

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Tuesday, April 13, 1976 2:30 p.m.**

[The House met at 2:30 p.m.]

**PRAYERS**

[Mr. Speaker in the Chair]

**head: INTRODUCTION OF BILLS**

**Bill 41**  
**The Workers'**  
**Compensation Amendment Act, 1976**

MR. CRAWFORD: Mr. Speaker, I beg leave to introduce Bill No. 41, The Workers' Compensation Amendment Act, 1976. This being a money bill, His Honour the Honourable the Lieutenant-Governor, having been informed of the contents of the bill, recommends the same to the Assembly.

Mr. Speaker, Bill 41 will maintain workers' compensation legislation in Alberta in a fully contemporary and up-to-date situation. It deals with updating payments and contribution levels, clarifying some of the compensation principles, and allowing for certain important agreements with other jurisdictions in Canada.

[Leave granted; Bill 41 introduced and read a first time]

**Bill 218**  
**An Act to Repeal**  
**The Health Insurance Premiums Act**

MR. NOTLEY: Mr. Speaker, I beg leave to introduce Bill No. 218, An Act to Repeal The Health Insurance Premiums Act. Mr. Speaker, the purpose of Bill 218 would be to eliminate Alberta Health Care Insurance premiums.

[Leave granted; Bill 218 introduced and read a first time]

**head: INTRODUCTION OF VISITORS**

MR. CLARK: Mr. Speaker, I'd like to introduce to you, and through you to the members of the Assembly, a group of 37 students from the junior high school at Crossfield. Perhaps I might add it is in the constituency of Olds-Didsbury. In fairness I should say that there are some students in this group who come from the constituency of Three Hills and some from the constituency of Banff.

The students are accompanied by their teacher, Mr. Pickering. They are in the public gallery. I would ask the group of Grade 9 students from Crossfield to rise and be recognized by the members of the Assembly.

DR. HOHOL: Mr. Speaker, on behalf of my colleague, the hon. Member for Edmonton Beverly, and myself I am pleased to introduce to you, and to the hon. members of the Assembly, 82 students from the Grade 8 classes at St. Francis of Assisi School in the constituency of Edmonton Belmont. They are accompanied by their principal and five teachers, some of them familiar names and good friends. They are: Mr. Rudy Arcilla, Mr. Al Barlage, Mr. Terry Port, Mrs. Florence Tait, Mr. Nestor Litwin, and Miss Denise Mast. I should like to ask the 60 in the members gallery and 22 in the public gallery to rise and be recognized by this Assembly.

MR. DONNELLY: Mr. Speaker, it gives me great pleasure to introduce to you, and through you to members of the Assembly, two distinguished gentlemen from Calgary: Mr. Percy Dutton, President of the Royal Canadian Legion No. 1 Branch in Calgary, one of the two largest in the Commonwealth, with 4,000 members; and Mr. Ken Brunton, Chairman of the Alberta and Northwest Territories Command of the Royal Canadian Legion. They are seated in the members gallery. I would ask that they rise and receive the welcome of the Assembly.

MR. TAYLOR: Mr. Speaker, I would like to introduce to you, and through you to hon. members of the Legislature, three outstanding guests: Staff Sergeant Cec Sproule of the Edmonton City Police, his wife, Mrs. Sproule, and his mother, Mrs. Olive Sproule.

Staff Sergeant Sproule and his wife are the parents of our number one page, Dave Sproule, who does very splendid work in this Legislature. After she came from Ireland, Mrs. Sproule, Senior, had the good sense to settle in the Chancellor area, where she farmed and where Cec and her other family were raised. I'm sure we'd all like Staff Sergeant Sproule, Mrs. Sproule, and the senior Mrs. Sproule to stand and be recognized by the Assembly.

**head: TABLING RETURNS AND REPORTS**

MR. RUSSELL: Mr. Speaker, I'd like to table the answer to Motion for a Return No. 120.

**head: ORAL QUESTION PERIOD****Royal Canadian Mounted Police**

MR. CLARK: Mr. Speaker, I'd like to direct my first question to the Solicitor General, or perhaps to the Attorney General. The question flows from the 1975 annual report of the RCMP, which the Solicitor General tabled in the Assembly yesterday. I refer particularly to that portion under the heading National Crime Intelligence Section, where it . . .

MR. FARRAN: What page is it?

MR. CLARK: Page 25. . . . indicates "there is a noticeable trend towards the criminal element becoming more involved in legitimate businesses". Then it goes on to say these businesses are in a "grey area".

My question, frankly, is: in light of the 1975 annual report of the RCMP to the Solicitor General, what

steps is either the Solicitor General or the Attorney General's Department taking in that area?

MR. FARRAN: Mr. Speaker, we have constant meetings with the RCMP and the major police forces throughout the province to discuss overall policy and procedures. This is one of the items that has been discussed and will be at future meetings. Mr. Speaker, there's no way I can go into greater detail than that at the present time.

Mr. Speaker, perhaps I can say that the RCMP has a particularly well-developed commercial fraud section in Alberta. It has added some members to that in the very recent past. About a year ago, my predecessor in office established a commercial fraud unit within the Department of the Attorney General. It's been my responsibility to see that that capacity has been expanded. That is one area in which we are looking for really outstanding counsel, which I have discussed in this House before, at least in the course of my estimates.

I'm expecting that with an expanded commercial fraud section in the hands of the RCMP and an expanded and well-staffed capacity of commercial fraud in the 'prosecutorial' end of things, we can do more than has been done in the past in keeping a finger on the incidence of commercial fraud and commercial crime in the province in the future.

MR. CLARK: Mr. Speaker, a supplementary question, either to the Attorney General or to the Solicitor General. Have discussions been held with the responsible officials in the RCMP concerning the possibility of more personnel being made available by the RCMP for its responsibilities in the area of commercial fraud, and in the area of the criminal element becoming more involved in legitimate businesses in Alberta?

MR. FARRAN: Well, Mr. Speaker, the deployment of personnel in the RCMP is under constant discussion. I think the hon. leader is aware that we asked for 125 more constables last year. The first notice was that we'd be lucky to get 26. We ended up getting 70 more, which was enough to satisfy our needs for primary enforcement. It was not as many as we would have liked, but our treatment in relation to that given to other provinces seemed equitable.

MR. CLARK: A further supplementary to the minister. Of the additional RCMP officers the province has requested the federal government make available for 1976, how many will be investigating the area of criminals becoming involved in legitimate business and the area of commercial crime? What portion of the additional complement will be assigned to those areas this year?

MR. SPEAKER: The hon. leader is seeking statistics which might perhaps be better sought on the Order Paper.

MR. CLARK: Might I ask a further supplementary question of the minister? Is the minister in a position to indicate if a number of the 75 additional people made available last year were assigned to these two areas?

MR. FARRAN: Well, as Mr. Speaker has so rightly suggested, that is a detailed question that should perhaps be put on the Order Paper.

MR. CLARK: Mr. Speaker, I can appreciate the minister can hide behind that, but is the minister telling . . .

MR. SPEAKER: Order please.

MR. FARRAN: I really object to that insinuation. I'm not hiding at all. But I like to give accurate information. I'm not a walking encyclopedia . . .

MR. CLARK: No question of that.

MR. FARRAN: . . . who's got every question at my fingertips. I would like a little time to give the hon. leader accurate information.

MR. CLARK: A further supplementary question to the Solicitor General or the Attorney General. Have there been discussions among either of the two ministers and the federal government and the law enforcement officials of the RCMP with regard to the establishment of laboratory facilities in Calgary, which would serve southern Alberta, southern British Columbia, and southern Saskatchewan?

MR. FARRAN: I think there has, Mr. Speaker. The project for establishing a crime laboratory on the Mount Royal College site is well advanced.

MR. CLARK: Is the minister in a position, without being a walking encyclopedia, to tell us when that will become operational for southern Alberta?

MR. FARRAN: Well, again, Mr. Speaker, I'd like to check to make certain the date I give is accurate.

DR. PAPROSKI: A supplementary to the hon. Solicitor General. Does the minister have studies indicating that Alberta is spending more dollars per capita for law enforcement than any other province?

MR. NOTLEY: Oh!

DR. BUCK: More special warrants.

MR. FARRAN: Well, there's no doubt, Mr. Speaker, that Alberta is spending more in the support of municipal police forces than any other province in Canada.

### Organized Crime

MR. NOTLEY: A supplementary question to the hon. Attorney General. In light of the report of the RCMP concerning commercial crime, has the government given serious consideration at this time to commissioning a probe into the extent of organized crime in the province of Alberta?

MR. FOSTER: Mr. Speaker, while I recognize we have the capacity to do so, confirmed by a recent decision of the Supreme Court of Canada, we're still examining the reasons for that. As I think the hon. member is aware, there are Criminal Code amend-

ments currently before Parliament that would give us an additional capacity to proceed in that way. There is no current plan to initiate a probe of the nature of the one initiated by the province of Quebec.

On the matter of commercial fraud and commercial crime generally, I don't think we should lose sight of the fact that both Edmonton and Calgary city police forces, in addition to the RCMP, have a capacity in this area. It's important that we work with that, and we are.

#### **Condominium Report**

MR. CLARK: Mr. Speaker, I'd like to direct my second question either to the Minister of Housing and Public Works or to the Minister of Consumer and Corporate Affairs. It deals with the condominium report tabled in the House yesterday.

Is either of the ministers in a position to indicate to the Assembly the procedure the government is going to be using in dealing with the 50-some recommendations of the report?

MR. HARLE: Mr. Speaker, I only received that report on Friday. I read it over the weekend and tabled it in the Assembly yesterday for the purpose of making sure that the matter would become public discussion. At the moment, I would like to have some response to the suggestions contained in the recommendations. In due course, we'll be making a decision on how to proceed.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Is it the intention of the minister to introduce at this spring session legislation that would deal with the question of disclosure of documents between the developer and the person purchasing a condominium?

MR. NOTLEY: Will there be any action?

MR. HARLE: Not at this time. Not for this spring session.

MR. CLARK: The question is, then, will there be any legislation? Is any legislation flowing from the condominium report anticipated at this spring session?

MR. HARLE: No.

#### **STEP Funds**

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Advanced Education and Manpower. It is with regard to the summer temporary employment program.

Are plans moving ahead to continue that program at the present time?

DR. HOHOL: Mr. Speaker, the plans have been public for approximately two months, and in place for the periods after university and high school this summer.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Some of the institutions across the province are not quite aware of that announcement

by the minister. The University of Lethbridge made a request for support for 25 research students for summer employment.

In light of the minister's answer, will the minister be providing funds for these students for research employment this summer?

DR. HOHOL: I'd have to look at the specific application from the institution, Mr. Speaker. The size of the numbers involved looks more like a usual budget item for the institution, but that's just an opinion. I'd have to look at the application.

MR. R. SPEAKER: A supplementary to the minister. In light of the fact that students similar to these received support last summer, would that set a precedent to qualify them for employment this summer?

DR. HOHOL: No, it would not, Mr. Speaker. On the contrary, our practice, if not policy — it's emerging policy — is to give more students opportunity for work experience which they can then use effectively on applications for permanent jobs when they complete their formal training. So it would be quite the obverse, rather than the practice indicated by the hon. member.

#### **Oil Sands Mining**

MR. TESOLIN: Mr. Speaker, my question is directed to the hon. Minister of Energy and Natural Resources. Has there been any indication in discussions with companies which presently have approval of ERCB that there will be no additional surface mining oil sands projects in the Fort McMurray region?

MR. GETTY: No, Mr. Speaker. I have not had a discussion along those lines with the companies which have had approvals from the Energy Resources Conservation Board. As I've reported before in the House, both Shell Oil Company and Petrofina Canada Ltd. have explained difficulties in financing which they have experienced because of the tremendously increased capital costs with regard to surface mining projects. But certainly I have not had any discussion with them that they have lost interest in proceeding with their projects.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. In light of remarks attributed to the Northeast Alberta Regional Commissioner concerning the lack of future, I might say, of the mining project, has the minister had an opportunity to discuss this matter with Mr. Henning?

MR. GETTY: No, not since the remarks were alleged to have been made, Mr. Speaker. I haven't discussed his comments with him in detail. I do understand from press reports, though, that there was a discussion along those lines. But I've not had an opportunity to talk to him specifically about his remarks or to determine whether or not they are factual as reported.

MR. NOTLEY: A supplementary question to the hon. minister. In the light of remarks attributed again to

the commissioner concerning the future of the *in situ* process, is the minister in a position to advise the Assembly whether he has any information as to the earliest date that an *in situ* plant would be practical?

MR. GETTY: Mr. Speaker, I'm not sure if the hon. member means a pilot *in situ* plant or a full-scale *in situ* plant.

MR. NOTLEY: Mr. Speaker, I'm referring to the remarks of the commissioner. My understanding was that he felt the future emphasis should be on *in situ* development. I take it there would be a pilot plant, but that would be followed by *in situ* plants.

MR. GETTY: Mr. Speaker, I would be unable to give any firm idea to the House regarding when an *in situ* plant might commence. I think it is fair to say that in the future the emphasis should definitely be on that form of plant, because it appears 90 per cent of the reserves can be produced that way and only 10 per cent by surface mining. Clearly, the emphasis therefore is going to have to be on the *in situ* method.

I'm looking forward to hearing this summer, perhaps before the session ends, from the Alberta Oil Sands Technology and Research Authority as to the applications it will be approving for pilot plants in the *in situ* part of the oil sands. Perhaps after that process has been completed, we'll have a better idea as to moving towards full-scale projects.

DR. BUCK: A supplementary to the minister. Is information available to the minister from the Imperial Oil pilot project in the Cold Lake area? Is any of that information available to the minister's department?

MR. GETTY: Yes, Mr. Speaker. The information is available to both the Oil Sands Technology Authority and the department.

#### **Banff Housing Project**

MR. KIDD: Mr. Speaker, my question is to the hon. Minister of Housing and Public Works. Could the minister inform the Legislature what assistance is being offered by the Alberta Housing Corporation in the new Whiskey Creek development in the Banff town site?

MR. YURKO: Mr. Speaker, the Alberta Housing Corporation administers the modest apartment program, which is directed toward smaller centres in Alberta. As Banff is a town within Alberta, an application for a loan of \$1.75 million for 80 town house and apartment units in Banff was approved on April 6 of this year. I should indicate that we did not offer any assistance with respect to the naming of the project. If we had, I probably would have suggested Soda Water Inn.

#### **Social Assistance Policy**

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Social Services and Community Health. Since many jobs are going unfilled in Alberta, is the department giving any consideration to advising

unemployed employables that they will be expected to find work by, say, May 1, or else?

MISS HUNLEY: Mr. Speaker, we've always had in place the policy that we expect those who are employable to become employed. We do protect those who need help from the public, and we feel this is what people in Alberta would like us to do. Our regional directors have the responsibility and authority to deny social assistance to anyone they consider employable. I believe they are doing that, although I don't have the exact number of people who have been referred to employment and refused social assistance.

MR. TAYLOR: A supplementary to the hon. minister. Is there close liaison with the major cities of the province in regard to unemployed employables within their jurisdiction?

MISS HUNLEY: Mr. Speaker, one of the things I'm sure we will achieve when we take over the temporary social assistance applications, through the changes we discussed in the House only recently during question period, will be the opportunity to divert people into employment. We do have an ongoing policy whereby those who should be employable are employable.

We found through observing in Edmonton, when we assumed the responsibility for the city of Edmonton, that within a 90-day period nearly all those who had entered the system were out, were either considered unemployable because of age or a handicap, had gone into employment, or disappeared from the system. We thought it was working even better than we anticipated.

DR. BUCK: A supplementary to the minister. Has the minister received any information from irate parents when youngsters — usually two girls of 16 years of age or so — decided it was too much of a hassle at home, so they left and then applied for social assistance? The criticism I've received has been that it's readily available.

Has the minister found this to be a trend? Or is it just an isolated case?

MISS HUNLEY: It has not come to my attention as a trend, though some isolated cases have come to my attention. I have asked for special analysis of these specific cases. I don't believe it should be done too readily, though there are often extenuating circumstances which perhaps make that the best prevention area we should be working in.

#### **Non-profit Housing Projects**

MR. NOTLEY: Mr. Speaker, I'd like to direct my question to the hon. Minister of Housing and Public Works. It concerns Section 44(1)(b) of the National Housing Act, dealing with non-profit housing projects.

Mr. Speaker, my question to the hon. minister is: has the Government of Alberta signed that agreement with Ottawa on Section 44(1)(b)?

MR. YURKO: Mr. Speaker, I take it that is the section referring to the \$1,000 grant program with respect to housing built in the municipalities. Is that right?

MR. NOTLEY: Mr. Speaker, the program I'm referring to is not that one. It's the one that makes funds available for non-profit housing projects, co-op housing, and what have you.

MR. YURKO: Mr. Speaker, I'd have to check on the actual program and report.

#### **Ontario Housing Policies**

MR. YURKO: But while I'm up, the hon. member asked me a question some time ago on whether the Alberta Housing Corporation had followed the effects of the Ontario land speculation tax. I indicated that I would check, though I didn't think I indicated that I would report to the House.

However, I'm prepared to indicate that I did send a small task force to Ontario last summer to examine the housing policies. They brought back some relevant information.

I should also indicate the new president of the Alberta Housing Corporation is a chap who was involved in the housing sector of the Ontario government. He keeps me well informed as to the failure of the Ontario housing policies.

However, I would like to suggest that a . . .

DR. BUCK: Is that why you hired him?

MR. YURKO: . . . very good analysis of the Ontario land speculation tax was done recently by Professor Lawrence B. Smith of the University of Toronto. It's an excellent analysis. It was done in February 1976, and does point out rather dramatically the extent to which this tax is a failure in accomplishing what they thought it should.

I'm not going to take time to read from the report, Mr. Speaker, but it is certainly available to any person who wishes to peruse it.

MR. NOTLEY: Mr. Speaker, a supplementary question. In addition to the occasional chat with the gentleman who had such an important role to play in the Ontario housing policies, does the government at this stage have any formal mechanism for monitoring on an ongoing basis the so-called "speculators' tax" in the province of Ontario? The decision can't be made on a matter of one or two reports.

