund.

MR. CLARK: Mr. Chairman, then to the minister. Mr. Minister, would it be possible for you to get for the committee a breakdown of the money that's been spent from the heritage savings trust fund as far as the Capital City Park and Fish Creek? For Capital City Park I'm particularly interested in the amount of money for land, the amount of money for improvements. And if you could break those improvements down.

MR. RUSSELL: I could give you a pretty good breakdown of that right now.

MR. CLARK: Also then get a breakdown of the amount of money that was spent as far as appraisals and engineering, specifically with the names of the firms there, please.

MR. RUSSELL: I don't have firm names with me this morning.

MR. CLARK: And could you also indicate to us how the engineering and design work were done. Was it done by just simply the selection of particular firms, or were there requests for proposals going out? Just how was that done?

MR. RUSSELL: In the case of the Capital City Park we hired by contract a project manager, and that was all left up to him. But I can get you all those names. I'll give you a very quick breakdown if you're interested at the moment on . . . This gets complicated. You want actual dollars spent to date in a cumulative sense . . .

MR. CLARK: If I can.

MR. RUSSELL: . . . or pro rated 1974 dollars for the '78 fiscal year?

MR. CLARK: As of today.

MR. RUSSELL: Okay.

MR. CLARK: And, Mr. Minister, also just while you're finding that information, would it be possible to get the terms of reference which were given to the project manager? I think that was the term you used as far as the Capital City Park was concerned, wasn't it? The terms of reference which were given to him, and also the amount of money we paid him for the project.

MR. RUSSELL: Okay. The projected total actual spending on the park -- exclusive of land purchases, and I'll give you those in a moment -- is \$36,984,800. In addition to that, land purchases come to \$4,270,124. Just as an aside, under the 1974 agreement as amended we undertook to spend \$29 million, when it's broken down into all the components. That works out to the \$36.9 million figure that I gave you. Again I've got different figures, if you want to the end of this fiscal year that we're talking about. Committed or paid to March 31, 1978, is \$25,078,000 of that \$36 million figure that I gave you.

MR. CLARK: There'll be about \$11 million spent this year.

MR. RUSSELL: Yes, there's a lot of money that was spent in the last few months on the park.

MR. CLARK: Do you have a breakdown of what you anticipate the cost is going to be to the operating budget of the province of the operating portion of Capital City Park?

MR. RUSSELL: No. There are no estimates of that as far as I know.

MR. CLARK: No projections done?

MR. RUSSELL: No.

MR. CLARK: So we just went along without any projections being done as far as the anticipated operating costs, eh?

MR. RUSSELL: Well, I wouldn't say it's that loose, because we know . . .

MR. CLARK: I thought you said it was that loose.

MR. RUSSELL: We know what the operating costs for the existing city parks had been; the city had all that. We undertook a percentage share of those, so those were historic and known. There was an estimate done, I'm sure, of what the enhanced and improved operating costs would be. But there are still items that are under discussion, the major one being policing. We don't think that's a shared cost, and the city thinks it is because we've given them enhanced police projection grants already. So those kinds of things are matters for debate between the two governments.

MR. CLARK: Recognizing that there are always going to be matters for debate between the two governments, can you give the committee, perhaps not today but later on, some kind of indication as to what the province projects is going to be its portion of the operating budget?

MR. RUSSELL: Yes.

MR. CLARK: As far as the Fish Creek Park in Calgary, Mr. Chairman, that would . . .

MR. RUSSELL: Well, that will be more difficult because it's not on such an arrangement as there is in Edmonton. It's strictly like any provincial park in the province.

MR. CLARK: Well, you'd just be able to get the projected operating costs much easier, wouldn't you? There wouldn't have any . . .

MR. RUSSELL: Well, Mr. Adair would have those.

MR. CLARK: But Mr. Adair doesn't come before the committee.

MR. RUSSELL: No.

MR. CLARK: So you could perhaps get them from him, if you would, for us. And could you also outline for us, Mr. Minister, the procedure that's being used as far as the capital improvements at the park in Calgary? Did I hear you say earlier that that was basically being handled by Recreation, Parks and Wildlife?

MR. RUSSELL: Yes, and that shows as a separate item in your statement.

MR. CLARK: On page 38, isn't it?

MR. RUSSELL: On page 35. You'll see at the bottom of the summary on page 35 that for Fish Creek Park, Environment and Recreation are broken down into two different items.

MR. CLARK: Have Recreation, Parks and Wildlife gone to a project management arrangement similar to Edmonton?

MR. RUSSELL: I believe that they are. I know that they have a project manager down there, a fellow who used to be with the city parks department.

MR. CHAIRMAN: Mr. Taylor.

MR. TAYLOR: I wonder if I could get clarification, Mr. Russell, of the average prices. I realize these are rough averages, but do those rough averages on the east and the west include all appraisals, all costs or just the land costs?

MR. RUSSELL: They include appraisals. But those are a very small portion of the cost and I don't think would affect the per acre price to any degree.

MR. TAYLOR: So those are an average of practically all costs involved?

MR. RUSSELL: Yes.

MR. TAYLOR: Thank you. There are two other items I would like to pursue. In connection with the suggestion that the government considered expropriation of the entire area at the very start, I would have considered that a very arrogant procedure, because it just doesn't seem to be our way of doing business. I'm very pleased that that was thrown out. I believe that expropriation always costs more than entering into agreements and leaves a bad taste in peoples' mouths. So I really appreciate the attitude the government has taken in regard to these expropriations as a last resort. I hope that continues to be the policy.

One other thing I'd like to mention is in connection with the size of the Fish Creek Park. I haven't travelled through it extensively, but I have done a little in the area and I think the value of the park would be substantially reduced if the Mannix property were not included. I think that's going to add a great deal to the park. In '65 when I attended the opening of the Pan-American Highway through Central America, I noted in almost every one of those Central American states large areas of park right in the heart of the various cities. I inquired of the officials through the interpreter who was accompanying us about the tremendous value that could be for other things, and these people put a tremendous value on the fact that they had a park right in the heart of their city. I think, as you mentioned, maybe 50 or 100 years from now people will begin to appreciate Fish Creek Park far more because the Mannix property was included. I think that that decision was correct. Personally I'm prepared to support that decision.

The other point I'd like to mention is in connection with land reclamation. I'd like to commend the minister on this program. I don't know who thought it up originally, but I imagine it was the minister. In the areas that I have

seen, this has been a tremendous program. My first question is: is there some thought of putting more money into this program to continue it, or is it now going to be phased out?

MR. RUSSELL: No, it's our intention to continue it; in fact I'm coming forward for the next fiscal year with a request for double the funds of last year. Like any new program, it took a few months to get it rolling. Notwithstanding the fact that we didn't spend our entire appropriation last year, I'm still going to ask for substantially more. I can't take credit for it. It came from the department.

