

Standing Committee on The Alberta Heritage Savings Trust Fund Act

Thursday, September 13, 1979

Chairman: Mr. Payne

9:00 a.m.

MR. CHAIRMAN: Good morning, gentlemen. I'd like to call to order this meeting of the Select Committee on The Alberta Heritage Savings Trust Fund Act, and to welcome the Minister of Environment, Mr. Jack Cookson, who is with us this morning.

As is our custom, Mr. Cookson, perhaps you could begin by introducing the two members of your department who are with us today, either of whom may not be known to members of our committee.

MR. COOKSON: Mr. Chairman and members of the committee, Walter Solodzuk is my deputy minister and Henry Thiessen on my left is an assistant deputy minister.

MR. CHAIRMAN: Mr. Minister, before we turn the time over to general questioning, did you wish to make any opening comments on your department, at least those projects within your department that are related to the Heritage Savings Trust Fund?

I might add, Mr. Cookson, that if you prefer to stand while we're in committee, feel free to do so, but it could be a lengthy hour, and please feel free to remain seated.

MR. COOKSON: Thanks very much. Mr. Chairman and members of the committee, perhaps just a quick overview of the responsibilities of Environment in several areas.

Number one, we have had funding on a year by year basis for certain reclamation projects approved by government. The funding is basically designed to deal with reclamation projects that primarily happened prior to the inception of the Heritage Savings Trust Fund, and so we restrict ourselves to those areas because, as you know, we have a deposit fund now for any reclamation which is handled by our department. In the last several years we have done a lot of reclamation of abandoned gravel pits, sewage lagoons, garbage disposal areas, these sorts of things, because there's no source out there that we can tap for reclamation funds. So we have allocated on a year by year basis \$5 million, of which it's difficult to project just how much we would normally use. It sometimes runs below \$5 million, sometimes above, and there may be some questions on specific areas you might like to ask. I have a list of those and the amounts expended.

In addition, we have been allocated funding for four major projects in the province: Lesser Slave Lake, the Paddle River dam, Capital City Park in Edmonton, and Fish Creek Park in Calgary. Those four projects are in varying degrees of development.

Those are primarily the areas in which we are funding other than we did, as you know, allocate a considerable sum for irrigation work in the south some time ago, and that is proceeding perhaps slowly at this time because of some

unknown factors. But it's ongoing, and it's jointly funded from the heritage trust fund with Environment and Agriculture.

Those are really our basic responsibilities.

MR. CHAIRMAN: Thank you, Mr. Minister. Questions from the committee, beginning with Mr. Clark.

MR. R. CLARK: Mr. Chairman, to the minister. My colleague Mr. Speaker will be here in a moment, and he is far more informed in the irrigation area than I, but I would like to start with the reclamation projects.

Mr. Minister, you indicated you had a list of the projects which have been approved. Perhaps members of the committee could get a copy of that list and the cost of the projects. Now that we have the deposit fund, how much longer down the road are we looking at this catch-up period, albeit the purpose of the program was to catch up on situations that developed over a period of years? As I understand this deposit fund came into effect some years ago now, an indication of how much money is in that fund, and how much longer will we be looking at an allocation that's been in the vicinity, I guess, of \$100 million a year for this kind of funding out of the Heritage Savings Trust Fund?

MR. COCKSON: Mr. Chairman, there's about \$3.7 million in the fund at the present time. I guess it would be just speculation on my part to advise on the terms of the period of time we're looking at before we, in a sense, could wind down the program. The normal procedure is to have the local authorities submit on a year by year basis the projects they would like to have accepted for reclamation. If you use the figure of perhaps 10 abandoned projects in each county across the province prior to our deposit fund, and you presume that we can handle one to two per year, I suppose it would be safe to speculate that we could perhaps handle those in five years. But I think you would probably be pretty low in your figure. I would think it will take considerably more time than that to complete the total program.

MR. R. CLARK: So that, Mr. Chairman to the minister, in all likelihood we're looking at a call from the fund for at least another five years to meet the objectives of the program? Is that rather a ballpark figure?

MR. COCKSON: I would think so. If it goes beyond that I would certainly ask the government to extend the program.

MR. PAHL: Mr. Chairman, to the minister, just for clarification. It's my understanding that some of these moneys are going to reclamation of old coal mines and it seems to me from my boyhood days at Hanna a farmer would discover these things rather suddenly at times. Is it a correct assumption to say that old, abandoned coal mines will continue to become problems over a long period of time, so that that suggests an open-endedness to it?

MR. COCKSON: I think that would probably be a fair statement. The list I have of '78-79 funds expended -- that's prior to this coming year -- would give you some idea of the range of projects we have undertaken. I won't list them all but just give you a general idea of the sums. We've spent \$1,700 on Nielsen -- some of you may know that; Strandberg, \$2,000; Theaker -- someone may know the locations of these -- Wairt; Nichols; the Drumheller slag pile. And while we're talking about slag piles, we're working on, for example, the one in the

Crowsnest Pass. \$83,000 was expended on that last year. McAllister, Boulter, Job, Greenway, have all had varying amounts spent in the year '78-79, and that doesn't necessarily mean that the total reclamation is completed. We could be allocating more sums to that.

MR. R. CLARK: Mr. Chairman, to the minister. Is it possible for us to get a copy of the information? The locations would be helpful too.

MR. NOTLEY: Mr. Minister, I wonder if we could move to the provincial park section. First of all, Fish Creek Provincial Park. I have page 18 of last year's report and also page 24 of this year's report. The statement is made on page 18 of last year's report that the purchase of land for this project is expected to be completed in 1978-79 at a total cost of \$15 million. So last year we were going to complete the purchase of all the land. This year Fish Creek is expected to be completed in 1982. During 1978-79 \$2 million was expended on the purchase of land.

What I would like you to do, Mr. Minister, if you would please, is bring the committee up to date on the amount of land that has now been purchased, the amount of land that is still left in dispute, if any, and what the average price per acre has been.

MR. COOKSON: That probably would take just a little bit of time, Mr. Chairman. I might be able to put that together during the process this morning, if perhaps you would want it to lead to something else. I can indicate to the committee that practically all the land purchases completed in that general area with the exception of about two properties. One in particular, as you know, is the Mannix property which is in the process of expropriation. Of course we will have no idea of the price tag attached to that property until the expropriation proceeding is completed.

I don't know whether my backup crew can provide the information at this stage to answer your specific question on the total acres purchased, the price per acre, and the total amount yet to be purchased, but we'll give it a whirl.

MR. THIESSEN: I'd like to respond briefly to that. There are approximately 2,800 acres that been purchased for the Fish Creek Park, which includes the three properties that are being expropriated. The range of values has probably run from about \$5,000 per acre to in the order of \$14,000 per acre. The three properties under expropriation total approximately 450 acres and, as the minister says, we really do not know at this time how much we'll end up having to pay for those lands. They're being contested, and we won't know how much we'll have to pay for those particular parcels until some time after it's been heard by the courts.