MR. YURKO: Mr. Speaker, the monitoring is done by the Ontario officials and results in a periodic report which is issued. It is then used for compilation, and results in a report as submitted by Professor Lawrence. I take it that to a large degree this represents the monitoring of the Ontario government of its own tax.

MR. SPEAKER: Might this be the last supplementary on this topic.

#### **Housing Programs**

MR. NOTLEY: Mr. Speaker, in light of the increased amounts people have to earn in order to qualify for a

home, is the government giving any consideration to increasing the income ceiling for the starter home program, beyond the rather modest changes made on March 1?

MR. YURKO: Mr. Speaker, as I've indicated frequently to the House, the government's programs with respect to housing relate stepwise to the most needy, then progressively up the scale. They have to terminate at some point. The points of termination with respect to the government's programs are constantly under examination in relationship to a number of factors, one being the ability of the government to in fact place the money allocated by this Legislature for loans and for building houses.

Our intensive programs are only about six to eight months old. Thus far we haven't had very much difficulty in placing money with the most needy, that is the low-income segment of our society.

As additional money is made available — and in fact, there is a lack of families in this category to take advantage of the lower interest loans offered by the government — if there is a decrease in this regard, we will extend the scales in an upward direction with respect to income. However, until that happens the upper limits will remain.

#### **Postsecondary Institution Quotas**

MR. CHAMBERS: Mr. Speaker, my question is to the Minister of Advanced Education and Manpower. In view of the quota system to be imposed on the Faculty of Engineering, I wondered if the minister might indicate whether the universities are presently considering placing maximum quotas on the number of students to be admitted to all faculties.

DR. HOHOL: This matter is examined by all institutions, including colleges, with reference to particular faculties or schools and the institution generally. The boards of governors and the various constituent groups in the institutions will examine this problem and advise the board. The board will have to make final determinations within the resources it has to make such determinations.

MR. CHAMBERS: Supplementary, Mr. Speaker. I understand that a very high percentage of engineering students are actually foreign students. I wonder if the minister might indicate if priority would be given to Alberta and Canadian students when the quota system is applied.

DR. HOHOL: From the releases provided by the leadership of the institutions, my understanding is that that is the case — [without] prejudice to the notion of the universal nature of a university or a college, the aspirations of Alberta high school students will be met first and foremost in the institutions of advanced education.

#### **Gun Control**

MR. HORSMAN: Mr. Speaker, my question is for the Solicitor General. Could the minister indicate if he has received representations by Albertans regarding the proposed Criminal Code amendments now before the House of Commons, particularly those respecting

gun control? Would he indicate the nature of the representations he has been receiving?

MR. FARRAN: Yes, Mr. Speaker. I've received a large number of representations from gun owners across the province, and the nature is an angry one.

MR. HORSMAN: A supplementary question, Mr. Speaker. Could the minister indicate what action he will be taking, with regard to the federal government, in response to the representations he has received?

MR. FARRAN: Mr. Speaker, our first action, of course, is to send these representations to the Solicitor General of Canada, for his information. I think I've already told the House, the second response is that the position of the Government of Alberta has been that this is a costly bureaucratic exercise of limited public benefit, the costs of which would seem to devolve mostly upon the province. We are sceptical of the federal government's assessment that a \$15 licence fee for each five-year period would be enough to cover the cost.

**Royal Canadian Mounted Police  
(continued)**

MR. WOLSTENHOLME: Mr. Speaker, my question is to the hon. Solicitor General. I was wondering to whom the RCMP at the Calgary airport are under contract.

MR. FARRAN: Well, Mr. Speaker, they're part of the federal government's direct contingent in the province. We have 902 RCMP under provincial contract; 327 under municipal contract; and 502 under federal contract, of which 123 . . .

DR. BUCK: You just happened to have that?

MR. FARRAN: Well, this is a question I expected the hon. Leader of the Opposition to ask on the RCMP report.

MR. CLARK: That's not the first time you've been wrong today.

MR. FARRAN: In the federal wing there are 502, of which there's a differential of 124 under the present arrangements, who can swing back and forth either in provincial or federal affairs. The airport is part of the responsibility of the federal RCMP, as indeed is the national crime intelligence section about which the hon. Leader of the Opposition asks so many questions. There are six investigators in Edmonton and six in Calgary. They come under the federal portion of K Division.

MR. CLARK: Mr. Speaker, a supplementary question. Does the minister happen to have any additional information?

Was there a beefing up of that area last year? Or will we have to wait till the next day for that instalment?

MR. WOLSTENHOLME: Mr. Speaker, a supplementary to the Solicitor General. In view of the fact that they're under contract to the federal government,

would the hon. minister have information as to how many are for detail at the Calgary airport, and how many are for traffic? Or is that out of your jurisdiction?

MR. FARRAN: That's going a little far. I'd like a little time to give accurate information on those particular details, Mr. Speaker.

**Foothills Hospital — Kidney Transplant**

MR. KUSHNER: Mr. Speaker, I wish to direct my question to the Minister of Hospitals and Medical Care. This is again with reference to kidney transplants at Foothills Hospital.

I wonder if the minister can inform this House if he has received any petitions from citizens saying that there is inadequate kidney transplant service due to discontinuing the services of Dr. Abouna.

MR. MINIELY: Mr. Speaker, over a period of several months, I've received communications from different citizens and different groups on both sides of the matter. I guess that's about all I could say to the hon. member.

MR. KUSHNER: A supplementary question. Is the minister in a position to inform this House that he did meet last week with a delegation from the city of Calgary? What was the reaction of the minister to meeting that delegation?

MR. MINIELY: Mr. Speaker, it was not last week. Some time ago, a group of citizens interested in the kidney transplant program at the Foothills Hospital flew up from Calgary. I did meet with them, and I think we had an excellent meeting. I expressed the fact that I certainly feel for kidney patients in Alberta, as I do for others. Nevertheless, we have a variety of health care programs in the hospital system in Alberta, many of them complex. In my view, it was extremely important that these kinds of decisions be made by hospital boards. After meeting with me, I believe the patients — I expressed my concern, but explained to them why it was essential that the responsibility lay with the hospital board — understood that. I think it was a good meeting from both points of view.

MR. KUSHNER: A supplementary question again to the minister. Did I understand you clearly, sir, that you did not meet with a delegation from Calgary last week?

MR. MINIELY: Mr. Speaker, to my knowledge I had no such request last week.

DR. PAPROSKI: A supplementary, Mr. Speaker. Would the minister indicate to the House whether he has information which indicates that Alberta's renal transplant is second to none in Canada in quality and quantity?

MR. MINIELY: That's true, Mr. Speaker. I believe I indicated a couple of days ago in the Legislature that the renal transplant program is also for kidney patients and is an alternative to transplantation. Certainly I know we have major renal dialysis

programs at both the University Hospital in Edmonton and the Foothills Hospital in Calgary.

MR. SPEAKER: Might this be the last supplementary on this topic.

MR. KUSHNER: Yes sir, Mr. Speaker. I wonder if the minister is in a position at this point in time to inform this House if the kidney transplant has been put together as yet. Or has he a date he can announce?

MR. MINIELY: Mr. Speaker, as I indicated the other day in the House, the Foothills Hospital is putting a very high priority on rounding out the transplant team. I cannot give any information further to what I indicated to the House the last time the hon. Member for Calgary Mountain View asked the question, which was that the status still is that they have interviewed several promising applicants but have not made a decision on a specific choice relative to the person they wish to retain.

#### **Violence in Sports**

DR. BUCK: Mr. Speaker, my question is to the Solicitor General. Mr. Minister, in light of the fact that the last two World Hockey Association games have ended in riots, have there been any requests from either the league or the cities of Edmonton or Calgary to provide additional or extraordinary police security in the upcoming games in Edmonton and Calgary tomorrow?

MR. FARRAN: No, there haven't, Mr. Speaker. I think we can rely on the police forces in the province to enforce the law in the event of some unprovoked assault in the course of a hockey game.

DR. BUCK: Mr. Speaker, to the Attorney General. Can the Attorney General indicate if he will be having people from the minister's department as observers, in case there are unfortunate incidents? Is there a possibility of criminal charges being laid?

MR. FOSTER: Mr. Speaker, there is indeed every possibility of criminal charges being laid if conduct on the ice demonstrates violation of a criminal law. I think that should be clear.

My office has had discussions with the chiefs of police in Edmonton and Calgary and the office of Assistant Commissioner Lysyk of the RCMP on the matter of violence in hockey. I've also had discussions with my colleagues from other provinces. We have indicated our concern to the police authorities. We've checked with them the degree of concern that may have been expressed to them by citizens of the province. As outlined by my colleague, the Solicitor General, I am satisfied the police are aware of the circumstances and will be vigilant in these events. I'm interested that the question should be asked in the House today, in view of a proposed hockey game in Calgary tonight and . . .

MR. CLARK: Wednesday.

MR. FOSTER: . . . tomorrow night. In view of the contact from my office, I expect the police officers of

the province will be very much aware of the situation and prepared for it.

DR. BUCK: Mr. Speaker, just on a point of clarification. Did the minister say that people from the minister's department would be there to observe the games?

MR. FOSTER: Mr. Speaker, I have not found it necessary to issue any specific directions to my agents across the province. I've had discussions with some of them. I've indicated our concern in this area. They are aware of the problem in Canada generally. They are in contact with the police in each of their communities. I'm simply saying that I think at the moment I'm satisfied with the level of surveillance, and the capacity to control a fracas in an ice hockey rink in Alberta if this occurs as suggested.

DR. BUCK: Mr. Speaker, a supplementary to the minister. Can the minister indicate to the Legislature if any charges have been laid in the province this past winter at the amateur level when brawls were involved? Were any criminal charges laid?

MR. FOSTER: Yes, Mr. Speaker, charges have been laid as a result of amateur hockey activity in the province.

DR. BUCK: Can the minister elaborate, Mr. Speaker? Have there been several?

MR. SPEAKER: Possibly that kind of detail could be sought on the Order Paper.

DR. BUCK: I mean have there been many?

MR. FOSTER: Several.

DR. BUCK: Several.

MR. TAYLOR: A supplementary to the hon. minister. Is the hon. minister referring to criminal acts, or just simple, ordinary fights?

MR. FOSTER: Well, Mr. Speaker, sometimes simple, ordinary fights are criminal acts. The position I am taking is that no one gains an exemption from the provisions of the criminal law simply because he takes a hockey stick in his hand and steps onto an ice surface. I realize that in body-contact sport there may be a higher degree of tolerance expected. But whether it's organized or amateur, I do not think that players, in particular referees, officials, or citizens in this country, should be expected to put up with some of the nonsense we've seen taking place on rinks across this nation.

#### **Law Enforcement Grants**

MR. KUSHNER: Mr. Speaker, with reference to law enforcement, I wish to direct my question to the Solicitor General. I wonder if the Solicitor General could clear the air in regard to the extra grants we're going to be giving for law enforcement.

Is this a one-shot deal, or is this going to be continued?

MR. FARRAN: Mr. Speaker, I think it's fair to say that this is part on an ongoing policy of the government, and is not in the nature of a one-time grant.

#### **Violence in Sports** (continued)

MR. TAYLOR: Mr. Speaker, it is just really an elaboration of what the hon. Attorney General said. An ordinary fight or bump is different, in my view, from going out definitely to maim a player. That's what I call a criminal act.

Would the hon. Attorney General agree?

#### **Rent Regulation — Mobile Homes**

MR. LITTLE: Mr. Speaker, may I address my question to the hon. Minister of Consumer and Corporate Affairs? Would the minister advise the Legislature whether the rent regulation officers would conduct an investigation in a situation where a fee is paid in order for a tenant to gain entry to a mobile-home park?

MR. HARLE: Mr. Speaker, it's my recollection that the act itself provides for a prohibition against paying entry fees. As a mobile-home pad is included in the definition of a residential premises, the answer to the question would be, yes.

MR. LITTLE: A supplementary, Mr. Speaker. Would the minister advise the Assembly whether a tenant making a complaint under such circumstances would run the risk of eviction?

MR. HARLE: Mr. Speaker, that also is covered by the act. I'm sure that while the tenant may run the risk of receiving a notice of eviction, in point of fact, by the time it reached the court for an order for possession, there would be a discretion to refuse the order by the judge hearing the request.

#### **Cattle Diseases**

MR. BRADLEY: Mr. Speaker, I would like to direct my question to the Minister of Agriculture. Have there been any reports of bluetongue or anaplasmosis in imported or domestic cattle in Alberta?

MR. MOORE: Mr. Speaker, not that I'm aware. The only recent reports of bluetongue I'm aware of are in the southern part of British Columbia.

MR. BRADLEY: A supplementary question to the minister, Mr. Speaker. Has the Alberta cattle industry been affected by the suspension of the importation of bull semen by the Australian government, because of the suspicion that Canadian cattle may have become infected with bluetongue or anaplasmosis by imported U.S. cattle?

MR. MOORE: Mr. Speaker, I'm afraid I'd have to take that under advisement.

MR. BRADLEY: A supplementary to the Minister of Agriculture, Mr. Speaker. Is the province considering

making representations to the federal government to take the necessary steps to ensure that the Canadian cattle industry's preferential trade status as a bluetongue- and anaplasmosis-free country is restored, maintained, and protected?

MR. MOORE: Mr. Speaker, once again I'm not sure I caught the import of the hon. member's question. However, any representations that have been, or will be made, with regard to bluetongue or any other livestock diseases will be made in the context of the best recommendations we can make to protect the health of the Alberta livestock industry.

We would want to avoid making any recommendations to the federal health of animals branch that might be only expedient in nature.

MR. MANDEVILLE: Mr. Speaker, a supplementary question to the minister. In regard to the severe outbreak of brucellosis in British Columbia, have more than the average number of cases been reported in Alberta?

MR. MOORE: Mr. Speaker, not that I'm aware. As I think I explained earlier in the House, it's difficult to get an accurate figure on the number of cases of brucellosis in Alberta because during the course of the last year or more there's been a considerable increase in the testing of herds, resulting in a higher figure of herds under quarantine or known to be affected with brucellosis. So it's very difficult to consider that we have a higher incidence of brucellosis today than we had a year ago.

MR. BRADLEY: A supplementary to the Minister of Agriculture, Mr. Speaker. Also with regard to the suspicion that Canadian cattle have been infected with anaplasmosis or bluetongue by the imported U.S. cattle, the Government of Great Britain has restricted the showing of Canadian cattle in the United [Kingdom].

I would again like to ask the minister if the province is considering making representations to the Canadian government to ensure that Canada's preferential trade status as being free from anaplasmosis or bluetongue would be reviewed to ensure that the Canadian and Alberta cattle industry is protected.

#### **Energy Policy**

MR. R. SPEAKER: Mr. Speaker, my question is to the Premier. The chairman of the board of Syncrude stated earlier this year that he believes a dozen gargantuan oil sands plants won't save Canada from energy rationing.

My question to the Premier is: does the Premier agree this is the current situation in Canada generally, and specifically in Alberta, that we may inevitably have energy rationing?

MR. LOUGHEED: Mr. Speaker, I presume the Prime Minister would be concerned about the matter. We'll hear on May 5 whether he is or not.

MR. R. SPEAKER: Is this one of the priority topics of discussion or concern that the Premier will be bringing to the agenda of the conference?



MR. LOUGHEED: Mr. Speaker, I think we've said on many occasions in this Legislature — and I'm sure the hon. member is well aware — that there is adequate supply and protection for Albertans by way of crude oil supply. To protect Alberta needs has been an overriding policy, both of the present administration and our predecessors in office.

If there is going to be a growing deficit in terms of the needs for crude oil in this nation, it has to be a responsibility that is charged directly upon the federal government and the consuming provinces. We hope they would recognize their responsibilities to assure increased exploration in Canada. Obviously, one way to do that is to have adequate incentives.

MR. SPEAKER: Might this be the last supplementary on this topic.

MR. R. SPEAKER: Mr. Speaker, to the Premier. I'm not sure I can ask both of these in one supplementary. The first part of my question was: is the Premier satisfied that adequate profits are left with the Canadian oil companies for . . .

MR. SPEAKER: With great respect, the hon. member is seeking an opinion.

With regard to the number of supplementaries, we're running out of time. Since I've already recognized the hon. Member for Spirit River-Fairview, I was hoping we might have leave of the Assembly so we might have his question as well.

#### **Civil Servants as Consultants**

MR. NOTLEY: Mr. Speaker, I'd like to ask this question of the hon. Premier. It is not a legal question, but it's a question of public policy that arises out of a court case. Recently an employee of the Department of Agriculture acted as a consultant to Pacific Petroleum Ltd. in a surface rights court case tried recently in Vegreville.

My question, Mr. Speaker, to the hon. Premier is: what is the policy of the Government of Alberta with respect to making departmental officials available to oil companies, in effect in this case, to help defeat the claims of farmers for compensation under surface rights disputes?

MR. LOUGHEED: Mr. Speaker, there would seem to be an abundance of allegation contained in the hon. member's question. So I'll have to take it as notice, and respond when I can check the merit of the allegation.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier. Has the government developed any overall guidelines with respect to public servants participating as consultants in court cases?

MR. LOUGHEED: Mr. Speaker, that is not a matter that has come to my attention. There may be isolated circumstances where that happens. Certainly we've been dealing recently with the question of rent regulation officers involved in a court case that might facilitate the situation with regard to tenants who feel they're in a difficult position explaining their case relative to the landlords. We can see that there can

be no hard and fast rule on that matter.

In discussions of the matter which will be introduced shortly in the Legislature, we certainly felt the merit, in certain circumstances, of providing information by way of testimony in court cases that might facilitate the public interest. That's one I can think of, helping the tenants with regard to information relative to a dispute with landlords.

#### **Departmental Files as Evidence**

MR. NOTLEY: A supplementary question to the hon. Premier.

MR. SPEAKER: Might this be the final supplementary.

MR. NOTLEY: Is there any policy with respect to making information available from departmental files for introduction as evidence by parties to a civil dispute?

MR. LOUGHEED: Mr. Speaker, unless the Attorney General wants to respond in addition, I would say that that covers such a wide range of circumstances that again I don't think there would be any particular policy on a matter of that nature. I think the objectives we would hope the government departments and officials have would be to serve the public interest as best they can. There would be cases, I think, where it would be useful to do so. There would be others where it would be ill-advised.

