

Standing Committee on The Alberta Heritage Savings Trust Fund Act

Wednesday, September 17, 1980

Chairman: Mr. Payne

11:25 a.m.

MR CHAIRMAN: Members of the committee, we do have five minutes before Mr. Kroeger will join us, and I would like to discuss scheduling with you. Could you pull out your pocket daytimers or other calendar devices. While you're doing that and reminded by my reference to a calendar, it is a significant calendar day for our recording secretary -- it's her birthday today. I'm sure I can speak for the committee in wishing you many happy returns. Speaking for myself, I don't often appreciate that kind of calendar reminder.

We next meet Tuesday, September 23, at 9 o'clock, with Mr. Hyndman. He has indicated that he can carve out an hour and a half. I'm hopeful that that will be adequate. I will have in the chambers Western Management Consultants, in the gallery, and they will join us when we conclude with Mr. Hyndman. Western Management Consultants delivered this morning this report. Would you distribute those, Donna. I would ask the committee to give some study to the interim report and come prepared to discuss it and to direct questions to the consultants at the conclusion of our period with Mr. Hyndman, Tuesday, September 23.

I have decided to cancel our meetings of the 24th because the opposition leader and his colleagues will all be involved in a seminar elsewhere. I would then like to suggest, as we have previously scheduled, that we meet the afternoon of Tuesday, September 30, and the forenoon of Wednesday, October 1.

MR NOTLEY: We have these scheduled already, do we not?

MR CHAIRMAN: Yes. I'm doing this more by way of reminder than new information. And all day October 7. So it's the afternoon of Tuesday, the 30th; the forenoon of Wednesday, the 1st; and all day October 7.

That would give us 14 hours in committee for development of recommendations, compared with 12 hours last year. Mr. Notley had recommended we consider October 8 as a safety valve day, but I understand that conflicts with the Surface Rights Committee and wipes out several key members of the committee. I don't know that we need to make a judgment now, but I would welcome some suggestions. If we assume that our 14 hours, although it's two hours more than the time we had last year, is not enough, is there another day that is mutually convenient for us to meet as a committee, to conclude the recommendations development phase? Any suggestions? How does Tuesday, the 14th, sit with other committee members? I see no negative movements of heads and certainly hear no negative responses. Therefore, I will assume there is no serious objection to Tuesday, the 14th. Would you then mark that as a heritage fund committee safety valve day, in case our 14 hours aren't sufficient.

MR KNAAK: The 14th of October?

MR CHAIRMAN: Yes.

MR NOTLEY: All day?

MR CHAIRMAN: I'd like you to block out all day, and we'll take whatever part of it we need. Ideally we won't need any of it, but I would like to have something in reserve, just in case.

MR BORSTAD: I've got the afternoon away, but not the morning.

MR CHAIRMAN: With that partial conflict with Mr. Borstad, I think it sounds like a good suggestion. Please mark your calendars accordingly.

MR NOTLEY: Mr. Chairman, how long do we have to get our preliminary recommendations to you?

MR CHAIRMAN: That is my next question. Would the committee accept Monday, the 29th, at least as a preliminary deadline to get most, if not all, the recommendations in? I appreciate that just gives you the three working days -- the Wednesday, Thursday, Friday, the weekend, and that Monday -- but under the circumstances and in view of our joint interest in getting this wound up before the possible mid-October commencement of sittings, I feel as if I have no alternative but to suggest at least a preliminary deadline, if not a final deadline, of Monday, the 29th. Through the evening of the 29th I would put them together, as I have done in the past, so that when we meet the following afternoon, Tuesday, the 30th, we would be ready to move vigorously into our recommendations.

MR R CLARK: Mr. Chairman, just so everybody is up front with the committee, I would say that, following Mr. Hyndman's presentation to the committee, there is a very real possibility that I will be asking that Mr. Trynchy come back to the committee.

MR CHAIRMAN: Okay. I would assume that would be a possible hour's duration, and we could tuck that hour into one of those days. I'd like to put a caveat on that, if the Chairman can do that, that that doesn't delay unnecessarily recommendations.

