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Standing Committee on The Alberta Heritage Savings Trust Fund Act

Monday, September 18, 1978

Chairman: Dr. McCrimmon

10:00 a.m.

MR. CHAIRMAN: I call this meeting to order. I hope you have all received your copies of the minutes of the last few days of meetings we've had, and have had an opportunity to go over them. We will need a motion to the adoption of those minutes; were there any errors or omissions? Moved by Mr. Kroeger, seconded by Mr. Diachuk.

Motion carried

MR. CHAIRMAN: With those minutes you were sent out your expense form sheets. Would you get them in to me today or tomorrow for the last meeting so we can keep things up to date as we go along.

I think at this time we should have a few moments of discussion as to when the recommendations should be in to the Chairman, so that we can have an opportunity to go over them. What is your wish in this respect?

MR. NOTLEY: Do you have a suggestion, Mr. Chairman?

MR. TAYLOR: You're planning a meeting on the 2nd and 3rd.

MR. CHAIRMAN: We're planning a meeting on the 2nd and 3rd. Probably that's the latest we can go. Is there any discussion on this point? It's rather important because it has to do with the timing of our meetings.

MR. TAYLOR: Mr. Chairman, if you're going to consolidate them and get similar ones together and so on, you should have them before the meeting on the 2nd, I would think.

MR. CHAIRMAN: The sooner the better, as far as expediting the progress of the meetings.

MR. CLARK: It's pretty difficult to get the recommendations in, Mr. Chairman, until we've finished the meetings with all the ministers and heard their accounting.

MR. TAYLOR: Even if we got them on the ones we've heard, though, it would be that much done.

MR. CHAIRMAN: Well, on the 25th and 26th we just have Dr. Horner and Mr. Getty.

MR. NOTLEY: Could we perhaps take a moment, Mr. Chairman, and you could give us the tentative lineup of ministers.

MR. CHAIRMAN: Yes, I can.

MR. NOTLEY: Then we'd be in a position maybe to . . .

MR. CHAIRMAN: Today we have, of course, Mr. Moore. Tomorrow morning we have Mr. Chambers. This afternoon we have Mr. Miniely scheduled, carrying on tomorrow afternoon if so required. For next week, September 25 and 26, we have Dr. Horner and Mr. Getty. That completes the ministers under the heritage trust fund act.

MR. TAYLOR: So we will have them all completed by next week.

MR. CHAIRMAN: We should have them all completed by next week, so if we could get the recommendations in as soon after that as possible. If we're fortunate we may be able to go over some of the recommendations and help consolidate some of them if we can get them in earlier.

MR. CLARK: Mr. Chairman, you're aiming, then, to have them in for the meeting on the 2nd?

MR. CHAIRMAN: I would like to have them in a little before so I have an opportunity to go over them a bit and if there are three or four on the same subject, try to call people together and get one recommendation out of three or four, if they're similar. So we can consolidate and have a program laid down for the 2nd and 3rd so we can start in on the recommendations, if we finish the rest of our business before then.

MR. TAYLOR: Would there be sufficient time for you to do that if they're in by Friday, the 29th? That gives you the weekend. That gives a couple of days after all the hearings are done.

MR. NOTLEY: Plus we're assuming that we have no problems.

MR. CHAIRMAN: This would have to be tentative. There's no question about that. Can we leave it that, if we complete our meetings with the ministers, the recommendations be in to me by the 29th of this month? Would that be agreeable to the committee? If not, has anybody anything they wish to bring up in that respect?

SOME HON. MEMBERS: Agreed.

MR. CHAIRMAN: I don't know whether we need a motion on that. I think we'll just leave it as agreeable to the committee.

I was asked last meeting to bring in a motion that was passed by the committee. Would you hand those out to the committee and see if this is agreeable as far as the wording is concerned. Those were my instructions from the committee.

MR. TAYLOR: I'm agreed. I think that's the way we said it.

MR. CLARK: Well, Mr. Chairman, I would be less than frank if I didn't say that I don't plan to be bound by that motion if, following the discussions we've had in the committee and following the discussion on the way recommendations are dealt with or suggestions that have been made in the course of the

committee -- I don't feel I'd be fulfilling my responsibility if I took any action now that would prevent me from filing a minority report in the House or what would be in that minority report. So I don't plan to be constrained by this motion or any other which the committee would pass.

MR. R. SPEAKER: It's my understanding, Mr. Chairman, from just a quick review of the minutes this morning, that a minority report is still allowed with this resolution.

MR. TAYLOR: Mr. Chairman, there's nothing in here that's forbidding a minority report. But surely a minority report should contain items that were considered by the committee. It's just completely unfair to put in a minority report on items the committee has never considered. It's not only unfair; it's unparliamentary and undemocratic.

MR. HORSMAN: It's unusual.

MR. TAYLOR: To bring a minority report from this committee on items the members have never considered is just not right. That's all this is saying.

MR. CHAIRMAN: Mr. Taylor, that's the understanding and the instructions I received from the committee. I hope this conveys what the committee instructed me to do.

MR. R. SPEAKER: Just as a bit of definition, what is "shall deal exclusively with recommendations which have been previously considered"? Does that mean if an item is just on the agenda, that's considered? What's the judgment on that?

MR. CHAIRMAN: It's my understanding that it's recommendations that have been brought into the committee, discussed by the committee, and agreed to or not agreed to by the committee.

MR. R. SPEAKER: Something that must be voted on, one way or the other? Is that what you're saying?

MR. CHAIRMAN: Well, I believe there was an example Mr. Notley brought in last year, several recommendations in his minority report that had not been passed but had been discussed in the committee, which the committee felt was fair enough. On the other hand, there was the minority report brought in by Mr. Clark and yourself. Points were brought up that had never been discussed by the committee. The committee felt this was not in order, and decided that I should bring in a recommendation in this respect. The recommendation is before you.

MR. APPLEBY: In other words, Mr. Chairman, any recommendations that are dealt with in any report later should have been discussed by the committee first?

MR. CHAIRMAN: That's the principle this was written up on.

MR. TAYLOR: That's the only way it can be a minority report of this committee, Mr. Chairman.

MR. CHAIRMAN: Is there any further discussion? If not, would somebody make a motion that this recommendation be accepted? Moved by Mr. Taylor, seconded by Mr. Horsman.

MR. CLARK: Mr. Chairman, I'd want noted in the minutes the comments I made earlier that I do not feel constrained by this motion that's passed by this committee to tell me or, I don't believe, any other member of the committee what they can put in a report or a minority report. So I'd like that in the minutes, Mr. Chairman.

MR. HORSMAN: On that point, I think we should come to grips with that right now. If we're going to go through the same procedure and performance we went through last year, where you put in a report, Mr. Clark, in which you raised objections to some of the things that had been discussed in the committee and then introduced new things which had never been brought before this committee by way of recommendations. You had ample opportunities to put your recommendations before . . .

MR. CLARK: Would you like to specify which of the things . . .

MR. HORSMAN: I don't have the report in front of me, but I recall there were things in there that had never been raised by you or any other member of this committee in our discussions and by way of recommendations. To put them in in the form of a minority report was unfair to the members of the committee at the time.

In order to clarify the situation, and in view of the fact that perhaps these rules had not been laid down last year, giving you the benefit of the doubt, I think it's important that these rules be clearly established at this stage. So if you or any member has any recommendations to go before this committee we should all have the benefit of knowing what those recommendations are, to be discussed at this committee, before we get them put before the legislature in the form of a minority report. In all fairness to the other members of the committee, we should know what those recommendations are going to be. If we agree with them, accept them, all the more power to you. If we disagree with them and vote them down, then you can put them in your minority report. But don't introduce anything new that we haven't had the opportunity of discussing.

MR. R. SPEAKER: As I recall the meeting where our minority report originated, at that point we did have a number of items on the agenda. After we covered four or five of them and discussed them in the committee, and it was 11 o'clock at night, we were going to sit there until 1 or so, if I recall correctly, to even pass them. I think that's why some of those things, if you have any in there, originated as such. I think the discussion, as I felt at that point, was totally conclusive. The members -- yourselves, Conservative members -- knew what they were going to vote on. That was the end of the discussion, and we were going to conclude. So we had no recourse but to put some of the things in a minority report, which we did. There must be some way in this committee by which we can present our ideas to the floor of the legislature and to the public as such. If this means we're going to be constrained from doing that, then I'm not in favor of this.

MR. CHAIRMAN: From what I can gather, Mr. Speaker, it's not any constraint whatever as far as the floor of the Legislature is concerned; it is that they

be brought up and discussed in the committee. If they're brought to the floor of the Legislature in a minority report after this has happened, I don't think there's any objection from the committee. It's the method and procedure.