MR. NOTLEY: Mr. Minister, I realize how expropriation law works and therefore it won't be possible at this stage to know. However, two questions come to my mind. The expropriation proceedings have a bearing on what the final amount will be; that is, the commencement of proceedings, and I think the question that can be legitimately raised is why expropriation proceedings weren't commenced earlier, rather than waiting until land values have reached such extravagant figures in the Calgary area, which must inevitably -- as I interpret the present expropriation Act -- have a significant bearing on what the final award will be.

MR. COOKSON: Mr. Chairman, I think on that point I would like to respond in this way. While we know what's happened in Alberta is a fact, that land values have increased, we can't presume that that is going to happen. So when we delay expropriation it's not on the basis of whether we think the land values are going to increase or not increase. I think it's fair to say that there are some parts of Canada where probably the land values are decreasing.

I just want to make the point that before we proceed with expropriation we do not prejudge the outcome or the value which land will reach. Because of the procedure laid down through expropriation, and because, I think it's fair to say, it's a general concern of government that they do not proceed in a heavyhanded way acquiring property from private individuals, we defer expropriation proceedings until we can satisfy ourselves that we have exercised all the normal procedures in acquisition of property. In The Expropriation Act it's quite clear that you have to substantiate expropriation, that you have to make a case for it. One has to then, on that assumption, exercise all the requirements necessary.

Just to conclude, Mr. Chairman, we could do it several ways if it were not for the requirements of The Expropriation Act, and on the assumption that land values were going to increase we could slap expropriation on all the property owners right from the beginning. I don't think that would be acceptable to the public, to this government, or to the Member for Spirit River-Fairview.

MR. NOTLEY: Mr. Minister, I don't think anyone is suggesting that we immediately move with expropriation. There is no question that the obvious place to start is with negotiation. I guess the question that really arises is: at what point does the normally prudent individual and a normally prudent government decide that the process of negotiation doesn't work any more and we have to begin expropriation. I would think at that point the general escalation of land values which has occurred in the Calgary area now for the last six or seven years at least -- more than that, indeed, but particularly in an acute way in the last few years -- is something that would be borne in mind.

Mr. Minister, last year when the former minister was here, he indicated -- and this was before the government had decided to proceed with expropriation -- that it might be possible to complete the park without in fact purchasing those additional properties. I believe at that time there were five properties: the three you've alluded to and two others. Mr. Minister, the question I would put to you is: why did the government finally decide to proceed with expropriation as opposed to considering the option that the minister indicated he was entertaining a year ago?

MR. COOKSON: Mr. Chairman, perhaps I could refer that to one of my committee. I think probably it's fair to ask when it is prudent to make that judgment. I think that's the basis of your question.

MR. THIESSEN: Several of the properties owned by the Shaw family lie immediately west of the Macleod Trail, so that if we wouldn't have acquired those lands through expropriation we would have ended up with patented lands lying in the middle of the park. Obviously that wasn't a very palatable solution, so we felt it was necessary to expropriate those lands to tie in with the rest of the lands the Crown had already acquired. There was considerable debate whether the Mannix lands, which lie on the extreme west end of the park, could be or shouldn't be included. Eventually the government made the decision to acquire those for the park so that it would extend from

the Bow River right to the Indian reserve, rather than having some private developments in there.

MR. NOTLEY: Mr. Chairman, to the minister or the officials. I come right back to that specific question because, as I recall, a year ago the former minister indicated that one of the options would not be to go all the way. I'd perhaps like a little more detail as to the discussion that led the government to the conclusion that it would be necessary to acquire the properties in the extreme west. I certainly agree with respect to the Shaw properties. You can't have patented land in the middle of a park. But on the other hand, as I understand the discussions from a year ago, we really weren't dealing with the larger parcels that are now subject to expropriation because they were in the west end and could have been deleted from the park without destroying the concept.

MR. COOKSON: Mr. Chairman, I'm not sure whether my people should answer that in this respect, and I'm not sure that I can answer it because it reflects on questions that were raised to the former minister. I can't really comment on any dialogue that went on with regard to the former minister.

MR. NOTLEY: Mr. Minister, I don't want you to comment on the dialogue that took place last year. What I'm interested in is that an option was considered last year. It was dropped, and there must have been a major reason for dropping it, because we're looking at expropriation. Heaven knows what we'll end up paying. It could be a substantial amount. So since we're talking about millions of dollars, obviously there must have been a good deal of consideration given to that option and finally the government chose the expropriation route rather than deleting it from the park. Clearly one of the alternatives would have been to delete it from the park.

I'd like to find out from the minister or the officials what process led to that decision which occurred between last year's committee meeting and this year's committee meeting.

MR. PAHL: Mr. Chairman, perhaps I could address a supplementary to it. I think part of this committee's mandate is to look at the stewardship of the funds that are available from the Heritage Savings Trust Fund. I have to take a little bit of exception to the view of the Member for Spirit River-Fairview that \$5,000 to \$15,000 an acre is an extravagant price for land. My lot in Mill Woods cost me something like \$35,000 to \$40,000, so anything in the city limits has to be expensive.

The question I would have is basically: was the question to go to expropriation a question of simply the purchasers wanting more than it seemed prudent to pay? In other words, if they were prepared to pay what the owners of the land were willing to sell for, obviously they wouldn't have had to go to expropriation. So, related to Mr. Notley's question, is the question of the land being up for expropriation simply being a matter of price?

MR. CHAIRMAN: Mr. Minister, you've heard Mr. Notley's qualifying question and the supplementary comment and question of Mr. Pahl. Do you wish to respond?

MR. COOKSON: Again, perhaps I could refer because I'm not familiar with the total background of this acquiring of the property.

MR. THIESSEN: I think the option whether the park should be extended to the full length, or whether that westerly property should be dropped, was always

considered. I think in light of the need for recreational lands in the Calgary area the government made the decision and instructed us to proceed with the acquisition and, if necessary, to expropriate those properties. I don't think I could respond beyond that; that this was a government decision given to us that the lands should be acquired.

MR. NOTLEY: I see. So it was essentially a political decision. I don't say that in a partisan sense, but a decision by the political leadership on whether the park should be extended.

MR. COOKSON: Mr. Chairman, I think that would be a fair statement. Obviously the government came to the conclusion that additional property lent itself to what we would consider a viable, practical kind of park, and therefore the decision was made to acquire the property.

MR. NOTLEY: I couldn't agree with you more, Mr. Pahl. If we could get the land for \$5,000 to \$15,000 an acre I would be very happy. The real problem I think we face in expropriation is that it could be somewhat higher than \$15,000 an acre. The reason I put the question as to why we decided to proceed with this additional land to the minister is that, depending on what the final decision is, that could be a very substantial amount of money. We are dealing with Heritage Trust Fund money, and one has to balance whether the addition of this land to the park is worth what could be significantly more than \$15,000 an acre.

MR. COOKSON: That's correct.

MR. NOTLEY: Do we have any figures which could be comparable prices in the area at the moment?

MR. COOKSON: I don't know whether you want to compare prices in Calgary, but I think that if we talk about restricted development areas which are in many instances some distance as yet from the boundaries of Edmonton, you're in a ballpark figure.