#### **ORDERS OF THE DAY**

MR. SPEAKER: May the hon. Member for Calgary Bow revert to Introduction of Visitors?

HON. MEMBERS: Agreed.

#### **head: INTRODUCTION OF VISITORS** (*reversion*)

DR. WEBBER: Mr. Speaker, on behalf of the hon. Member for Calgary Currie, I would like to introduce to you, and through you to the members of this Assembly, 25 Grade 6 students who attend St. Charles bilingual school in Calgary. These progressive young Calgarians come from many parts of the city and are accompanied today by their teacher, Mr. Guenette and parents Mrs. Taylor and Mrs. Sears. I would now ask them to rise and receive the greetings of the Assembly.

#### **head: MOTIONS FOR RETURNS**

MR. FOSTER: Mr. Speaker, I move that Motion for a Return 130 stand and retain its place on the Order Paper.

[Motion carried]

156. Mr. Taylor proposed the following motion to the Assembly:

That an order of the Assembly do issue for a return showing:

- (1) *Edmonton Journal* of March 31, 1976, dealing with rent control;
- (2) the cost per column-inch of this advertisement;
- (3) a list of charges, if any, for the preparation of this advertisement, including amounts and to whom payable.

MR. TAYLOR: Mr. Speaker, when I wrote the motion I was not aware that item (3) was on a monthly payment basis. I would therefore ask the permission of the House to withdraw the motion, and I will resubmit it with (3) corrected.

[Motion withdrawn]

157. Mr. Notley proposed the following motion to the Assembly:

That an order of the Assembly do issue for a return showing:

with reference to the answer to Motion for a Return No. 101/75, dated 11 December 1975, which was tabled in this Assembly on 12 December 1975,

- (1) what assumptions were used respecting the price of oil and gas for each of the periods of time indicated; that is,
  - (a) from January 1, 1975, to March 31, 1975,
  - (b) for the 1975-76 fiscal year,
  - (c) for the 1976-77 fiscal year,
  - (d) for the 1977-78 fiscal year;
- (2) what assumptions were used respecting the total volume of Alberta oil and gas production for each of the periods of time indicated; that is,
  - (a) from January 1, 1975, to March 31, 1975,
  - (b) for the 1975-76 fiscal year,
  - (c) for the 1976-77 fiscal year,
  - (d) for the 1977-78 fiscal year;
- (3) what assumptions were used respecting that volume of Alberta oil and gas production to which the Alberta petroleum exploration plan applies for each of the periods of time indicated; that is,
  - (a) from January 1, 1975, to March 31, 1975,
  - (b) for the 1975-76 fiscal year,
  - (c) for the 1976-77 fiscal year,
  - (d) for the 1977-78 fiscal year?

MR. NOTLEY: Mr. Speaker, I note that this motion for a return has now been held over on several occasions. Essentially, it is to obtain information to clarify a motion for a return which was passed during the fall session of the 1975 Legislature.

[Motion carried]

162. Mr. Clark proposed the following motion to the Assembly:

That an order of the Assembly do issue for a return showing:

- (1) subject to the concurrence of the Lethbridge Gyro Club of Lethbridge, copies of all application forms, contracts, and correspondence which passed between the Department of Culture, Youth and Recreation and the club in respect to the grant made to the club, as documented in Sessional Paper 112/75;

- (2) the appropriation number from which the grant was paid.

[Motion carried]

163. Mr. Taylor proposed the following motion to the Assembly:

That an order of the Assembly do issue for a return showing:

- (1) the amount of money invested during (a) 1974, and (b) 1975, from the wildlife damage fund, and the total amount of interest accruing from these investments;
- (2) a breakdown of the consolidated investment fund;
- (3) the best interest rate secured for investments from the consolidated investment fund during (a) 1974, and (b) 1975.

MR. TAYLOR: Mr. Speaker, items (2) and (3) on this motion refer to a different department than item (1). I would ask the permission of the House to withdraw (2) and (3) for resubmission, and I would move 163, item (1) only.

[Motion carried]

#### head: **MOTIONS OTHER THAN GOVERNMENT MOTIONS**

1. Mr. Cookson proposed the following motion to the Assembly:

Be it resolved that the provincial government give consideration to introduction of legislation requiring reduction of energy consumption in public buildings.

MR. COOKSON: Mr. Speaker, I thought it would be timely to bring before the Assembly, [or] at least express some concerns about, the energy shortages that may occur. Certainly, the Premier indicated there are some concerns about the availability of energy in the world and even in Canada, somewhere down the road. I thought this resolution might be worthy of some discussion in the Assembly, in order to bring to the attention of the people of Alberta that we, as government, have some responsibility with regard to use of energy.

This resolution deals with a specific area, but I think we have to convey to the people we represent that we [all] have a responsibility in all areas of energy consumption.

Now, the terminology with reference to public buildings could perhaps be narrowed down. I was thinking specifically of government buildings which we control, in particular, buildings under the control of municipalities which indirectly have some bearing insofar as the province is concerned because we pay grants to them. However, I didn't have in mind public buildings in the sense of auditoriums, movie houses, or beer parlors — although there's a lot of energy expended in beer parlors. Most of it goes down the drain. There's a fair amount of energy expended in this House too, and quite a bit of it goes down the drain.

I was interested in meeting not too long ago with the municipal people in my constituency. They were assessing how to conserve expenditure and balance

their costs in lieu of grant restrictions from the provincial government. I asked whether they had given any consideration to turning down the thermostats in the buildings they supervise. It was disconcerting to me, and probably to them too, that this concept of saving money and energy had never crossed their minds. I hope that by simply asking the question, they may, in the years to come, address themselves to this problem.

Schools, for example, are vacant three weeks to a month during the coldest part of our year. If you take all the schools in the province and the times they are vacant, possibly three weeks to a month, with outside temperatures ranging anywhere from 20 to 30 below, and realize the difference in temperature between the outside and the inside of a brick wall and a glass window pane, you begin to realize the total loss and waste of energy.

In my own situation, because we heat a home with propane, which is a pretty expensive operation, we have been able to adjust our thermostats from 70 to 68 and survive quite comfortably. It has resulted in a considerable saving in my case. So it's readily possible. However, where people in government derive their revenue from taxation or other sources, they don't seem to address themselves to the responsibility of where the money comes from. It's only when there's a possible profit motive built into an operation that people address themselves to the kind of money that's expended in the use of energy.

I'd like to refer to a document from the C. D. Howe Research Institute. The article written by Judith Maxwell deals with developing new energy sources, and in particular with Syncrude. The C. D. Howe Research Institute is a non-political, non-profit, private organization. I'd like to quote a paragraph from the article:

The one overriding conclusion that must be drawn from the Syncrude case is that future oil supplies will be so expensive that Canadians must now begin a vigorous effort at conservation. An effective conservation program will help to narrow the yawning gap between future supply and future demand . . . but the country will remain a significant importer of foreign oil for many years to come.

I think that pretty well sums up the situation here in Canada. There will be those who will argue that we should use up our energy in order to encourage further exploration and development of other sources of energy. But I suggest, Mr. Speaker, that this would be a rather ludicrous approach to maintaining a viable and practical operation in Canada or anywhere else in the world. In the eventual analysis, the law of diminishing returns will take over.

There's a graph on one of the pages from the National Energy Board, Canadian Oil Supply and Requirements, September 1975. On this graph, the point at which our demand will exceed the amount of non-renewable resources we produce in Canada, including reserve additions, the oil sands and the pentanes, is crossed in 1976 or next year. Then it spreads in an ever-widening direction.

If you follow the graph up to 1985, again using the total supply of oil which will be available, including the reserve additions, an expanding oil sands development, and the pentanes, we will, by 1985, be short approximately one million barrels of non-renewable

resource per day. By using reasonable, acceptable, good business practices in conservation, we can save approximately 300,000 barrels per day on these figures.

These are very minimum requirements that may be set down either at the provincial, municipal, or federal level. So we're on a course that could be catastrophic in the future if we aren't able to come up with various new resources and developments in technology that will replace a depleting resource.

Now, as I said, since the warning by the federal government of what we're heading into came out several years ago, the private sector has made some attempt at conservation. Naturally they would move in this direction. It means profit and good business to develop conservation methods. This is out of *The Albertan Energy Report*, March 24, '74, from Ottawa:

The Canadian chemical industry claims it will attempt to conserve 17 per cent of the fuel energy it uses per unit of production by 1980, a saving equivalent to 11 million barrels of oil a year or enough to heat all the homes in metro Toronto in a year.

The goal of the textile industry is to conserve 11 per cent of their total energy consumption between 1976 and 1980. We're not talking just in terms of the depleting oil reserves, but also of electrical energy and other forms.

The transportation industry is talking 15 per cent by 1980. The machine industry is talking 15 per cent by 1980. Mr. Speaker, I simply refer to this to indicate that the private sector is moving in this direction.

I might express in summation and conclusion some thoughts about how the conservation could be practised. One firm in the records of *The Financial Times of Canada*, March 29, "awards \$25 as a quarterly bonus to employees who give up their parking lot stickers and leave their cars at home". This is getting outside the area of conservation within buildings, but it does indicate, Mr. Speaker, what can be done if effort is put forth.

Another reimburses workers half the fares they pay on public transport.

Companies determined to save energy have cut back on lighting and heating, changed working hours, relaxed dress codes, reduced elevator services, cut deliveries, brought office cleaning staff in early, and so on.

In this particular article there are many, many examples of the way the private sector is bending its shoulder towards conservation.

Probably I should say a word or two about what the federal government has [done] and is doing, because they have expressed concern; and rightly so, since they're dealing with energy for all of Canada. We can be pretty smug here in Alberta, and comfortable about our situation. I hope we're not, because we do have some responsibility towards the rest of Canada. I think we've indicated that. But it is a responsibility of the federal government to set the tone or direction towards conservation. What better way to do it than within the institutions over which it has control? I'm speaking in particular of government offices, buildings, and so on.

They announced an in-house energy conservation program on February 6, '75. In 1973, the Department of Public Works issued guidelines designed to conserve energy in the operation of federal buildings.

They basically set out the following criteria. These are outlined in the article. Later on, they revised and reissued guidelines under the Department of Public Works. The revised guidelines include the following. These have been instituted and put into effect.

The maximum heating temperature for working hours is to be maintained at 70 degrees Fahrenheit, and silent hours 65 degrees Fahrenheit. I presume these are the hours when the offices are vacated.

With regard to lighting in occupied space: during the silent hours, no lighting. At work stations they are accepting 50 to 75 foot-candles, which is a measure of light capacity; 30 to 50 foot-candles in working areas and 10 foot-candles in non-working areas. In unoccupied space, none; except that necessary for safety and security.

The objective is to design and operate thermal and lighting systems in a manner that provides both efficient use of energy and a satisfactory working environment.

The federal government has set up a computer service in its in-house energy conservation program. This computer service is a simulation which is being used to determine in what ways energy can be saved in various buildings over which [the federal government] has supervision. The reason for using a computer service is that all buildings have separate and different designs. They have different heating systems, different cooling systems. The window capacity varies. The amount of insulation and so on all varies. So they are feeding all this information into a computer service in order to determine what the maximum saving might be if they initiated certain kinds of minimum requirements. By way of example, they found that

this analysis tool has saved energy in the order of \$100,000 per year in one federal building in Ottawa alone. The men operating this program estimate that there is a potential saving of [about] 10 per cent which would amount to about \$300 million a year from all commercial buildings in Canada. And that's at current energy prices.

Three hundred million dollars a year, which is a vast amount of money and a vast amount of energy.

Their suggestions for ways to improve their buildings — and I presume they're giving direction to DPW in this regard — are that increased insulation and additional use of storm windows are now required. They are installing separate light switches in the various rooms so you can turn off lights in certain parts when the room is not in use; using lower wattage lamps, and drapes, blinds, and window shades to balance the temperature; heat recovery systems to pick up any loss of heat from the heating system; improved controls on heating and cooling systems; and most important, which we're getting into now, is the use of supplemental solar space heating when appropriate.

Another report on the in-house program at the federal level is as follows. In the Sir John Carling building in Ottawa, the figures are as follows: in 1972-73, about 173 billion BTUs were used. The following year this had been reduced to 141 billion BTUs. In 1974-75, they reduced their consumption to 98 billion.

The overall saving of 43 per cent is entirely owing to the conservation efforts of DPW. It is

worth noting that this building is one of the few that has been analysed in detail and that consequently has been partially modified.

These particular buildings have been assessed, and are a pretty good indication of what can be saved in energy. One can't help but commend the federal government for taking the initiative with regard to good conservation practices.

They have sent out — and I won't quote all of them, but the three or four that I think are pertinent and important to us — certain actions required of all federal departments, agencies, and Crown corporations as part of the federal in-house conservation program. One of them is:

All federal departments, agencies, and crown corporations are expected to decrease their direct and indirect energy consumption by 10 per cent in the year 1976-1977 when compared with 1975-1976. The energy consumption must remain at the lower level for the next ten years.

I think that is pretty specific and indicates the kind of concern that has been expressed in regard to waste of energy.

Each department, agency . . . should clearly identify, in its applications to Treasury Board for capital expenditures, those items which will result in reduced energy consumption and reduced operating expenditures over the full . . . time of the facility.

In this regard, I would suggest to the Minister of Housing and Public Works that perhaps he should get together with the Minister of Energy and Natural Resources, along with other colleagues at cabinet level, and have — perhaps this has been done — another good hard look at the directions, if any, that have been issued with regard to consumption of energy within our own government buildings.

All federally owned property, whether directly under DPW jurisdiction or not, should implement immediately the office building operation guidelines developed by DPW. Agencies should encourage landlords of leased property to follow these same guidelines. . . .

New energy efficiency standards for buildings will be developed by the end of 1976. No building should be designed or constructed which does not achieve these efficiency standards.

Mr. Speaker, in this respect we perhaps have to look at any requirements laid down to our architects to see that in their design of buildings, both public and private, they take into consideration new modifications that will serve to conserve our energy.

Last but not least, to indicate briefly a few things that have been done at the provincial level, the Hon. Bill Yurko, the Minister of Housing and Public Works, released on Monday, March 8, 1976, a study of energy conservation in provincial buildings. So I'm happy to see that we are setting at our own level a direction in which I think we should be moving. An energy conservation study of the J. J. Bowlen provincial building in Calgary has resulted in a power consumption decrease averaging 27 per cent.

As I suggested earlier, Mr. Speaker, I wouldn't doubt that there will be some resistance to restriction of use of energy, because the argument perhaps may be made that this discourages further development and research into other sources. But I think that's a

pretty weak argument in terms of the initial presentation I made about the deficiency in depletable resources facing us by 1985.

The Hon. Bill Yurko is using a computer program. They have so far studied four provincial buildings in addition to the J. J. Bowlen provincial building in Calgary. So this computer study is going on. I'll be very much interested in the kind of results that will be achieved from that study at the provincial level.

Finally, Mr. Speaker, because of the province's 11 per cent guidelines in these areas, even our universities, which are grandiose spenders of the taxpayers' dollar, are looking at ways of conserving the energy consumption. Energy bills at the University of Calgary could go as high as \$2 million this year. Ian Duncan, director of the physical plant, says budget constraints make it easier now "to persuade people at the U of C that they have a 'moral commitment' to conserve energy." I think that's an excellent comment. I hope the other universities, in particular the university at Edmonton, when they start coming to the province for more funds because of their deficiencies, really get down to some of the nitty-gritty problems and make an attempt to conserve some of the energy [expended] over there.

In conclusion, Mr. Speaker, I'd welcome debate on this, I think, timely resolution. I could offer this suggestion, that our government look at new building codes. I think we could do with a crash course in this area. Building regulations which we supervise would include the type of construction and thermostatic controls. There has to be a way of cutting down some of the surplus waste. One other suggestion has been made — and the private sector suggested this — that in order to encourage research and development in the way of conservation of energy, the private sector is looking for some type of grant incentive. I think probably we could address ourselves to this area and perhaps look at some forms of tax incentive by way of reduction in income tax, federal-provincial tax, or whatever, which would encourage people to conserve energy.

I think these suggestions, Mr. Speaker, give the Assembly some idea of the intent of the resolution. I hope we have a good debate on it and that our government takes the recommendations to conserve and save energy in a serious manner.

MR. YOUNG: Mr. Speaker, I should like this afternoon to commend the hon. Member for Lacombe for bringing to our attention a matter which I think should be of concern to the government and, in a larger context, to all Albertans and all Canadians. Mr. Speaker, the hon. member has spoken somewhat beyond the terms of the motion in the sense of its direct implication to government in giving his reasons for supporting the motion. I should like to approach the matter the same way.

I'd like to begin, Mr. Speaker, by having reference to some cost data I have found in relation to electrical energy, because in dealing with this motion I think we have to consider all forms of energy. A conservation of one type of energy will lead to a conservation of energy in general.

Mr. Speaker, I was reading in the bulletin published by the Electrical and Electronic Manufacturers Association of Canada about the cost of nuclear energy in the United States. For some time, I think,

many people in the world had assumed that at some time we were going to get automatically, due to the ingenious capacity of our scientists, a major breakthrough in nuclear energy which would allow us to substitute a relatively low-cost nuclear energy for other forms of energy, which obviously were becoming scarcer in supply.

Mr. Speaker, just looking at some of the data before us in this publication, it says that the Bonneville Power Administration in the United States has indicated that nuclear plants announced in 1965 for completion about six years later were expected to cost \$125 per kilowatt in unit cost. In fact, when they were completed, they averaged about \$200 per kilowatt. The cost of plants announced in 1974, anticipated to be completed in 1982-86, was estimated at about \$560 per kilowatt. In fact, they are now revising those estimates to \$1,000 per kilowatt.

Mr. Speaker, from a publication somewhat closer to our doorstep, and that's [of] the Electric Utility Planning Council for the province, I find some rather comparable statistics, but statistics related to the production of electric energy from a thermal process using our coal resources. At the Wabamun site, for a capability of producing a kilowatt of energy for the construction period 1956-68, the cost is \$190 per kilowatt. Sundance, which is now almost totally completed, [on] the 1970-1980 time frame the cost per kilowatt will be \$340, almost twice what the kilowatt capacity was somewhat earlier. In the Camrose-Ryley situation, the much debated situation that is quite controversial at the moment, if that plant were to proceed, the estimated cost now is \$1,000 per kilowatt capacity. I'm talking about plant construction cost.