MR. TAYLOR: Well, I'd like to say that cleaning up gravel pits and coal slack areas and waste areas like that is excellent. But I think there's another area that I'd like to see your department look into pretty thoroughly; that is the low areas in the 100-year flood plain areas, particularly those that are suitable for habitation residences. The diking program that you propose in the Drumheller valley is going to have a very splendid effect on making a lot of land available that today is not available for subdivision. If some of our waste materials could be used to build up other areas along with the diking program, it would bring into use many, many acres -- I wouldn't even hazard a guess at how many but many, many acres -- of land that today are completely waste land, or where people live with the continual threat of being flooded out when the next big flood comes. I would like to see the department look into the possibility of using this land reclamation program for raising areas particularly where people are presently living, as well as in areas where people aren't living.

I think of the Newcastle flats after the '48 flood. People were urged to move their houses out of that area. It's a beautiful area except in times of flood, and many people did move their houses. But now people like this and they take a chance and go back in. I would think it would be a really splendid service if we could use public money to raise these areas so that we could do away with that 100-year flood threat. It may never occur in 100 years; on the other hand there is always that chance. One of the simplest ways of doing it is by raising that land. Sometimes it's only a matter of a few inches. Along with diking, I think would be an excellent program that would be happily received by people in all areas, whether they happen to live in low areas or not. Is there any thought of extending that program into this field?

MR. RUSSELL: Not specifically by way of the land reclamation program, although that's a suggestion I hadn't considered, and we will, to see if it's possible. But we are looking on an individual basis at sites around the province. There's the one you mentioned in Drumheller, and we've had a request from Sundre as a result of the works that are going in there to do the same; also Fort McMurray. Perhaps we should be looking at this on a broader provincial basis. It's a tricky thing because there's flood plain land on just about every river in Alberta that could be developable if something were done.

MR. CHAIRMAN: Mr. Notley.

MR. NOTLEY: Mr. Chairman, I'd like just for a moment or two to move from the parks and reclamation to irrigation headworks. There's \$3,009,000 listed on page 38. Would the minister outline what that represents?

MR. RUSSELL: That represents works that we've carried out in the various districts under the guidelines I mentioned. There are three phases of the works involved in each one. There's what we call the program, which includes the engineering consultant and the survey work; the construction itself; and then as a separate component the Oldman study, which is now complete.

Going very quickly through the districts: in the Lethbridge northern there was spent \$704,000, the two biggest items being \$199,000 for consultants and mapping and soil testing on the main canal improvement, and \$183,000 for purchasing right of way for canal and structure rehabilitation. In the Waterton-St. Mary component the total spent was \$438,000, and the two biggest items of spending there were the replacement of the St. Mary spill slab for \$130,000, and equipment rental and gravel for refacing the main canal for \$154,000. In the united irrigation system there was \$50,000 spent on miscellaneous work. In the Carseland-Bow River headworks system, there was a half a million spent, the two biggest items being equipment rental and a contract for the replacement of the waste-way number one structure. In the case of equipment rental for reshaping and refacing the main canal, that was just in excess of \$200,000. And the waste-way contract I mentioned was \$157,000. Going to the western headworks system we spent \$185,000 there, the biggest expenditure being \$165,000 for a drop structure on the canal. In the Mountain View-Aetna system we invested \$93,000; again there was structure replacement. At Ross Creek, which is a little one at the east end, we spent \$4,000 on miscellaneous expenditures. And the Oldman River studies came to \$797,000.

MR. NOTLEY: Now that the report is in from the committee studying the flow management on the Oldman River, what is the government's timetable at this stage in terms of dealing with that report and proceeding with the money that was outlined originally for irrigation headworks investment?

MR. RUSSELL: Well, we're going as quickly as possible. A year ago at a public meeting in Picture Butte I said the government would strive to reach a decision on the major structures by the end of 1978. We're still at this point working towards that objective, but I think it's becoming unrealistic. The reports are finished and the public hearings are due to begin the first week in November. Now the chairman of the panel that's been selected has said that in all likelihood we won't get their report until toward the end of February, so we're at least two months behind there. We're still pushing everybody toward that original objective.

MR. NOTLEY: So at this point, assuming that you don't get this report until the end of February, it would not be reasonable to expect a decision until well into 1979?

MR. RUSSELL: Well, it may be a very easy report to deal with or very difficult; I don't know. Obviously the government needs some time to consider the report and make a decision.

MR. CLARK: It'll be well after the election, anyway.

MR. NOTLEY: Whether it's after the election or just before the election -- but we'll presume it's after the election, in February, eh?

Mr. Minister, I want to raise this with the Minister of Agriculture too, but in the discussions I've had with the irrigation people in southern Alberta

there's a good deal of skepticism about the entire \$200 million being within shooting distance of being adequate. Some of the irrigation managers just laugh and say that one of the districts alone could use the entire \$200 million. How do we arrive at that figure? Are we committed to it? Is that written in stone? Because last year before the heritage committee we had the Minister of Agriculture telling us that this was fine, this was all that was needed, and all that could really be invested. But the irrigation people tell me a totally different thing.

MR. RUSSELL: Well, there's two aspects to it. Number one, I don't think it's written in stone. It was made public in this little brochure that received very wide distribution late in 1974 and early 1975. I think it's easier for the Minister of Agriculture to deal with his portion of that sum, because he's got \$90 million and he pays it out in 10 annual \$9 million installments. Of course the various irrigation districts could use however much more you wanted to give them. There are all sorts of things. You could line all the canals with concrete, desalinize all the fields, put in underground tiles, automate and computerize all their controls; there's no limit to what they could spend. We are committed to this. I think there's no question that the \$110 million that Environment proposed in 1974 dollars is substantially short of what a comprehensive program will cost. We already have some indication of that in the committee's report. We're up over \$300 million just on the basis of their recommendations.

MR. NOTLEY: So at this juncture, if we are to redeem the pledge made in 1975, \$110 million is clearly unrealistic and we'd be looking more at the neighborhood of the committee report. Would that be a fair assessment? In other words, are we looking at a substantial increase in the heritage fund allocation to irrigation headworks?

MR. RUSSELL: I don't know, because many of the components of course can be carried out within very close estimates of what those prices were. What I'm trying to do is set aside the main storage or control structure. I think there's no question that if we go into a meaningful program we'll have to put more money into that. There was, I think, \$65 million in here for that. But the other components I think are very close to being right.

MR. NOTLEY: But the main storage structure is going to cost an awful lot more than \$65 million?

MR. RUSSELL: Oh, yes. And we have current '78 prices in here.

MR. NOTLEY: And that will come out of the heritage trust fund in all likelihood, if the government proceeds?

MR. RUSSELL: I'm guessing; I would think it would, yes.

MR. NOTLEY: So this is something we can look at down the road?

MR. RUSSELL: Yes.

MR. NOTLEY: I see.

MR. RUSSELL: If the decision is made to go ahead with it, then I'm assuming we would want to continue funding through heritage funds.

MR. NOTLEY: If the decision is made not to proceed -- and I realize this is getting into another year, so it's not entirely appropriate to raise it -- but I would ask you, Mr. Minister, whether or not either you or the Minister of Agriculture have assessed during the last year that this report covers a contingency plan of shifting part of that headworks investment into the Department of Agriculture rehabilitation section. Has that been given any consideration?

MR. RUSSELL: My understanding is that it would be unrealistic to separate the two. There's not really much point in putting the investment into the individual parcels which lie below the headworks system unless the system itself is substantially rehabilitated and the capacity expanded.