MR. PLANCHE: Mr. Chairman, in that this is in our chairman's constituency, I thought maybe a couple of observations might be useful to the deliberations of the group.

Lot prices in the area run, Mr. Notley, about \$1,000 a front foot. Admittedly they're serviced, but that's about what they run. For those who haven't been there, the park enjoys some natural boundaries. There is the escarpment on both sides of the Fish Creek Park which gives it a clearly definable north and south boundary running east and west, and on the west end there is the Sarcee Indian Reserve and the 37th Street easement, so that to leave this out would simply be to interfere with what otherwise is a visual natural boundary to the park. I guess it was the feeling of the people who made the decision that it would be a shame at this stage, having spent this much money, to have made an obvious exclusion of a piece of beautiful land which simply finishes what was begun.

MR. R. CLARK: Mr. Chairman, to the minister. In light of the discussion we've had on this matter, could you or one of your departmental officials tell us what was the government's last offer on the land? If you can't tell us now could you get the information for us?

MR. THIESSEN: I think I'd have to reply by saying that amount that we tendered for the purchase of that land would constitute our last offer.

MR. R. CLARK: What was that?

MR. COOKSON: Mr. Chairman, we have a bit of a problem in this respect, in that when one is into expropriation proceedings, one is better off not to quote figures. This may come out in the proceedings, but we hesitate to tip the hand one way or the other, unless someone feels that it's necessary to do so.

MR. R. CLARK: Mr. Minister, I can understand that point of view, depending upon where the expropriation hearings sit right now. Have they held the hearing?

MR. THIESSEN: No. The examination for discovery is scheduled for late this year.

MR. R. CLARK: That's the examination as to whether the province can make a case for the expropriation? Is that right?

MR. NOTLEY: The three properties.

MR. THIESSEN: No, I'm talking specifically about the Mannix expropriation. The examination for discovery prior to going to trial will be held this December. It's at that time that they will be examining evidence and we in turn will be examining their evidence.

MR. R. CLARK: Does the province have the occupancy of the land yet?

MR. THIESSEN: The Mannix family is still in occupation of the land, although the province has possession of it and is doing some of the planning for the recreational developments that will take place starting next year.

MR. R. CLARK: So that the hearing that comes up will determine two things: one, whether the province has a sufficiently strong case for whomsoever has been appointed by the province to hear it, when we can expropriate the land; and secondly, what the value is.

MR. THIESSEN: No. There's no question on whether we can expropriate the land. That part of the decision is behind the government. It's simply to determine what evidence they have and whether we agree with certain points they're making, and also what evidence we have and whether they agree. Basically at this time the lawyers will be determining on what issues we are disagreeing.

MR. R. CLARK: Mr. Chairman, to the officials from the department. If the people from whom we are expropriating the land know what your last offer is, how can that possibly jeopardize the government's case if the public know what the government's last offer is?

MR. COOKSON: Mr. Chairman, I simply make that comment, perhaps without due thought to it, in that I . . .

MR. R. CLARK: I agree.

MR. COCKSON: . . . am concerned -- similar to cases that go to court -- about divulging figures. I can't see any problem with divulging the figure for the last offer. I don't think that would be a problem.

MR. KNAAK: Mr. Chairman, on a point of order. The question of the last offer is really not a point related to the Heritage Savings Trust Fund. I think it has always been general government policy that a negotiation without a final result should not be disclosed because it affects other negotiations being carried on at the same time. With due respect to Mr. Clark and the minister, I would not like this committee to set a precedent where actual negotiations are disclosed, even if they have broken down, because that affects other negotiations. It's not directly related to the Heritage Savings Trust Fund and the use of that money, because the expropriation figure will be final. It's not a precedent we should establish in this committee, and it's with respect.

MR. CHAIRMAN: Before asking the minister to respond to Mr. Knaak's point of order, are there any points of discussion from the committee on the point of order?

MR. NOTLEY: On the point of order, Mr. Chairman. It seems to me there is a difference between the protracted negotiations which have occurred over six years -- and we're not asking for a blow by blow account -- on one hand, and the amount that has to be deposited when expropriation proceeds, which is the depositing of public money. We are now into the formal procedures of expropriation.

My memory could be wrong, but as I recall last year it seems to me that the minister gave a figure for two or three parcels in total; the amount for those without singling out the individual parcels. It would be acceptable to me if we had the figure that has in fact been deposited for the expropriation so, as a committee, we know what kind of draw there will be on the heritage trust fund, because we now have three expropriations that are under way here. Obviously the funds have been deposited with the courts in all three.

MR. CHAIRMAN: Mr. Clark, speaking to Mr. Knaak's point of order, and I prefer that it be a comment, not a question.

MR. R. CLARK: I have thought about the point of order made by the hon. member, and I don't think the point is worth commenting on.

MR. CHAIRMAN: Is there any further discussion on Mr. Knaak's point of order? Mr. Minister, did you wish to respond?

MR. COCKSON: Well, Mr. Chairman, except to say again in a dilemma in this area I don't have the legal background to determine, and I think the case has been well made by the Member for Edmonton Whitemud.

I'm just wondering whether, in view of this dilemma, it wouldn't be sufficient to indicate to the committee the most recent prices paid for property in the relative area. That, I guess, is public information, and although it doesn't deal with the specific property, that information is available.

MR. NOTLEY: Mr. Chairman, to go one step further, could we get the amount deposited for the three properties without identifying the three properties?

MR. COOKSON: I don't know how you would do that.

MR. NOTLEY: It would be the composite amount that we are looking at for the three expropriations.

MR. COOKSON: I don't think I would want to do that. That starts, in a sense, speculation on the prices offered. I think we'd have that on other properties. That would be a sufficient guideline.

What I'm afraid of, Mr. Chairman, is that it may change the procedure on the expropriation, which I think might be to the detriment of the public in itself. However, the figures for properties that have been purchased in the relative area are public information, and I think we could get them.

MR. CHAIRMAN: As chairman, I would like now to interject in this discussion of Mr. Knack's point of order. In his point of order Mr. Knack has raised both the question of law and his interpretation of precedent. The minister has also raised his admittedly preliminary understanding of that point of law. I would like to suggest, as a tenet of resolution, giving the minister time, subsequent to his appearance today, to confirm with his department as well as his legal counsel as to that point of law that has been raised, and then respond appropriately, perhaps with a written communication to me, which communication I would make available to the committee, after which we then determine what further action, if any, should be taken. Is that agreeable to the committee?

AN HON. MEMBER: Agreed.

MR. R. CLARK: Mr. Chairman . . .

MR. CHAIRMAN: Are you speaking to my suggestion, Mr. Clark?

MR. R. CLARK: Yes. I find it agreeable, Mr. Chairman, as long as we keep our eye clearly on what I'm talking about, anyway. That is, what is the last offer the government made to the Mannix family?

MR. CHAIRMAN: Yes. I don't think the point of your question has been obscured or lost, Mr. Clark. Are you happy with that resolution, Mr. Cookson?

MR. COOKSON: Yes. I see no problem.