MR R CLARK: No. I simply wanted you to know, Mr. Chairman, that there is a very real likelihood that I would want Mr. Trynchy back.

MR CHAIRMAN: You're giving notice of that possibility.

Well, that strikes the Chair as a reasonable scheduling situation then. Perhaps, with any luck, we can avoid the very severe mid-October difficulties with scheduling last year.

By way of recap then: Tuesday, September 23, with Mr. Hyndman and with the consultants; cancellation of Wednesday, the 24th; the 24th through to Monday, the 29th, to be used by committee members to develop their recommendations. I would then tidy them up, categorize them, and so on, perhaps Monday evening and the forenoon of Tuesday, the 30th. We would then meet as a committee to begin our recommendations discussion Tuesday afternoon, the 30th, and the forenoon of Wednesday, the 1st; all day October 7; and October [14] as a possible safety valve day. Agreed? Thank you.

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MR CHAIRMAN: I apologize to Mr. Kroeger and his departmental colleagues for turning them into spectators of what must be an uninteresting discussion of committee scheduling. With that apology, sir, I'd like to welcome you and your departmental colleagues with us. Perhaps I could ask, Mr. Kroeger, that

you might wish to introduce the members of your department to the members of the committee with whom we may not be acquainted.

MR KROEGER: Thank you, Mr. Chairman. First of all, we brought more people than I indicated to you we would. Hopefully it will speed up the process so that your information will be fast and accurate.

I will introduce Mr. Chorney, an ADM in the department; Mr. McGeachy, our budget director; Mr. Cronkhite, a deputy minister; and Mr. McFarlane, Chief Deputy Minister.

I will make two quick comments, to introduce the topic. Our main interest in the heritage trust fund as it relates to the department is the airport terminal building program and the road construction system in Kananaskis. With that, Mr. Chairman, I'll turn it back to you.

MR CHAIRMAN: Thank you, Mr. Minister. Questions, committee members, of Mr. Kroeger?

MR BORSTAD: I have half a dozen questions here. I'll give them all to you, and you can come along with the answers as you see fit. In the report it says there are 12 airport terminals in some form of construction. How many of these terminals are completed? How many are still to be completed? Is the program going to be expanded for other centres? Is there any further attempt to deal with the federal government on the building of airport terminals such as Grande Prairie or Lethbridge, where the federal government should have been involved and we're sort of taking up the slack? I'm particularly interested in the terminal at Peace River and where it stands.

MR KROEGER: The terminals you refer to -- do you want them named, the 12, or do you have that information?

MR BORSTAD: No.

MR KROEGER: The count is actually 13 completed. There are four in progress. That should answer your second question, whether we're going to expand the thing in the future.

The federal involvement is an open question. We're talking to them. As you can understand, we're not getting much sympathy on anything that has to do with funding from the federal people at this time. But we're talking to them about an involvement, specifically at Peace River.

Does that cover the four points?

MR BORSTAD: Yes, I think so.

MR R CLARK: Mr. Chairman, I would be interested in hearing from the minister or his departmental officials. On the airports you've built, what has been the magnitude of cost overruns?

MR KROEGER: I don't have those figures, Mr. Clark.

MR R CLARK: Might I say, I'm not really interested in very specific, just general. Has it been a problem? When you consider inflation plus the cost overruns, have we had to come back for sizable amounts of additional money from the fund, or are we pretty close to the ballpark figures that the department has presented to the Assembly?

MR CRONKHITE: We're talking about terminal building projects if we're talking about heritage, not the airports themselves. The terminal buildings that have been under heritage -- which excludes Grande Prairie and Lethbridge, by the way -- are coming fairly close to our estimates. We've had the usual shock in early estimating and preparation jobs, that the cost of the buildings in this very competitive period have been fairly high. But after contracting, we haven't had any serious overruns. We've had some, some associated with weather conditions, the same way any other project is. There's been some effect on some strike activity on some of the projects, holding up phases. But basically they haven't been abnormal.