MR. NOTLEY: So in actual fact the headworks system, which almost certainly will include some form of water storage, is necessary in the government's view at this time in order to meet the objective?

MR. RUSSELL: Yes.

MR. NOTLEY: So one may be looking at what site, but we are looking at water storage almost for sure, regardless of what the ECA says.

MR. RUSSELL: Well, the only caveat on that is whether or not you want to expand irrigated areas. So we could, I suppose, make a policy decision sometime in the future that we won't try to expand the districts, and we'll simply rehabilitate and service better what is there. On that basis the funds that have been outlined are, I think, adequate. But the long-term planning is certainly to substantially expand irrigated acreage. If we continue with that decision -- it's one that has to be reviewed from time to time -- then we're into your kinds of arguments.

MR. NOTLEY: This, I realize, is something that is within the purview of the Minister of Agriculture, but it also has implications for you because if we expand irrigation very substantially, it obviously has implications as far as headworks are concerned. Because we can't expand unless we have some major decisions on water storage on the Oldman River and possibly other river systems as well.

The government is talking about 300,000 acres in this report. Some of the irrigation people tell me that that's not realistic, with the \$200 million that we've allocated. But they say that the real potential is more in the neighborhood of 5 million acres that could be irrigated. What is the government doing in terms of coming to a conclusion on how far they want to go with irrigation, and has any price tag been placed on it?

MR. RUSSELL: No. We're still going by the policy here; that is, first of all, to enhance the land which is now irrigated. The second priority would be to expand acreage within existing districts, and the last step, way down the line somewhere, would be to expand the districts themselves. So it's a three-part program, and we're proceeding on that basis.

But in the long-term planning -- and this is what the reports and, I suppose, the public hearings that are coming will point out -- if you're going



to achieve the full expanded potential, there are certain things that are necessary, including on-stream and off-stream storage. So that's a major policy decision that's coming.

MR. NOTLEY: And that surely must be a major policy decision before we get into it. What I'm saying is: if we decide that the objective is to eventually irrigate all the additional acres, that additional 5 million acres, surely that is going to have some impact on the decisions we make on headworks now. Would it be a reasonable proposition to have to make changes down the road? It's very much like a major project being changed halfway through. If we're going to go all the way and reach that total objective, it would seem to me that that kind of policy decision almost has to be made before we launch on headworks work; that is, major headworks construction.

MR. RUSSELL: Yes, I think you're partially right, because the storage is the major feature of that. Insofar as canal, weir, drop structure, siphons, and those kinds of things, those go ahead whatever. Even if you weren't expanding one more acre, you'd want to carry out that rehabilitation work.

Insofar as expanding the capacities of, say, some of the canals from their present 500 CFS to 1,500 or whatever, that ties in with what storage might be available. At that point you then get into: is the storage going to be off-stream or the ultimate on-stream? Then you get into this cost/benefit thing, and that's really what this is all about. The debate as to whether or not that kind of money should be put into irrigation I'm sure will be heard this fall.

MR. CHAIRMAN: Mr. Clark.

MR. CLARK: Mr. Chairman, a number of areas dealing with this question of water management. Mr. Minister, when you outlined the three broad general areas that your department spent money on this year, you talked in terms of engineering and consultants, construction, and the Oldman study. I take it from what you said there that we're funding studies such as the Oldman study out of the heritage savings trust fund?

MR. RUSSELL: Yes.

MR. CLARK: What other major studies are we funding out of the heritage savings trust fund at this time, as far water management is concerned?

MR. RUSSELL: None. It's the policy that I outlined with the two parks. The cost of consulting that belongs with a specific project is billed against that project.

MR. CLARK: Mr. Minister, the reason I ask the question is that it seems to me there's a fairly significant difference here. The decision was made to go ahead on the Capital City Park and the Fish Creek Park, and then it logically follows that the consultants and so on would be funded out of here. At least on the surface it seems to me somewhat different as far as the Oldman situation is concerned, because if we follow that policy along completely, there is a presumption there that you're going to build the dam regardless of the recommendations?

MR. RUSSELL: No.

MR. CLARK: Would you explain the difference to me, then?

MR. RUSSELL: Yes. What we said we'd do is invest \$200 million. We broke it down, and the big component there is water storage on the Oldman River system, \$65 million. Now that's what we're committed to as a minimum. When you look at how and where to spend that \$65 million, you get into these reports. And I think the consultants and the studies that are background as to spending that \$65 million on storage are legitimately billed against that component.

MR. CLARK: Okay. We can carry on that discussion some other time.

Mr. Minister, what other water management projects across the province are presently under consideration? I go back to the comment you made initially today when you said that your department is considering that recommendation that said should "be given to investment in water management". What other projects, other than the Oldman, are we looking at?

MR. RUSSELL: Well, we've already announced the Paddle River project and the Lesser Slave Lake, and I would hope that both of those would be funded from heritage funds.

MR. CLARK: What about the Red Deer dam?

MR. RUSSELL: It's not in at the present time, and it's under consideration whether or not it should be transferred. It was started, as you know, before there was a heritage savings trust fund. You can make arguments both ways whether or not it should be transferred; it's possible that it could be. I don't know if it will or not.

MR. CLARK: At what stage is the government's consideration about lumping a sizable amount of money available for dealing with the recommendations of the Environment Conservation Authority on erosion in the northern part of the province? Are we in a situation now where we may well allocate, let's say, \$100 million in that area?

MR. RUSSELL: No, not that much, but there are considerable funds through my department in the operating budget this year for the recommendations of that committee report to be carried out.

MR. CLARK: Is there any consideration being given to funding that out of heritage savings trust funds?

MR. RUSSELL: No.

MR. CLARK: Definitely no?

MR. RUSSELL: No.

MR. CLARK: One other area, Mr. Chairman . . .

MR. RUSSELL: Just to explain that, it gets very difficult at times, because if you look at what the act says about how a capital project qualifies for this, I guess you're looking at things that wouldn't be done under ordinary circumstances as an ongoing department responsibility. So you have to say that in all probability this capital project would not be done under ordinary

circumstances. Now the erosion control measures in northwestern Alberta, I think, are a legitimate department responsibility. The Red Deer dam and project was announced and commenced, the preliminaries were commenced, before there was a heritage fund.

MR. CLARK: Wasn't the improvement and the continued maintenance of the irrigation system in southern Alberta, which is being funded out of here, a worth-while project? In fact that kind of ongoing maintenance work was being done long before the heritage fund was thought of.

MR. RUSSELL: Yes, that's true. Whether or not they should just have continued on the old basis is a good question.

MR. CLARK: How do you as minister make those judgments in the course of your recommendations to the . . .

MR. RUSSELL: There were the two agreements: the one with the federal government in 1973, and then the later ones with the individual irrigation districts in 1975, which constituted two major transfers. So the responsibility for the irrigation resources themselves was transferred from the federal government to the province in '73. Then we took over the ownership in '75 of all these works, with the undertaking with the individual irrigation districts that we would improve them.

MR. CLARK: My question, Mr. Minister, and perhaps I didn't state it very well, is: how do you make a decision in your own mind as to what is on the operating side of the budget? What kinds of projects come there? What kinds of projects come out of the heritage fund? Because it seems to me that, well, as your colleague said yesterday, it becomes a matter of judgment.