MR. NOTLEY: Mr. Chairman, on your proposal. I think it's a reasonable one. I would, however, ask the minister if he would be prepared to come back, should the committee ask him, because obviously one of the *quid pro quos* of this kind of thing is that if we don't like the information we receive and we decide as a committee we want you back, then I think that you and your officials should be prepared to come back.

MR. COOKSON: Mr. Chairman, I leave it to the committee. I don't think though that it needs to be a requirement to come back.

MR. NOTLEY: That's true. It's up to the committee. No one is suggesting there should be an automatic arrangement that you come back, but should you present information which in the view of the committee is information we wish to pursue, then I think you should be prepared to come back.

MR. CHAIRMAN: Yes, Mr. Notley and Mr. Cookson, that of course does not represent a departure from normal procedures of this or any standing committee. It is, however, a procedure in this case that I would want to defer judgment on until we receive that communication to determine whether or not it is appropriate to interrupt the minister's schedule on another occasion.

MR. KNAAK: Mr. Chairman, if I remember in the short time that I've been here, it's almost an uncontroversial rule that if a matter is before a court, or other legal proceeding, you do not comment on it in this House or in a committee of this House.

First of all, the question of what the last offer was is totally irrelevant to the Heritage Savings Trust Fund, and it's a matter of general public policy that you don't disclose those kinds of matters. The second point is: the matter is before a legal proceedings, and when it is, it comes out of the hands here. We will have the answer anyway when the award comes down. What happened in between and what the offers were are totally irrelevant to anything this committee has to do because the decision has been made to put it through expropriation and that resolved the matters in process.

So I disagree both with the minister's needing to respond, or even think about whether he should respond what the last offer was, or having an obligation to come back to respond to that question. I believe this is the time a decision should be made. I think the question should be ruled out of order, and I think we should proceed.

MR. CHAIRMAN: Discussion of Mr. Knaak's remarks.

MR. R. CLARK: Mr. Chairman, I simply would prefer to rely, frankly, upon the legal advice of legislative counsel or the legal authorities of the Department of Environment than I would on the advice of the Member for Edmonton Whitemud who, on occasion I think, becomes the minister's protector.

MR. CHAIRMAN: Mr. Knaak, of course, is trained in the law and I respect his judgment, but by the same token I too would be reassured by an independent legal opinion, presumably from within the department, and I leave that to the discretion of the minister.

I would now prefer a change in the direction of the questioning.

SOME HON. MEMBERS: Agreed.

MR. NOTLEY: Mr. Chairman, if we can move into a different area, I'd like to move into the irrigation discussion; just a couple of questions to the minister.

Are there any changes being proposed now, Mr. Minister, in the heritage trust fund commitment to the irrigation program as a consequence of the ECA report, or has the department had an opportunity to digest that report and discuss it with the Department of Agriculture and also the investment committee?

MR. COOKSON: Mr. Chairman, I think it would be a little premature to respond to that question. Perhaps I could say for the information of the committee that \$200 million was allocated towards irrigation in the province from the Heritage Savings Trust Fund, part of it for Agriculture and part of it for Environment. A number of those projects are ongoing. They are not affected in one way or another by the Oldman report. As you probably know, the Oldman report recommends quite a substantial increase in the amount of funding which would be required to update, so the question then arises whether we should proceed to acquire that from the fund or from our own Environment and/or Agriculture operation revenues. That decision will eventually be made. Until then we have allocated the report to internal committees. The particular committee will be reviewing and, hopefully, sometime in 1980 a recommendation will be made through my department for the type of funding and the kind of expansion that we would recommend.

MR. NOTLEY: Mr. Chairman, to the minister. The recommendations then with respect to rehabilitation will be coming from your department, or with respect to the headworks improvement? My understanding from last year is that the headworks improvement was to be a heritage investment generally under the purview of the Department of Environment, and the rehabilitation and expansion would be under the Department of Agriculture.

MR. COOKSON: That's correct. In the report, however, there is a recommendation to extend the headworks, which has to be studied very carefully. If you extend the headworks, then you're involved with reclamation in an area that you weren't normally involved in; it was Agriculture. So other than that, your statement is correct.

MR. NOTLEY: Mr. Chairman, to the minister. I appreciate the fact that both departments are going to have to work very closely together and I also appreciate the fact that it's unrealistic to expect a definitive position today on the ECA report.

However, is the minister in a position to outline what funds from the heritage trust fund, if any, have been invested today in the proposed Three Rivers dam? Has any money at all been invested in that particular project, in a preliminary sense, engineering studies, what have you?

MR. SOLODZUK: Mr. Chairman, the only moneys that have been spent on it were for studies and evaluation of the site. I don't have the figure for the amount of moneys that were spent on investigation and surveys, but that's all. MR. NOTLEY: Would you be able to give us a ballpark figure as to what the total of the studies would be to date? I'm not asking for something that would be absolutely within a cent correct, but a ballpark figure of what we have spent to date.

MR. SOLODZUK: I could probably give you a ballpark figure that would reflect the total studies as conducted by the management committee, and I would think that if you threw out \$1 million that would be about it.

That would include all the studies of the Three Rivers, the Fort Macleods, the Brockets, the Mud Lake, and the Forty Mile Coulee, the whole total package of studies that was prepared for the hearing. It would probably be in the range of \$1 million.

MR. NOTLEY: Mr. Minister, it would be a correct assumption, then, to say that at this time there is a freeze, if you like, on any further development of dam sites until such time as the government has digested the ECA report and has come to a decision on the recommendations in the report?

MR. COOKSON: Mr. Chairman, that would be a fair statement. We are restricted in the stage at which we can proceed until that's completed.

MR. BRADLEY: Mr. Chairman, to the minister. I think to some degree my questions have been clarified by the answer of Mr. Solodzuk. The question from the Member for Spirit River-Fairview inferred that there was just one site being studied, and I understand there were nine specific dam sites plus 15 to 20 off-stream storage sites which were under consideration, and that any answer should be given in the context of the overall study on the Oldman River basin and not one specific site, because we aren't at a point to make a decision. The context of the studies was on a number of sites, not one specific site.

MR. R. SPEAKER: Mr. Chairman, to the minister. You indicated that in the spring of 1980 you hope to have some type of government position with regard to the ECA report. Could you elaborate on the types of things we could expect as recommendations in the spring of 1980? Will they just be related to the report? Will the recommendations encompass other irrigation districts as well? Because I think you and, I am sure, your deputy ministers understand that policy positions with regard to the Oldman study have implications to each and every other district in southern Alberta. If we apply the \$300 million to the Oldman area, we can apply \$300 million to other areas as well: the eastern irrigation district, the Brooks area, et cetera.

We're talking about a large sum of money being expended from the Heritage Savings Trust Fund, so I would be a little more interested in the type of recommendations and policy positions which we can expect in the spring of 1980.

MR. COOKSON: Mr. Chairman, I guess I'll be interested in that too. I think it's fair to say that I wouldn't be in a position at this time to expand on the kinds of recommendations which will be made, hopefully -- and again I say hopefully -- in the spring of '80, because this thing has been going on for some time. That's why I would like to zero in on some time frame. I know it's not always possible, but, to the Member for Little Bow, I think that it would be premature for me to recommend policy or direction because it would prejudice what the internal committees will be deciding themselves. He might have some observations or direction for us, but I think it would be too early for me at this stage to make comment on that.