The hon. Member for Drayton Valley shakes his head. But if he reads page 68 of the 1975 planning report of the Electric Utility Planning Council, Mr. Speaker, he will find it there. I mention these data, Mr. Speaker, in order to indicate that it seems, no matter what the form of energy, it is becoming much more expensive. We should be aware of that.

Mr. Speaker, I've closed the book, but in any event I looked at our anticipated demand for electric energy in Alberta. Between now and 1989, according to the data here, we will require roughly 2.5 times the capacity we now have. By 1995, it is anticipated that we will commence relying upon nuclear electricity generation in the province of Alberta.

Mr. Speaker, I'd like to move to my second point. It's related somewhat to this same issue. I think Albertans and Canadians have been confused by what's happened in the cost of energy in the last four or five years, because we're caught up in a swirl of inflationary trends. Mr. Speaker, everyone expects all prices to increase. I think many people have failed to realize that there is an increasing real cost to petroleum and natural gas in particular. It stands to reason that if we must go further afield into terrain that's less hospitable, that's further removed from our centres of consumption, we are bound to have to consume more real resources to locate future supplies. It stands to reason that if we have a depleting non-renewable resource and we approach the consumption of those resources by utilizing first those which are cheapest and most easily obtainable, as we proceed to use up our reservoir we are bound to have to spend more resources to gain the additional oil and

gas.

Mr. Speaker, in that set of circumstances I fail to see how we can hope to have stabilized energy costs. Many families are going to find they will have to give over a larger proportion of their family budget to fuel and energy costs. That possibility in this province is clouded somewhat by those who argue that since oil and natural gas, the resources we mainly talk about in this Legislature, are primarily found in Alberta at the present time, we should have cheap energy in this province. Mr. Speaker, I think we kid ourselves if we believe we can live in splendid isolation for very long and let the rest of the Canadians pay an increasingly larger proportion for their energy without us having likewise to pay more for our energy. So, Mr. Speaker, I think we are looking not just at inflated costs, but at increasing real costs and increasing relative costs in this area.

Now, Mr. Speaker, I'd like to raise a few matters which intrigue me and, I should confess, bother me. They're matters about which I would like some reliable and hard information. From the quick efforts I've made in this respect, I haven't been satisfied that the information I'm able to obtain is unbiased and factual. Mr. Speaker, the first question I'd like to know more about arises out of an ad that I believe Imperial Oil Ltd. is running on the television. Some hon. members, or perhaps all hon. members, have observed an ad which shows how many barrels of oil would be saved if we adjust lights in our houses. Mr. Speaker, you know, I'd really like to know how much energy I would actually save if I shut off the lights in my house. I have one expert telling me I'm going to save a certain amount. But I've also encountered another expert who says, aha, you shut the lights off in your house, and what you've forgotten is that those lights generate heat. So your heating bill is going to go up. Now, Mr. Speaker, if we had some factual information, I'd dearly love to get my hands on it, so I could arrive at my own conclusion.

Mr. Speaker, about three years ago I had some changes made in our house. The upshot was that I wound up with two furnaces. As opposed to the option of replacing the existing furnace with a larger furnace, I chose to go with the existing [furnace] and a somewhat smaller unit because I felt I gained two things. If one breaks down, I have some heat. Also, they are different types. One has a facility that forces air through the house at all times. My question to the furnace installer was: well, how much is it going to cost me to force the air through the house all the time? Why should I do it? He said, oh, you'll save on your heating bill, because you get a more even temperature through your house if you have the fan on the furnace running at all times. So the fan on my furnace runs 24 hours a day, 365 days a year, except for those occasional few moments when I cut it down in order to add a drop or two of oil. Mr. Speaker, does that argument hold? Do I save money in terms of energy consumption by having a continuing flow of air throughout the house, and therefore, presumably, a better balanced temperature in the house? I don't really know.

Mr. Speaker, another question to which I'd like some answers relates to the glass in windows. How many panes of glass? Should the glass be tinted? Should the windows be on the sunny side, the east side, the west side, or the north side of the house?

Quite apart from the aesthetics, what about the energy implications of that sort of thing? [interjections]

Mr. Speaker, that's important for government too, because government manages to lease a good portion of the office buildings in this city. If you look over the Edmonton skyline close to the Legislature Building, Mr. Speaker, you'll find all different designs of buildings: some with almost all glass, some with tinted glass, some with green tinted glass, some with gold tinted glass, I suspect some with dual pane, and maybe we've even got some with triple pane. I don't really know. But it would be interesting to know whether all that glass decreases or increases energy consumption, and under what conditions.

Mr. Speaker, we've also been told that lowering the house temperature will save energy. I suspect this to be true, but no one yet has produced a handy brochure which would indicate neatly and concisely just what lowering the temperature in my house by two degrees would really mean in terms of energy consumption. If we're really concerned about energy conservation, I think it's time we had such a brochure. Of course, it wouldn't be possible to explain some of the side benefits in the brochure.

For instance, we might have fewer divorces if we had lower temperatures in the house. That would be a major social saving. Mr. Speaker, while this may be regarded as somewhat facetious, I'm not so sure that it is in fact all that facetious. If the temperatures were lower, we might find that people got a little better acquainted that from time to time. But if they chose to turn the cold back on one another, it would be really cold.

Mr. Speaker, another considerable concern I have — and it relates to the same area — is house size. Mr. Speaker, I think we are on a house building kick, the effects and implications of which many families will only come to realize as energy costs go up. There are now many houses in the 1,700, 1,800 square foot range and higher. Mr. Speaker, there are implications not only for the cost of construction, but for the cost of heating and maintenance later on.

Those who may in recent days have overheard conversations on a certain radio station between an Edmonton householder and, I believe, a householder from Nova Scotia, where heating costs are considerably higher, will probably begin to appreciate that this is a consideration that does need some attention. We need to forewarn people about the implications of the very large houses which are now being constructed for relatively small families, if present trends continue.

Mr. Speaker, I wanted to raise some of those points, because I think the hon. Member for Lacombe has brought to our attention an issue that we should give greater attention to than I suspect the Assembly is prepared to do.

In closing my remarks this afternoon, Mr. Speaker, I would like to amend this particular motion. The reason for the amendment I am about to propose is that the motion suggests that:

the provincial government give consideration to introduction of legislation requiring reduction of energy consumption in public buildings.

Mr. Speaker, I don't think legislation is the route to approach the objective the hon. member had in mind from the context of his remarks, but rather some

studies and determination to cut down on energy consumption. I'm not sure that at the present time we know how to legislate, even if legislation would be necessary.

Mr. Speaker, rather than direct our attention to legislation, I would hope that we could direct our attention to some cohesive approach to developing a better understanding of how to conserve energy. I would hope that with that understanding, some government department will take it upon itself to make the information we gain available in a handy form which can be used by the public.

Mr. Speaker, my amendment to Motion No. 1 by Mr. Cookson is the following: to strike out "introduction of legislation requiring" and insert "ways and means which will lead to". Mr. Speaker, I have half a dozen copies for you. The motion as amended would then read:

Be it resolved that, the provincial government give consideration to ways and means which would lead to reduction of energy consumption in public buildings.

Mr. Speaker, I have left in the reference to public buildings, because I'm sure this will take us some little while. But when we do have that information, if the government does not choose to provide the information to householders and the public in general in a handy, easily digestible form, we'll have another motion on the Order Paper suggesting it do just that.

Mr. Speaker, for reasons already advanced, I recommend the amendment of this motion. It is my hope that the Assembly will see fit to approve the motion.

MR. ZANDER: Mr. Speaker, in the overall picture I think I must agree with the members who have now spoken, because certainly at this time we must all be conscious [of the need] to conserve energy.

I should also remind the hon. Member for Edmonton Jasper Place that I read a similar book and similar information that the figures balanced on construction are approximately \$1,000 per kilowatt. Of course, this looks about two or three years in the future.

At this time, Mr. Speaker, I think I would like to draw to the attention of hon. members in this Assembly that the hon. member mentioned the Sundance plant on the south shores of Wabamun Lake. I took the trouble to look at the leases in that area which are now held by Calgary Power, and the total area covers something like 80 square miles. This brings us to the north bank of the North Saskatchewan River in townships 50, 51, and 52, in ranges 4, 5, and 6 — not mentioning the new Dodds-Round Hill plant and the area of the valuable land out there that is planned for stripping.

I would suggest that this Assembly and those who have knowledge of the planning process look at the vast coal reserves in the area now under lease and those on the south side of the North Saskatchewan River in the same area where the city of Edmonton has leases on coal, in the same ranges and townships 50 and 49.

At the rate the plant at Sundance is devouring coal now, estimated that it lies evenly to the south and carries a uniform seam, we should have sufficient coal to fire those boilers for the next 50 years.

Secondly, Mr. Speaker, I would like to direct to the attention of the Assembly and those who are going to

be making the policy of finding new electric generation plants throughout the province, that if we take a look on the map, in townships 50, 51, and 52, if they're now going to haul coal a distance of 18 miles to the present plant site, we could conserve a considerable amount of energy by moving a second plant down on the North Saskatchewan River and cutting the coal haul by 50 per cent. This in itself will conserve enough energy to keep Alberta and Canada going for some time. If we look at the diesel units powering these huge coal haulers, which run in the neighborhood of about 500 to 1,000 horsepower, I'd certainly look at the economy of moving another plant much closer to the coal.

Getting back to the \$1,000 per kilowatt, I think we probably have to look at the size of the generating units now in place. Some are at 300, some at 400 megawatts. I understand six are to go in there, running from 375 to 400 megawatts.

Then, Mr. Speaker, we have to look at the conventional oil fields that have been producing for about 20 years or more. Within the bounds of my constituency, Mr. Speaker, lies the greater part of the Pembina oil field. It was once estimated by those who did the research on it that there were approximately 50,000 barrels of oil under each acre of land. Well, it's now some 20 years since the first wells were drilled within that cardium sand pool, and we today received the answer that we are only getting from 28 to 32 per cent of the oil in place.

So what I'm saying, Mr. Speaker, is that it's going to be costly even using secondary recovery, which they're doing now, to recover some 70 or 72 per cent of the oil that is there and available. It's going to be costly, Mr. Speaker. These costs are going to be reflected, and today's drilling costs are almost shocking. When we go back to 1956, the cost of drilling was anywhere from \$55,000 to \$65,000 to complete a well within that pool in the cardium sands. Today, Mr. Speaker, the costs have risen well above \$150,000 and maybe on to \$175,000. There's no doubt that in order to recover more oil, more holes will have to be drilled within that field, [with] repressurization using water or whatever other means, and the cost of energy is going to go up. There's no doubt about it. I think I have to concur with the members who have spoken that the costs of energy, whether it be coal, natural gas, or crude oil, are going to go up substantially within the next few years.

In a lighter vein, may I suggest to the hon. members: keeping all this in mind, perhaps if we turn down the thermostat, put on a set of Stanfield underwear, and get into a feather tick, we can save a lot more fuel.

Thank you, Mr. Speaker.

MR. BUTLER: Mr. Speaker, I'd like to make a few remarks this afternoon on this motion proposed by the hon. Member for Lacombe. At this point I'm not sure whether I should be speaking to the motion, to the amendment, or to the motion as amended. But I'll carry on and speak to the motion.

I'd like to disagree with the hon. member who suggested that turning down the thermostats at night would save some energy. I'm not so sure that it would. It may eat up more in the family allowance than it would save in energy.

I'd like to make a few remarks. I now stick to the

motion as proposed, to government buildings. Although I know that government is not a large consumer of energy, I think it does set the policy for a lot of Albertans. A lot of Albertans follow the example set by government. I realize we can't turn out all the lights in government buildings at night. There must be enough lights to prevent vandalisms and break-ins. I think that what we could save in our government buildings alone would not be significant, but it could grow to be a significant saving throughout the province. I believe enough people would follow suit. I think probably as a government we could be criticized for utilizing our resources to manufacture power and then not setting an example to use this power to the best advantage.

Mr. Speaker, I have a lot of statistics here that previous speakers have quoted. I'm not going to quote them again and be repetitious.

I will sum it up, Mr. Speaker, by saying that I think government's example will be followed. I think we can take a look at the old proverb and say, waste not, want not, and a kilowatt saved is a kilowatt earned.

Thank you.

MR. KIDD: Mr. Speaker, I'd like to speak briefly on this motion. I believe the major subject of the motion, namely the conservation of energy, is of major importance to all Albertans and all Canadians. Time is short, very short.

Mr. Speaker, the growth rate of energy consumption in Canada was 5.1 per cent. That means that our consumption more than doubled in that period. I like a little gimmick whereby for compound growth rates, you divide the percentage growth rate into 70, and that gives you the years it takes to double, in this case 14 years.

Mr. Speaker, according to the Alberta Statistical Review which I have here before me, the growth rate of electrical energy between 1968 and 1975 in Alberta was almost 7 per cent. The percentage grew each year. That rate of growth, if continued, means that in a scant eight years we will need twice as much capacity as we have now.

Mr. Speaker, the conventional sources of energy are petroleum, coal, and water power. Just to put these sources in proper perspective, let's look at oil. The free world's proven resources of conventional oil now are about 600 billion barrels. The Middle East has about 350 billion barrels, the United States on the order of 30 billion recoverable, and Alberta's remaining recoverable reserves are about 6 billion barrels. The rest is in the Dutch East Indies, the United Kingdom, and so on.

Now, Mr. Speaker, if we assume that the demand for petroleum increases at a rate of 5 per cent per year, and we also assume that we find another 400 billion barrels of oil in the next 25 years — and that will mean a North Sea discovery every 8 months and a Prudhoe Bay discovery every year — we will still be about through the total 1,000 billion barrels by the year 2000, only 25 years from now. Mr. Speaker, it took us 100 years to find the first 600 billion barrels of oil.

If someone says we have 700 billion barrels of oil, our oil reserves will last to the year 2003. That's finding another 400 billion barrels, and if demand increased at 5 per cent per year.

Now here's an exercise in simple arithmetic. At a 1

per cent growth rate, you would say, then we will go 5 times as much and we will have 125 years of oil left. But simple arithmetic is entirely wrong because, at no growth rate, we've only got 60 years left. [With] 1,000 billion barrels of oil and a 1 per cent growth rate, we have only 50 years left.

So if we want to be real conservationists, don't use any more, and do the best possible job — on a 1 per cent growth rate [that] will be almost impossible — we've got 50 years left. I think 400 billion barrels being discovered is pretty generous. If we don't find 400 billion barrels, we'll get down to something like 35 years.

Mr. Speaker, in Canada, with no increase in demand, our present conventional reserves at the present rate of production will last about 14 years. However, that's not really pertinent, because we're not going to have our present rate of production. The production rate of our reserves in Alberta will decline to about half in the next 10 years. Mr. Speaker, to be more specific, as I've said before, we have in Alberta remaining crude reserves, light and heavy, of about 5.8 billion barrels. At that present rate of production, we'll produce about 410 million barrels in 1976. We'll use about 80 million barrels of that a year in Alberta.

Canada is now a net importer of oil. We export 500,000 barrels a day, and we import 800,000 barrels a day. So we import a net 300,000 barrels. At \$12.50 per barrel, our balance-of-trade deficit is \$1.3 billion a year. [Do] you know who pays for that? The stout-hearted citizens of Alberta, because our export tax of \$4.67 a barrel amounts to about \$1.5 billion a year. So we're pretty good, strong Canadians.

Thank God, our gas situation is better. We have about 51.5 trillion cubic feet of gas. We produce 2.1 trillion cubic feet of gas a year. We had some very interesting discoveries of gas in Alberta this past winter.

Mr. Speaker, I'm not discounting new oil in frontiers such as the Beaufort Sea, the Athabasca tar sands, or indeed small discoveries in Alberta. But, Mr. Speaker, all these sources will be very expensive and will take time. The Delta, because a lot of it will be in the Beaufort Sea, which is frozen 10 months a year; the tar sands, because of the immense capital investment required; and the Alberta discoveries, because of the requirement for very sophisticated geophysics.

Mr. Speaker, I do not discount the ingenuity of Canadians and others to develop new sources of energy. But they will all take time, and time is what we are buying here. In the interim, to provide that time, we must be conservationists. After all, the basic technology for nuclear plants was developed in a basement in Chicago in 1942. Here we are, 35 years later, and we still have not fully mastered the best methods of building nuclear plants. The hon. Member for Edmonton Jasper Place mentioned that. The nuclear schedule in the United States is far, far behind.

Now, as to water power, another conventional source, there are a few good sites left in Alberta. The power developed through water power is not large, relative to that which can be developed by oil, gas, or a coal plant.

And that brings us to coal, Mr. Speaker. Sure, we



have lots of coal in Alberta. But our cheapest reserves are in the plains. The development of these reserves will take time and capital. Sure, let's develop them as required for the sensible, planned industrial development of this province. But really, when we're considering developing the pet project of the hon. Member for Camrose, Dodds-Round Hill, surely we're on thin ice if energy is being used in a frivolous, wasteful manner. Somehow it is just morally wrong to move people off farms if neon signs and buildings all over this province are lighted at night. Mr. Speaker, at our present rate of increasing electric consumption, let's put Dodds-Round Hill in perspective. In the next 25 years, we will need Dodds-Round Hill, Sheerness, and the addition at Battle River.

Mr. Speaker, I truly wonder if the only thing that will make people conserve energy is high prices. But how high? Notwithstanding that, I really believe that leadership must be shown, and that we in government should show that leadership. Mr. Speaker, I'm happy to say, let's take credit in Alberta for having done so in a very meaningful and direct way for many years.

Mr. Speaker, Alberta has had an active program of energy and energy resource conservation since 1938. Indeed, when I was in the oil business, our energy conservation policies were the envy of many, many people from other states where they have wasted. Some of the things we have done in this program: we have been directed to spacing, drilling, equipping, and operating oil and gas wells to ensure maximum economic recovery from the underground reservoirs; we have introduced enhanced recovery operations to increase the recovery of oil obtainable under primary operations. Nearly 4 billion barrels or one-third of the crude oil which has been recovered and which remains as recoverable crude is attributable to enhanced recovery operations.