MR. RUSSELL: Yes, it does. All the departments put in two lists, I guess you'd call them, at pre-budget time. One is the capital projects you want to undertake as part of the ongoing activities of the department, and the other is your heritage savings trust funds and investments. We try to use the guidelines according to the legislation. Now it becomes very difficult at times to argue, well, this would have been done in any event, or -- it's a very difficult decision.

MR. CLARK: Mr. Minister, you perhaps announced this already, but I missed it. Who are the individuals who are going to be on the panel for the Environment Council of Alberta and their hearings in southern Alberta starting in November?

MR. RUSSELL: The chairman is Dr. Arnold Platt, who was the nominee of Unifarm. Another member is Tom Sissons, a local businessman from Redcliff and a professional engineer by training. A third one is Dixon Thompson, who is a University of Calgary professor in the School of Environmental Design and I think has some special knowledge in environmental and water management measures. I'm trying to remember who the fourth one is. Oh, Mr. Crerar, who by statute is vice-chairman of all these panels.

MR. CLARK: Just one last question here, Mr. Chairman. Mr. Minister, did I interpret your remarks earlier to say that the Paddle project, the Oldman project, and the Lesser Slave Lake project are the only three projects which

at this time are being considered as water management projects under the heritage savings trust fund, capital projects portion?

MR. RUSSELL: Those are the ones I see in the immediate future as a long-range outlook. Of course we're looking at the rivers that go through other cities other than just Calgary and Edmonton. An RDA has been put on the Oldman River valley in Lethbridge to kind of protect it against further development; whether or not that will be taken any further I don't know. We've also funded some park planning studies for the river valley in Medicine Hat. We'll be in a position at a later time to make decisions on those kinds of projects, but they're very tentative at the moment. So they're just in the planning RDA stage.

MR. CLARK: But as far as the major basins are concerned -- the Red Deer, the North Saskatchewan -- there are no major projects on those as far as the heritage fund is concerned?

MR. RUSSELL: No.

MR. CLARK: As far as the Peace, the same situation?

MR. RUSSELL: No.

MR. CLARK: The only major river system in the province where there'd be a project out of heritage funds now would be the Oldman in the south?

MR. RUSSELL: Well, it depends what you call a project. We have the studies we've paid for for Dunvegan, and that's sitting there.

MR. CLARK: But that doesn't come out of the heritage.

MR. RUSSELL: No. But it's possible that if the government ever decided to do something, you know, it could be considered for that kind of thing. But that's a big "if", and some time in the future. I'd only be guessing if I gave some kind of comment on that.

MR. CLARK: So of the major river systems in the province, the Oldman is the only one where there's a major commitment?

MR. RUSSELL: The major emphasis is on the South Saskatchewan basin now.

MR. HORSMAN: Mr. Chairman, for the record I'd like the minister to recognize that while Mr. Sissons was born in Redcliff, he is a resident of Medicine Hat, where he was an alderman for a number of years.

MR. CHAIRMAN: Mr. Taylor.

MR. TAYLOR: For clarification, Mr. Russell. You mentioned the Carseland-Bow River; I believe you said half a million dollars? I would like to have that figure. Secondly, did that involve any storage, or is that simply straightening and . . .?

MR. RUSSELL: Well, perhaps these things mean something to you if you know the area better than I do. There was \$217,500 spent on reshaping, gravelling, and refacing the main canal.

MR. TAYLOR: Two hundred and seventeen?

MR. RUSSELL: Yes. And again I'm rounding figures. There's \$157,000 for the contract for waste-way number one. There was \$36,000 for a power operator for control structures on the south McGregor and Little Bow components. There was \$16,000 for a new bridge, and \$76,000 on seepage control, which involved design and construction of tile drain.

MR. TAYLOR: There wasn't any actual money, then, spent on the headworks of the WID?

MR. RUSSELL: No, not during the fiscal period we're talking about.

MR. TAYLOR: Thank you.

MR. CHAIRMAN: Mr. Notley.

MR. NOTLEY: Mr. Chairman, I just have several other questions that deal with three or four items, a couple of them for clarification. But first of all on the question of basin water management, the minister indicated the South Saskatchewan system. Are we looking, then, at some additional heritage money on the Bow, because that is eventually part of the South Saskatchewan system?

MR. RUSSELL: I don't know. The department is only at the preliminary stages of getting into any sort of significant studies on that.

MR. NOTLEY: There will be, however, studies on water management? I just recall the discussion we had in the estimates subcommittee where the apportionment agreement with Saskatchewan had occasioned studies on the Red Deer, the Bow, and the South Saskatchewan. So at some point, then, it may well be that we would be looking at not just the Oldman system but an expanded system.

MR. RUSSELL: The work that's been done to date, really, is all the back-up work and the sort of comprehensive studies wherein the government reviewed its decision on the Bassano weir as opposed to a new structure at what's called the Eyremore site. So there was a lot of work done on possible storage capacities and variations of that in order to confirm that decision.

We're now into a second major study, primarily as a result of what's happening in Medicine Hat, and that deals with water quality in the Bow. I think it's well known, the stuff that's been done on the Red Deer and the decision taken there and the pending decisions that are going to have to be made on the Oldman, the last component of that river basin. In their report they talk about the assumptions that are being made insofar as apportionment is concerned and our agreement with the Saskatchewan government.

What I'm saying is that I think the basic guidelines for the basin management are pretty well outlined now. The skeleton is there, and it's just going to be a matter of firming up details; for example, water quality on the Bow.

MR. NOTLEY: So it would be a reasonable statement to move from what you've said to another area; that is, when we talk about river basin management, at some point the PRIME project comes in. Is PRIME now dead as a doornail? Is it totally finished in terms of a concept, or is it still lurking in the hearts of environmental officials and engineers?

MR. RUSSELL: It's not lurking anywhere. We're going forward on an individual river basin basis. Now I suppose at some point it's inevitable that somebody in the future will talk about: why don't you transfer water from one basin to another? The minute you start doing that, somebody will say, aha, that's PRIME. I perceive that day coming sometime in the future. Some government will be looking at that. But as far as we're concerned, PRIME is dead.

MR. NOTLEY: And as far as all the studies that the government undertook before the commitment on irrigation was made to southern Alberta, we could even reach the 5 million acre expansion without undertaking a modified version of PRIME. We would have enough water in either the Oldman or the Bow to handle the full expansion, not the 300,000 acres cited in this report but the full, potential expansion without getting into the entire PRIME concept, which . . .

MR. RUSSELL: No. You know, the water supply is limited. Even if they go into what they call the management by manipulating the ground cover-up and the headwaters, or bringing groundwater into the river basin component, it's limited. So that would be another major decision; for example, bringing water down from the Athabasca or the Peace system into southern Alberta. But I don't think that would be considered, certainly in my term here.

MR. NOTLEY: I suspect that, bearing in mind the costs, I wonder how many of us would still be around. At least I'd hate to be around to pay for the costs of shifting the Peace River.