MR. R. SPEAKER: I'd like to clarify my question to the minister. I wasn't asking what kind of recommendations are coming forth. I was asking at this time what kind of direction has been given to the department with regard to the study. Are you asking the department to come back with recommendations regarding the Oldman study only, or are you asking the department at this time to come back with recommendations for each and every irrigation area of southern Alberta, because we could do a study on the Bow River irrigation district and come up with exactly the same kind of recommendations? They're limited in their irrigation area at the present time. They need enlargement

of canals from the Bow River down to the Travers dam reservoir at the present time, and expenditure is going to be expected there.

I'm asking at this time: what are the terms of reference you have given to your department? Are they defined within the Oldman region, or are they defined encompassing all irrigation districts? I think that's very important at this point. To the Heritage Savings Trust Fund it is very important.

MR. COOKSON: Thanks very much for clarifying that. Generally speaking, the terms of reference are to deal with the Oldman report. However, that again has to have a bearing on the total irrigation picture. That would include the South Saskatchewan basin study which is in the process at the present time, and all the other factors involved in the total thing.

By the way, Mr. Chairman, it's not confined strictly to the department. The internal committee involves a broad cross section of members, for example, from across the province and certainly the Department of Environment will have input, as also will the Department of Agriculture, because it is very largely and heavily involved in the process.

MR. R. SPEAKER: Mr. Chairman, to the minister. You've indicated that your first directive to the department is to come back with some type of position or recommendation with regard to the Oldman study. At this point the considerations for other irrigation districts have not received a priority directive from yourself to your department. Is that accurate?

MR. COOKSON: I don't think that's a correct statement, Mr. Chairman? Any recommendations or conclusions that this particular committee and, by the way, the irrigation council of Alberta will make with regard to the Oldman hearings and report will take into consideration the total situation in the province, and it may be the prelude to more hearings. I hope it isn't, though.

MR. R. SPEAKER: A supplementary, Mr. Chairman

MR. CHAIRMAN: Mr. Speaker, may I suggest that this perhaps be your last supplementary on this line, followed by Mr. Bradley's supplementary, which I presume will be on the same topic.

MR. R. SPEAKER: Mr. Chairman, to the minister, then, just for clarification after giving this information. The policy position which will be enunciated by the government in the spring of 1980 will include a policy position that will relate to all irrigation districts, which will be policy reflected from findings of the Oldman study report. Is that correct?

MR. COOKSON: Mr. Chairman, any recommendations that the government makes with regard to the Oldman report will take into consideration certainly the total irrigation problems of the province.

MR. R. SPEAKER: So, to the minister: potentially it could be coming back to our committee and asking for over \$1 billion-worth of funds to bring irrigation districts up to 80 per cent efficiency with regard to rehabilitation. Potentially is that possible?

MR. COOKSON: Anything's potentially possible, Mr. Chairman. It's potentially possible that the government might recommend no change in policy.

MR. R. SPEAKER: That's happened before.

MR. BRADLEY: Just for some clarification on this whole question as to the dispersion of Heritage Savings Trust Fund funds on irrigation in southern Alberta. There are two components: there is the Alberta Agriculture component and the Alberta Environment component. Could the minister advise: are there funds being expended by the department in all the irrigation districts in the province with regard to headworks? I am thinking particularly of the EID and the WID which are in the Bow River basin; not the Oldman basin. I think the line of questioning from the Member for Little Bow has taken the entire focus of the Environment allocation as on the Oldman. Is it not true that funds are being spent in irrigation districts other than the Oldman River basin?

MR. COOKSON: Mr. Chairman, perhaps my deputy might want to expand on that question from the Member for Pincher Creek-Crowsnest. But \$200 million from the heritage trust fund has been allocated to Agriculture and Environment for all irrigation in the province, and in that respect I would think that the Irrigation Council, which is made up of a cross section of all the irrigation districts in the province, would make sure -- and they are making sure -- that those funds are expended in a fair, equitable manner throughout the total area.

As to specifics, I don't have those figures. Mr. Solodzuk, would you like to expand at all on the question?

MR. BRADLEY: Mr. Chairman, if I may just further (inaudible). Does not each irrigation district in the province apply each year for funds from the Heritage Savings Trust Fund, either through Alberta Agriculture and Alberta Environment?

MR. SOLODZUK: As I understand it -- and I am speaking of course to the best of my knowledge on the operation of the program administered by the Department of Agriculture -- yes, this is true. Every irrigation district applies for funds for the rehabilitation of their distribution system. As I understand it, every irrigation district in Alberta is allocated certain funds by a certain formula on the basis of area, their ability to pay, and that sort of thing. So that is, yes.

As far as Alberta Environment is concerned, and that is on headworks improvement, we are expending money on headworks that supply water to all the irrigation districts. Specifically then, with the eastern irrigation district, moneys are being spent. However, heritage money has not been spent at this time. But moneys are being spent in the EID under the irrigation rehab. agreement that the province has with the federal government. Under that agreement the government sought to include the two major projects in the EID as of high priority. One is the Brooks aqueduct, and the other one is the Bassano dam which is perhaps a misnomer because it is really a weir across the river. Those two are under the definition of headworks, of course. But that is by agreement with Canada to upgrade those structures at the time that Alberta negotiated with Canada to assume the total responsibility for irrigation in Alberta.

As far as the question of the of the B.R.I.D. is concerned, yes, heritage moneys are being spent on this, because of course we in the department are responsible for delivery of water from the Bow River to the Little Bow reservoir, which is downstream of Travers dam. We are maintaining and

delivering the water. It's enlarging it and maintaining some of the difficult areas. We have some slides there. So heritage moneys are being spent.

I hope that clarifies the situation.

MR. R. CLARK: Mr. Chairman, I'd like to move on to a new area. It really flows from the third paragraph of page 20 of the annual report where it talks about land reclamation research. My question is: what kind of research is going on in the area of the sands that are left after Syncrude extracts from them? I assume that some work is being done in this area, when we're looking at another plant at Russellville, about 80 or 90 miles north of Fort McMurray, and we already have two on stream. What kind of work are we doing in this area? Can the minister or his officials be rather specific with regard to the funding that's gone into that specific area?

MR. COOKSON: Perhaps I can just answer, Mr. Chairman, in a general way regarding research in the department. As the committee probably knows, until spring of this year we were jointly funding projects -- I think we were matching the federal government \$4 million to \$4 million, if I remember correctly -- with an organization known as AOSER, the Alberta Oil Sands and Environmental Research project. Unfortunately, the former federal government decided to withdraw from that jointly sponsored project and discontinued its funding. The province itself has continued with some of the projects commenced by the two governments and will continue to complete those.

It might be possible for one of my people here to expand on the funding to date or during this year, I'm not sure.