Some of the other things we've done: the prevention of flaring, and [the] conservation of all economically recoverable natural gas produced with crude oil. We can all remember the days when Turner Valley was being flared prior to 1938. I still think that date was the time we really started to conserve energy through proper methods. We're also involved in using coal rather than natural gas for baseload generation of electric energy.

Some of the other things are the design and operation of coal mines to ensure maximum economic recovery of coal and the prohibition of inefficient industrial use of natural gas plants and natural gas products; for instance, the early prohibition of manufacture of carbon black by channel process, and the requirements of industrial development permits. Mr. Speaker, I could go on, but I think Alberta truly has an enviable record of conservation in that regard.

Mr. Speaker, the conservation of energy is sometimes too simply perceived. The real conservation of energy relates to the amount of energy output minus the energy input. When we're looking at sources of energy, that has to be the key in the future. How much do we put in, and how much do we get out?

Let's look at some of the new methods. At this time with solar energy, the facts are that the energy input is too great for the energy output. The energy input requires a tremendous amount of copper piping. There's an interesting subject. Let me just talk a little

bit about copper and how energy changes the whole aspect of the industrial development of a nation. For many years we said, and still say in some areas, that we've got lots of copper. While we've gone through the high-grade copper, we have tremendous remaining reserves of low-grade copper. But as energy prices go up, I wonder whether that low-grade copper will be viable. Another metal that requires tremendous amounts of energy is aluminum. Traditionally, aluminum sites have been built near sources of water power. Kitimat is one we look at, and the Chute a Caron Falls on the Saguenay River in eastern Canada. That's another one. But as these major sources of power are used or required for other things, I wonder what the future of aluminum as a viable metal is.

It is very interesting to look at plastics. Now the energy input to produce iron is much greater than that to produce plastic. That's interesting, because it seems to make common sense when we look at plastic as a petrochemical product, that that will be phased out. But on a basis of energy input minus energy output, I don't think it will. I think we'll stay with that as a substitute for metals.

Mr. Speaker, you know we're all very proud of the heritage trust fund as a heritage we put aside for future generations. If we truly wished to provide another heritage trust fund, it could be provided through the conservation of this precious energy. We can all do it. But on a personal basis, are we really going to do it? Are we really going to go out now and say, I don't want to drive that eight-cylinder car, I'm going to buy a small one? It comes right back home, when we talk about what we're really going to do.

I think everyone in this Legislature, and nearly every person in the province of Alberta, is simply paying lip service to what I'm saying. And I'm guilty of that too. They say fine, when I see the other fellow doing it, I am going to do it. Where's it going to start? How high do the prices have to be before we will really conserve energy? In England, for instance, the price of a gallon of gas is about a pound. Yes, they've gone to small cars. But, by golly, they're not giving up their cars. They're giving up other things. Cars are a sort of symbol of our society. They are the last thing we'll give up.

Mr. Speaker, I truly believe we're talking about the future of our children when we talk about these things. I truly believe that within five years, and maybe less, we're going to realize that we must take action.

Mr. Speaker, the hon. Member for Edmonton Jasper Place raised a question about whether he should burn his lights. There's a balance between energy input and output. Well, he's a pretty clever fellow, he could calculate it pretty simply. The efficiency of the ordinary light bulb is 5 per cent. Ninety-five per cent of it is wasted in heat. From your light bill you can calculate it pretty simply. I'll tell you one thing you can do if you really want to conserve energy and get four times the amount of light: use fluorescent lights. Fluorescent lights are 20 per cent efficient. Only 80 goes up in heat. We could do that all through this building, Mr. Speaker. Here we are, right here. Look at those things. Five per cent efficient.

AN HON. MEMBER: Down with the bulbs.

MR. KIDD: Mr. Speaker, I think I've said enough and maybe too much. I beg leave to adjourn the debate.

MR. SPEAKER: May the hon. member adjourn the debate?

HON. MEMBERS: Agreed.

2. Mr. Clark proposed the following motion to the Assembly:

Be it resolved that the Legislative Assembly urge the Government of Alberta to give a higher priority to educational grants programs within the provincial budget and to revise commitments already made by the Minister of Education with such revisions to be included in the 1976-77 Estimates of Expenditures.

[Adjourned debate: Mr. Batiuk]

MR. BATIUK: Mr. Speaker, it gives me pleasure to participate in this resolution. I think I would have enjoyed it better if I had had a chance to participate before the budget was delivered. Now that we have the estimates, I think I should not bother going into figures too much. After all, the hon. Member for Edmonton Ottewill gave us a very good presentation. He had a lot of figures.

Mr. Speaker, I would like to speak more in principle, as a member of this Legislature who has served on school boards for approximately 20 years, and make a comparison with the costs of education today through those 20 years I had the privilege to serve.

From 1954 to 1958 I served on the local school board. The role of the local trustee was to serve in an advisory capacity to bring recommendations to the school division. In 1958 I was elected to the Lamont school division, a position I held until 1967. Throughout those years I served as chairman of the school division, as vice-chairman, finance chairman, and as chairman of the negotiating team. In 1967 the school division and the municipal district ceased and a county was formed. From 1968 to 1974, being elected as a member of the county, I served automatically on the school committees.

I would like to mention that throughout my years I knew and saw that money helped, but it did not mean everything in education. As the hon. Member for Drumheller mentioned, when he taught he had a class of maybe 40 to 50 from Grades 1 to 8 or 10. It was a hard job, but in those days, before the children completed a few grades, they were able to write well. The concept of education was the three Rs. It is considerably different today. When you see someone graduate you can barely make out what they write. I think it would be a very poor society if students were to finish Grade 12 and not know how to read, write, or add. We may argue that there is the computer, the calculator, and that maybe they don't need to add. But I still think it is a necessity.

I would like to commend the Leader of the Opposition for introducing this resolution, even though he isn't here today. I am glad that he appears so generous in asking the government to increase its expenditures. During the years that I was a school trustee, he was a member of the former government — particularly, the Minister of Education, who froze the grants at 6 per cent. That was the time when we suffered because there was a shortage of money.

Many times I feel today that had the hon. leader been as generous during the time when he was able to increase those grants as he is today, probably I would have a few more hairs on my head. I would be able to style my hair somehow as he does. However, I think I may have through the difficulties the school boards encompassed during those years.

Particularly, the big problem was that the teachers were underpaid, \$1,000 and up to \$2,000 less than they had to pay other professions with a similar education. It was nothing surprising to see the schoolteachers, the ATA, wait until the school boards set their budgets. When they saw how much extra money was budgeted, they would start negotiating earnestly with an aim to get as much as possible or even all that was budgeted. Maybe you couldn't blame them for that. If they were underpaid, they tried to get as much as possible. When we on the school board would not agree with it, we'd go on to the next step of negotiation. Then a government-appointed conciliation commissioner would take the negotiations on from there. Here again, he would not see that the government had set a 6 per cent guideline. He looked at what teachers were getting in comparison with other professions. He didn't care if you recommended that the settlement should be 20 or 25 per cent. Those were the real problems.

It was until lately, when the teachers got in line with other professions as they are today. I know if I were negotiating for a school board today, as soon as the teachers came in the door, I would say, all right, 8 per cent — the doctors have accepted it, the nurses have accepted it, these are the guidelines. We accept 8 per cent. If you don't, we'll go to the next stage of negotiations. All you have to do is spend a few minutes. Then if the government or the Minister of Labour appointed someone as a conciliation commissioner who would recommend 20 or 25 per cent, I think that man would be out on the road mighty quick.

However, as I have mentioned before, with 11 per cent for school boards now, and the federal guidelines [at] 8 per cent for salary purposes, this is one time the school boards are going to be able to take advantage. They will be able to use that 11 per cent intended for instructional supplies, for other extracurricular activities, and so forth. I think this is one time the boards are in a very favorable position. True enough, when we used to negotiate, there were times that the ATA would have 23 pages of clauses for amendment. Yet as you read those clause by clause, not one of them would provide something better for education. It was always in the interests of the teachers: fewer hours, more sabbatical leave, more money, and so forth. So as I say, I cannot see that money is always going to make education.

When the hon. Leader of the Opposition spoke on regional colleges, he said they should be phased out. I totally agree with him. But when were they initiated, and for what reason? I recall — it could have been in 1969 or 1970 — the refresher course in Banff, when the Minister of Education of that day announced that school boards would have to appoint their own superintendents. I questioned the minister of the day: is the government going to provide the remuneration for the superintendents? The answer was, they'll get the amount that is granted for the teachers, which would have amounted to \$5,500.

Superintendents were getting \$20,000, \$22,000, and \$24,000 per year. As a result, school boards, maybe to save money, did appoint their own superintendents. And what was left? These superintendents who were formerly employed by the Department of Education had no place to go. That's when the regional colleges originated.

As I say, during my few years on the school board, I had yet to see the county I represented gain anything whatsoever from any regional college. Even though the minister hopes they'd be wiped out, I hoped his government would have thought [of] that before they initiated them.

Transportation seems to be quite an issue. The school boards have the authority to make their own regulations. The School Act says a child shall not walk more than 1.5 miles to the school bus. But boards have leeway to make those changes. I know we originally started with a mile and a half. We reduced it to a mile, then to half a mile. Then it came to gate service. True enough, if you want these extra services, somebody has to pay for them. I have counted out that it would cost a family approximately only \$10 per year to have a bus pick up their children right at their gate in the morning and deliver them to their gate or doorstep in the evening 200 days a year, rather than their child walking a mile and a half to the bus every morning and a mile and a half back.

I was sort of surprised at the hon. Member for Spirit River-Fairview when he was debating on this. He is not here either. He mentioned that the roads are in much better condition in the Lethbridge area than they are in the Spirit River area, and the grants should probably be different. I can say one thing: I can agree. The roads are much better in the Lethbridge area. They have been for years. They are much poorer in the north, maybe even as poor as they are in my own constituency. But the reason for this is that in southern Alberta, conditions are such that you can build roads almost year-round, whereas in our areas there are two or three months of road-building weather.

Furthermore, the subgrade in southern Alberta is such that it's very easy to build the roads. I travelled with the agricultural service board in southern Alberta. I saw what the roads were like. I travelled with the agricultural service board in the northern part of the province, so I can agree with the hon. member that the roads are better. Maybe it's more favorable for buses. But on the other hand, the farms in southern Alberta are so much larger. The families are farther apart. Years ago, they already had small buses — 30-passenger buses, 36-passenger buses — because they didn't need [them] any bigger, while in the north there were plenty of children. So one compensated [for] the other.

Furthermore, since the hon. Member for Spirit River-Fairview felt it's so much more advantageous in the Lethbridge area, he should have sought nomination and election in Lethbridge rather than in Spirit River. He went from Edmonton. At the same time, he would have had the choice either to have Lethbridge East or Lethbridge West, or maybe [he could] even have gone to the Vegreville constituency to campaign or run. Maybe I would have had a more interesting election campaign.

Nevertheless, Mr. Speaker, there are some areas of concern. About a month ago my colleague from

Redwater-Andrew and I went to see a school in the town of Lamont in the constituency of Clover Bar. There was a foot of water. The school was in such condition that the buildings board branch had shut it down. The children had to be taken out. Unless that school, or part of it, is brought up to standard, they cannot use it again. There is a problem. Just because that school has expired only twenty-six thirty-fifths of its life, the school board would have to pick up the nine thirty-fifths before they could get a grant for a new school. Maybe there was a different board 27 or 28 years ago when that school was being built. Conditions were different. Maybe it was so; but I still think all schools or any other buildings cannot hold up exactly the same. I would have hoped that our minister would have taken a strong look at this, and maybe make some compromise with that nine thirty-fifths. The only thing I regret was that the hon. Member for Clover Bar — we in the neighboring constituencies had to come to see the concern there. I don't know why he hasn't come around, and I've never heard him mention the Lamont School.

I would have liked to see the Minister of Education make some alteration in transportation, particularly for those taking early childhood services. Since our government has made an attempt to provide grants for those going to kindergarten in other areas, I hoped there would be some provision that these kiddies could be picked up along with the other children. So far there is no grant for that. In no way will the bus operators go out of their way or be able to pick up these children, unless something is done.

However, a number of my colleagues did attend a meeting of Zone 3 of the Alberta School Trustees' Association a little while ago. We had hoped that we might bring this to the minister and maybe some change of financing could be made, even without going above the 11 per cent guidelines.

Also it was mentioned by some previous speakers that probably we should go below the 20:1 ratio so teachers would be able to do a good job. Mr. Speaker, I know the regulations just a few years ago were that the ratio must be 27:1. Some of the teachers at that time had to have 35 in a classroom, and they did reasonably well. Today, with grades being departmentalized and so forth, I cannot see any reason the teacher cannot instruct children like they did some days ago, when the hon. Member for Drumheller taught school. He boasts today that he was able to do a good job, and I'm sure he did. When I look among my many colleagues here, there are those who went to school where there were eight and 10 grades in a classroom, and 60 children, but they were able to get a good education. Many of them are leaders in the community.

Mr. Speaker, I'd like to thank you for the time.

MR. YOUNG: Mr. Speaker, in addressing some remarks to the resolution placed on the Order Paper by the hon. Member for Olds-Didsbury in relation to the grants to education, I should first like to outline a concern I have had for many years with respect to the relationship between the province and local school boards, and for that matter municipal governments.

Mr. Speaker, for some seven years I was involved with local school boards in this province, and one of the areas of my involvement was finance. I had occasion to look at many school board budgets and to

study the relationship of the province and its grant formulae to school board budgets. One of the concerns, and perhaps I should say the foremost concern, I had was that our grant system be such that we did not lead school boards to anticipate receiving funds which we suddenly ceased providing to them. In other words, we didn't disrupt that relationship abruptly when it was not expected by one party or the other.

Mr. Speaker, I was in this province and involved in that exercise with school boards when the previous government rather suddenly introduced some fairly sharp limitations. I have to say that at that time I had thought that school boards, and educators in general, were having a fairly good situation in that we were still in the euphoria that was the public attitude toward education as a result of landing men on the moon and this sort of thing. In other words, science and education held out tremendous potential, and everybody thought that the more education the better, and there was no limit to it. Suddenly, however, the former government realized that there had to be a limit, and they produced some rather sharp cutbacks.

This year we have seen a reduction in the grant from previous years, but it is not a reduction that should have been unexpected by school boards; nor, I may add, with respect to the conversations I've held with many of them, was it unexpected. They really did not expect to receive this year the type of increases in grants which they had received on previous occasions. So, Mr. Speaker, my first concern with respect to the motion before us would have been much greater had I thought that we had misled school boards to expect more than they actually received. I don't think that was the case. I think that we in this government played fair ball with them in terms of what they might expect to receive.

Mr. Speaker, a second point made by the Leader of the Opposition when speaking to this motion was to the effect that it does not produce 11 per cent for some school boards. In fact that may well be the case, inasmuch as much of the grant formula is based on the pupil count of a given school board. But, Mr. Speaker, since we now have the estimates before us, and they were not before us at the time the resolution was placed on the Order Paper, I note on page 90 of the estimates book, under the section entitled Grants, that in fact there is a provision for an 11.1 per cent increase this year over last year for grants from the Department of Education. So, overall the increase has in fact been what the minister indicated.

Mr. Speaker, very recently I had the opportunity to explore with one of the Edmonton school boards how the grant structure was affecting that school board. It is correct, Mr. Speaker, that in fact the grants do not provide an 11 per cent increase to that school board. However, Mr. Speaker, it's also correct to observe that there are some 600 less students in that system than in the previous year.

Mr. Speaker, as nearly as I can understand, the impact of the 11 per cent which the minister announced through the various types of grants is not going to be an impossibility for school boards. I should like to commend the teachers and other employees of school boards for the fact that school boards will, I think, be able in the main to live with the grant increase that they have been provided this

year.

Mr. Speaker, it does appear that the teachers in Alberta have taken, with respect to salary increases this year, a more responsible position than is being displayed in the province of Quebec today. I think that teachers as well as many other groups of employees in the province have recognized that in order to bite the bullet of inflation we all have had to make some sacrifice, some adjustment. From announcements which have been flowing in the last several weeks, it does appear that collective bargaining is proceeding in a manner which we will be able to accommodate within the increase provided to the respective school boards.

Mr. Speaker, since we're talking about the impact on school boards, I should like to talk for a moment about some of the feedback I've received from the public. Mr. Speaker, the feedback has come primarily as a consequence of a bulletin, or a little brochure, put out by the Alberta Teachers' Association. I should say to the Assembly that I have received back only two of those bulletins. As I understand it, they rather were inviting comment to elected representatives. The two I received had very negative comments toward the requests in fact contained in the bulletin which, as I recollect, suggested better salaries and a lower pupil-teacher ratio.

Mr. Speaker, since one constituent went so far as to write me a letter, I might paraphrase a portion of that letter. The constituent said: We sincerely hope that the government will not take this request seriously. We feel that it's necessary to maintain a high quality of education in this province. However, if moneys that are requested are to be used for the above-mentioned requests — and they had reference to the lower pupil-teacher ratio and salaries — we would be absolutely opposed.

Mr. Speaker, I've tried to understand what would produce such a negative comment. Quite apart from the way the brochure may have been written and distributed, I think the public in general is very concerned today with some of the questions which have arisen about the quality of education. The questions really are turning on whether putting more money into the educational system produces better education or a higher quality of education.

We've already had reference to some reports on the social studies program, Mr. Speaker, which suggest that program has not been successful in most schools, as taught by most teachers. Mr. Speaker, I've had the opportunity to visit a few schools in the last two years, to speak to a number of classes, and in those situations to try to observe how the teachers organize. It's my impression that some teachers do very well with the existing program. Others do very little. I'm afraid this reflects upon what the students do.

Secondly, Mr. Speaker, it's my view that in trying to provide flexibility, in trying to provide the opportunity for local initiative within the school system, in trying to provide, if you will, what is seen by many to be the opportunity to be true professionals, we have structured a situation which has given rise to a lot of empire building and a great deal of experimentation in the area of curriculum development. I'm afraid that we have gone overboard in this direction, that in fact our educational system is suffering from a lack of discipline and a lack of guidance — too much

experimentation, Mr. Speaker, and not enough of the three Rs and the subjects that relate in a very direct way to the three Rs.