MR. SHABEN: Mr. Chairman, there seems to be a little bit of misunderstanding. I recall that all the members of the committee were given ample notice and requested to submit and prepare recommendations. All of us recall that the meeting lasted fairly late in the evening. As a member of the committee, Mr. Speaker advised us that there were some recommendations they were unable to put before the committee. But I don't seem to recall seeing them, let alone not having had an opportunity to discuss them. They weren't presented; they weren't in writing. A number of those items presented in the minority report were entirely new to the committee.

It just seems to me that it's not at all fair to the members of the committee when we were all asked to submit recommendations. I had a couple that were voted down pretty completely. But in fairness to the members who spent a number of days studying the report and meeting with the ministers and then sitting and dealing with the recommendations, it's just common courtesy in a minority report, if a person wants to submit one, to deal only with those items that were discussed.

As the Chairman said, it certainly doesn't prevent any member on the floor of the Legislature, in the course of making remarks on a bill or legislation, from bringing forward their views. But in dealing with matters of the committee, it doesn't make sense not to agree with this resolution, which was agreed to in our first meeting and is now prepared in writing.

MR. NOTLEY: Mr. Chairman, I think if the resolution is passed -- and I think it's fair enough -- but it seems to me the key thing is that there is, on the part of the committee, a commitment to consider all the proposals that have been made. If that means that we have two or three meetings -- we all recall the meeting last year. It was a very long meeting. It went on for three and a half to four hours. But it seems to me that regardless of whether certain members of this committee feel that resolutions may or may not be useful resolutions, I think there is a responsibility to go through every single recommendation that has been introduced. If that takes us three weeks, then it takes us three weeks.

I'm prepared to accept this resolution, but it would certainly be on the understanding that at no time will the majority party members on this committee use that majority status to cut down debate on recommendations. I think we have to have the assurance that those proposals will in fact be considered by the committee.

MR. CHAIRMAN: I believe, Mr. Notley, that it is the understanding of the committee that all resolutions and recommendations that are passed in by the committee members will be considered by the committee. I took that for granted. There's been no constraint that I know of in any way, shape, or form on the length of meetings or the number of meetings until we get that completed.

MR. PLANCHE: On that subject, we did make some accommodation, though -- subject to the confirmation of everyone -- for grouping proposals generally on the same theme.

MR. NOTLEY: Mr. Chairman, on the question of grouping, that itself can be a bit tricky. What I'm saying is that even in grouping there may be nuances that are significant. If the member who submits feels that, in grouping, one part of his concept has been qualified, even if his resolution is discussed in the grouping, I would think that that individual would have a right to express a minority point of view on that. What I mean is not just the formal "moved, seconded, carried", but in fact that it has been put to this committee in the form of a recommendation. Then what the committee does with it is collectively the responsibility of the committee. But the individual who has made the proposal has fulfilled his or her responsibility by making the proposal and submitting it to the committee.

MR. CHAIRMAN: Mr. Notley, it's my understanding that it's the instructions of the committee that I as Chairman would meet with the people and get their agreement on that point before that one resolution coming out of four, let us say, comes up. If there are any points or nuances, as you say, with respect to that, the member of course has the opportunity to speak when that recommendation comes up. There is no constraint in any way, shape, or form on any committee member. It's strictly to expedite the procedure so that we aren't repeating ourselves three or four times.

MR. TAYLOR: I was just going to say this, Mr. Chairman: I can't recall anybody objecting to the motion to adjourn at the final meeting last year. I thought we had gone through every recommendation. Every one that I had, we certainly discussed one way or the other. I agree with what Mr. Notley says: there has to be a chance to discuss any idea any member has.

But I would ask the members who don't agree with this just to check on the definition of a minority report. A minority report is something that is presented to a committee where the member is unable to carry a judgment of the majority of those people. So he submits a minority report in the name of the committee. It's completely unfair and unparliamentary to submit something that was not even considered or talked about by the committee. So this is simply in line with ordinary parliamentary procedure in submitting a minority report. Certainly no member of any committee I've ever been on, other than this one last year, ever submitted a minority report that contained material that had not been discussed by the committee first. I've submitted minority reports in committees, but it was certainly something I couldn't carry the judgment of the members on, so I referred it to the whole House. That's the idea of a minority report.

MR. MUSGREAVE: Mr. Chairman, I just want to clarify this. I think we should close this up, but I would like to understand from the Leader of the Opposition or possibly Mr. Speaker if what they're concerned about is that their views will be carefully considered. I would hope they're not going to bring something up that they haven't put forward here. Is that the understanding? If it is, let's get on with it. I would agree with them whole-heartedly.

MR. CLARK: I'm simply saying that I'm not prepared to accept the motion put forward by the Chairman this morning, or moved by whichever member has, as a constraint on what would be included in a minority report if we so choose to file one. I'm just levelling with the committee right now this morning in saying, that's the way I see it.

MR. CHAIRMAN: Mr. Clark, do have any set of rules you would like this committee to follow? What would be your criteria?

MR. CLARK: Well, it would seem to me we'd use the same rules that any legislative committee I've ever sat on in the past used; that is, it's left up to individual members to file a minority report if they so choose.

MR. TAYLOR: On matters that were never even discussed in the committee?

MR. CLARK: Yes, that's happened before, Mr. Taylor.

MR. TAYLOR: Oh, that's ridiculous. How can you use the name of a committee to do that?

MR. CLARK: I don't see why we're so touchy about minority reports all of a sudden, to be filed or not filed. If we want to back and recall last year when the committee met to deal with recommendations, if my memory is accurate on this -- and I haven't checked the dates -- it seems to me we met one evening in the Chamber. It started about 7 o'clock and I think we adjourned at about 11 o'clock; that was the time the committee spent on the recommendations. I simply think if the committee wants to pass this motion, fair ball. But I'm just levelling with the committee in saying that I'm not prepared to accept any constraints on a report that I or any other member may want to file sometime in the future.

MR. TAYLOR: Mr. Chairman, I just wanted to say that if a report is submitted again in the name of this committee and it contains items that have not been discussed by the committee, I will certainly oppose it vehemently on the floor of the House, because it just doesn't make sense.

MR. CLARK: Well, the member did that last year and so did you, Mr. Chairman. I think that's the place to do it.

MR. TAYLOR: That's not the place to do it. The place to do it would have been in the committee, and you know that.

MR. MUSGREAVE: Mr. Chairman, I don't want us to get out on a limb here, but we seem to be getting there. I point out to Mr. Clark that it's quite possible he might have a resolution I'd like to support. If I don't hear it here, how can I support it when suddenly it surfaces in the House? Last year I had a notion that got shot down. I could have brought it up again and hopefully something could come of it.

To me, as a person, and putting aside politics, I think you're being discourteous if you come up with an idea that I've never heard of. Then people say to me, why didn't you support that? It's the first time I heard about it. I think that's most unfair.

I agree that possibly the discussion was cut off. That's past. Let's go on to the future. I think as time goes on we'll work things out better, but I really feel you would be very unfair to me as a person if you brought something forward that I've never even heard of.

MR. CHAIRMAN: Any further discussion? Would all those in favor of the motion as presented please raise their right hand? Against? Mr. Clark and Mr. Speaker are against the motion.

Motion carried

MR. CHAIRMAN: Those are the points I wished to bring up before we move to the minister we have with us. We have this morning the Hon. Marvin Moore, Minister of Agriculture, with respect to the Alberta heritage trust fund. Under his department come the irrigation works. At this time I'd ask Mr. Moroe if he has any opening remarks to make to the committee.

MR. MOORE: Thank you, Mr. Chairman. I've prepared a report that's some seven or eight pages in length, together with some attachments. With your permission, Mr. Chairman, I'd like to circulate copies of the report. I'd like to read the first three pages, which are really an overview of the situation with regard to rehabilitation and expansion during the course of the fiscal year 1977-78. I will omit, of course, reading the attachments which really outline in some further detail the work that's carried on in various irrigation districts and what has occurred there.

The funds for irrigation rehabilitation are divided on the basis that one-third of the funds go towards major structures over 200 cubic feet per second in size and storage facilities, and are distributed to the districts on the basis of need as demonstrated by their 10-year submissions. The remaining two-thirds is distributed to the districts on a formula calculated annually which incorporates the ratio of the district's acreages and revenues to the total acreages and revenues of all the districts. All the funds are distributed to the irrigation districts in the form of a grant, and must be deposited in a special cost-sharing account along with the irrigation district contribution, which currently is 14 per cent. Moneys may only be spent on projects approved by Irrigation Council, and any money withdrawn from the cost-sharing fund must be substantiated by engineers' certificates for audit purposes.

Up to March 31, 1978, the irrigation districts have received the total of \$13.5 million from the Alberta heritage savings trust fund, not including the '78-79 appropriation of \$8.5 million, which has now been distributed.

A large amount of this money is spent by the districts on projects that incorporate seepage control such as concrete lining, buried pipe systems, plastic lining, and relocation and deepening of canals. The Irrigation Act allows the irrigation districts to be exempt from seepage damage claims from water users, provided they have complied with the act by filing a plan of proposed remedial works that has been approved by the Irrigation Council, thus allowing the districts to spend money on constructive remedial measures rather than on paying damage claims.