MR. RUSSELL: Yeah. I think you've zeroed in on it, because the costs of even doing what might be called a reasonable expansion of the irrigation facilities in southern Alberta are going to be approaching half a billion dollars. That's a large investment by anybody's yardstick. So if you look at the \$323 million here that talks about storage components and desalinization and those kinds of things, and if you add that to what my department has already spent and what the Minister of Agriculture is allocating on a yearly grant basis, there's already exceptionally generous funds either committed or under consideration, without taking into effect transfer of additional waters.

MR. NOTLEY: If I may just move from there. But if there's a supplementary question on that I have a sort of related question, but it is in a slightly different area. So if there's a supplementary on that.

MR. CHAIRMAN: Mr. Taylor.

MR. TAYLOR: Yes, possibly two questions. One is: under the agreement with the Canadian government we always have to permit a certain percentage of the water of each river into the next province. Do you know offhand what percentage that is? Is it half?

MR. RUSSELL: It's 50 per cent, but there's a qualifying clause, in that we have a minimum.

MR. TAYLOR: Arising out of that -- and I'm thinking largely about the WID, where many farmers last year found that they lost money because they couldn't get water the last two weeks of the irrigation period when water was very essential -- are we anywhere close to the maximum amount of storage we could take from the Bow River at the present time?

MR. RUSSELL: No, we're not. It's a question of how it's managed. The earlier Bassano reports talked about using existing Calgary Power structures as a management tool, and that's one option. But there's some additional off-stream storage combined with the Bassano weir that would give us additional capacity.

MR. TAYLOR: Thank you.

MR. NOTLEY: Mr. Chairman, what would be the potential number of acres, Mr. Minister, if we made full use of the Oldman and the Bow? We were talking about the 5 million, and you indicated we'd have to talk about some fairly significant shifting of water in the province. But what would be the potential if we just took those two rivers? Let's separate the Red Deer for a moment and just look at the two.

MR. RUSSELL: I don't know. I would have to get that for you. I've seen the broad figures you're using, and even in the Oldman there's disagreement among the consultants, the Department of Agriculture, and the irrigation districts as to what is the ultimate. I think they're working on 800,000 acres here. Combined with the Bow, I don't know; I could probably get you that figure if you want it.

MR. NOTLEY: Please, if you would.

I wonder if I could move from there to another water basin question. The question had arisen yesterday -- and this is really Mr. Musgreave's area -- the question of power dams or electrical power investment. The Provincial Treasurer indicated yesterday that the government hadn't made any commitments to investment in this area but would be looking at it. Now it would seem to me that at some point the Department of the Environment would have to become very, very much involved if we proceed with, for example, Dunvegan or with the dam on the Slave. There would have to be major commitment by not only your department, Mr. Minister, but undoubtedly the heritage trust fund might be an obvious source of investment.

My question really is twofold. The Dunvegan study was completed several years ago and suggested that the study be undertaken on the Slave. Where does that really stand now? I gather there have been some problems.

MR. RUSSELL: Well, we're trying to keep in touch with the B.C. government with respect to Dunvegan because there's an important economic policy decision whether it's what they call low-head or medium-head that may eventually be developed there. The medium-head is more attractive on an economic basis to the Alberta government but at the present time has some concerns for the B.C. government. So that's kind of sitting on the shelf at the moment.

Calgary Power is doing some preliminary studies of its own at the Mountain Rapids site, and the question remains whether we should let them continue as a private company or perhaps assume the responsibility for the studies ourselves. That decision hasn't been taken yet.

MR. NOTLEY: Could it not have been made, in view of the conclusion of the Dunvegan study which, as I understand reading it, was that before we do anything on Dunvegan we should be looking carefully at Mountain Rapids? At that point, after the government had commissioned the Dunvegan study, why did we not take the next logical step, it would seem to me, and commission a study?

MR. RUSSELL: I don't know if I understand the question, because it is proceeding.

MR. NOTLEY: But why did the government of Alberta not commission the study? I believe Calgary Power is doing some studies but it's not, as I understand it, a fully comprehensive study similar to the Dunvegan study of 1974.

MR. RUSSELL: Oh, well what they have in mind is very comprehensive. It'll cost twice what Dunvegan would cost. As I mentioned, the question is whether or not the government should undertake that and have complete control of it or whether Calgary Power on its own initiative under a permit system should do it. I can't perceive at the present time if it really matters who does it. But the work has been going on for two years now, the aerial work, some of the flow measuring, and the ice monitoring. So it is under way.

MR. NOTLEY: When will it be completed?

MR. RUSSELL: The whole thing?

MR. NOTLEY: Yes, the study on the Mountain Rapids site.

MR. RUSSELL: You're looking at about a four or five-year period there.

MR. NOTLEY: What discussions have taken place with British Columbia in view of the fact that they are now well towards completion of their second dam and are looking at the possibility of a third dam on the Peace River?

MR. RUSSELL: I don't mind these questions, but we're so far away from what's in the report in front of us that . . .

MR. NOTLEY: Well, I raise it in the light that at some juncture we may be looking at investment in power from the heritage trust fund. That was outlined to us as a possibility yesterday by the Provincial Treasurer. It seems to me that this committee is uniquely equipped to try to get some of the long-term planning that the government has, if it has any.

MR. RUSSELL: All right, the reason I said that is that I don't have a specific answer to give because there's no specific action being taken on Dunvegan. It's sitting there, and every time another thermal generating plant is proposed we go back and review whether or not it makes sense to continue with additional thermal plants or at what point Dunvegan should be brought in. The question on Dunvegan is: is it low-head or medium? I'm only guessing, but there seems to be some softening of opinion on the B.C. side as to whether or not the medium Dunvegan should go ahead. If that were a possibility, I think it's one that we should examine very closely. What we do is look at bringing the power generated from the low-head Dunvegan on-stream in conjunction with these -- and there's a variety of thermal plants under consideration at the



present time, as you know. It all comes down to the cost of power, and the thermal plants are still the more attractive.

MR. CHAIRMAN: Are there any further questions to the minister?

MR. NOTLEY: Mr. Minister, I have just one small question here to clarify, back on the Capital City Park again. We looked at the \$12,923,000 and the minister outlined the parcels: 102, 40, and then the Shaw family. Would the \$9,700,000 that is left involve the five parcels that are now before expropriation or would that just be the Mannix parcel? Just so I have that clear in my mind.

MR. RUSSELL: No, it involves all of them.

MR. NOTLEY: All five of them?

MR. RUSSELL: Yes.

MR. NOTLEY: I see.

MR. CHAIRMAN: If there are no further questions, thank you very much, Mr. Minister. If you would see that the information on those one or two points would be given to Mr. Notley and Mr. Clark. We appreciate your coming. This is the first real go-around you've had with our committee, and we appreciate the information you have given and the thoroughness with which you've covered your topic.

MR. RUSSELL: Thanks, Mr. Chairman.

MR. CHAIRMAN: Thank you, Mr. Minister.

If we could call a break for five minutes now to go and get Mr. Dallas Schmidt, we could reconvene at 11 o'clock.

I think we'll call the meeting to order.

We have with us the Hon. Dallas Schmidt, Associate Minister of Energy and Natural Resources. Under his portfolio, with respect to the heritage trust fund, come the grazing leases. So if we would more or less keep our questions confined to the area that Mr. Schmidt is responsible for that comes under the heritage trust fund, it would probably facilitate everybody. Mr. Schmidt, do you have any opening remarks with respect to your portfolio as it pertains to the heritage trust fund?