Mr. Speaker, another point which concerns me is that I suspect the public is expecting more of the schools than the schools should be expected to provide. I was in one classroom where the discipline was absolutely atrocious, to say the best for it. Mr. Speaker, I had been invited to this particular classroom in a high school to address the students. I found students coming in up to five minutes late. Several of the young gentlemen students had their shirts undone down to their belt buckle and possibly lower, I don't really know, and wide open. They asked the teacher for pencils in order to make notes. I don't know that they made any notes, but they took the time of the class by asking the teacher for pencils.

Mr. Speaker, if that is the kind of discipline, if that is the kind of respect which is accorded to teachers in a high school situation, I think there is something drastically wrong with our schools and drastically wrong with our homes.

Mr. Speaker, that sort of thing starts in the home. It doesn't start in the school. I would suggest to parents in general that some of the disappointment they relate to the school system ought, more properly, to be directed to the home environment which would condone such an attitude toward schools.

Mr. Speaker, the issue of this motion is really going to be dealt with very shortly in the estimates, and the estimates are before us. I strongly suspect that the debate here should be adjourned and be left to the consideration of the estimates, so I'm going to terminate my remarks now. If there are other speakers who wish to continue before we reach the estimates, this will provide that opportunity.

MR. APPLEBY: Mr. Speaker, I don't really feel we should adjourn this debate at this moment, because the Assembly has just heard from two school trustees, and perhaps I should express a few views from the point of view of a schoolteacher.

I see the Member for Lacombe is applauding a little bit. Strangely enough, I have the same sort of feelings that he does, because he's an ex-schoolteacher and then after that he became a school trustee, Mr. Speaker. He got on the other side, and he realized there was a little bit of a problem finding out where all this money was going to come from. Now as a member of government, I find that we still have that same problem at perhaps a different level of government.

I was never too interested in salary negotiations when I was a teacher. All I used to hope for was that they'd get them over quickly, so that we wouldn't have continual friction and strife between the school committee and the teachers.

However, when I look at this resolution, Mr. Speaker, I notice some of the things it says. But before I do that, I have to think of the furor and the hue and cry that was raised by the Leader of the Opposition and other people regarding the fact that the Provincial Treasurer did not bring in a balanced budget this year. Right away they say that we should change things around and give a higher priority to education. Whether they mean that we should increase the deficit — which I don't expect will be a deficit by the end of the year anyway — or whether

we should cut back on other programs was really not outlined, Mr. Speaker, when the Leader of the Opposition brought the motion in.

I have to wonder what "higher priority" means, just what is to be done, and what we are going to compare education to as far as a higher priority is concerned. For instance, are we going to reduce the assured income for senior citizens? Are we going to reduce aid to the handicapped? Are we going to reduce hospital services? Just where would we make the transfer within the budget to make further funds available to education?

Mr. Speaker, in the comments we heard supporting the motion, the indication was, what are we going to achieve by this? I have to wonder too, when we speak about the quality of education, just what we're talking about.

Like the Member for Drumheller, when he spoke about the size of schools when he first started teaching, I can well remember the first day I went into a rural school, Mr. Speaker. I faced 40 students in eight grades. I was 18, and the oldest student was 17. Some of them had been there for quite a while, Mr. Speaker. They had been enjoying school life and the pace at which they were travelling along. I made it very plain to some of these students — that wasn't in the days of women's lib, but these were all boys, as it happened — that school was the place where we were going to do some work. Corporal punishment was still in effect in those days, and I exercised this prerogative quite freely, Mr. Speaker.

In fact, before too long it got to the stage where the secretary, who was the wife of the chairman of the school board, came to me with a message and said, Mr. Appleby, some of those older boys are going to beat up on you. I was fairly husky in those days and had done a number of courses in phys. ed., and I thought, well now, maybe we'd better have an understanding about this. So I called a group of these older boys in after school and we had a little chat. I said, I understand that I might be in for a little go-round with some of you fellows. I said, I don't doubt that you can do it. There's not too much doubt in my mind about that. But I think the first one I get my hands on will probably not be around too much longer either. We had no more trouble about it, Mr. Speaker.

Those are the kinds of things we're concerned with. I note the Member for Edmonton Jasper Place talked about discipline. In those days, we exercised discipline in our own unique way, and it was fairly effective. I think perhaps these are some of the things we should be looking at today as far as discipline is concerned.

The Member for Edmonton Jasper Place also mentioned the circular from the Alberta Teachers' Association, and some of the reactions he had. He mentioned they were asking for higher salaries and a lower pupil-teacher ratio. Another thing they asked for was a shorter work week in actual classroom time — 20 hours in the classroom, I think it was. Maybe this was an ideal objective. I wouldn't criticize the motive behind it. But I have to wonder how that time would be spent when they were not in the classroom.

I know that at the university — I don't know what it is right now, but when I was there about seven or eight years ago — the professors had to have 15 hours of lecture time a week. After that, they were in

the "publish or perish", I think it was called. They were supposed to do research and writing and publish their works. A lot of those publications are today gathering dust on shelves in university libraries. I think that's very important.

The Member for Vegreville spoke of the early childhood services program. I am very much an admirer of that program. He spoke of transportation costs. However, we find now in this program that they have a new area they're working in which is called the in-home program. [In] speaking to the administrator of that program just this morning, Mr. Speaker, he tells me they're finding that this program is much less expensive than the in-centre program, where they take the youngsters into a centre. They have people going out regularly, visiting them in the homes, and working with the home environment and the home atmosphere. I think that part is good.

In assessing the motion, Mr. Speaker, I can't see how we can justify the remarks that we should balance our budget and then put more money into education. It wasn't explained to my satisfaction where the money was to come from and why it should be spent in that way. I just wanted to put those few remarks on record, Mr. Speaker.

MR. KOZIAK: Mr. Speaker, I beg leave to adjourn the debate.

MR. SPEAKER: May the hon. minister adjourn the debate?

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Speaker, insofar as the Assembly this evening will be moving directly into Committee of Supply to consider two departments, Environment and Municipal Affairs, it might be appropriate to move into Committee of Supply just before we adjourn.

I move we call it 5.30.

MR. SPEAKER: Having heard the motion by the hon. Government House Leader, do you all agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: Does the Assembly agree that when members reconvene at 8 o'clock this evening, they will be meeting as Committee of Supply?

HON. MEMBERS: Agreed.

MR. SPEAKER: The Assembly stands adjourned until the Committee of Supply rises and reports.

[The House adjourned at 5:29 p.m.]

[The Committee of Supply met at 8 p.m.]

#### head: **GOVERNMENT MOTIONS** (Committee of Supply)

[Dr. McCrimmon in the Chair]

MR. CHAIRMAN: The Committee of Supply will now come to order.

#### **Department of the Environment**

MR. CHAIRMAN: Mr. Minister, do you have any opening remarks?

MR. RUSSELL: Very briefly, Mr. Chairman, this is a year of consolidation and restraint for the department in that there are no significant staff increases, no new programs.

We're continuing with the major capital works projects we have started, and I think most members are familiar with those. We're continuing the programs of assistance for the municipalities with respect to water and sewage treatment. We're maintaining financial support for environmental research, particularly in the oil sands region, and we've expanded slightly the facilities available to the Environment Conservation Authority. I think, sir, that would be a very brief summary of the general objectives of the department for the coming year.

MR. CLARK: In a year of restraint as far as the Department of the Environment is concerned, perhaps we could start with the studies the minister sees the ECA being involved in this year. At the outset, I would commend the minister for the way he responded to the ECA and the hearings as far as the dam site west of Red Deer. But rather than spend my time congratulating the minister, perhaps I might ask what projects he sees the ECA being involved in this year.

MR. RUSSELL: Two major hearings were scheduled some time ago, as members are aware. The authority has a running schedule of about two or three years ahead, and the two major ones they will be preparing for this year are the urban environment and industrial growth, and forest utilization. They've got some more wrap-up work to do as a result of the Red Deer River hearings. Then, of course, there are a number of smaller ones that we [hold] *ad hoc* as we go along. There's a small amount of work to do with respect to the Quirk Creek sour gas field problem, and this week they are in Hinton examining some complaints from citizens there.

Also pending, of course, is the potential role they might have in conducting general hearings on the oil sands region and hearings of some kind on the proposed Camrose-Ryley project.

MR. CLARK: Mr. Chairman, if I could just follow along the question of some sort of general, perhaps yearly, hearings as far as the Fort McMurray area is concerned. If I recall correctly, that recommendation came from the study the ECA did on the tailings pond question at Fort McMurray. Might I say to the minister I think that would be an excellent recommendation for the government to follow up.

The minister will recall the discussion earlier in the House with regard to the matter brought forward by the Member for Spirit River-Fairview on the sulphur problem. I think that's a real problem. Some people have a tendency to think that's the only problem associated with the oil sands development in the area.

I'd like to ask the minister at what state the government's thinking is on this question of the ECA holding, perhaps yearly, one-week hearings in Fort McMurray, where the people from the Fort McMurray or northeast region of the province would have an opportunity to come to the ECA — almost being their environmental ombudsman, which really was the initial concept of the ECA.

MR. RUSSELL: Well, I'm not prepared at this time to agree that the ECA should turn into an environmental ombudsman. This is a fuzzy part of the issue we're trying to give some delineation to at the present time. That is a clear demarcation of the role of the Department of the Environment and the role of the Environment Conservation Authority.

Insofar as Fort McMurray is concerned, a lot of environmental work is under way there now, with the 10-year Canada/Alberta \$40 million research program entering its second year. The kinds of hearings that I understand the ECA recommended be held in the Fort McMurray region were general hearings on the environment of the oil sands region. That's a proposal we have under consideration at the present time.

MR. CLARK: Just to follow that along — the minister talking about the fuzzy nature of those kinds of hearings — I'd be interested in hearing the view of the minister with regard to the requests from the people of the Hinton area. As I understand the situation there, the pollution control division of the Department of the Environment went out and did a number of investigations with regard to North Western Pulp and Power. Basically, the citizenry there were not satisfied with the kind of investigation pollution control did. If I understand the sequence of events properly, another meeting was held with Mr. Briggs and his people, and there still wasn't satisfaction as far as the local people were concerned. The group in the area then asked the minister to have the ECA go out and look at the matter. I think it centres primarily around health problems, or alleged health problems.

That's where I become a bit confused with the minister's most recent answer, because we're talking in terms of the ECA being involved with that kind of venture where it's, in some form, passing judgment on the work done by the pollution control people. I'm not particularly critical of the minister sending the ECA out there, but if the ECA is going to play that kind of role in Hinton, I think that very logically opens the door to the ECA holding, shall we say, yearly hearings in Fort McMurray where people from northeastern Alberta have the opportunity to be concerned with the same kinds of things the people of Hinton are now discussing with the ECA.

MR. RUSSELL: That's quite correct, Mr. Chairman, but the fact of the matter is, I didn't send the ECA out. The citizens of Hinton petitioned directly. Dr. Trost, the chairman, brought the petition to me and said that in order to respond to it, he felt the act encouraged him to go out. I agreed, and he did. I don't think I could have stopped him if I'd wanted to, and I didn't want to stop him. But it's quite true the department was out there twice. They're dealing with a health problem that even the doctors out there

are fighting about. God bless the ECA if they're able to solve it. I doubt very much that they will be.

MR. CLARK: Mr. Chairman, just following along. The minister perhaps can say that the people in the area asked the ECA to go out. In fact that's right. But the minister also will recall the debate in the Legislature — I think it was in '72 or '73 — when the ECA had the authority to go out on hearings on its own. We're now in a situation where, if I recall the legislation accurately, the ECA is to get the approval of its minister before it goes out to hold hearings.

I commend the minister for not trying to stop the ECA from going out. I think it would have been very unwise to have done that. But let's keep the record straight. The ECA has to get the approval of the minister to become involved in the kinds of hearings that are talked about in Fort McMurray or any other place in the province. I'd like the minister to confirm that, if he would.

MR. RUSSELL: That's correct, Mr. Chairman. The operative word in the act is "consult", and I would hope — well, in fact the ECA is doing that. They consult with me prior to embarking upon a hearing. The dilemma the government faces is the nature and number of hearings we're now getting involved in. We have the Energy Resources Conservation Board holding hearings that very often impinge on environmental matters, and those are really more often the responsibility of the Department of the Environment. There's quite a difference between the activities of the authority and the department.

What we're trying to sort out are some clear guidelines that will be simple for the public of Alberta to understand. I think the broad issues, like erosion problems in northeastern Alberta, or the Paddle River basin or the management of the Red Deer river basin, are fairly easy and very appropriate for the ECA to handle. When you get into other kinds of things like, is a certain plant causing a health problem because of its effluents, it's a pretty gray area — whether or not that's really the responsibility of the department or the authority. In the case of Hinton, two meetings with the department proved unsatisfactory, so they petitioned the authority. That's the kind of fuzzy line of demarcation I was referring to that we're trying to erase.

MR. CLARK: Mr. Chairman, could I ask the minister what role he sees the ECA playing with regard to the Dodds-Round Hill [project], now referred to as the Camrose-Ryley project. What role does he see the ECA playing there? Recognizing that the ECA has had a request from the people in the area to hold hearings, recognizing that the people in the area have now engaged an Edmonton-based consulting firm, and recognizing that, I believe, an application is now before the ERCB — what kind of role does the minister or the government envisage for the ECA in Dodds-Round Hill?

I ask that because perhaps [you] will recall, I believe it was two weeks ago this coming Friday, we pursued that matter in the question period with the Premier. At that time, the Premier indicated the government was looking at some form of public hearings in the area, but rather left the impression that because this is more than an environment issue, it may well be

that some other type of forum will be established. Is the minister in a position to elaborate on that particular area?

MR. RUSSELL: Yes I can, Mr. Chairman. The situation in the Camrose-Ryley area is fairly complex, in that traditional hearings dealing with the management of resources, in this case coal, must be held by the ERCB, under our existing legislation. Those are in a state of preparation. The government then acts on the recommendation it receives from the ERCB.

But there are other matters there. There are a number of environmental concerns. There are social, sociological, and community concerns. Dr. Trost has been in the vicinity talking to the people. I've had a resource person from the department trying to help them, to see what information they want or how we might assist them. The dilemma facing the government at the present time is: knowing that the ERCB must, by law, proceed with hearings, what is the best kind of forum we can provide for the citizens in the area to present their concerns, which are really quite different from the pure management of the coal resource in the area. That's where we are now.

MR. CLARK: Mr. Chairman, is the minister in any position to give us some kind of timetable — I'm not trying to pin the minister down to next month or the following month, but some kind of timetable — as to when the government will be able to arrive at some conclusion there? I say that because I'm sure the minister recognizes it's a rather unsettling situation, not only to the people in the area. I recall having a discussion with one of the county of Camrose councillors. In fact, if this project goes ahead, the county of Camrose is going to have some mighty responsibilities, if for no other reason than hauling gravel from south of Camrose up to the area north of Camrose. As I understand it, that's the nearest major gravel source available.

So it isn't only for the farm folk in the area. I think some tentative dates would be helpful to them, but also to the local governments in the area, be they the county or the city of Camrose. So is the minister in any position to give us some kind of broad timetable? It wouldn't be my intention to come back and say, you said May and it was June, [that] kind of thing. But perhaps be as definitive as possible: when we can, hopefully, be looking at some kinds of assurance to the people in the area; when at least some decisions will be made.

MR. RUSSELL: Mr. Chairman, the ERCB has already written to property owners in the area indicating that it will probably be September by the time they're ready to proceed with their hearings. They have some insufficient details in their application that need rounding out. It's not likely they'd want a hearing in the summer, so they're looking at the early fall. It's certainly the government's intention to indicate its method of handling the hearings well before that time so the citizens know which way they're going. I should add at this time that all the concerns are not against the project. There's the other side of it too.

MR. CLARK: Mr. Chairman, indeed the minister is right. I've met with some farmers in the area who are quite enthusiastic about selling their land. On the

other hand, I would venture to say there is likely a larger group that expresses some very real concerns about having to sell land or having land expropriated, and some very real concerns about the kind of reclamation that will go on.

I would like to ask the minister if his department, or consultants outside the department, have in fact looked at this question of reclamation and the practical aspects of the kind of reclamation that will be needed in the Dodds-Round Hill area becoming a reality. Has the department done some work in this area specifically, or is it going to commission some work specifically as far as the Dodds-Round Hill situation is concerned?

MR. RUSSELL: Not specifically with Dodds-Round Hill. A certain amount of that responsibility lies with the proponents, of course, to guarantee they carry out this reclamation. However, on the government's European mission last fall, one of my senior officials, Mr. Thiessen, the Assistant Deputy Minister responsible for reclamation, accompanied the Premier to the very extensive German open-pit mining areas and the reclamation going on there. They established good contact, and those people will be coming to Alberta in May and visiting the Camrose-Ryley area specifically. It is our intention, first of all, to let them informally look at it, then see if a more formal type of consultation might evolve out of that first visit.

MR. CLARK: Mr. Chairman, could I ask the minister what action his department or the government has taken as a result of the coal exploration review carried out by the ECA. You'll recall that about three or three and a half years ago, supposedly a moratorium or a freeze was placed on any further exploration. In fact, letters went out from the Premier's office indicating that. Then about six or eight weeks later the same people were advised that that wasn't really the situation, and the ECA was asked to look at the whole question. I suspect the minister's had an opportunity to look at the report.

Is the minister in a position to give us an indication as to how the government is dealing with the recommendations of the report? I suppose the most damning thing in the report really was that at some senior level there seemed to be a feeling that in fact a moratorium had been in place. In fact, that was the minister's understanding, if I recall his comments in the House. Yet at the staff level in the department there was nothing official that in fact this had been done. So you have the department staff going on one particular basis and, in fact, the senior officials of the department laboring under the assumption that a moratorium was in place.

Perhaps the Minister of Energy would like to comment.

MR. RUSSELL: Oh, he comments too much. Don't encourage him.

I think the deficiencies pointed out in the report really had been taken care of to a large degree by the time we got the report. That was as a result of the natural evolution of things resulting from the eastern slopes hearings. Right after the eastern slopes report was received from the ECA, there was in fact virtually a moratorium in the eastern slopes, not only on coal development and exploration, but on pretty well



everything.