On page 2 we have an outline of the projects which were submitted on work of this nature during the current fiscal year, indicating some 5.6 miles of plastic lining at a cost of \$817,000; 26.2 miles of concrete lining at a cost of \$3.725 million; and 11.9 miles of buried pipe lining at a cost of \$1.185 million.

It is impossible to estimate the number of acres reclaimed by remedial work, due to the varying degrees that the land was affected and the time required to recover from the seepage. In many cases also the seepage damage may have been from more than one cause. However, in many cases the recovery of land previously affected by seepage adjacent to newly lined ditches has been quite pronounced and of very obvious benefit to the water user.

The engineering designs for the various projects of the irrigation districts make allowance for potential acres on that project as well as the existing acres. However, it may be many years before all of those acres are actually

added to the assessment roll and irrigated, as this depends on such things as availability of water, market trends, climatic conditions, and farmer demand. At the present time, because of limited water supply, most districts have imposed either a complete or partial moratorium on new lands being added to the assessment roll, and many of the larger districts have undertaken extensive system studies to determine their optimum irrigated acreage and ways and means of increasing their acreages using present water supplies.

In order to improve distribution efficiency and make additional water available for irrigation, those districts that are fortunate enough to have potential off-stream storage sites in their districts have completed, or propose to construct, certain works as follows since the beginning of the program. The outline to you there is of one construction project carried out in the fiscal year '76-77 in the eastern irrigation district, increasing the storage of Lake Newell; two projects during '77-78, one in the eastern irrigation district and one in the Lethbridge northern irrigation district.

As mentioned previously, nearly all districts have a full or partial moratorium on adding new acres to their rolls pending the results of systems studies and the increase in water supplies. As a result, the acres added to the rolls have not been as large as anticipated. Increased acreages, as obtained from the audited assessment rolls, increased 38,000 acres from '75 to '76 and 49,188 from '76 to '77. I believe, Mr. Chairman, that I did comment last year that we had an increase of 38,000 acres and anticipated a 50,000-acre increase in the year '76-77. We're just short of that by some 800 acres.

A chart showing the districts' acreages by years is attached to this report. It might be noted that the annual rate of increase has been approximately 5 per cent. This may decrease slightly over the period of the program. Assuming a 4 per cent annual increase, the projected increase in the irrigated acreage would be about 360,000 acres over the 10 years of the program, bringing the estimated irrigated acreage at the end of the program to approximately 1,260,000 acres, or very close to 1.3 million acres.

Mr. Chairman, the top of page 4 begins with an overview of a photo mapping project which was undertaken by the Department of Agriculture utilizing some \$300,000 in funds from the heritage savings trust fund, capital projects division, during the fiscal year in question. Pages 4 and 5 are really an outline of the type of work being carried out there and what it's being used for. Finally, on page 6 there is a breakdown of the topography and vertical ground control and data bank storage work that was done with respect to each individual irrigation district. Those abbreviations, for those who are not familiar, relate to various irrigation districts. WID means western, EID eastern, and so on.

Finally, attached to the report is a summary of assessed acreage and annual increases from '75 to '77, and the summary of the expenditures on projects for the fiscal year '77-78 that indicate the funds spent in each irrigation district and for what purpose.

I'm sorry, Mr. Chairman, that I did not have a sheet that totals all the funds here. But if you were to go through the various expenditures on this attachment you'd find it adds up to just over \$9 million, \$9,019,000-odd, when in actual fact only \$3.5 million was expended from the heritage savings trust fund in the fiscal year in question. The difference is accounted for by the fact that the districts carried some funds over from the previous year because they hadn't completed their work. The difference between the total amount here and what was provided to them is a carryover of funds from the previous fiscal year.

Mr. Chairman, that is a brief overview with respect what's happening with the irrigation rehabilitation and expansion program. If there are some questions, I'd be pleased to try to answer them.

MR. CHAIRMAN: Thank you, Mr. Moore. Are there any questions to the minister?

MR. R. SPEAKER: Mr. Chairman, to Mr. Moore: what seems to be the constraint on the funds for irrigation rehabilitation? Is it the equipment available to them to do the work, or is it just the time to get the programs on stream? I understand there's to be a one- or two-year lead time before they can actually do the construction work. In the upcoming year do you see a greater request for funds in the 1979-80 budget -- in other words, a significant increase in demands for funds?

MR. MOORE: No, I don't. I raised that matter with the Irrigation Council and had them work with the various irrigation districts relative to scheduled utilizing of funds over the period of time. Last year the advice I received was that the constraints were: time, for one thing -- you can't work, as you well know, except during certain periods of the year; engineering, which is your lead work that has to be done; plus the availability of equipment and supplies. The council advised me that the irrigation districts were satisfied with the flow of funds as they were coming, which last year was \$8.5 million, and that it was difficult for them to do much more with any more than that amount.

The same situation holds true for the year which is coming up. I would expect as inflation continues that we will get into a situation where something more than the \$9 million might be allocated in one particular year, and we're of course open to that.

MR. R. SPEAKER: Mr. Chairman, should I ask two or three questions? How would you like me to handle this?

MR. CHAIRMAN: Yes, if you have a series of questions we'll complete them, Mr. Speaker.

MR. R. SPEAKER: In the report you raised the question with regard to the 86:14 formula. I understand the irrigation committee of caucus indicated to the districts that the formula would be maintained until the completion of the present -- is it a 10-year agreement, I believe? What is the thinking of the minister on that at the present time? Is work being done on going for 75:25?

MR. MOORE: Mr. Chairman, when we originally announced the program in March of 1975, as you are aware, there were no criteria established relative to how these moneys would be spent. As a matter of fact, at that time it had not been determined whether the province would actually move in and do the work and pay 100 per cent of the costs, or whether it would go, as it has, by way of grant to the irrigation districts and have them carry out the work.

I visited all the irrigation districts in April 1975 and received suggestions from them all the way from a 50:50 cost-sharing arrangement in certain areas where farmers who did not have water wanted to be brought in, to suggestions that we pay 100 per cent of the cost of the work to be carried out. Since then we've had a number of discussions relative to the cost-sharing formula.

Finally when we allocated the initial funds it was agreed between me and the Irrigation Council that for that particular year they would be on the basis of the 86:14 formula, with the understanding between the council and the irrigation districts that the matter of the long term would be under consideration. We've had that under consideration for, I guess it's safe to say, the last two years and have had a number of discussions. About eight or 10 months ago I asked the Irrigation Council, so that we might finalize the matter, to take some figures like 75:25 and 80:20 and so on and do some work relative to what each individual district's increase in water rates might be in order to accommodate a greater percentage, recognizing that the benefits of a different cost-sharing formula -- 80:20 or 75:25, say, as opposed to 86:14 -- would really be benefits that flow to the irrigation farmers themselves, because there was no retraction from the provincial dollars. We were still going to provide the \$90 million over the 10-year program.

The Irrigation Council came back to me recently with a report, after having done all of that work, with a recommendation, which I still have under consideration, that would move the cost-sharing formula from 86:14 to 80:20 progressively over a period of five years, one percentage point each year. That matter will be considered during the course of the next while. I would hope early in 1979 to be in a position to say that the existing formula is going to be maintained for the life of this program or that it is going to be altered in some way. That decision has not yet been made.

MR. R. SPEAKER: So in other words the 86:14 formula isn't fixed until 1980 or something at the present time.

MR. MOORE: It's fixed for the fiscal year we're now operating in. We had the matter under discussion and couldn't conclude it. I advised the irrigation projects association and the districts, through the council, that the formula would remain as it is for the current fiscal year. So that's what they're operating under.

MR. R. SPEAKER: During the period of time between now and, say, early 1979, will you be receiving further submissions on this matter?

MR. MOORE: Mr. Chairman, I'm open to receiving further submissions at any time. I have received submissions from the irrigation projects association as well as from all of the districts, I think it's fair to say, through the Irrigation Council. The council spent a considerable amount of time visiting and talking with each irrigation district, in addition to getting the figures together as to how it might affect an individual district's water rates if the formula were changed.

MR. R. SPEAKER: I didn't want to pursue that any further, Mr. Chairman.

With regard to funding from the heritage savings trust fund, is there any consideration of a lump sum of money being made available on a loan basis to the districts if they wanted to use it for rehabilitation or special kinds of projects in their district with, say, maybe a forgiveness of interest? I think this proposal has been made to you and maybe to the council. It's been within the districts for a number of years as a consideration.

MR. MOORE: That perhaps might have been considered, but not at any length. As you may be aware, we presently have the ability to provide loan funds to the districts to carry out their work, which is then paid for after they collect

their water dues. That occurs, I believe, under The Irrigation Act or The Financial Administration Act. We guarantee loans. There is no interest forgiveness there, but their ability to obtain funds to carry out the work is pretty good because of the Provincial Treasury guarantee, which has been in place for a number of years.