MR. SOLODZUK: Mr. Chairman, there are probably two, or perhaps even three, activities in reclamation research and of course one is the AOSER program. However, the total reclamation research of the Alberta government is co-ordinated under one administrative unit. The need for research, whether it is in the oil sands or in other areas, is basically co-ordinated by this unit which is housed in the Department of Energy and Natural Resources. The unit then reports to our reclamation council which, of course, then monitors the kinds and types of research that are to be conducted by the Alberta government. Of course part of the \$5 million that you referred to is dedicated to research. We did undertake, under the auspices of a total co-ordinated approach on research, a study on the oil sands and the materials handling problem of oil sands reclamation. This was again a joint effort by Energy and Natural Resources, the Department of Environment, and the AOSER program.

I will now turn it over to Mr. Thiessen, because he is the one who headed the task force to get this major study underway.

MR. THIESSEN: Just as an elaboration to what Mr. Solodzuk has said, the reclamation research is co-ordinated under the land conservation and reclamation council within the Department of Environment, and under that there is a reclamation research co-ordinating committee which is an interdepartmental committee from a variety of government departments.

Of the major research work that has been done, one deals with the materials handling of the oil sands, and this report should become available within the next several months. It looks at the various ways and means in which the spent oil sand tailings can be handled, how they can best be reclaimed, what the various costs of different levels of reclamation are, and how the

different means of extracting the oil sands impact on the ultimate reclamation of that land.

Some of the other studies being done are analyses of the various characteristics of the muskegs and the peat now available up there, what combinations of sand, overburden material, and muskeg are necessary in order to develop a good growth medium. We're also looking at some of the native species to determine how effective they are for the use of reseeding that land. So there is a variety of studies underway. Some of those only got started this year, so that the expenditures in the 1978 fiscal year are really only the beginning of the project. The expenditures in 1979 are quite a bit greater in that regard.

MR. R. CLARK: Mr. Chairman, to the minister and his officials. What is the cost of the major study, though, the one dealing with material handling that will be finished in a few months, and who has done it?

MR. THIESSEN: The cost of that study will be in the order of \$750,000. It was a consortium of Techman Ltd., consultants, of Calgary and of Rheinbraun-Consulting GmbH of West Germany. They had earlier done a similar study on the Plains coal mining, and as a result of the work they did there we commissioned them to do this larger study on the oil sands.

MR. R. CLARK: Can you give us some kind of ballpark figure as to what commitment of funds we now have in this area of research dealing with material handling problems, but also reclamation? Do we have \$5 million committed to this area, or are we looking at \$10 million? What are our commitments to date?

MR. THIESSEN: In the current fiscal year the allocation for the reclamation project is \$5 million, of which I would say \$2.5 million to \$3 million may be expended on actual reclamation projects that were discussed earlier, and probably in the order of \$1 million to \$1.25 million for actual reclamation research.

MR. R. CLARK: Of that actual reclamation research, how much is directed to the tar sands.

MR. THIESSEN: In this fiscal year it probably would be in excess of half of that allotment.

MR. R. CLARK: So we're looking at about \$750,000 a year for this year?

MR. THIESSEN: That's right.

MR. R. CLARK: What percentage last year, Mr. Thiessen?

MR. THIESSEN: It probably was a greater percentage last year because our overall research program only got actively under way last year, and a lot of the allotment was used in getting this particular study under way. So it was probably a greater percentage. I can't offer you an exact percentage at this time.

MR. BRADLEY: Mr. Chairman, I have a supplementary to the minister with regard to the land reclamation projects, particularly with the aspect of acquiring

land to carry on these reclamation projects. I am thinking particularly in the Crowsnest area. It is my understanding that normally Heritage Savings Trust Fund money under the land reclamation project division would only be expended on Crown lands or lands which the Crown has purchased. In some cases, if it is thought to be desirable from a public benefit point of view to reclaim certain parcels, coal slag piles that are on private land, and the owner of the land is reluctant to sell that land to the Crown, how does the government approach those sorts of situations where it's desirable to reclaim certain properties, but they are not in the ownership of the Crown?

MR. COOKSON: I think, Mr. Chairman, that the policy has always been that it has to be in the name of the Crown, or public land. But again, I guess there are some exceptions to that. In the case of the area that the Member for Pincher Creek refers to, any reclamation would, I suppose, be classified as an exception to the general policy. It probably can be rationalized in that it also in this case involves rerouting of a highway, perhaps not in the specific area, but the one area that I have in mind. And so it's a sort of joint community effort on the part of several departments and the eventual benefit will go to the people.

MR. CHAIRMAN: Mr. Pahl with a supplementary.

MR. PAHL: My question has been answered, thank you.

MR. CHAIRMAN: Mr. Borstad, was yours a new question or a supplementary?

MR. BORSTAD: A new question.

MR. CHAIRMAN: Let's entertain then what perhaps may be a final supplementary on this point from Mr. Clark, then we'll go to Mr. Borstad.

MR. R. CLARK: Mr. Chairman, to the minister and his colleagues, so that I can kind of have a handle on this. We have one major study dealing with this question of material handling going on now for \$750,000 which will be finished in the next six months. That's the only major effort that we have undertaken to date from the standpoint of reclamation as far as tar sands ventures are going? I see all three shaking their heads.

MR. COOKSON: Just to clarify, I think the member is referring to funds from the heritage savings trust?

MR. R. CLARK: Yes.

MR. THIESSEN: Well, of course there have been other studies that were done under the AOSER program, and there are other studies that are being done under the Heritage Savings Trust Fund. I don't know whether it's fair to classify them as major or not but, as I mentioned earlier, in analysing the capability of the materials that are up there, the soils, the sands, the overburden material, the muskeg, what those characteristics are, how they will in different combinations support plant growth, looking at some the species -- the native species especially -- how they will revegetate, there are a variety of different studies being undertaken. They may not individually be regarded as major, but I think if one looks at all of them together there's a fairly composite reclamation research program that is under way.

MR. R. CLARK: I made the comment in regard to the fact that I think, if I understood Syd correctly, that well over half the research funds allocated in this area last year were on the \$750,000 project. So I would assume that was major from last year, and I took from the comments, and perhaps inaccurately, gentlemen, that a sizable portion of the funds that were available this year were being used to finish up this project which will be finished in six months.

I guess it would be very helpful, through you, Mr. Chairman, to the minister, if we could have a listing of the projects which are presently under way and have been completed to date out of this funding, the companies or individuals who are doing the work, the amount of each, and either the date they were completed or the date that they are anticipated to be complete.

MR. COOKSON: Again, to the Member for Olds-Didsbury, we want to confine this specifically to research from the Heritage Savings Trust Fund, because there is a lot of money being expended in reclamation, et cetera, Mr. Chairman, by Environment and other departments, but it's coming from other sources. I don't want it to be misunderstood that we as government aren't providing a large amount of funding in this area, and I cited AOSER as an example.

You are wanting to know specifically what has been expended from the Heritage Savings Trust Fund?

MR. R. CLARK: Yes, as a result of the comment on page 28, under land reclamation. If the minister wants to supply other information as far as giving a broader picture of what's being done in other areas, of course gratuitous information would be helpful, but the committee can just ask for information in this area.