MR R CLARK: Mr. Chairman, to the minister or his officials. Is it reasonable to ask you to give us some view as to what your initial projections were of this program? Then, reflecting on those initial projections now, how close have we been?

MR KROEGER: When you talk about initial projections, are you talking about the count of the units that have been completed, the 13?

MR R CLARK: Yes, Mr. Minister. Also the lump sum of money which was initially projected, as compared to where it appears to be now.

MR KROEGER: I would invite Mr. Cronkhite to make a comment on that.

MR CRONKHITE: Any time you estimate these days, you have to worry about the index changes in costs each year. 1975 Dollars are substantially smaller than -- or, it takes a lot more of them now to do the same job. So there has been inflation, and it has been relatively high in the building business, as you know. In the construction industry in the highway field, it has been about 13 per cent. In the building industry it has been even higher in some peak years. So, yes, the costs are higher than the lump sum numbers we looked at in '75.

As far as the volume of the program, it has been a progressive program. We have entered into a program to serve a lot of small communities. We have added some as we have gone along. We followed this pretty carefully with air traffic of all types, not just third level or whatever is there. It's the itinerant people who use these facilities as well. I think the program at this stage is well along. Possibly the next phase, if any, for some of the communities will be smaller terminal buildings, even smaller than our smallest, if we continue the program.

MR R CLARK: Mr. Cronkhite, a ballpark figure for inflation would be something like 13 per cent per year over the past four or five years?

MR CRONKHITE: Yes.

MR R CLARK: That's construction costs?

MR CRONKHITE: Yes.

MR STEWART: A supplementary. Would the minister review with us the involvement with the federal government in the Grande Prairie and Lethbridge terminals that were, as I understand it, really a federal jurisdiction? We made a deal that we would construct them to get them phased into our program for Alberta at this point in time. Is there some agreement that the federal

government will eventually pick up the cost? Once those buildings are completed, is the administration of them under federal jurisdiction?

MR KROEGER: They're under federal jurisdiction. Again, on detail I'll refer that to Mr. Cronkhite.

MR CRONKHITE: The two terminals, at Lethbridge and Grande Prairie, are federal airports. We have an agreement under which they will reimburse a fair amount of the costs. There were some factors which -- you know, costs were higher finally than what we had estimated initially. By and large we went for that option, at least I favor that option, or I think we have favored the option to stay out of the continuing cost. These buildings -- there are some odds and ends of what we call deficiencies being cleaned up. When they are turned over, we should have no further costs. We have no inclination to stay in business on their airports.

MR R CLARK: Mr. Chairman, I suppose I should get on now to the question of the department's involvement in Kananaskis. I want to make it very clear at the outset that I think the Department of Transportation has the potential of being made to look like the fools in this whole thing. It's not my intention this morning to do that at all. I think the department has been dragged into this at the last minute. My information is that this department was not consulted back in '77 in a sufficient degree as far as what the costs of transportation were going to be. I don't hold the department responsible at all.

Nevertheless, now we have to get into the question here of what the projections were in 1977 of the Department of Transportation of the costs of the necessary roadwork infrastructure in the Kananaskis area.

MR KROEGER: Mr. Chairman, obviously I would have some difficulty with commenting on 1977, except to give figures on what actually occurred. We can get some comment from Mr. McFarlane or Mr. Cronkhite on what the concept was. We have figures showing what happened from 1977 on, if they are of any interest. That may lead you into the build-up. In 1971-72, it was 32,000; '72-73, 579,000; '74, 1,578,000; '75 was 2,700,000, round figures; '76, 1,200,000; '77, 1,188,000; and '78, 3,487,000.

MR R CLARK: Mr. Minister, I appreciate you weren't the minister at the time, in '77, when this scheme was unveiled. But when we asked the Premier this morning, if my recollection is correct, we were told that should be a matter that should be asked of the Minister of Transportation. I find myself, as one member of the committee, going from an announcement that indicated about \$10 million for road construction in '77, has now ballooned to \$120 million. I'd just like to know why.