But the matter of whether we would utilize funds from the capital projects division for purposes of paying interest is not one we've addressed at any length. I think largely because of the funds that are available on a yearly basis now, when you add the \$9 million to the \$2 million department grant which is utilized in the same manner, plus the irrigation district's own funds; they've been doing about all they can do. You might note that the three smaller ones have not done anything. They haven't even utilized the funds that have been made available.

MR. R. SPEAKER: There was also the consideration of a sort of revolving fund concept, an amount of money set aside from which they could make the loans and repay it on a revolving basis. Has that been considered?

MR. MOORE: No.

MR. R. SPEAKER: Mr. Chairman, I see a number of other members who want to get into a discussion.

MR. CHAIRMAN: Perhaps you could come back to it later, Mr. Speaker. Mr. Taylor.

MR. TAYLOR: Thank you, Mr. Chairman. I'd like to deal with this matter of major structures such as headwaters and storage facilities. First of all, I see that one-third of the funds have gone towards that. I don't see any breakdown of the work done. Is it in these figures someplace?

MR. MOORE: Mr. Taylor, on page 3 there is a list of three major projects that have been carried out, internal reservoirs constructed or improved storage: two in the eastern irrigation district and one in the Lethbridge northern. Those are the only three major projects that have been carried out thus far to the end of the fiscal year.

MR. TAYLOR: There haven't been any increased storage facilities, then, at the headwaters?

MR. MOORE: We're referring here in this report only to that work carried on within the irrigation district after the responsibility of the Department of the Environment to deliver water to the district is taken care of. So I'd have to refer to Mr. Russell's report, really, to get figures on what has been done in terms of headwater storage and water storage outside the irrigation districts. That isn't part of it.

MR. TAYLOR: I think there must be a misunderstanding because this matter was raised with the hon. Mr. Russell, and he suggested we should take it up when you were before the committee. But the point I'm trying to get at is I notice that the WID, western irrigation district, increased its acreage covered more than 9,000 acres last year. I haven't had any complaints yet this year. It's been raining too much; I don't think we need the irrigation. But last year some farmers found that the water was turned off. They ran out of storage

facilities. It was not sufficient at the headwaters so they turned the water off in part of that district about two weeks before the farmers wanted to stop using it. Some farmers gave me figures where they had lost a tremendous amount of the yield because of this very point. Just when it was filling out they couldn't get the water.

I'm wondering if any assessment is being made at the headwaters of each irrigation district -- I'm particularly interested in the WID -- to make sure that while we're expanding these acreages, we're not going to run into a point where when we get a real dry year we don't have enough storage to fulfil our obligations to the farmers who spend thousands of dollars in putting the works into their own yards. I might say one farmer in particular was very annoyed because he said he had spent something like \$10,000 on the equipment and he figured he would have got it all back had he had the water those last two weeks.

So I think we're going to have to watch very carefully the relationship between the expansion of the acreages and the expansion of our storage facilities at the headwaters.

MR. MOORE: Mr. Chairman, as I mentioned, in the middle of page 3 of the report, nearly all of the districts have a full or partial moratorium on adding new acres to the rolls pending the results of systems studies. Those systems studies are being carried out by all the large irrigation districts in conjunction with the Department of the Environment and our department with respect to water supplies as would be provided to them by Environment through increased off-stream or on-stream storage. We're working very closely with the Department of the Environment. From memory I can say one example would be St. Mary's River irrigation district, which has completed a number of reports relative to the water supplies required for its various acreages. I think it's fair to say, for those who have read the report by the Oldman River basin study management committee, that many of the recommendations from that report flowed from studies done in conjunction with Alberta Environment and St. Mary's River irrigation district.

So the studies are going on. I would guess that they will continue, probably for the life of this program, although we probably will be in a position within the next year or two -- certainly on the Oldman River basin, as you well know, there is a commitment to reach some decisions relative to water supplies there during the course of the next few months.

The western: I don't have information or details, Mr. Taylor, on the exact work that is being carried out there. But I know the district has been working closely with the Department of the Environment on water supply.

MR. TAYLOR: Mr. Moore, in connection first of all with these systems studies, are these undertaken by the irrigation districts themselves or are these being done by the department?

MR. MOORE: A lot of the work that's been done thus far has been undertaken by the irrigation districts themselves. The Department of the Environment has undertaken some work as well in conjunction with them. I know the eastern irrigation district, for example, recently submitted a report to Mr. Russell and me relative to their outlook for water supplies and what they felt was needed. That is under consideration by the Department of the Environment now, and further work is being done on it.

But generally the larger districts are doing a fair bit of work on their own in indicating to the Department of the Environment what they feel the long-term requirements are if they're going to expand their acreages.

MR. TAYLOR: Would there be available in the department any reports on the headwaters of the WID and the storage facilities at the headwaters of the WID over the last five years?

MR. MOORE: I would expect there would be, but I would have to check that, Mr. Taylor.

MR. TAYLOR: Would you have time to do that? If there are some available I'd certainly like to have a copy.

MR. R. SPEAKER: As a supplementary to Mr. Taylor's question on the storage facilities, on the Bow River is what you're referring to, has the minister considered the Bow River? They want a dam plus expanding the canal coming out of the Bow River to lift the water level. They have certain constraints on them right now -- you have the brief, I believe, Mr. Minister -- a maximum of 175,000 acres. Has anything further been considered, or is there consideration from the heritage trust fund for that request?

MR. MOORE: The matter of the report that was received from them by me and Mr. Russell is under consideration. I think it's fair to say, Mr. Speaker, that no decision is being made at this point in time as to what might be done there. Once again, Mr. Chairman, that is really a matter that falls, as far as the heritage savings trust funds are concerned, under the appropriation provided to the Minister of the Environment. But I can answer by saying that no decision has been made. I'm familiar with that.

MR. R. SPEAKER: Under the headworks money that's available here, that type of work could not be done? Is this what you're saying? You're saying the Minister of the Environment is responsible for that?

MR. MOORE: Well, the definition of which department is responsible is not quite, I suppose, as easy to read as we'd want it. Generally speaking, the rule of thumb is: works that fall within the boundaries of an irrigation district to do with improved water supply are the responsibility of the Department of Agriculture. However, if you have a major river flowing through an irrigation district, and there's a request for on-stream storage that's a major undertaking, then my responsibility as I see it is to ask the Department of the Environment to come in and assess all the ramifications of that. Our funding, this \$90 million, simply will not allow us to get into those kinds of structures. So any request within a district for a major structure on a river would be referred from our department to Environment.

MR. R. SPEAKER: Because it is a major diversion out of the Bow River into the Lake McGregor area, a storage facility that's being requested there, that would come under the Alberta Environment Department. Is that what you're saying?

MR. MOORE: Yes.

MR. R. SPEAKER: Even though at the present time they have transferred administrative responsibility to the Bow River irrigation district?

MR. MOORE: Yes, the request from that district for consideration -- obviously the project is likely one they don't have the resources to undertake themselves. They don't have the jurisdictional authority to do it, I don't believe, either. So it would have to be directed to the Department of the Environment.

MR. HORSMAN: I have a couple of questions. First of all, in regard to the summary of expenditures on projects, I just wanted to make sure I understand clearly that these figures represent actual heritage savings trust fund figures and do not include the districts' capital portion of 14 per cent. So in order to arrive at the total cost of these various things, you'd have to add on what the districts themselves have contributed. Is that correct?

MR. MOORE: That is correct, Mr. Horsman, with the exception of the fact that there are some funds in here, about \$519,000, that were carried over from the previous year. But in order to arrive at what was actually spent in each irrigation district, one would have to add the district's share, plus another \$2 million that is provided by way of a department grant that's separate and apart from the heritage savings trust fund, plus another 14 per cent they match on that, plus some cases where the irrigation districts carry out some work themselves on a cost-sharing arrangement.

The attempt here was to provide information on what was actually expended from the capital projects division of the heritage savings trust fund, not everything they had spent. But your assumption that this is only heritage savings trust fund, capital projects funds, is correct.

MR. HORSMAN: Thank you. I just wanted to make sure it was clearly understood that in addition to these funds on these major expenditures there were district funds and your own departmental funds spent on these items.

MR. MOORE: That's right.

MR. HORSMAN: The other point I wanted to ask about related to your item on page 2 with regard to the various linings of canals -- plastic, concrete, and some buried pipe lining -- with the figures set out there. I'm wondering if, as a result of this experience, you can advise the committee as to what progress is being made toward determining the best method of moving this water, either through plastic, concrete, or buried pipe. Do you have any comments you could make on that?