The situation now is that any application that works its way up through the bureaucracy or the administrative level comes to the chairman of the development and review committee, who is Mr. Thiessen, my Assistant Deputy Minister whom I previously referred to, who then brings each application to me. So before the ERCB can issue a permit for exploration or development, it does have that ministerial approval which, I hope, carries a political level of responsibility with it. That now applies to all permits for exploration and development, and there is quite a major difference between those two.

The system we are using now — in fact since last March, since the election — seems to be working quite well. We have frozen virtually everything in the eastern slopes. I think eight applications for exploration and two small ones for development were approved. Everything else has been frozen.

The rest of the province, what we call the plains region, is proceeding. The coal industry is aware of this. They have all received form letters. We have talked with Garnet Page, the director of the Coal Association. They understand the situation, and it seems to be working quite well.

We are processing the non-controversial plains applications very quickly. I suppose we have somewhere in the neighborhood of 30 applications for exploration in the eastern slopes which are pending, and which will be dealt with after the government's coal policy is made public.

MR. CLARK: Mr. Chairman, following along on that, I'd have to make two further comments. One is — and this is likely a criticism of the former government too — that what appears to have happened is that a large number of exploratory permits were granted in areas that in all likelihood, if coal is found, development would not be permitted. I say that's criticism of both the present and the former administrations.

It seems to me one of the basic principles that should be followed in any further approval of exploration permits is that the decision be made as to whether the government would let development go ahead if the company finds coal. One of the most common complaints I have received from people in the industry, pretty candidly, is: I guess it's great to go ahead with the exploration, but at the same time if the government isn't going to be in a position to even consider going ahead in an area, what's the sense? I'd be very interested in knowing the minister's response to that kind of approach. If it has all kinds of holes in it, let's hear what they are.

MR. RUSSELL: Well, I think that approach makes a lot of sense, Mr. Chairman, and it's certainly one we've considered. You can back it up even further than that. If you don't intend to let a person explore, you don't grant him the lease, so you could back it right up. It would be nice if we had the answer to everything at step one, which we don't have. The exploration work that is going ahead, of course, is useful to the government as well as to the industry, because it provides valuable inventory information. At the same time, for the past year we have been sending out these standard letters over Mr. Thiessen's signature saying, you have been granted exploration approval, but don't read this as a

commitment to be able to carry on a development. So I think we have succeeded in cautioning the industry in any case.

MR. CLARK: Go ahead.

MR. KIDD: Mr. Chairman, on the other side of the coin, the leases are issued with a time fuse on them whereby the government can give everybody one year's notice to commence development. It seems to me that the exploration companies are willing to take the risk on that side of the coin and probably equally as willing to take the risk on the other side.

MR. CLARK: Mr. Chairman, a further question to the minister with regard to the same report. As I leafed through the report of the ECA on coal exploration policies and programs, I got the distinct impression that if there was an odd group out in the course of this review process, it was the Fish and Wildlife people, formerly Lands and Forests and now the Department of Recreation, Parks and Wildlife. The minister indicated that before the report came out, most of the matters in the report had been dealt with. I'd be very interested to hear from the minister what formal kind of approach the Fish and Wildlife people and Recreation, Parks and Wildlife now have with regard to their input on decisions made at either Mr. Thiessen's level or the ministerial level.

MR. RUSSELL: That goes back to the D and R committee as it's called, the Development and Review Committee, and that has representatives from a large number of departments. At that stage when all interested departments make their input, and the recommendation of the ERCB is finalized and forwarded to Environment, Environment signs the attachment, then ERCB signs the original document, and it goes out. So I think we're getting the interdepartmental co-ordination now. That's important.

MR. CLARK: To follow that along, will the minister explain how that is different from the procedure used before? I understand the procedure used before was a matter of a large interdepartmental committee with people from various departments having some input. Despite that kind of arrangement, one of the more prominent recommendations of the report was that Fish and Wildlife had virtually no meaningful input. I'm asking the minister, what changes have taken place? Has the government felt the recommendations by the ECA weren't fully accurate in this area of the kind of input from Fish and Wildlife?

MR. RUSSELL: Well, Mr. Chairman, we've got two more levels of political consideration or elected consideration. One is on the standard or straightforward ones where at least everything has to come through my office, and if it's a major project, it's taken to a subcommittee of cabinet or full cabinet. I think that's where the thing has probably been beefed up, because as I understand it, before when those letters were answered both from the Premier's office and the former minister's office, those replies no doubt had been drafted by their support staff and were thought to be true. That shows you what can happen when you get a very large administrative mechanism and perhaps a desired liaison isn't always there.

MR. CLARK: Well, Mr. Chairman, following the minister's answer then, in a situation where the additional protection has been built in at the political level, very important or very real concerns by Fish and Wildlife people — if I understand the minister's answer correctly — would be brought to the cabinet subcommittee or to the Minister of the Environment by the Minister of Recreation, Parks and Wildlife. Is that the route where the beefing up is taking place?

MR. RUSSELL: Yes, or vice versa. I didn't want to leave the impression that every application for routine exploration follows that route. But at least the conditions are listed, the map is brought to the office, and if there are any water courses or sensitive wildlife areas they're certainly very quickly pointed out to me. I can only say that, on the basis of about 14 months experience, the system seems to be working.

MR. TAYLOR: Mr. Chairman, there are just four items I'd like to make very general comments on. The first one is in regard to future power for the people of Alberta. I think it's unfortunate that before all the facts are known, swords are drawn and sides are taken on some of these projects that are going to lead to power for the people of the province. There are a great number of things to be decided before a final decision is made, and I would like to commend the department and the government generally for refusing to be stampeded into making hasty decisions. That applies to Dodds-Round Hill and several other projects that have been mentioned.

I don't think we have sufficient information even yet, and I am doubtful if the government has sufficient information to reach any firm decision in regard to that type of thing. When sides are drawn before we know all the facts and swords are drawn, I think it's going to let somebody down very badly at some time in the future.

I have a great deal of confidence in the Energy Resources Conservation Board. Through the years this board has handled very delicate matters, and very successfully. As a matter of fact, I'm doubtful if there's any board across this whole country that has been as efficient in regard to energy matters as the Energy Conservation Board. I think one of the prime reasons is that it has always refused to make a decision until it has all the facts. I have said elsewhere that one of the strong points in Premier Lougheed's government is that it does refuse to be stampeded into making decisions before all the facts are known. I think this is a very excellent thing.

Some of the things that bother me in connection with this matter of power in the future are: one, I'm not aware of exactly the amount of coal, the acreages of coal, or the type of coal in the various possible coal fields in this province. Consequently, I don't know what kind of plant would be built, how long that plant would be in process, how much power, and for how many years it would supply power to the people of Alberta. Nor do I know how much it's going to cost the people of Alberta. These are some of the things that have to be found out before a final decision is made. I think it's very, very bad policy if we try to rush into that type of thing, because we might very well make a bad decision based on pressure which many times is made without the facts being known.

The second point I would like to mention is in

connection with plastics. Across this province and even in this building, every day, every week, and every month we throw away what I suppose in a year must be tons of plastics — plastic cups, plastic plates, plastic spoons. If this is simply being thrown away as I understand it is now, it seems to me a very great waste. Again, I think one has to be a little careful in jumping to conclusions. I am aware to a small degree of what it would cost to recycle plastics. I understand from what the hon. minister said in answer to a question the other day that some research is going on. But I would think this might be something the Alberta Research Council with the Department of the Environment could very well take a look at, to see if we are able to recycle much of the waste that we see going on in plastics today.

The third item I'd like to mention briefly is in regard to The Beverage Container Act. I wonder if the hon. minister can tell us if this program is reasonably successful from a money point of view. Is it costing the people too much for the good that's being done? Are there any plans to change particular items in the program? Certainly if the committee the hon. minister set up has reported, it would be interesting to see what that report is.

I do know our province is one of the cleanest in Canada — maybe I shouldn't say that, I haven't been in all the provinces lately — but the cleanest of any province I have been in with regard to roadside glass. Roadside glass was a real bane in this province for many years, not only cutting tires and the feet of youngsters and horses, but being a really unsightly thing and a regular mess most of the time. In the States where I have seen bottles thrown around the highway, [with] nobody to pick them up, it's really a terrible sight. I'm hoping this beverage container program can even be advanced. I hope it will not be necessary to curtail it, even in this year of restraint.

The fourth item I would like to mention is this matter of the environment and the development of coal. Sometimes I think the vast amounts of coal in this province could probably be developed through a gasification plant, and the power secured from the coal perhaps at a cheaper rate than what we're spending in the McMurray tar sands. Again I say perhaps, because I don't know. But I do know we have vast acreages of coal.

If the pilot plant that the hon. Minister of Energy and Natural Resources said is being set up this year proves successful, in my view it may well be that the emphasis might turn from immediate future plants in the McMurray area towards coal gasification plants on the prairies, particularly with the Edmonton seam [which] is now found. There's a tremendous storage of wealth in that Edmonton seam. I do think research should be going on in regard to that. I'm hoping we will not make the mistake of letting too many leases on coal in the Edmonton seam before we are aware of what that coal might mean to the future of this province in regard to energy.

I get a little impatient sometimes with the extreme environmentalists. When I hear some of them talk, I wonder if there would be a man in the province who would have a job if they carried out their recommendations. There might be some environmental damage in the Drumheller valley through the coal mining. This is the deep seam mining I'm talking about. But I would suggest that the percentage of environmental

damage is very, very small per kilowatt of energy that is produced through deep seam mining. I do believe we should be looking at the idea of deep seam mining in our eastern slopes, as well as in some other parts of this province. Because deep seam mining can be controlled, the environmental damage can be controlled to a very large degree. It's a shame we have so much potential power underground if we are not going to be able to use that for the benefit of the people in our generation and future generations.

In closing, I would again like to commend the Department of the Environment for going slowly in regard to some of these complex problems. In my view, all the facts should be known before we jump and before we act. We should never act on important items like power in this province simply because of pressure, whether that pressure comes from politicians, environmentalists, or anybody else.

MR. R. SPEAKER: Mr. Chairman, I'd like to ask the minister a question with regard to municipal water and sewers. I wonder what criteria the minister uses with regard to providing these grants. Let me explain that a little further. I've been in contact with two or three villages and towns in southern Alberta in the past week. I've asked for more supportive information, but I'm sorry, I haven't got it this evening.

Preliminary indications were that their debt was in a range of anywhere from \$1,200 to \$1,600 per capita that they would have to carry on top of the regular tax load. It was nearing an unmanageable point. I was wondering, in providing the grants, or giving the approval for go-aheads on water and sewer, whether the minister had any criteria that were being used in providing the grants when they recognized the debt structure was high. Do you get involved in that, or is it totally a local decision on that matter? The Minister of Municipal Affairs most likely may be more involved than you are. But I'd like a comment from the minister on that.

MR. SHABEN: Mr. Chairman, I'd like to ask a question arising out of comments made in discussions held on April 8 when we discussed the estimates in subcommittee. It concerns comments made by Mr. Thiessen on the reclamation program being carried out on the north slopes of the Swan Hills. Mr. Thiessen indicated the reclamation program was substantially complete. I wonder if the minister would review that situation and compare the reclamation program that has been carried out on the various leases, including the leases held by Shell Oil, Dome, and Texaco, with a view to determining whether some methods of reclamation were more successful than others.

MR. RUSSELL: Mr. Chairman, I'll try to deal with those items as they were brought up.

In response to the hon. Member for Lesser Slave Lake, certainly I'll undertake to get complete information as quickly as I can on that Swan Hills project. I don't have it at my fingertips. I understand his concern that perhaps it might have been better and co-ordinated with some other programs in his constituency that are being carried on at the same time. It's interesting to note that we may get some useful information as a result of the recent ECA hearings conducted on erosion control in northwestern

Alberta.

The Member for Little Bow asked about the criteria for the two programs. I think he's got these two booklets, one on waterworks assistance and one on sewage assistance. They give the mathematical criteria which are really based on a system of support that provides grants and/or cost sharing, depending on the debt per capita the municipality carries. The basic theory behind both programs is that every municipality in Alberta should carry a certain reasonable amount of debt for the provision of sewer and water facilities.

First of all, the engineering people will do an analysis of whether facilities are needed, and if they're needed, then a cost estimate of what is needed. The cost estimate then goes to the town council, which figures out the financing needed or what might be available — what it means on their debt structure — applies to the department for assistance, and at the same time, perhaps, goes to the Local Authorities Board, which rules on whether the municipality has the capability of carrying the proposed new debt load.

So that's a thumbnail sketch of the way the system works. I should say, in the last two years of the program the easy municipalities have been done. We recognize that. We're now getting into the more sparsely populated hamlets and the smaller towns that are going to be tougher to do because costs have gone up and the per capita debt load is bigger. We have reviewed the programs, and what we need is more money put into them. Perhaps in a future year, when there are no budget guidelines, I'll have that extra money.

On the four points from the hon. Member for Drumheller, I certainly want to agree very vigorously with his first comment on power and the complexity of the issue. I think the power companies, by their relationship with the Public Utilities Board, really have a mandate to try to provide power at the lowest possible cost. The interesting aspect that's come up in the Camrose-Ryley area is: should we add on to the cost to the consumers of power, in addition to the mechanics of converting the coal into electricity, the costs of dislocation of communities and families, perhaps damage to fairly good farmland — those kinds of things? Should we now start to count those as a cost to the electric consumers of Alberta? If we do, it's going to be rather significant.

Insofar as recycling plastics is concerned, not too much is really being done in Canada at the moment, other than the one project in Toronto that's a patented process for North America.

I think The Beverage Container Act, notwithstanding its fairly controversial start, has its kinks ironed out and is working very well. In fact, any submissions I get from the public are: can't you expand it to take kinds of containers other than pop bottles or cans? Maybe we will be able to do that some day. It will mean, I think, going into fewer and more standardized containers. But I sense that more people are becoming aware of recycling and the problem of containers and what to do with them. I believe it's a program that's been well accepted by the public. I had a recent visit from the Ontario minister, who wanted to look at our program. Notwithstanding the comments of *The Globe and Mail*, they believed it was probably a good program.

Changes — we probably won't be licensing any more depots in the metropolitan areas. They appear to have reached a reasonable level. One or two did have financial difficulties. I think those have now been ironed out by trying to maintain the status quo. We do have a financial analysis going on. That's the one I expect to have in my hands fairly soon. The bottlers are obviously going into larger containers. You saw the 1 or 1.5 litre bottles of Pepsi-Cola that were introduced over the Christmas period on an experimental basis. I think we'll probably see more of that. Tableless cans are coming into Alberta. I think a few of them have already been introduced. They're common in B.C., and we expect them to be here very shortly. So that's the present status of that program.

Insofar as coal development is concerned, I think the Minister of Energy and Natural Resources has dealt with gasification. Indications appear to be that it might be coming sooner than people anticipated some time ago. Liquefaction is also being discussed. We've had a fair indication from miners that they're interested in getting into hydraulic mining, which is much cleaner than open strip mining. So that's the status of what might lie ahead.

#### Vote 1

MR. R. SPEAKER: Mr. Chairman, would the minister comment on the Capital City Park in Edmonton as to costs and what's happening?

MR. CLARK: How's progress?

MR. RUSSELL: Well, the Capital City Park construction has been hit by inflation just like all other construction projects in the province. We're trying to maintain a close watch on the budget. As you know, with the deletion of the weir from the project, those funds were also deleted from the total proposal. But we're committed to building a fourth pedestrian bridge across the river in place of the weir, [and] more than likely some man-made water-based recreation facilities on one of the banks, similar to what we have at Mayfair Park at the other side of the city. I suspect by the time that's balanced there will be a very small, if any, net reduction in dollars. Otherwise the park is proceeding on the basis of the commitment of \$35 million in 1974 dollars, and we're aiming for a completion date of 1978.

MR. CLARK: Mr. Chairman, would the minister recall the discussion on \$35 million in '74 dollars. What are we looking at now? Would a conservative estimate be about \$40 million?

MR. RUSSELL: That's probably quite close, Mr. Chairman. We'll have a better idea within a very short time. We're tendering the four pedestrian bridges within a matter of a few days, I believe, and when those prices come in, we can see how they relate to the consultant's estimates. They constitute a major part of the capital dollars in the park. We'll have a chance to have a closer estimate at that time. I rather suspect by the time the additions and deletions have been made and the '74 dollars are converted into '78 dollars inflated, it's going to be somewhere in the \$40 to \$45 million total package.

MR. CLARK: Is it still the government's intention to have the bulk of the Capital City Park finished by the time of the Commonwealth Games in Edmonton. Is that still on target?

MR. RUSSELL: Yes, that's the objective, Mr. Chairman. The only thing we're taking some extra time with is the concept and development of the science park in the Strathcona area. I think we have time for that extra review, but we have been taking some extra time with the design concept of that.

MR. CLARK: I'm talking about urban parks. Is the minister in a position to give us a status report on the park in Calgary and the problems with the roadway? The last time I checked we were going around it. Is that still the game plan?

MR. RUSSELL: Yes, we're going around it, and I understand the Minister of Transportation has reached agreement with the city of Calgary. There was a long review period by a city-provincial committee, chaired by my deputy minister, that looked at all sorts of alternatives. I believe the city has now agreed the Deerfoot Trail will go around the park.

Agreed to:

Vote 1 Total Program

\$1,699,171

#### Vote 2

MR. GOGO: Mr. Chairman, a few minutes ago the minister mentioned the bottle depots. I wonder if he would expand on how many there are and if they are, in effect, licensed by his department. I'm a little unclear on the definition. Does that mean anybody who receives bottles and cans under that act, or are there specific ones laid down as main receiving centres?

MR. RUSSELL: Well, Mr. Chairman, we still have, of course, all the depots or return facilities as they always existed at grocery stores or little corner confectioneries. The universal depots are licensed by the Department of the Environment, and that's the one that will take your cans or bottles, whether they're pop, liquor, or beer. I believe there are about 58 universal ones throughout the province, but I'm going by memory and I will check that number for you.