MR. SCHMIDT: Thank you, Mr. Chairman. The amount allocated to the grazing reserve program under the heritage savings trust fund was \$1 million. The amounts that were expended were expended on six basic grazing reserves, of which four were in the northern part of the province and two in the grey-wooded areas, one in the east-central and one in the west-central region.

I think it would be easier, Mr. Chairman, to answer any questions that come up. It was the first year of construction, really, and the first year of getting the grazing reserve program under way.

MR. CHAIRMAN: Mr. Clark.

MR. CLARK: Mr. Schmidt, perhaps you could help us by giving us some idea of the overview of the program. Do you just see these six being done? Is it a part of a larger program? Where do you see it moving to from here?

MR. SCHMIDT: Well, the program itself is an ongoing program. It should run for 10 years, with the total expenditure in the vicinity of \$26 million. Because of the size, nature, and planning that go into grazing reserves, and because of the actual physical aspect of bringing them on-stream, we hope to bring on between four and five each year on an ongoing basis, depending upon the need within an area for grazing. Secondly, land assembly is one of the problems that does exist. We have areas that are in need of grazing in one way or another. To meet the requirements of a grazing reserve, land assembly, of course, becomes one of the bigger problems.

So we hope to bring on about four a year. Those that we started in the last year, of course, will take between four and five years for total completion. But it is the intention that as we go along with the grazing reserve program, between about year two and three, as we have grazing available, we will bring them on-stream so we can serve some of the needs of that area even though there will be continuing work going on to complete them.

We are striving at a size of about 15,000 acres, depending upon the location and of course the need. For two basic reasons we feel that we should meet the existing need at the present time, and on the completion of the program should have the flexibility to meet beyond that demand for grazing and be able to take up any slack as that demand increases over the period of years.

MR. CLARK: Mr. Chairman, a supplementary question to the minister. Mr. Minister, what areas does the program view as the areas where the need is now?

MR. SCHMIDT: Well, the program itself deals with the grey-wooded areas. In rough parameters, it starts somewhere in around Rocky Mountain House area -- it could be a little bit south because it falls very close, in some cases, within the Eastern Slopes -- and goes in a sort of circle around the city of Edmonton and off to the east and of course the total north part of the province. We have areas of need existing at the present time in the Rocky area. There is a request and the need somewhere in the Drayton Valley area, another one in the Edson area. Of course those in Whitecourt area and beyond would like some expansion. Some of the reserves that have been in existence for some time may need some further expansion, and of course the program would give us that opportunity.

Those that we've started on, of course, are mostly in the north, as I've stated. The four we started this last year, of course all in the north of Grande Prairie, were Bear Canyon, Blueberry Mountain, Fort Vermilion area, and High Prairie. Wolf Lake in the east-central, we've started on that one; and the extension to Medicine Lake, which is just west of Winfield and serves that area: Rimbey, Winfield, Buck Lake, Alder Flats. Although there are community pastures in some of the areas, they can't handle the demand that exists, so we've gone to the expansion. It's interesting to note that Medicine Lake is one of the three that has sheep grazing on it, which seems to be an increasing need across the province. We will have to look at, perhaps, an area where we can tie it directly to sheep itself, although in Medicine Lake we use a combined grazing between sheep and cattle and it's proven satisfactory for both.

MR. CLARK: Mr. Chairman, to the minister. Mr. Minister, you may not have this information with you, but can you give us some indication of how many grazing reserves and grazing allotments are presently in operation, just so we can get a bit of a balance?

MR. SCHMIDT: I don't have that figure. I could make it available to you. Basically we have grazing co-ops, grazing associations, of course, which utilize Crown land, that are administered and run by the members themselves. They provide a need in an area. We have community pastures; they are perhaps small grazing reserves in comparison to what we're looking at now. We have some grazing reserves that were on-stream and some that were partially started and hadn't been completed. I could get that number and either provide it to the Chairman or directly to you, if you so wish.

MR. CLARK: If you would. And, Mr. Minister, if you could give us a breakdown as to the size and also a ballpark figure as to the capacity?

MR. SCHMIDT: Yes.

MR. CLARK: That would allow us then to draw some comparisons. And could you give us a breakdown also of the anticipated capacity of the six that are in the process now of being developed?

MR. SCHMIDT: The six that are being developed: in fact all of them last year had an equal amount of development. The first year, we were aiming at 2,000 acres of brush being cleared and of course, ongoing, 2,000 acres of breaking and seeding. But we managed to achieve the 2,000 acres in all six of the grazing reserves that were started last year.

MR. CLARK: I'm thinking in terms of the anticipated carrying capacity of cattle.

MR. SCHMIDT: Of what the end result would be on completion date?

MR. CLARK: Yes, of those six. And are all the contracts and everything handled by your lands people?

MR. SCHMIDT: Yes.

MR. CLARK: All done by public tender?

MR. SCHMIDT: Yes.

MR. CHAIRMAN: Mr. Notley.

MR. NOTLEY: Several of the questions I was going to ask have been asked. Mr. Minister, I'm sure you don't have this information with you, but I wonder if you could supply at least me with it; that is, the money that was allocated last year was \$685,000 from the trust fund. Could you give us the figures as to the amount that was spent on each of the six grazing reserves? I don't expect you to have that . . .

MR. SCHMIDT: I have that here if you wish.

MR. NOTLEY: Well, if you have that, could you give it to us, please?

MR. SCHMIDT: At Bear Canyon, there was \$167,997.80 expended on the contract for the clearing and piling. At Blueberry Mountain -- and of course these are all for 2,000 acres -- the expenditure was \$74,760. In Fort Vermilion,

494,440. If you wish, I would go back and give you the exact number of acres that were cleared.

MR. NOTLEY: Yes.

MR. SCHMIDT: Bear Canyon was 3,788 acres. On Blueberry Mountain, there were 1,680 cleared and piled. Fort Vermilion, 2,400 acres, and in High Prairie there was \$112,860 expended for 1,980 acres. In Wolf Lake, which is east-central, there were 913 acres cleared for an expenditure of \$39,030.75. In Medicine Lake, there were 2,366 acres cleared for an expenditure of \$103,860.40.

That brings the total amount expended for clearing and piling on the six basic grazing reserves to \$592,955.95 for the clearing of 13,127 acres. We had estimated the cost at \$800,000, but fortunately the tenders that came in for the clearing were lower than we had anticipated. In the tendering procedure, many tenders were received in each area on each grazing reserve, and of course there was terrific variance between the low bid and high bid. So the estimates were rather difficult. We could only go on past experience because we do clearing on an ongoing basis each winter, but it varies depending upon the availability of equipment and, I guess, how hungry the contractors are.

MR. NOTLEY: Mr. Minister, what is the projected amount for the current year?

MR. SCHMIDT: I think that's available here. I'll check it out for you. From memory, I think it's \$3 million.

MR. NOTLEY: I see. I assume if it's \$26 million over 10 years, it would be .