MR. MOORE: Well, I think the report is a reflection of what the situation is; that is, depending on the cubic feet per second size of the canal, and depending on the terrain and location and to some extent on frost action if there is any, all three methods are appropriate in certain locations. Obviously the buried pipe lining is not a project you would undertake for very large canals. It just becomes far too expensive, and your concrete or plastic lining is much better. Insofar as plastic lining is concerned, I think it's fair to say we're still in an experimental stage in that until you've had some years to determine the length of the life of plastic lining and the effects on it of soil movements and so on, it would be difficult to make any judgment of plastic versus concrete.

So my overview of the situation is that the districts, in co-operation with our irrigation division, are doing an appropriate kind of thing. In other words, there's a considerable amount of work going on that may lead us to improving our cost figures by going to plastic pipe in certain areas and plastic lining in others.

Concrete lining is really the most expensive on a canal. If you consider two canals of equal size and capacity, it is the most expensive. But it's also considered to be the best solution over the longer term.

MR. HORSMAN: Could I just get some clarification on these items? Perhaps it would be useful if we had some figures which indicate the size and capacity of the canals which were listed here. For example, the plastic lining: what size of canal? The concrete lining: what size of canal? And buried pipe lining; I take it the buried pipe is plastic pipe. Is that correct?

MR. MOORE: That's right.

MR. HORSMAN: What size pipe is being used for that particular type of lining in these figures would be useful, to me at any rate, to help to understand the figures. Because if you're talking about a 500 CFS canal for concrete lining and 100 CFS buried pipe lining, it makes quite a difference. Perhaps that information might be supplied in a supplementary way, at least to myself, and other members of the committee might be interested.

MR. MOORE: Mr. Chairman, about the only way that could be done is to provide the whole engineering data and a program description of each of the individual programs outlined in the attachment. If you look at the eastern irrigation district, they've got about 25 or 30-odd programs. I'd be pleased to try to get some better overview generally of what the situation is.

MR. HORSMAN: I'm just thinking of expanding these figures on page 2. You talk about \$817,000 for 5.6 miles of plastic lining. That figure must have been compiled from adding up various projects. You should have some kind of description and so on. Those are the only articles. I don't want the whole detailed engineering studies. But if we could get the source material from which you derived these figures I think it may be useful, if it's possible. I won't press for it, but if it is possible I would like to see that.

MR. MOORE: Well, I can try to do something, Mr. Chairman. The concrete lining, for example, 26.2 miles, was likely carried out in eight or nine irrigation districts and maybe five or six projects in each district. So you may have 50 different projects of 20 different sizes and varying degrees of rehabilitation required on them. But I can try to put something together that would give a little more indication of the value of each of the different types of lining.

MR. MILLER: Thank you, Mr. Chairman. My first question is a supplementary to that asked by Mr. Speaker: I wonder, Mr. Minister, if you could give us an idea of the cost of water per acre if the ratio is changed from 14:86 to 20:80. What difference in the cost would there be?

MR. MOORE: It varies, Mr. Miller, rather extensively from one district to another. I don't have the figures with me; I can get them. It varies in every district. As a matter of fact, Mr. Chairman, I could provide the

committee with exact figures as to what would occur, because we've done that. I had the Irrigation Council do it. But every one is different.

MR. MILLER: My next question, Mr. Chairman, is: is this allocation of funds just for existing irrigation districts, or would consideration be given to other areas that might want to establish an irrigation district?

MR. MOORE: Mr. Chairman, during the course of the last three years we've reviewed that matter quite extensively and have come to the conclusion that the best expenditure of the largest part of our funds, at least, is by way of what we call intensification really; that is, filling in the acres within the existing irrigation districts that are adjacent to water supplies and improving our total amount of irrigated acreage in that way. We don't find, outside of the existing irrigation districts, a lot of places in Alberta where the cost/benefit ratio of irrigating is very good. When you get over a certain amount of rainfall per year your benefits go down in relation to the cost, unless you're involved in some specialty crops. We're looking at some experimental programs in our river valleys of the central northern part of the province where market gardening may be occurring and irrigation is quite obviously of some benefit.

To answer your question fully, we made a decision that of the \$90 million, we would set aside \$5 million for work that would be carried out by our department in other areas or on another projects. Some \$300,000 of it this year was spent on this photo mapping thing. But we're quite open to the expenditure of some funds outside of the existing irrigation districts. It relates to practical irrigation programs. They're limited to \$5 million over the 10 years.

MR. CHAIRMAN: Coffee has arrived. Would you like to break now for five minutes, and Mr. Notley you are next on the list after we come back.

MR. NOTLEY: Mr. Minister, could you outline for us very briefly the composition of the Irrigation Council, the number of meetings the council has each year, and the type of feedback the different irrigation districts receive from the council?

MR. MOORE: As it relates to the heritage savings trust fund, Mr. Notley?

MR. NOTLEY: In particular, since we're looking at it. But I'm interested in the structure of the organization.

MR. MOORE: Well, the council is comprised of the director of the irrigation division of the Department of Agriculture, Mr. J. Purnell; a member of the provincial Department of the Environment; a secretariat -- Mr. Bob Smith, who is really the council's secretary; and I believe it's six lay persons or farmers, all from southern Alberta.

The council has a mandate under The Irrigation Act to do certain things, but the expenditure of heritage savings trust funds is not one that's defined in legislation at all. I chose to utilize the council as that body which would make recommendations as to how the funds were expended, how they were divided up, cost-sharing agreements, and have some week-to-week contact, I guess you'd put it, with the irrigation districts.

How often the council meets I can't say for sure, but I think it would be safe to say they meet on a monthly basis. I meet with them about twice a year

for discussions, generally in Lethbridge but I've met with them in Calgary as well. But they meet more often than that, generally once a month.

The other thing they do is that they're undertaking a special project like this cost-sharing thing. They went to irrigation district -- not all the council, but members of council -- and talked with the districts about the proposal with regard to the cost-sharing thing and got figures and did all that sort of work. So some of the council members may spend several days a month, depending on the particular subject at hand. It's pretty flexible.

I can only say that the members presently on council and those who served before have done an excellent job of providing recommendations to us in every instance. They're knowledgeable people. I think it's fair to say that each one of them is more knowledgeable than I am, and probably more so than anybody around this table, about irrigation. I've always found them to be entirely fair in balancing the requests of the irrigation districts with the government funds available, and quite unbiased in that whole area.

MR. NOTLEY: How are the six lay members chosen? You obviously can't have one from each individual irrigation district, but are they chosen by ministerial appointment? Is there an effort made to make sure that at least the different areas in southern Alberta are represented?

MR. MOORE: First of all, the membership of the council is only changed to the extent that two new persons have been appointed to council since I've been Minister of Agriculture. The legislation provides that members of council be appointed by the Lieutenant Governor in Council, which is the cabinet of course. That comes from recommendations by me to our cabinet. I obtain recommendations from a variety of sources. The Irrigation Council itself has at times recommended appointments; various irrigation districts have; the irrigation projects association has. As a matter of fact, on the occasion a year ago when I appointed two new members, I asked Mr. Smith of the Irrigation Secretariat if he would circulate among the various groups the fact that two new members were to be appointed to council, co-ordinate the replies, and send them to me. That did occur, and I had a list -- I can't remember how many -- of about 20 to 25 names for appointment to Irrigation Council. I selected two from that, based on their knowledge of irrigation -- I think it's generally fair to say there wasn't much choosing there -- and some geographic distribution as well.

I might add that I was reluctant to appoint members to council who served on district irrigation boards, because it seemed to me there's a bit of conflict if you've got a member on the Irrigation Council who is also chairman of an irrigation district board. That was the case for some time, and although in my view the individual in question did a good job, it did lead to a situation where the chairman of the largest irrigation district, St. Mary's, was also chairman of the Irrigation Council. A lot of people felt that that district may have been treated better than others. I know that wasn't the case, but in the future I want to avoid that overlapping of chairmen of irrigation districts with council appointments.

MR. NOTLEY: Would you say, Mr. Minister, that the council, then, is the primary source of input as far as you are concerned in making recommendations to the Legislature for the heritage trust fund, capital works division, as far as irrigation is concerned? How would you 'prioritize' the importance of, for example, the Irrigation Council, the projects association, the individual irrigation districts, and the MLA task force on irrigation?

MR. MOORE: I think, Mr. Notley, they're all important. The irrigation projects association is really an association of all the major districts, so there's input there. The council meets very often with the various irrigation districts, so there's input there. I meet with the individual irrigation districts as well. I wouldn't like to think that I take the advice of one over the other, including our caucus irrigation committee.

I guess the council, while I accept its comments and so on, is there more in the role of assisting us in carrying out programs that we have adopted. In other words, we've made a decision to provide X number of dollars through the heritage savings trust fund. I go to the council and seek its advice and assistance on how to do it. On the other hand various irrigation districts, our caucus committee, and members of the Legislature have made representations with regard to other projects that should be considered. I think the order of priority in which I look at those is largely based on the validity of the submission and whether or not it appears to be feasible.