MR. PAHL: Mr. Chairman, I think basically that was the point I wanted to make. I was concerned that there be a developing of Alberta expertise in this area, particularly if we're spending the money, and I thought it might be helpful to know what the range of other involvements were. So I think Mr. Clark has really covered my observations.

MR. BORSTAD: My question is on the Lesser Slave Lake diversion and realignment, and the Paddle River. I'd like to know what amounts have been allocated to those two projects, and the status of those works.

MR. COOKSON: Somebody might be able to find that. I think there is a breakdown.

Perhaps I could say this on the Lesser Slave Lake project, Mr. Chairman. It's estimated that it would be approximately an \$8 million investment totally, and it will potentially clear flooding from something like 50,000 acres of land that now is subject to flooding. The funds are allocated from the Heritage Savings Trust Fund, but there are certain stages we have to go through before we commence the actual construction.

I think for '79-80 basically we assigned funds for the normal engineering studies which are required to determine the proper route, et cetera. There are two potential routes for the construction of the drainage control area, and the studies pending at the present time will make a recommendation on which one would be acceptable. I think they're due September 30.

As to the actual money expended, 1979-80, that's the schedule of activities and related costs, planning, surveys, river engineering, land assembly, pipeline and power relocation, head relocation, field investigations and

design, and some downstream river bank protection. The sum allocated was \$1.5 million.

1980-81 is projected \$6 million, and the bottom line is \$8.5 million.

MR. BORSTAD: That's to be completed over the next three or four years?

MR. COOKSON: That's right.

MR. BORSTAD: And you say the complete report will not be in until sometime in September?

MR. COOKSON: The report on the basic route, et cetera, is the end of this month.

MR. NOTLEY: What's the schedule for completion, then? I may have missed that.

MR. COOKSON: Completion '82, if we don't get flooded out.

MR. NOTLEY: That's always possible. You won't get dried out there; you could get flooded out.

MR. BORSTAD: What's the total on Paddle River?

MR. COOKSON: When Paddle River is completed it will total \$20 million. As you know, it's now in the process of construction. It's a fairly major dam. It will cover two sections, I guess, in total. We have some channelling to do, a dam to construct, and the time frame would be '83.

MR. R. CLARK: Mr. Chairman, to the minister. What is the final figure we have for costs on Capital City Park?

MR. COOKSON: Mr. Chairman, on Capital City Park I think the original estimate was \$34 million, based on 1974-75 dollars. My understanding now is -- and it's practically completed other than the science development part -- that the bottom figure is a total of \$37 million. That excludes land, but takes into consideration the inflationary factor.

MR. R. CLARK: Mr. Minister, I appreciate how we can talk in terms of dollars this year and that year. What is the total amount we will end up spending there?

MR. COOKSON: Again you would be referring to the fund from the Heritage Savings Trust Fund?

MR. R. CLARK: The whole thing, Mr. Minister.

MR. COOKSON: You would include the total land, plus construction?

MR. R. CLARK: Yes.

MR. SOLODZUK: I'll give you a figure for all the activities excluding land, because I think Mr. Thiessen will speak on the land part. We have an expropriation pending there as well, so there's a question mark there. On all the activities including all the components of the park, and we hope that it

will be finished, and it should be finished in March 1980 -- that is the Strathcona Science Park; the other part is finished, and of course we had the official opening in July 1978 which met the schedule of completing it with the Commonwealth Games -- the figure is \$37.5 million.

MR. R. CLARK: It's \$37.5 million, excluding the finishing of the science . . . ?

MR. SOLODZUK: No. We are hoping that this will look after the whole thing. \$37.5 million as of . . .

MR. R. CLARK: That's everything except the land?

MR. SOLODZUK: Everything except the land.

MR. R. CLARK: And the land information?

MR. THIESSEN: I would say we've expended in the order of \$5 million to \$6 million on land at the present time. There are two pending expropriations. Again we don't know what the ultimate compensation will be on those. There still are several properties that the city is acquiring.

MR. NOTLEY: How big are those properties presently under expropriation, if I could ask that as a supplementary?

MR. THIESSEN: In terms of acres the two are less than 60 acres, I believe.

MR. NOTLEY: What would be their value?

MR. R. CLARK: Mr. Chairman, a supplementary. \$37.5 million plus \$6 million plus two expropriations outstanding?

MR. NOTLEY: Of 60 acres.

MR. R. CLARK: Of 60 acres. So we're going to be looking at in the vicinity of \$45 million?

MR. THIESSEN: Well, you have to keep in mind on those two expropriations we have paid some compensation.

MR. R. CLARK: Yes, I appreciate that.

MR. THIESSEN: What additional award, we don't know.

MR. R. CLARK: So we're looking in the ballpark of \$45 million when we put the land and the whole thing together?

MR. THIESSEN: Could be.

MR. SOLODZUK: I would say \$41 million, \$42 million.

MR. R. CLARK: \$42 million? Didn't you say \$37.5 million and \$5 million?

MR. NOTLEY: It really can't be. \$37.5 million and 25 million, that's \$42.5 million . . .

MR. R. CLARK: Plus the expropriations that are outstanding.

MR. COOKSON: Let's go back to \$45 million.

MR. NOTLEY: We don't want to bid you up from this side.

I wonder if I could go back to Lesser Slave Lake for a moment. Do you have any figures on the impact of the project?

I gather there will be some impact on the flooding problems in Kinuso and the farm land in the area? How much of that will now become usable as a result of this project?

MR. COOKSON: Perhaps just a general answer, and maybe if there is a specific I could provide the information on the question from the Member for Spirit River-Fairview, Mr. Chairman.

We estimate that at the time the announcement was made by the former Minister of Environment July 21, 1978, it could possibly eliminate flooding from approximately 30,000 acres of agricultural land. As well as benefiting agriculture, stabilizing lake levels would permit expanded use of beach and park facility. To identify the particular area would take more detail, but that's the estimate.

MR. NOTLEY: Just to follow that up, Mr. Chairman. Mr. Minister, the bulk of the land in that area, as I understand it, is adjacent and north of Kinuso, is it not? Have there been any changes in general regulations as a result of the development of the oil industry in the Swan Hills, which led to the problem the area of Kinuso? I recall meeting with some local people who argued that until the Swan Hills oil development took place major floods occurred once every 25 or 30 years, and then after the oil development took place they occurred every year.

I would put the question to the officials: what changes in general regulations or recommendations were made by the Department of Environment, as to regulations for drilling? Because if we get into a situation now where we're spending Heritage Savings Trust Fund money -- and rightly so; I certainly support the program -- it is a case of spending public dollars in large measure because of the oil exploration, at least so I'm told by local people.

MR. COOKSON: I had some trouble trying to relate that to the funding for heritage savings trust, Mr. Chairman. Perhaps the member was able to bring it back down to earth by referring to the responsibility indirectly. I'm not sure how you would rule on that point. However, one of my people could perhaps respond to that, unless there's some concern about it.

MR. CHAIRMAN: Before we hear from perhaps one of your departmental officials; Mr. Planche, does your supplementary assist us in this regard?

MR. PLANCHE: I don't know, Mr. Chairman. I'll try.

I wonder if somebody could point out to me how in the world the oil business could affect the level of Slave Lake.