MR KROEGER: First of all, Mr. Chairman, to Mr. Clark, the total of the numbers I gave you is roughly 10,800,000, in the period '71 to '78. Following that we had a schedule '79-80 for a \$10,600,000 request. In '80-81 -- it is the largest figure -- \$24.2 million; for a total of \$103,600,000, to 1985.

MR R CLARK: Would you explain that last comment, Mr. Kroeger?

MR KROEGER: The last comment? The figures we projected from '79-80 through to 1984-85 total 103,600,000.

MR R CLARK: So we're being told this morning, Mr. Minister, that if you go from '78 to '85, the road construction in the area is going to be 103 million. My question, Mr. Minister: what was the projection of the department in '77? I take it it was \$10 million, because that was the public comment made by the Premier and the minister when the concept was announced.

MR KROEGER: Mr. Chairman, I would invite Mr. Cronkhite to answer that, because obviously I wouldn't know what led into the thing in '77.

MR CRONKHITE: I guess it has grown; there isn't any question. We started the projects down in the Kananaskis valley in 1971. Until spring of '78, everything came out of GRF, General Revenue Fund. In dealing with the projects at that time there was a consolidation and the decision to have the Kananaskis Country. Previously the construction, starting in '71, was to get down to a place where there is recreation, probably just the park. Now it's a much larger area.

So in 1977, a policy book was prepared, and it included the naming of projects to be done, the requirements to serve the Country that was being envisaged, without a commitment of funds from heritage at that particular stage. The decision was made to take from heritage starting, I think, the spring of 1978, to go through '79. So at that stage it was known that there was going to be a fairly large project. I don't have those particular notes or rough work on that '77 file. But it was in the range of \$100 million.

In refinement after that, a totally paved system was much higher than 103; it was roughly 140. We've opted, and we recommended last fall, that we select the one that could be more manageable, at about 103 million. That identifies the same roads, only going not all the way to finished paved standards on a lot of them. But basically, it has been a fairly large program since the concept of Kananaskis Country was envisaged. It wasn't dumped on us, I don't think.

MR R CLARK: Mr. Chairman, to Mr. Kroeger and his officials. I find myself taking the announcement in October '77, when the figure of \$10 million -- and was repeated here this morning by the Premier . . .

MR CRONKHITE: At that stage there was no commitment for the continuation to 1985 from heritage.

MR R CLARK: I don't care where it's coming from, with great respect. I, not an engineer, a very simple person, just see the figure of \$10 million as the initial amount that was aired publicly, aired again this morning here. Now I'm being told here, very simply, that 103 is a scaled down version. I accept the 103, even though I suspect we'll have to go back and put topping on that later on. But let's leave it at 103. All I want to know, gentlemen -- I'm not trying to be abrasive at all -- just very simply: how can we go from 10 million to 103 million? Kananaskis hasn't moved.

MR KROEGER: If I may, Mr. Chairman. The way that that would come about would be through decisions to expand the park area, the Kananaskis Country area. Our department would respond as that part of the country was being opened, by coming up with figures. Every time there was an expansion of what was going to be required we would have to come up with numbers, to be able to deliver the kind of thing that was being required. I don't suppose that Transportation would move into the system and say, this is what we're going to build or this is what we want to build roads in the park with. Rather I would see Transportation being in the role of following the development that was

being generated there. As the concept of the park development grew, we would have to respond to access the areas that were being developed.

MR R CLARK: With the greatest of respect to you, sir, and I know you weren't a member of Executive Council at the time, the announcement included Kananaskis park and Kananaskis Country in '77. I can see we would have more washrooms and all those kinds of things, but I simply can't understand at all how the road budget has increased tenfold just because of the expansion of the park.