MR. NOTLEY: However, when a recommendation comes in you obviously have to send it to someone. Who would you send the recommendation to? Let's say you get a recommendation from X irrigation district one day and several MLAs the next. What would be the procedures used? Would you then say to the Irrigation Council or the secretariat, check out this proposal and see whether it makes sense or not?

MR. MOORE: Depending on the nature of it. If it's a policy matter or something that's already been dealt with, I may not send it to anybody. I may write back and say, this matter has been considered and we're unable to accede to the proposal at the present time. If it's a proposal that has some merit, I may use a variety of ways. I think it's fair to say I've used the Irrigation Council for advice more than any other group in southern Alberta outside of the members of the Legislature, more than the projects association and more than individual districts.

MR. NOTLEY: I wonder if I could follow that a little further along then, Mr. Chairman. Mr. Minister, we raised this with the Minister of the Environment when he was here two weeks ago. The question of the \$200 million was to be divided \$110 million for major headworks and \$90 million for the irrigation districts. The Minister of the Environment, in answer to a question on page 15 of the transcript here, suggests that the \$110 million is going to be substantially inadequate in that, assuming the government goes ahead with the recommendations of the Oldman River basin, we're looking at something over \$300 million. So that's a substantial increase in the original estimates.

Then the Minister of the Environment is also quoted as saying that we could be looking at as much as half a billion dollars -- that's page 16 or 17 of the transcript -- if we had substantial expansion of the irrigation districts.

The question I'd like to put to you, because this came out of a meeting I had with the Irrigation Projects Association -- their feeling was that the \$90 million might have been a reasonable figure in 1975, but their argument is that the \$90 million is not a reasonable figure. At least that was an argument put to me by some of the people there in 1978. Are we looking at a similar situation to that pointed out by Mr. Russell vis-a-vis the headworks: a substantial increase in the amount we're going to be asked to allocate from the heritage trust fund?

MR. MOORE: Over the 10-year period, I would say no. In fact, as I indicated last year to this committee, the improvement in engineering and design, the use of plastic pipe and some other things, presently leaves us in a position where we can carry out as much work as we have anticipated in 1975 with the \$90 million.

If you're asking what happens beyond the 10-year period, I simply don't know. If we expand dramatically the water supplies and want to add a lot more irrigated acres or get into new irrigation districts, of course we'll have to consider additional financing or it won't be done.

You've got to remember that in the existing districts much of the work that is being done now is to upgrade and improve structures that were built many, many years ago. I've seen structures that were completed in 1916 that are now being completely rehabilitated. We're hopeful that we're not going to be going back in 10 years to redo what we're doing now. So the existing irrigation districts are going to be in pretty good shape at the end of 10 years.

But I would also like to encourage them to put aside something in some kind of upgrading fund so they don't get into a situation down the road maybe 20 or 25 years or whatever where the work we're doing now once again has to be rehabilitated and nobody's got any funds. I think most of the irrigation districts now are pretty conscious of the fact that they need to have a continuous upgrading program within their districts. I'm not talking about the water supplies from outside now.

MR. NOTLEY: Mr. Minister, are you suggesting, then, that the \$90 million that was announced in 1975 will be sufficient to do the upgrading you describe, as well as allow for the increase of 360,000 acres?

MR. MOORE: Yes, I indicated in my report today . . .

MR. NOTLEY: Are we looking at \$90 million in 1975 dollars, altered by the inflation rate, which could well be \$175 million or \$200 million-plus by the time we finish the 10 years?

MR. MOORE: Mr. Chairman, it would be nice if I could predict what that will be. But given the normal set of circumstances and given the fact that our desires to try to control our inflationary aspects better than was the case from 1972 to '77 or '78, yes, we think the funds that are available there will do the work which I've outlined will be done during the 10-year period.

MR. NOTLEY: That would be the position of the southern Alberta Irrigation Council, the experts in the field. What I'm really getting at is that you've indicated there is an improvement in technology. No question; I'm sure that would be true. But at the rate inflation has been going in the last several years, there obviously is going to be a point where the technology improvement curve crosses the inflation curve and we're going to see a deterioration of 1975 dollars.

MR. MOORE: Mr. Chairman, that's true, but when we announced the program in 1975 we certainly took into consideration the fact that it would occur over a 10-year period, so inflationary considerations were taken in the picture there. The cost increases Mr. Russell speaks about are probably in a much more inflationary area than I'm talking about -- the construction of major dams and so on -- plus the fact that I don't believe we had nearly as good an

assessment of what it would cost for major water storage programs in 1975 as we did with respect to rehabilitation and upgrading of the existing systems. We had a pretty good idea of what concrete canal lining and so on cost, but we still don't know on the Oldman River system what the costs are going to be, and won't know until we finalize what we're going to do and then have further engineering studies.

It could be five years from now before we have what you might call an accurate idea of what the costs are going to be for water storage there. But we know more now, and I think that's what Mr. Russell was indicating, than we did in '75. What we know isn't very exciting in terms of costs.

MR. NOTLEY: I think there's a supplementary question, Mr. Chairman.

MR. R. SPEAKER: Mr. Chairman, a supplementary question. In the report of the Oldman River study, Mr. Minister, Stanley consulting looked at the various efficiencies of the irrigation districts. After averaging them, they came out with the fact that 31 per cent is the average for the irrigation districts as a whole in the utilization of water. What they say in here is: Stanley consulting limited is of the opinion that with a suitable improvement and rehabilitation program of good water management, the overall irrigation efficiencies in the irrigation districts could be improved 52 per cent over the next 10 years and 68 per cent over the following 20 years. It relates to the questions of Mr. Notley.

In considering the \$90 million, under the present circumstances and with a projection such as that, or the opportunity to improve the water utilization to such an extent, has the minister considered that in that \$90 million figure? If not, are there some plans to do that at the present time in your administration or through the Irrigation Council?

MR. MOORE: First of all, I don't believe that the assessment that there is 31 per cent efficiency, is it, at the present time . . . ?

MR. R. SPEAKER: Yes, what the study says is that -- I'll read the one sentence: the overall efficiency of irrigation water use is found to range from a low of 14 per cent for Aetna, Mountain View, Leavitt, and the United irrigation districts to a high of 42 per cent for the Taber irrigation district, averaging 31 per cent for the irrigation districts as a whole. Then it goes on to say that in the next 10 years it could be improved to 52 per cent and in 20 years to 68 per cent. Now, the moneys for that are from the sources outlined by Mr. Horsman earlier: the \$90 million, plus local input, plus \$2 million from general revenue.

The general feeling I get from talking to the districts is that the \$90 million won't cover it. That relates to my earlier question: are you looking at a revolving fund? You were asking the districts to put some money away for the future. Is that the approach you're using? What is the approach? Would you reassess the \$90 million in terms of this study that has gone on, and have you asked the Irrigation Council to do that?

MR. MOORE: We may, but that's down the road a way. First I've asked my department officials to review that report in relation to the comments in it and the questions you raised. That will take some length of time.

I could say that I don't entirely agree with the assessment of the efficiency factor given in that report. I say that because you can't be 100 per cent efficient. I'd assess that in relation to the greatest efficiency we

might be able to expect from the best technology that can be applied. Quite frankly, the irrigation districts on average are greater than 31 per cent efficient. But if you're going to consider the loss of water to evaporation and say that every drop, gallon, or acre-foot that's lost is non-efficient use of it, then there's no way you're ever going to -- it's impossible to be 100 per cent efficient.

MR. R. SPEAKER: I'd agree with that.

MR. MOORE: I think if they're saying 68 per cent could be reached, really what we're saying is that's probably about 100 per cent efficiency. The figure now instead of 31 should more likely be 50. But that's just a personal opinion about the use of figures.

MR. R. SPEAKER: I don't argue with that. The districts don't argue with these figures either. They're supportive of them. For example, talking to the people at Taber a week ago, they indicated they were satisfied that that's where they stood at the present time.

The question I wanted to raise, though, is: in light of this kind of projection and as a responsibility we have here as a committee, is the \$90 million adequate or should we reassess that \$90 million and make a different recommendation to the House? Could we recommend approaches to the use of the \$90 million or supplementary money that should be made available? I think it's part of our responsibility to do that. That's what I was trying to get at, Mr. Minister. I don't want to really argue these figures with you. Are you open to some new approaches?

MR. MOORE: Mr. Chairman, the \$90 million over a 10-year period from the heritage savings trust fund, in my view, is a very substantial contribution. I don't want to place the next minister or the following Members of the Legislative Assembly or Executive Council in the position of having to say at the end of the 10-year program, it's going to be renewed. I think that decision will be made as the program winds down, as we get into the ninth and tenth years. In the meantime, so far as I've been able to determine at this time, the roughly \$9 million a year that we have on a cost-sharing formula, together with our department grant, is sufficient to do the job.

I just want to say, Mr. Chairman, on the other subject of the efficiency of water use, my concern about the report is that someone who doesn't know a great deal about it will take the report and read it and say the irrigation districts waste 69 per cent of their water.