MR. SCHMIDT: Well, of course the program will have to continue on the six that we've started and it would continue on roughly the same basic, plus the seeding of what has been done. So it would exceed what's been expended on the six that have been started. And the new ones that would be announced would carry on on the first stage of roughly 2,000 acres, give or take. It depends on the area itself and, of course, the weather conditions.

MR. NOTLEY: What do you think the average cost would be? Do you have estimates now? It's encouraging to see that the tenders have been slightly below your estimates, but what are we looking at for the completion of each of these reserves? Something in the neighborhood of obviously \$1 million plus. But do we have any figures on, say, the six that have been announced to date, what we are looking at by the time we get the fences up and the land broken and seeded in places, and barns and corrals and what have you?

MR. SCHMIDT: If we use the average that about 60 per cent of the grazing reserve area would be improved because of the multi-use concept that is going into it, there is about 40 per cent of it left in its natural state to meet the requirements of wildlife, the environmental aspects of watershed and, of course, some topography which is left in its natural state. In the odd one some wood lots are included if they happen to fall within the grazing reserve area. Rather than exclude them, they are part and parcel of the grazing reserve and of course will be utilized as wood lots in the winter season.

It would appear that we're looking at roughly -- and this would certainly be an estimate, but at the prices that are coming in on the average -- between \$350,000 and \$900,000 for the improving of all the 60 per cent of the area that should be improved, plus the cost of fencing, plus the cost of water supply if it's necessary in the area, plus the cost of a residence and corrals for a full-time pasture manager. In some cases access road, of course, is part of it. We don't want to establish a grazing reserve and because of access cause any hardships on either the municipality or the individual, so we include that as part of the grazing reserve itself.

So I would say you're looking at about \$9 million, give or take. Some are smaller than others because of land assembly -- it's difficult to reach -- and of course the need may not be as great. So it would vary, but you would be very close, somewhere in the million dollar class.

MR. NOTLEY: Among the six reserves that have been established, to what extent do we have to go through land assembly procedures? Most of it, I know in the two areas in my constituency, is Crown land; but I assume that there would be some private parcels that we have to pick up here and there?

MR. SCHMIDT: The majority, in fact I would say close to 99 per cent of the areas we are looking at for land assembly, are Crown owned. There is the odd area in land assembly where we do run into some deeded parcels and we have, really, three options. In some cases, if the individual does not reside on the parcel, we can exchange land mutually, so we are both in agreement. If the individual lives on his total holdings within the reserve and wishes to sell, we can then negotiate and purchase out of the reserve area those parcels of deeded land. If the individual wishes to remain, this hasn't caused us any problems. We usually try to pick up an option, so if he wishes to continue farming, ranching, or whatever his operation happens to be, he can continue to do so with no hardships to him. At the end of the time he wishes to call it quits, why we just exercise the option.

In the few instances that we've had to deal with, we've had excellent co-operation from the individuals. Sometimes we have to shift the boundaries if we pick up some deeded land so that we don't cause any hardships on the individual. But it hasn't been a problem.

MR. NOTLEY: Mr. Minister, by and large I think I'd have to say that in my area the program has been very well received by ranchers. There have been several complaints, though, that in the brushing and clearing, some of the contractors have got a little too enthused with their work and have mowed down everything; that some of the natural clumps of trees that should be left to offer protection have been taken down. To what extent are your people in the department keeping an eye on this? I've seen one area where I think it looks sort of like a lunar landscape. It's a pity because it will depress the value of that grazing reserve, where if we'd just had a few of the natural clumps of trees left, I would think it would be much better for the cattlemen.

MR. SCHMIDT: It is a problem, first of all because you're dealing with contractors; secondly, you're dealing with a very large area. We found after last year's clearing that, to my knowledge, there is one instance where the catskinners went beyond and cleared an area that was designed to be left. In that case, of course, it will be fenced off and reforested to get back to the reason it was left in the first place.

By and large we are well pleased with the type of work that we got done by various contractors. But because of the experience we had in the first year, it's our intention to place a project manager while the clearing is going on to make sure that we stay within the basic bounds of the area that has been planned out. Perhaps this will alleviate the one problem that I'm aware of.

But we agree that if you're not familiar with the grazing reserve planning that is involved, it's the collective planning really of all the departments that are most closely related and all those that it touches and borders on. The planning committee that looks at the area for land assembly covers the Department of Agriculture; our own department; Department of the Environment; Recreation, Parks and Wildlife; Municipal Affairs; Transportation. It's the joint study that is done by each and every one that we come out with the end result.

The old concept of community pastures, of course, used to be block clearing; you worked out a block and it became very square or rectangular. But we found over the period of years that if you're going to set up a grazing reserve in the sizes we're looking at, to meet the requirements of all the departments, in other words to have something that is workable and recognizing that multi-use type of concept, we find that some of the clearing now follows what the topography will let us do. We've gone away from block clearing and that, of course, is another aspect. It makes it difficult from the catskinners' point of view to follow some of the contour lines which he is given to follow. That's why we feel perhaps a project manager, on-site while the clearing is there, would give this type of expertise and that we would end up with those areas cleared that we wish to be cleared.

MR. NOTLEY: I have a question, Mr. Chairman. Have you worked out, as yet, the fee schedule you'll be charging people putting cattle in the grazing reserves? Will it be similar to a community pasture, or will there be an effort to regain some return on the capital investment that we are allocating from the heritage trust fund? Will that be a factor in determining the fees?

MR. SCHMIDT: The intent behind the grazing reserve program was a fee-for-service basis, recognizing of course that in the past the grazing reserves that exist have a fixed rate for them, and depending upon, I guess, whose eyes you look through whether there is a subsidization or not to the industry. But the intent is for a long-term recovery over a period of years to cover basically the operating and some of the capital over a long term, so that the grazing reserves themselves achieve first of all the purposes for which they were established, and secondly would carry themselves.

For the reserves that will come on-stream, the costs will not be any different from those reserves that exist. It's rather difficult to have a two-price system because one happens to be under one fund or another. So they will carry on on the price per head for which each individual is responsible for grazing. As they are now, they will be reviewed on an annual basis. Of course there are many factors. Some are tied to a formula that we use, and that fluctuates with the price of finished cattle. It's a system the ranchers and people in the livestock agree with and, of course, it will fluctuate back and forth. There will be a differential between those who use grazing reserves, those who pay straight lease rental as individuals and the price that's charged to co-ops and grazing associations, because they don't benefit really from the type of improvements that we're doing on the grazing reserve program.

MR. NOTLEY: What I'm getting at in asking that question is' because there are going to be reasonably substantial investments involved of approximately \$1 million, what I wouldn't want to see happen is to have a fee schedule that is so clearly connected to getting a return on the heritage fund that we are charging too much, and that livestock producers who have their cattle on the grazing reserves that we're setting up would have to pay more at some juncture because of a return on the heritage fund than, say, the ranchers in the special areas where their formula is related to the cost of finished cattle. I think there are enough problems in northern Alberta now in the livestock industry that, if anything, I would like to see more of an incentive through the grazing reserve, even if that means getting a very small return from the heritage fund point of view. Call that a subsidy if you will, but I think it's something we should be looking at.