MR KROEGER: I think if the park were going to be expanded -- first of all, that first period, from '71 to '78, when a road was being built -- and the numbers we have used that are here, about \$10 million to do that, would stop considerably short of trying to finish what was going to happen in the park. Whether someone knew or should have known what the additional development would be in the following years, I can't really comment on. What I'm saying is that if you're going to open up larger areas of both the park and the Country, then obviously access would have to be built, and we'd be responding to that demand.

What I am suggesting, without trying to move out of responsibility, is simply that we would not initiate building roads -- we've got lots of roads to build -- but rather, when somebody decides, if cabinet or caucus decides to expand the park to another point, we would have to follow that with access. That would automatically build the costs.

MR R CLARK: Mr. Chairman, I simply say this so the record is clear. Kananaskis Country or Kananaskis park have not been increased in size one iota from the day it was announced. But apparently, the department's best estimates at that time of the costs of infrastructure for roads was \$10 million. I remake the point I made earlier this morning. I'm not trying to make the department people the bad guys; I'm not suggesting there is incompetence in the department at all. There is incompetence in this program, but it's not in this department.

Frankly, I for one am going to have grave difficulty explaining to my constituents and others in the southern part of the province who have been told that there has been such a call on the budget that projects have to be cut back because of Kananaskis -- and we are being told today that from '78 on, Kananaskis roads have been funded out of the heritage fund. I have been hoping that we would have a far better explanation than we've been able to get. To say it's "expansion" just doesn't wash.

MR KROEGER: I don't know that I can respond in any more meaningful way than I have. I would assume that the initial \$10 million would bring you to the park and stop there. If a decision were made then to develop access through the park, in various parts of it, and on out the south end, and so on, that would take additional funds to build those roads. It's a matter of concept, I suppose. If the concept was just to have us build a road to the park for \$10 million, we did that, or my predecessor did that. The decision subsequently was that there would be a lot more development and activity which would require roads. The demand would then come on the department to respond in the way of engineering, estimates, and then production.

I guess what I'm saying is that we reacted to the plan to develop further.

MR R CLARK: I guess what I'd say, Mr. Kroeger, is that even I know, with no knowledge of engineering, parks, or anything -- even I know that the parks people and your people knew that people couldn't just be brought to the edge

of the park. Your people, Mr. Cronkhite and his people, people in Parks and so, obviously knew it had to be possible for people to move through the park.

MR SINDLINGER: Mr. Minister, a supplementary in this regard. Would you please indicate how much of -- getting the figures straight first. The Premier used the number 10.6 million this morning for roads in 1977, and indicated that this would now be 103.6 million. Could you indicate how much of those funds would be expended for roads within the park, and how much outside the park? Furthermore, what is the cost per mile today, compared to the cost per mile projected in 1977? How does that compare to the general rate of inflation for road construction in the province of Alberta?

MR KROEGER: Mr. Chairman, I wouldn't have a cost per mile figure in front of me. I would think there would be a great variation, Mr. Sindlinger, in various parts of it, keeping in mind that it's mountainous country. I would guess that, for instance, Highway 40, going down into a fairly open stretch, would be a lot different from -- for instance, we have a proposed roughly 9 miles from Canmore south that hasn't been decided on, that will run at a figure of around \$10 million, which is pretty high because it's very mountainous. So there wouldn't be a criterion, I don't suppose, that would be very useful to us in making the comparison on a cost per mile basis.

How much of the road is within the park and how much is out of the park, was that the question? I don't have a breakdown.

MR CRONKHITE: If we're talking about the project Kananaskis Country, all the roads we're talking about are in Kananaskis Country.

MR R SPEAKER: How many miles?

MR CRONKHITE: In the 103.6 million program, it's roughly 240 kilometres. There is a lot of distance there.

MR BRADLEY: Supplementary to the minister with regard to this question of where the funds for construction of these roads are coming from. Listening to Mr. Clark's question, I'm left with the interpretation that the general highway program in the province has suffered because of construction in Kananaskis Country. I was under the impression that the funding from the Heritage Savings Trust Fund was in addition to the general highway program in the province and these were additional funds allocated, so that in fact the general highways program in the province has not suffered because of the allocation of funds outside the normal budgetary process through Kananaskis Country. I would just like that clarification: whether or not this has impacted on the general highway construction program of primary and secondary in the province. Has it been disadvantaged? That's the impression I get from Mr. Clark's line of questioning.