MR. R. SPEAKER: Which would be unfortunate.

MR. MOORE: That is not the case. In my view the waste is far less than that. We know there is some considerable amount.

MR. R. SPEAKER: Maybe this could clarify my question better. At the present time, that is, as of today or in this present fiscal year -- I'll use the word "final" -- the final position of the government is to allocate the \$9 million per year and only \$90 million during that 10-year period. There are no other considerations being made at the present time? I think that's what I want clear so that if that's the position -- and it seems from what you're saying, Mr. Minister, that that's what it is -- that doesn't stop us as a committee

from making other recommendations. We can certainly do that. I'd like to know if that is the position of the government.

MR. MOORE: All I can say again, Mr. Chairman, is that it's our opinion that the funds that were allocated and the work that we want to carry out are still in balance and that we can do that. If somebody wants to build three new irrigation districts and the Department of the Environment is going to undertake some additional major expenditures, it could be out of balance. But insofar as what we set out to do and what it looks like three years later, I feel quite comfortable that we can carry out that work. Now, sure, I've asked the Irrigation Council to consider the cost-sharing formula. There could well be some changes there. They would be slight enough not to make any substantial difference in terms of the overall work.

MR. R. SPEAKER: But you're confident that the objectives of the districts can be met with the \$90 million at the present time?

MR. MOORE: No, because I don't know the objectives of the district -- you know, if they want to rapidly their acreage and so on. I'm saying I'm confident that what we set out to do in 1975 can be met with these dollars. I don't want to be in the position of saying the objectives of the districts, because some districts may have objectives of increasing their acreage of water far beyond what we had considered appropriate.

MR. NOTLEY: Mr. Chairman, there just one supplementary question. On page 22 of the transcript last session Mr. Russell was answering questions on the allocation of funds. He was talking about his department, but he also mentioned, Mr. Minister, the Department of Agriculture. I just want clarification as to how your department reacts to this statement: "there's already exceptionally funds" either allocated -- fair enough, I would expect you to say yes, that's true, very generous. But then he goes on to say: "either committed or under consideration".

Now, I take it the \$90 million has been committed, as the \$110 million had been committed when the announcement was made in April 1975. But are we looking at any additional funds other than what might be freed up as a result of moving from 14 to 20 per cent on the local amount raised over the next five years?

MR. MOORE: I'm not presently considering requesting authorization for increased amounts over and above the \$90 million. On the other hand, I've only recently received the report on the Oldman River basin study, which does indicate that the Department of Agriculture should consider some additional things. Some of it relates to research and irrigated crops and so on. I haven't had an opportunity yet. I've sent that to my department and asked them for some feedback on various things. You might say it's under consideration, but certainly not close to committing any additional funds.

MR. NOTLEY: You don't see any announcements being made on this matter between now and, say, June of next year?

MR. R. SPEAKER: Good climax for a good minister.

MR. CLARK: We're listening.

MR. MOORE: No, I don't see any. But the collective judgment of the cabinet and government caucus could well indicate otherwise. I have no idea.

MR. NOTLEY: Mackenzie King could not have answered it with more skill.

MR. CHAIRMAN: Mr. Kroeger.

MR. KROEGER: Two questions, Mr. Chairman. Being on the outside looking in, Mr. Minister -- that is, being removed from the irrigation area -- does the 86:14 formula relate to the heritage trust fund contribution part of this thing?

MR. MOORE: Yes, it does. Just briefly, the 86:14 formula was arrived at after some studies had been completed in 1966 that related to the benefits which flowed from irrigation going to the society as a whole in Canada and provincially and to irrigation farmers. It was determined that the federal government should pay some costs, the province some, irrigation farmers some, and the local municipal government some. They arrived at the farmer's share being 14 per cent. The other three levels of government had a share of 86 per cent. That hasn't changed. It's an arbitrary thing, because at the present time one government is paying the 86 per cent. But it's being utilized. Because it was there we decided to utilize it in the distribution of these funds.

MR. KROEGER: The other question I have may be outside what we're supposed to be talking about. Nevertheless, keeping in mind that bringing water to land has been creating problems, are we expending any of the money from the heritage trust fund that relates to soil analysis in a research way, because of the alkali problem that seems to be spreading, or is this totally development money?

MR. MOORE: No, we're not. That has been under consideration, some utilization of some part of the fund, as I said earlier. We've committed \$85 million in direct grants for actual work in the irrigation districts. There's another \$5 million that we would intend to use over the period of the 10 years for various projects, maybe irrigation projects on a smaller scale in some other part of the province. This past year we used \$300,000 for aerial photography work that was regarded by all the districts as essential to the work they have to do.

The irrigation division of the department in Lethbridge had asked me to consider some funds for certain types of research during the course of last year too, but I felt we had sufficient funding within our department's regular budget to undertake that. So there's nothing coming out of here now.

MR. HORSMAN: A supplementary on the earlier question with regard to this cost-sharing formula, just as a matter of clarification. That same cost-sharing formula applies to the regular funds provided through the normal budget of the Department of Agriculture of \$2 million a year as well, does it not?

MR. MOORE: That is correct, yes.

MR. HORSMAN: So in terms of the overall development over the 10-year period, assuming that contribution to remain at the same level, it would be \$20 million, plus \$90 million from the heritage savings trust fund, plus the

district share of 14 per cent towards total irrigation rehabilitation and expansion during this 10-year period?

MR. MOORE: That's right.

MR. HORSMAN: What would the (inaudible) share be? Around \$15 million under those circumstances?

MR. CHAIRMAN: Mr. Musgreave?

MR. MUSGREAVE: I just wanted to follow along.

MR. CHAIRMAN: Just follow along until the minister gets the answer.

MR. MOORE: You'll have to do the arithmetic. But \$110 million is 86 per cent of the funds that are available.

MR. MUSGREAVE: As a city MLA, I want to ask a naive question. Following along what Mr. Kroeger said about the salts impregnating the soil, I wonder if the rate of return, using land that otherwise is idle or not used to a very high percentage of return -- if the greater return from irrigated land is substantial, why would we not consider, say, doubling the program or launching a massive irrigation of southern Alberta?

MR. MOORE: There are a number of reasons. As I indicated in my initial report this morning, the matter of how many farmers are requesting their land to come under irrigation relates to a lot of different things: market trends, climatic conditions -- in 1978 we don't have a lot of people hollering for water. Markets, I suppose, are an important one; a farmer makes an investment in capital when the markets are good. We've seen in the last four years a very substantial number of pivot irrigation systems purchased. They're about \$60,000 for one pivot.

Now we've got grain prices that are substantially lower than they were about two, three, and four years ago. There's going to be some fairly pronounced retraction from investment in capital facilities over the course of the next year, I would expect. Quotas are low, and there's no use spending money to pile up grain when you can't get a quota from The Canadian Wheat Board to sell it.

We're not in a situation in Alberta or Canada where we have a requirement to put more land under irrigation simply to produce food for the people who live in our country, as some countries do. There are massive irrigation programs in China and elsewhere out of the absolute bare necessity to try to produce more food for literally starving people. So here it's mainly a marketing situation at the present time, if the markets are there.

The other thing I think is important is that the specialty crop production in Alberta can be increased substantially. We import a lot of specialty crops into this province, and if we could improve that it would help. There are certain constraints there that don't allow us to improve it as much as we want to, tariff barriers and so on. But those things are coming along. The implementation of the tariff board report on the tariffs on fresh vegetables and so on coming from the U.S. is a substantial alteration, or can be, in terms of the viability of vegetable production and so on.

So it's hard to answer your question, but I think we're on balance. We don't have any requirement to spend vast sums of money to bring another two to four million acres under irrigation.

Mr. Chairman, I think I indicated last year that the potential for irrigated land in Alberta is about four million acres. There are four million acres of land we could irrigate in the low rainfall areas. But the existing water supply potential, even with the construction of a lot of dams and so on, would only allow us to irrigate about two million. And we may find that the last 500,000 of that is far too expensive to even consider. That's the case right now.

MR. MUSGREAVE: Through the Chairman, Mr. Minister, you have touched on something which I was getting at. I think if we could improve our productivity of specialty crops it would help our dollar position vis-a-vis the United States, would it not, down the road?

MR. MOORE: Well, there's no doubt any improvement in our balance of trade helps our dollar, or should.

MR. MUSGREAVE: But the risk is, how much money do you spend to protect the future?

MR. MOORE: If you want immediate help to our dollar, probably you need something more dramatic than that, perhaps a federal election.

MR. DIACHUK: Mr. Chairman, if we're finished on irrigation, I wonder if the minister would comment on one of the recommendations from last year's report. I notice that we haven't dealt with the new pioneer program.

MR. MOORE: Which recommendation is the member referring to?

MR. DIACHUK: Recommendation number 4 on page 19 of the report. As long as we're finished with the irrigation aspect.