MR. SCHMIDT: Well, the grazing reserve program, of course, was an investment, and investments are not always figured in dollars and cents. It's an investment, first of all, in the livestock industry; and it's an investment in the people basically themselves, which gives them the opportunity to diversify their operations on their deeded land. Secondly there is an amount that of course accrues to all Albertans, because as you improve Crown land you improve its value, and those improvements are always there. The ownership is retained in the Crown, which is the ownership of all Albertans. I would think that the fees that were established -- well, they're already established on those grazing reserves that have existed over the period of years, and those factors are taken into consideration. It's long-term. Part of the investment may not be in dollars and cents that come back on an annual basis

But the fee will be set up on a reasonable fee-for-service basis. We must keep some semblance of equality between those who rent deeded land and those who have the option to rent lease land for a similar use so the grazing rates will be reasonably comparable.

MR. CHAIRMAN: Mr. Clark.

MR. CLARK: Mr. Chairman, I'd like to ask the minister if he has looked at any possible area south of Calgary, Mr. Minister, where there is grazing in the Eastern Slopes now but where the grazing will be cut back somewhat because of the Kananaskis Park-Kananaskis Country kind of thing. First of all, have you had representation with regard to the possibility of establishing one of those areas here, and are you looking it?

MR. SCHMIDT: I personally have spent several trips in the Eastern Slopes in that particular area and met with the various ranchers. At the present time, the grazing that had been ongoing is continuing. Other than a few minor areas, we don't see any great problem. They will continue to do so.

Some of the areas that were grazed, of course, are in the forestry area and are done by permit. In fact the grazing reserve program terms of reference do not fit that type of use. But through the normal operations in the department we are looking at areas of pasture improvement within the Eastern Slopes in those areas where, because of zoning, at the expiry of a lease if a portion contravenes that zoning and is withdrawn from the lease, we're trying to meet it by two requirements: either providing land of an equivalent size, equivalent carrying capacity, or upgrading the carrying capacity of that parcel that's left so that we still maintain exactly what had been ongoing.

I can't foresee any major problem as yet in that area. We've been meeting the requirements that existed and we have some upgrading, even in the forested areas, for pasture improvement which is done on a permit system on a year-by-year basis.

MR. CLARK: Following up with the minister. Mr. Minister, why does that area not meet the criteria? Is that not grey-wooded soil in the area, in the Kananaskis Country and the Eastern Slopes?

MR. SCHMIDT: I suppose there would be areas that are true grey-wooded; the soil conditions there vary. We have taken as a broad issue, of course, the grey-wooded area because it denotes mainly the north -- the costs that were involved -- and that was the basic area where the grazing reserve program was to be established. We feel at the present time, through our normal annual allotments, that we can meet the requirements down in that area you're discussing. If it gets to the point where we cannot, then indeed -- of course it depends on the demands in the areas that we can meet in the grazing reserve program, and if the program is still continuing, perhaps we should be looking at other areas.

But at the present time the costs involved to upgrade grazing in that particular area are indeed less, on a price per acre, than a new grazing reserve area in the north. So we're trying to meet that in our normal day-to-day operations, annual budgeting, and keep the reserve program in those areas where the costs are extremely high.

MR. CLARK: Grande Prairie is grey-wooded soil too, is it?

MR. SCHMIDT: We have set basically the grey-wooded area because it denotes mainly the north and that broad shield as it runs around the basic foothills part of the Eastern Slopes.

MR. CLARK: Would you say the Wolf Lake area was?

MR. SCHMIDT: Wolf Lake is out in St. Paul-Bonnyville, in that classification.

MR. CLARK: But just to get back to the situation in the Kananaskis Country area, then that area would be excluded from the program because, one, the demand may not be there; secondly, the cost of improvement per head or per acre would be considerably less. Those would be the two major criteria as opposed to its not being in the grey-wooded soil. Is that accurate?

MR. SCHMIDT: Not particularly, but the zoning system would make it very difficult, first of all through land assembly, to meet all of the requirements of a grazing reserve program. It's easier to go in and upgrade those areas that exist in smaller parts. Of course, as you come east brush control is part of pasture management out there, and the cost involved is a lot less.

There are conflicts in the eastern zoning part of the area that you mentioned because of the very close-knit zone system. Besides, secondly, most of the grazing area there is held by individuals or groups of individuals, associations, under lease. It's our intent to maintain those leases and renew them when they come up for renewal, excluding in some instances those areas where the zonation system has sort of made it difficult and would be withdrawn. There are leases out there, that cover broader areas than what can



be grazed. Of course, some of those boundaries may be redefined to meet the grazing area and still meet the zonation system of the Eastern Slopes.

MR. CHAIRMAN: Mr. Taylor.

MR. TAYLOR: Mr. Schmidt, has there been any study made of the number of community pastures or grazing leases in the central part of the province in regard to the actual need? From time to time -- I haven't had any requests this year -- farmers in the Rockyford area have had a difficult time finding community pasture. I'm wondering if any consideration is being given to establishing somewhere in the Rowley, Strathmore, High River areas?

MR. SCHMIDT: I would say, generally, the answer would have to be yes, Mr. Taylor. Through central, south-central, and the south of the province we have, of course, many large blocks of land that are held by lease by private individuals. We are finding many requests now by smaller ranchers who would like the availability of a portion -- if they could get rid of 25, 30 head each summer it would relieve some of the pressures at home on their deeded land.

As some of the leases come up for renewal, and meeting the requirements of the 600-animal unit being the maximum size, we are through land assembly getting blocks of land that we will be able to make available. I'm thinking now of the one in the settlement of the Ross ranches which left us with a fairly large block, which we are utilizing in the reserve concept, providing perhaps 40 or 50 individuals the opportunity, depending on the carrying capacity, of grazing somewhere between 25 and 40 head on an individual basis. We feel we're meeting the demands in this way of many smaller people who have a need for grazing as well.

The requests, of course, are increasing in the area east and south of Drumheller. We have requests to look at an area, if it's possible, through land assembly and we are doing those studies to see what is available. There are areas where there is a certain amount of Crown land that we may be able to bring under irrigation. Then of course the size of the assembly can be a lot smaller and the carrying capacity would be much greater. So there is a chance that we will be able to meet most of those needs. But the demand is increasing from a smaller individual type for some type of relief during the summer. Fortunately we've been able to meet not all of them, but we've been meeting them on a very general basis.

MR. CHAIRMAN: Any further questions to the minister? If not, thank you very much, Mr. Schmidt.

MR. SCHMIDT: Thank you, Mr. Chairman.

MR. CHAIRMAN: We appreciate your coming and, of course, answering the questions. If you could get the information to Mr. Clark, I think it was, that you committed yourself to, I think that would clear you with the committee for this session. Thank you very much for your co-operation and assistance.

MR. SCHMIDT: Thank you very much, gentlemen.

MR. CHAIRMAN: At this time I think we'll adjourn the meeting. The next meeting will be, as we agreed yesterday, in this room on September 18 at 10 o'clock.

MR. NOTLEY: Mr. Chairman, have you been able to determine yet which minister will be present?

MR. CHAIRMAN: I haven't had time. I'm hoping to do that this afternoon.

MR. NOTLEY: If you could let us know ahead of time.

MR. CHAIRMAN: We will notify your offices in plenty of time as to who will be on.

*The meeting adjourned at 11:42 a.m.*