One other question or comment I'd like to put forward. We had a recommendation last year from this committee that the infrastructure costs to tourist destination areas in the province be covered from the Heritage Savings Trust Fund. It would be my impression that the funding for access roads to Kananaskis Country would follow that recommendation.

So if you would comment on the first -- has the general highway program suffered, or are these funds additional to that? -- and would these roads not normally have been built but are being built because of the allocation from the trust fund?



MR KROEGER: Mr. Chairman, I'll break that into two parts. The first work done, from '71 to '78, obviously was out of General Revenue. That may have impacted on construction through the system. Anything that happened after that that has been funded out of the heritage trust fund would not impact the ordinary road funding program. If Mr. McFarlane would like to supplement that, I would be pleased to let him.

MR MCFARLANE: Mr. Chairman, I certainly endorse that. Mr. Clark brought up the point this morning with the Premier that someone had said that, in your constituency perhaps, Mr. Clark, our program had suffered because of, or your work had suffered. We certainly know nothing of that. I endorse that.

We have to be careful in the whole province in overloading any system. But this Kananaskis Country -- and I think we should call it that and identify it as that -- has been over and above our normal program and has been handled that way. I think that was a wise decision.

Nothing has suffered, to answer your question.

MR R SPEAKER: Supplementary question. Would the department or the minister be looking at more funds from the heritage fund for secondary and primary roads in the province of Alberta, recognizing that in the southern zone at the present time all of our money was committed about a month ago? We could still be doing new projects in southern Alberta. During the spring session of the Legislature, we indicated that the General Revenue Fund for highway spending was, we felt, at least 25 per cent short and underbudgeted, and could have been greater. I recognize that from 1980 until 1985, 15 to 20 per cent of actual highway construction, including that from the heritage fund and the general fund, is going to be spent on Kananaskis Country roads. That's a very high percentage to inject to a park recreation area when some of our major routes need highway construction at the present time.

Has any representation -- is there any indication from the department that they would like this committee to look at the possibility of more funding for highways out of the heritage fund? Maybe there are special kinds of programs.

MR KROEGER: Mr. Chairman, we would not be contemplating going to the government looking for funds out of the heritage trust fund to respond to the demands of the system through the province in the ordinary road construction system. To my knowledge, that system has not suffered at the expense of what's happening in Kananaskis Country.

We have had increases in our funding through the year for the regular system, in the amounts that we thought the construction people could handle. We've had ongoing meetings with the industry. The bids have been coming in substantially lower than we had expected. What that converts into in any specific community or constituency, I'm not immediately able to answer. I don't know just what has happened in any certain constituency. But the allocations for the ordinary budget have been over 95 per cent completed, not the work but the allocations. We will have to see whether the industry will be able to expend all the money that has been allocated. I think we should keep those two separate.

In answer to your first question: no, we don't intend to try to get funding for the road system outside Kananaskis through the heritage trust fund.

MR BORSTAD: I'd like to go a little farther north on Highway 40. Because of the pressure for Highway 40 and the pressure of the heavy resource development north of Grande Cache, between Grande Cache and Grande Prairie, and the proposed move of North Canadian out of the city of Grande Prairie south and the need for about 9 miles of road, has there been any decision to make a

request from the heritage trust fund for money to start some of those projects, in order to get at that heavy resource development that I mentioned?

MR KROEGER: Mr. Borstad, you are quite familiar with the procedure that has been going on. First of all, we have now agreement from the communities involved on where the road should be located. It will require that the engineering start, if it hasn't already started -- Mr. Cronkhite can comment on that. Then we have to interpret that into the kind of approach we make in the way of defending that as a resource road for funding through the heritage trust fund. But I'd invite Mr. Cronkhite to supplement that.