MR. R. SPEAKER: Could I ask the minister one question? You sat with the Minister of the Environment on the discussions with regard to the headworks improvement. We talked about the \$90 million. That seems to be fixed. Now the \$110 million that will be made available: you mentioned in your report that the different irrigation districts are doing studies and trying to project what their responsibilities are to meet acreage commitment. For example, I mentioned the Bow River one that has a ceiling limit of 175,000 acres. The cost to bring in increased acreage means a diversion canal out of the Bow River. Then we've got the Oldman with a significant increase in the cost.

What is the minister's general attitude toward changing the amount of funds available in that particular area with regard to headworks? In your mind is the \$110 million satisfactory, or should we be considering a larger sum at this point in time? I think you had a number of representations from good studies that indicate that more funds will be necessary.

MR. MOORE: It's quite obvious that the \$110 million is not sufficient to undertake the kinds of projects that are being talked about, in which we generally concur. At least we have the commitment to provide for a type of water management on the Oldman River basin that will fairly substantially

improve the supplies available. I'm not sure whether we'd take it all out of the allocation to irrigation of \$110 million either. There are obviously some substantial benefits to other sectors of society, to our towns and cities on that system, that should be considered.

So I'm certainly not opposed to increasing the amounts there, but it may well be that some of that will be taken out of the general revenue fund to cover construction costs as well. But as indicated by the Minister of the Environment, there's been a pretty dramatic increase in what we had anticipated might be required. But insofar as additional major water storage proposals on other rivers are concerned, I haven't had an opportunity to consider sufficiently the cost/benefit ratios there, and just have to take them one by one.

MR. R. SPEAKER: Just to confirm in my mind the policy of the government, it's still the object of the government under the heritage trust fund moneys made available for irrigation, one, to rehabilitate the districts and, two, to expand the districts? That involves both rehabilitation programs and headworks programs. It's still the object of the government to expand the districts, larger than they are at the present time? Expansion is a high priority, as well as internal rehabilitation of existing districts?

MR. MOORE: This matter of expansion is one that I wasn't totally familiar with when I first came into this office. I have since learned that, as you well know, there are a lot of acres within the existing districts that are not presently being supplied water. While I was of the view at one time that there was going to be some substantial expansion outside of the districts, I prefer to think that most of our expansion in irrigated acres will likely occur within existing district boundaries by way of what they call intensification, which means picking a quarter section here, or a section, or several parcels that previously didn't have water, and putting water on them.

So I don't anticipate that there would be what you would call a very rapid or substantial increase in acres outside of the existing irrigation districts -- in other words, their boundaries becoming bigger. Most of the increase in acres is going to occur within existing established boundaries.

MR. R. SPEAKER: And the government wants to do everything possible to enhance that objective?

MR. MOORE: I think it's fair to say that that was our objective in 1975 and remains so.

MR. NOTLEY: Mr. Chairman, could I just ask a supplementary question. The minister indicated that of the \$90 million, \$5 million would be allocated outside of the present irrigation districts. How many acres are we looking at? Has there been any sort of appraisal of the number of acres that would be irrigable, for example, in the Peace River valley or some of the others? There must have been something used as a basis to allocate the \$5 million.

MR. MOORE: No, there wasn't a great deal used as a basis for it. I simply said it was my view that when we said we were going to expend this money on rehabilitation and expanding irrigation in the province, 100 per cent of it couldn't go to the existing irrigation districts. I said, I know there are other projects that need to be carried out, even in connection with your district.

So the \$85 million is going for actual work they're going to carry out within the districts. Of the other \$5 million, \$300,000 will be utilized this year to help those same districts by doing this aerial photo thing. I simply don't know; it could well be that near the end of the program if in fact we haven't utilized that \$5 million, more could be given in grants to the districts. On the other hand, we've got seven or eight years to go yet. I think there's some potential in other parts of the province for small irrigation projects on very specialized crops. That's mainly in our river valleys for market gardening and so on. So we intend to do some work there. We've had some proposals and are looking at what might be done.

I want to be careful it isn't just a matter of trying to spend the money somewhere else to show we can do it. But there was no study done that said, you need \$5 million over 10 years outside of there. It was basically an arbitrary figure that represented a small percentage of the total.

MR. NOTLEY: I can appreciate that. There has been, however, at this stage no inventory of what might be feasible in the river valleys for market gardening and limited irrigation projects other than individual proposals that have come in? As far as the department is concerned, no inventory has been undertaken yet?

MR. MOORE: I think that's fair to say, yes. There hasn't been an inventory of the entire province. We've been working in various areas, but there isn't an inventory of projects that we might undertake. It might be worth while to give some further consideration to that.

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

MR. DIACHUK: Just on the recommendation, is the minister in a position to make some comments on that?

MR. CHAIRMAN: Perhaps we could move over to the recommendations from last year that fall within Mr. Moore's department.

MR. MOORE: Mr. Chairman, recommendation number 4 on page 19 of the committee's report really in specific terms does relate to the Associate Minister of Energy and Natural Resources responsible for Public Lands, I suppose. But I might make a couple of comments. I guess part of the difficulty in dealing with this recommendation is that it's a fine recommendation and it seems to make a lot of sense, except that the committee didn't go so far as to suggest how we do it.

MR. CLARK: Oh, my gosh.

MR. NOTLEY: Perhaps we could flesh that out a bit this year.

MR. CLARK: In a minority report.

MR. MOORE: We're presently involved in work between the Department of Transportation and the lands division in terms of assuring that we have services and facilities in place when we open up new land.

As members might know, the lands divisions has been in the process, for about seven or eight years, of doing a very comprehensive review of our land resources and trying to get a plan that will determine what land is going to

be open for agriculture and what isn't. Most of that work is being carried out in the Peace River country, from Fort Vermilion on down. Some of that has been completed in different project areas. I know Mr. Notley is familiar with them. We don't all agree with the results that have come out, but at least it is a step in the right direction in trying to determine what land has to be utilized for watershed protection and so on. So we haven't been in a position where we've been opening up any vast new areas of land, but that will occur. Within the next year or two there are going to be substantial blocks of land opened.

As far as loans and assistance are concerned, I think we do have the ability to provide what would seem reasonable under the Agricultural Development Corporation's lending program, which is subsidized directly by the general revenue fund of the province. I find it a little difficult, Mr. Chairman, to consider direct grants to individuals from the capital projects division of the heritage savings trust fund. We do provide those in a variety of ways from the department budget. I think that's the more appropriate place to do them. On the other hand, the overall program of providing electricity, natural gas, highways, and that kind of thing I think would be more appropriate because the benefits flow to a number of people in a particular area rather than just one individual.

Once again, the discussions thus far have centred on trying to utilize the general revenue fund rather than the heritage savings trust fund for infrastructure. Where there are some limitations on the general revenue fund, I would suppose the heritage trust fund might be considered. But at the present time we just haven't got a specific that seems to fit the capital projects division in terms of opening up new homestead land. I know the committee had a lot more in mind than just the simple recommendation when it made this recommendation. But when you get into the nuts and bolts of trying to bring about a program that fits the capital projects division, it does become a little more difficult than might first be envisioned.

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

MR. R. SPEAKER: Could I just ask the minister: are there any new areas or new programs you're looking at that would come under the heritage trust fund, or is irrigation pretty well the parameters of that?

MR. MOORE: Well, we're always looking at ways in which we might, for the benefit of agriculture in particular, utilize the capital projects division of the heritage savings trust fund.

MR. R. SPEAKER: I raise the matter, Mr. Minister, as a person from the south. In the irrigation districts there are criticisms at times that the people with irrigation have a special spot within the heritage fund. I was wondering if the minister was looking at other programs to balance that.

MR. KROEGER: Nice play, Ray.

MR. MOORE: Well, we announced the agriculture research component last year, which is largely aimed toward northern agriculture. As the years go by, I'm sure we'll be making other announcements.

MR. CLARK: Years or months?

AN HON. MEMBER: Weeks.

MR. CHAIRMAN: Any further questions to the minister?

MR. APPLEBY: Mr. Chairman, I was just thinking in relation to Mr. Speaker's question that if he's having problems with that he could suggest that under Environment there are reclamation projects going on in the north.

MR. R. SPEAKER: I'm not having problems.

MR. CHAIRMAN: Thank you very much, Mr. Minister. If you would get the information to those one or two members who requested it.

MR. MOORE: Mr. Chairman, on that subject my understanding was that Mr. Taylor wanted some reports with respect to the water levels in the western irrigation district, water storage facilities over the last five years. And I would send all members of the committee the figures with respect to the changes in water rates that might occur if we changed the formula in the cost-sharing agreement.

MR. CHAIRMAN: Those, I believe, were the questions. That's what you wanted, Mr. Horsman?

MR. HORSMAN: Well, I know that.

MR. MOORE: I already sent them.

MR. CHAIRMAN: Thank you very much. We will reconvene at 1:30 this afternoon in the same room.

The meeting adjourned at 12:05 p.m.