MR. NOTLEY: Well, of course, I think with cut lines and what have you, the erosion on the Swan Hills is increased, and Swan Hill leads into the river that goes into the delta, and that's where the major flooding has been.

MR. COOKSON: I don't know whether this was part of a report of some committee, or part of the Environment Council's report.

MR. NOTLEY: What I'm raising, really, is: yes, it was touched upon in the ECA report, but it's really the question of industrial activity. If the question of just talking about the oil industry is sensitive, let's look at the larger question of industrial activity.

What we have had is substantial industrial activity in the Swan Hills. The industrial activity has led to serious flooding in the area, and we now from the Heritage Savings Trust Fund are picking up the pieces. And while no one objects to that, and I certainly support this project, the fact of the matter is that it strikes me that Environment has some responsibility to look at what happened here so it doesn't happen again.

MR. COOKSON: Well, perhaps Mr. Solodzuk could respond to that. But I want to make clear, Mr. Chairman, that one could make that case for many projects that are funded by the Heritage Savings Trust Fund. I'm not exempting a response by us, but if, for example, one wanted to take the case of the Paddle River dam, one could make the argument that much of the agricultural activity is responsible for many of the problems we're having with rapid run-off and flows. And, you know, you could go on and on and extend that.

Mr. Chairman, I just want to clarify that point; that if one wanted to broaden the issue, one could relate many of our heritage trust fund expenditures to many activities of which we have somewhat limited control. So I don't know if there has been a change in regulations. Mr. Solodzuk, do you know?

MR. SOLODZUK: Mr. Chairman, I think probably there are two parts to Mr. Notley's question, and I would like at least to respond that way. One is, I don't think anybody is going to argue that perhaps development within the basin has increased to the accelerated run-off from the basin, thereby eliminating what would historically be called normal storage within the basin, and then of course draining it down to Lesser Slave Lake. It enhances or increases the levels much more frequently now than it did historically, and I don't think that this is a point of dispute. I think that I would like to make the comment: when I use the word "development" it includes the total development of the basin which, of course, would be the industrial, petrochemical activity in the Swan Hills. But I think also one has to recognize that the agricultural industry has a part to play in this as well, and I think that you're well aware that work has been done to reduce the flooding of agricultural lands on the east and west prairie rivers. They have been straightened out and that sort of thing, so the ponding effect has gone; it just goes into Lesser Slave Lake.

Specifically, then, to what have we done in the Swan Hills: we have been there for a few years now, trying to get the industry to clean up its act, and Mr. Thiessen of course was responsible for initiating this program, so I will ask him to respond to that question.

MR. THIESSEN: I think it was probably 1973 when we first formed a steering committee with the respective industries that were operating there, and for

approximately three years we had a rather extensive reclamation, kind of a clean-up project, in which many well sites were reclaimed. There always has been a problem with erosion in that general area. Pipeline rights of way were reseeded, access roads were improved, so that a lot of the reclamation that was necessary was undertaken during that three-year period, and it was our estimate after that project had expired that the bulk of the problem had been resolved. There still were some problem areas, but they were rather intermittent and they could be dealt with on an ongoing basis.

It's our opinion that much of that work has been accomplished and that the problem of erosion from the Swan Hills isn't nearly as great as it was prior to that time.

MR. APPLEBY: Mr. Chairman, Mr. Solodzuk has commented on much of what I was going to say, but I think we have to be pretty cautious just taking a wholesale evaluation of what causes the flooding at Lesser Slave Lake. I recall very well some of the things that have happened in the past, and even when I was a youngster, before the days of oil exploration and of extensive forestry development in the Slave Lake area, they had to move the railroad back because of the flooding in that area. Since that time, of course, they have moved the highway back from the lake, so I don't think we can identify the causes as being exactly the industrial development in the area.

MR. CHAIRMAN: Mr. Appleby's supplementary, of course, was a comment as opposed to a question. Does the minister wish to respond to that comment?

MR. COOKSON: No.

MR. PAHL: Mr. Chairman, a supplementary, for clarification. Does that mean that there were Heritage Savings Trust Fund moneys spent on reclamation in the Swan Hills, or was this an activity undertaken by the oil companies?

MR. THIESSEN: The work that was done was prior to the Heritage Savings Trust Fund. The bulk of the expenditures were made by the oil companies. There were some areas which had already been given reclamation certificates and the government was responsible for those. But I believe possibly 90 per cent of the expenditure was made by the industry.

MR. PAHL: A supplementary, Mr. Chairman. Are additional reclamation projects scheduled to be picked up by Heritage Savings Trust Fund money as a result basically of oil sands development?

MR. COOKSON: I would think, Mr. Chairman, that would be something that would be taken into consideration. As the committee perhaps knows, we now have provision under The Land Reclamation Act to levy a deposit fund against all industry that disturbs land surface. In the administration of that we arrive at what we think would be an acceptable figure per barrel of oil, ton of coal, or whatever. That is held by the Department of Environment and then, in the process of mining, industry takes over the responsibility of reclamation, and our department supervises this.

I think it's fair to say, Mr. Chairman, that the industry now is very co-operative. They probably came kicking and squealing into the twentieth century process, which is only natural, but my experience to date in administering the fund is that generally speaking it's working very successfully.

MR. PAHL: I'm not sure if I got an answer or not. What I'm really looking at is the rationale for reclaiming, as I understand it, old coal mines throughout the Alberta; the fact that the person who occupies the land, or even held the lease, is really no longer available to clean up the consequences of his activities. However, in the Swan Hills oil field, the occupation and, I suppose, the guilty party, if you want to be negative about it, is known and available. I'm just trying to establish whether the department has been successful in having the developer pay for the consequences of his action and update the quality of reclamation, or are there some gray areas where the Heritage Savings Trust Fund would be applied to remedial works in the Swan Hills area specifically?

MR. COOKSON: Maybe one of my officials could respond and broaden my response, but in general, through the Heritage Savings Trust Fund we are continuing to clean up gravel sites or whatever that have been abandoned and were not properly reclaimed prior to the initiation of the funding by the Heritage Savings Trust Fund. As to the situation in the Swan Hills, I am not sure.

MR. THIESSEN: I believe that in the Swan Hills area the bulk that was necessary has been done. We wouldn't anticipate that there would be any major expenditure out of the Heritage Savings Trust Fund on ongoing operations. The industry is responsible for that, and they are carrying out that work. It could only happen where some prior work had been done which had been certified as being properly reclaimed and subsequently finding out many years later that it's eroding, or something like that and we would have to go back and do further work. In those instances Heritage Savings Trust Fund money might be used.

There appearing to be no further questions, Mr. Cookson, on behalf of the committee I would like to thank you and Mr. Thiessen and Mr. Solodzuk for participating with us today.

I might mention to the committee I met earlier today with the Premier and he indicated that he would be available to come when we had completed our time with Mr. Cookson, so I would like to suggest to the committee that we adjourn for, say, 10 minutes, during which time I would contact the Premier and have him join us at perhaps 10 to 11. Agreed? Thank you.

Committee adjourned at 10:38 a.m.