MR CRONKHITE: I have met in the last week with principals of North Canadian Forest Products about the site they are contemplating moving to, in the area south of the Wapiti River. There doesn't seem to be any serious conflict at all there that would prevent that move. They are anxious to get decisions, obviously, because without the road, and since there is no railway access, moving out of Grande Prairie into that would be like going in the hinterland without the roads.

So they are pressing, and we will consider it in our programming. Obviously I can't say when it will get off the ground, but certainly with that kind of industrial change, it will have a bearing on speeding it up. That's about all I could comment on.

MR R SPEAKER: A similar kind of question. I wonder how the rationalization is carried on. We provide money for the Kananaskis park for roads, but at the same time the General Revenue Fund or the general revenue of the Department of Transportation must build roads into the Syncrude plant, into other development areas in the northern part of the province, into our homestead areas. The department is required to build the roads out of the general fund. These are special kinds of things that the heritage fund is financing. Has the department looked at that kind of rationalization and said, why are we taking on all these responsibilities that the heritage fund is imposing on us and saying, look, we need more funding because of those things?

MR KROEGER: We've had a good response -- I don't know whether you're talking about funding or about capability to produce the work.

MR R SPEAKER: I'm not worried about that. I'm just saying that funding of the actual road building -- into the Syncrude plant; there are other roads that will be built in the north, at a very high cost. The heritage fund has money, equity, in each one of those projects. Why shouldn't the heritage fund in turn finance some of that road building? Why didn't it?

MR KROEGER: I can't really comment on the specifics of -- are you talking about 63, from McMurray north to Syncrude, which was built previously? I don't know how that was funded. Certainly any extension over the Athabasca, the bridge itself, and on up to the new Alsands site will be a resource road and will be funded differently from the ordinary road system. Maybe you could help me on this, Mr. Cronkhite. I don't know how 63, from McMurray north, was funded.

MR CRONKHITE: It was funded from General Revenue. Again, I think it's safe to say that the commitment is that the accessing of these megaplants is still not impacting the funds for the rest of the province's roads. We're getting an extra commitment for those types of projects.

MR R SPEAKER: I can only take this year as an example. In southern Alberta, your transportation -- and I hope he doesn't mind my mentioning this -- a month ago he had the dollars of the department committed to the projects in southern Alberta, Calgary south. He said, I'm not complaining; I've got my job done; it's great. But we could use some more money to fund further projects. That's just a factual piece of information.

We are putting money out of the General Revenue Fund into building these roads into special projects of the north, such as Syncrude, homesteads. Is there a case to be built that when -- and I'm exploring this as a recommendation -- the heritage fund funds special kinds of projects, shouldn't they in turn be willing to fund infrastructure that is necessary, such as highways? Is there a point for a policy review there or for us as a committee to look at?

MR BRADLEY: The nature of the investment would be different. One would be from the capital projects division and the other is from the Alberta investment division. I think there is quite a difference in the nature of the investments.

MR KROEGER: Mr. Chairman, we are reviewing our program for 1981 now, and we will be making the arguments, some of which may be the same as what you are now making to us, that we are as anxious as you are to proceed with either building or rehabilitation of the road system as we have it. We do feel that we were pretty well treated financially this year, and that the industry has responded very well. We're getting good value. That isn't to say that we can't do better in the coming year. Perhaps some of the arguments that you're making we'll have to make.

MR R SPEAKER: I wasn't critical of the department; I was just trying to help. I think there are some good things to be done.

MR CHAIRMAN: There not appearing to be any more questions, on behalf of the committee I'd like to thank you, Mr. Kroeger, and your departmental officials for joining us. I'm sure your comments will be helpful to us in our further deliberations and development of recommendations. Thank you.

Hon. members, we'll stand adjourned until 9 a.m., Tuesday, September 23, at which time we'll meet with the Provincial Treasurer.

*The meeting adjourned at 12:13 p.m.*