MR. MANDEVILLE: Mr. Chairman, Dr. Trost indicated at the subcommittee hearings that the report on the pesticides hearings he held in the province was going to be delivered to the minister in the very near future. Would the minister indicate just how he is going to handle this report, and when he will be dealing with recommendations in the report?

MR. RUSSELL: I received the report yesterday, Mr. Chairman. It's my intention, if the extra copies are over by tomorrow, to table it tomorrow. There are a lot of recommendations in it, and I think the members would want a good chance to look at it. The quick reading I gave it indicates that a lot of the recommendations say we should continue doing what we're doing.

Agreed to:  
Vote 2 Total Program \$8,935,142

Vote 3

MR. CLARK: Mr. Chairman, I wonder if I might ask the minister about the status of the greenbelt situation around Calgary, or as it is more commonly referred to, the gray belt. What's the situation with regard to that?

I wonder if I might also ask the minister a question on the cost-sharing ventures with rural municipalities. I think that also would come under Vote 3. The reason I raise this is that perhaps it will be raised again during Municipal Affairs estimates.

In talking to some of the municipal people, especially in the municipal districts where they don't have the kind of tax base that a number of municipalities have, it's the old question of having to get involved in these 50-50 cost-sharing programs or other combinations thereof. When the project goes over the allocated amount, it causes problems not only in the Department of the Environment but also in the local municipality. If my discussions with a number of municipalities are accurate, not just in your department but in other departments, it's these cost-sharing kinds of programs on the operational money — not the long-term debt money, but the operational money — that have caused a number of municipalities to be in the kind of situation where they have had pretty substantive deficits in the areas of the province where there are lower assessments.

So there are really two questions to the minister. This may not be the year to be doing it, but I would urge the minister to look at perhaps tying the cost-sharing to the assessed value of the area. Saying that might well work against my own particular constituency, but the problem isn't as great there as it is in a number of constituencies further north in the province. Secondly, there is the question of the status of the gray belt situation in Calgary.

MR. RUSSELL: Dealing with the last item, Mr. Chairman, it's not a green belt, a gray belt, or any kind of belt. It's too skinny for that. It's really a utility corridor, if I can call it that. It's an attempt to organize a space that would be orderly and in which future or present transportation facilities could go — pipeline corridors, and utility rights of way which are now pretty high in number around our metropolitan areas and will probably be increasing in the future.

It's been suggested that if and when either of the cities wanted to have a ring road around it, that would provide a good right of way, and I suppose it might. But that's not its prime purpose. I've always tried to refer to it as an RDA, a restricted development area. What it does is try to protect a utility kind of corridor for the benefit of these two quickly growing metropolitan areas. They are not expected to be municipal boundaries. They are simply what they are, and they can be inside the existing city limits or outside. To be useful in the pure sense of the word, a real greenbelt would have to be considerably wider than the half mile that has been used until now for the RDA.

I'm not sure what kind of cost-sharing projects the hon. member is referring to. I think the drainage

projects we undertake on a cost-sharing basis don't really have a very high operating cost once they're built. I know in the few I've been associated with that have expanded in cost in the last year, we've generally shared the increased cost of the project on the same basis as the original agreement.

MR. CLARK: Mr. Chairman, following along the restricted development area, would it be proper or accurate to assume that really what we're going to have around Calgary is perhaps a half- or three-quarter mile strip, if I may use that term, which basically would be used for a utility corridor. Does the minister envision the same kind of thing for the restricted area around Edmonton?

MR. RUSSELL: Yes, it's in place around three sides of the city of Edmonton now. We've indicated, based on the Edmonton experience, that we would like to place one around the city of Calgary. I understand discussions are going on at the officials' level with respect to some of the mechanics and engineering details of the concept.

MR. CLARK: Mr. Chairman, is it the intention of the minister to move at some time in the future on the concept of the greenbelt that I recall his predecessor talking about when the announcement was made here in the city of Edmonton? Is it the intention of the government to do that further out from the core of the city, or is this basically a change in government policy from a greenbelt now to a restricted development area which, in effect, will be used for a utility corridor?

MR. RUSSELL: Well, I hope we're not getting confused over terminology, because somehow in the eyes of the media a restricted development area has been labelled a greenbelt, and a half-mile strip isn't a real greenbelt. I'm trying to say it's not an architect's greenbelt. It's got to be a lot wider. The only halfway successful, true greenbelt I know of in Canada is the one around Ottawa, and they've got a lot more money to play with than we have because it's a national capital commission and they have a very substantial budget. The idea of freezing an open agricultural zone around a growing metropolitan area is rather an intriguing one to preserve the landscape, maintain a green space, provide for separation of future satellite communities, all those obvious kinds of things. I must admit I never really saw the half-mile wide restricted development area doing those things to that extent.

MR. CLARK: Mr. Chairman, just to follow that along, what the minister is really telling us is that in the eyes of the Minister of the Environment and the government the one half-mile venture, the restricted development area around Edmonton was at no time intended as a greenbelt; that it's being used basically as a utility corridor. That's the kind of thing his officials are discussing with the city of Calgary at this time, and the government really doesn't have any plans, short-term or longer term, of what the minister in his architectural sense, might I say, would consider a sufficient greenbelt of the type they have in Ottawa. Is that an accurate assessment of where it stands?

MR. RUSSELL: Yes, that's an accurate assessment. Perhaps where the confusion arose is, when the one around Edmonton was initially started, I know my colleague Mr. Yurko did talk about the kinds of things that could go in there. It's primarily agricultural now, and in trying to maintain its present open space, he suggested things like golf courses, recreation facilities, perhaps some light warehousing, some country residential. In comparison with your built-up urban area, it would be relatively open and I suppose relatively green. But a greenbelt in the sense of the one tried for the city of London, England, or in Canada around Ottawa, is really much larger in scale. I've been trying to downplay the concept of a large greenbelt because I think it's building up an image that doesn't exist.

MR. GOGO: Mr. Chairman, on Ref. 3.3, I wasn't in Subcommittee A, so I hope the members will bear with me while I seek some information.

Under Land Assembly, Mr. Chairman, two or three questions to the minister. Does Alberta Environment use land appraisers for other government departments such as Parks, Recreation and Wildlife and so on, and would the land assembly be used primarily for water supply purposes such as acquiring property for a dam site, for example regarding irrigation. Is that the main purpose of Ref. 3.3, Land Assembly?

MR. RUSSELL That's a multipurpose vote, Mr. Chairman. There are three departments in the government that do the bulk of land purchasing: Transportation, Environment, and Public Works. I think hon. members are aware that as a result of the government land purchase act we now have committees set up and we try to co-ordinate all land purchases through those three departments and primarily under that act.

The way this system works and how Environment buys on behalf of many departments is: a department or a minister that sees a need for some land will put in a request to the appropriate purchasing department, where it's then assessed, given a priority, and appraised. In answer to your first question, there are several appraisers on staff. If their appraisals aren't sufficient, we then go to the private sector and get one or possibly two additional appraisals in an attempt to reach an agreeable purchase price.

The reasons the department would buy land are many. We've been purchasing land for the two provincial parks in Calgary and Edmonton, for flood control and drainage management projects throughout the province, for community pastures which are then turned over to Energy and Natural Resources. We've bought the bulk of our land in the restricted development area around the city of Edmonton.

Agreed to:  
Vote 3 Total Program \$5,915,000

Vote 4

MR. MANDEVILLE: Could the minister very briefly outline the purpose of the study on the Oldman River basin? Does the federal government participate in the study on river basins? I was wondering if the minister is anticipating having this type of study on

other river basins. I'm thinking specifically of the Bow River basin where the federal government is anticipating spending some money on the renovation of the Bassano Dam and isn't able to come up with a firm decision on whether it should renovate the dam or put a dam immediately downstream or 20 miles downstream.

Does the minister anticipate any study on the Bow River basin as a result of the federal government getting involved in the capital works on that basin?

MR. RUSSELL: There are two parts to the hon. member's question. First of all, yes there are similar studies done on other rivers. We've got the Dunvegan study going on now on the Peace River, which is oriented toward power generation and flow regulation. I think members are all aware of the studies that have commenced of flow regulation on the Red Deer River. The prime objective of the Oldman River study is water storage and flow control. So generally, yes, as needs arise, the rivers are studied on an entirely provincial basis without federal contribution.

Insofar as the Bow River study is specifically oriented towards the Bassano weir or the possible new dam, that arises out of the agreement with the federal government on the takeover of the irrigation works. There may be some cost sharing there. I don't know. The agreement, of course, called for the repair of the dam. That's being questioned by the local residents.

Agreed to:  
Vote 4 Total Program \$30,231,601

Vote 5

DR. WEBBER: Mr. Chairman, I wonder if the minister would comment on the recommendation of the Environment Conservation Authority dealing with the method of pyrolysis. They make a recommendation that an energy and economic cost-benefit study be done for electrical generation using by-products of a pyrolysis waste disposal plant either at Edmonton or Calgary. Does he see this as a down-the-road study?

MR. RUSSELL: Mr. Chairman, we've briefly looked at that in only one location in Alberta, the Crownsnest Pass. From the information we have now on the technology that would be available to the Alberta market place, I don't really think it's economically feasible yet.

MR. CLARK: Mr. Chairman, can the minister give us a breakdown of the grants to non-profit organizations, the \$235,000 there?

MR. RUSSELL: Yes, that's a grant to the Environmental Research Trust: \$200,000 for them to give away in grants based on applications received, and \$35,000 for administrative and operating expenses.

Agreed to:  
Vote 5 Total Program \$3,547,395

## Vote 6

MR. CLARK: Mr. Chairman, I wonder if the minister would just comment here on the \$480,000 transfer funds to other agencies. It's under the grants section, page 139.

MR. RUSSELL: That's a grant to the ECA for operating expenses. It's really just a book transfer.

Agreed to:

Vote 6 Total Program	\$897,000
Department Total	\$51,225,309

### Department of Municipal Affairs

MR. CHAIRMAN: Mr. Minister, do you have any opening remarks?

MR. JOHNSTON: Mr. Chairman, Subcommittee B of the Legislature has considered the estimates, and I'll be pleased to entertain any questions.

MR. CLARK: Mr. Chairman, it would be a shame to let the minister off quite that easily so early in the evening.

I wonder if we might start with this question of the comments the minister made awhile ago with regard to certain rural municipalities that are in financial hardship. The reason I raised the question is: from checking the accounts of some of the areas involved that concern has been expressed about, there seems to be — from the research we've done — a direct relationship between the low per capita assessment in that municipality, and financial problems.

The Member for Drayton Valley says poor management. It's easy to slough it off that way, but I'd like to know if, in fact, the minister can give us some kind of assessment. It's easy to say poor management, but going further than that, is there a direct relationship between those municipalities that have a low assessment and a number of the problems that have surfaced?

MR. JOHNSTON: Mr. Chairman, when you get into the area of correlation you have to be very careful how you couch your remarks, but I think there is what might be described as a relationship. As to what kind of direct relationship, I am hesitant to express an opinion. However, I can talk about some specific examples, now that some of the annual statements have been made public. I refer to the one which is very close to my constituency — the county of Lethbridge — which suffered something in the order of a \$400,000 deficit. This municipality is not characterized by low assessment. In fact, it's very high per capita assessment.

At that point, perhaps analysis might be subject to some criticism, yet the hon. member does make a very good point that those two or three municipalities which are now in a very difficult situation are also characterized by very low per capita assessment.

Yet, I have to go back to my original remarks that when a municipality attempts to overexpend its budget, particularly in the area of public works, which seems to be the area of overexpenditure, given the

information I have to date, on the average by about 65 per cent over the budget — 65 per cent overexpenditure in public works of those reporting municipal districts and counties — I believe that poor management has to be one of the major concerns. I'm not indeed sloughing this off. It's not a light matter to me, but I think it might be fair to say that those municipalities which are in difficulty are also characterized by low assessment. But further, when they get themselves in this position, the fact that they are in a very low assessment position does not allow them the flexibility to plan their way out of it in the normal course of affairs.

MR. CLARK: Mr. Chairman, is the minister in the position to — let's think in terms of perhaps two areas that have been mentioned in the media, the county of St. Paul and the county of Athabasca. What procedures is the minister now involved in with his department in dealing with these two specific situations?

MR. JOHNSTON: I don't know where the reference came to those two counties. I believe others have mentioned them. Indeed I think it's on public record that we can discuss them openly, and I'm sure in the terms of the public information I'm going to do that.

My department has talked to the county of St. Paul. I also talked to the county of St. Paul during one of my visits to the Habitat people in St. Paul. I addressed them in terms of the concepts and the understanding they have with respect to the budgeting process itself, that is, the long-term and capital budgeting of a municipality and the manner in which this works together with the long-term budget and its operational budget. I was surprised that they saw this only as an annual event. I was surprised further, when I talked to them about goals, objectives, and priorities in terms of their expenditure programs, that they didn't seem to recognize this as being part of the responsibility in terms of the fiscal plan, in terms of the overall management.

Specifically, again with respect to the Athabasca group, I think perhaps some of the problems have been that they have not used the leverage as we described it in the financial area, the leverage being a balanced approach to using long-term debt coupled with a fair operating budget, so they can use the payoff of those long-term assets with their cash-flow availability. We hope we can encourage both these municipalities and others in difficulties to take advantage of our interest subsidization program, which really allows them 8 per cent money even though the operating costs may be 10 or 12 per cent.

Many of them have used operations to acquire fixed assets beyond their potential, beyond their capabilities in one year, and therefore have lost the flexibility in terms of their payoff over a longer term. So we are talking to them. I've talked to the county of St. Paul myself, and my inspectors are dealing with them, not essentially from an inspection point of view but from a consultative point of view: to talk about goals and objectives, to talk about plans, to talk about establishing and delaying some of their expenditure programs over a longer period of time.

I further feel it's very difficult to avoid the pressures of the populace who continue to pressure for services being delivered. Of course, if people want services,

governments generally have to provide them, but they have to provide them at a cost. That cost has to be borne by property, by the tax base. Some of these fundamentals appear to have escaped over the period 1974-75. Hopefully we can shorten and stop that attitude in 1976.

MR. CLARK: With regard to the upcoming budget in these two counties perhaps, but in other municipalities the Department of Municipal Affairs has concerns about, has the minister had discussions with these municipalities concerning their budget approval process? Has the minister asked the county of St. Paul specifically to sit down with him or a senior official from his department prior to the finalization of the budget?

MR. JOHNSTON: As a matter of fact, I asked the county of St. Paul board of administrators, or the council, to provide me with its goals. I said look, set them out for me, send them to me in memo, and then I want you collectively to sit down and establish expenditure priorities for yourselves. To this point, I have not yet received them.

I might add further that last weekend I talked to the reeve of the county of Lethbridge, and he has made some internal adjustments financially. For example, they've hired a controller who's going to manage and keep very close control of the financial requirements. Let's not forget that these are very large systems. In many cases the dollars are very large, so a \$20,000 or \$24,000 payroll can probably save in the long run in terms of the expenditure savings you will find. So indeed, I have talked to them in these directions.

I have not yet received the county of St. Paul's goals and objectives or overall fiscal plan for a longer period. I expect the county of Athabasca and others have been asked to do the same thing.

MR. CLARK: Once he receives these longer term goals, is it the intention of the minister to sit down with the council, or have some of his senior people sit down with the council, and look at them on a hard, cold basis as far as this year is concerned?

MR. JOHNSTON: This year, of course, they're somewhat restricted. That's why I'm forcing [them] to make those decisions. They're restricted insofar as the legislation requires they pick up this accumulated deficit. They probably will pick it up over a three- or four-year period. If you talk about a \$600,000 deficit specifically in the county of St. Paul, you're talking about a very high dollar commitment before you get into some of the operational needs. So it's obvious there will have to be some delays in terms of capital projects.

Yes, I've asked them. I don't know if I will sit down with them. I've made the effort so far to sit down with the county of St. Paul, but I expect my department will indeed work with them and work through these 'prioritizations' of expenditure programs for '76 and right through to '79.

MR. CLARK: Mr. Chairman, if I could just follow this along a bit further and raise a question raised earlier in the question period. That's the question of the matching grants. We just alluded to it in Environment.

I cite a situation like St. Paul, or perhaps more appropriately Athabasca, where, in fact, when it gets to drainage projects and things like that, they're tied in to those kinds of things. It's all well and good for the department to say that the municipal finance corporation is concerned about the long term financial commitments, and that's important. What happens in a number of situations is that it's the programs they become involved in during the course of the year and on their yearly operational budget that get them into the kinds of overexpenditures we've had.

So I really get to the nub of the thing, which is: what kind of consultation is going on within the government, bearing in mind that a number of desirable programs are involved on a cost-share basis with the municipalities? The fact is that in areas where the assessment is low, their flexibility to get involved in those programs is a great deal less.

MR. JOHNSTON: With all respect Mr. Chairman, let me say that the people who are elected to fill these municipal positions have some responsibilities themselves. If we start to challenge their credibility as elected officials in terms of their expenditure programs, I think maybe we have to examine our own priorities. I really feel that these people are over 21, and they understand the commitments they have made to the electorate. They understand their fiscal responsibility. They understand the obligations they make when they get into some of these capital projects.

When you come to defining cost-sharing programs, I'm not altogether sure which ones you're referring to. I suppose in my department I may have a cost-sharing program which could be the interest subsidization program. Is that what you define as a cost-sharing program? I throw that out as a question, because there are many of these programs which might be described as cost-sharing programs, but in which the major benefit really accrues to the municipality. So I'm saying to you very carefully, when you talk about cost-sharing programs, let's weigh the ones you're talking about. Which ones, in your words, are the nub of the responsibility?

I'll go beyond that and state that when we talk about the capital cost-sharing programs, which are presumably the ones drawing your attention at this point, we talk not so much about the debt obligation and the fact that, in the hon. member's words, Mr. Chairman, we're coercing, seducing, or arm twisting to get the municipalities into these programs. I think they do it with their eyes wide open. But beyond that, we do [so] in the case of those municipalities which require additional debt to supplement the grants or their own contributions. It is based on a cash flow, and very careful five-year projections are involved. These are not only weighed by those departments which proffer these grants, but indeed by the Local Authorities Board, which is very severe in the kinds of criteria it uses in terms of cash-flow projections. It uses very modest and very conservative estimates as to what the debt-retirement ability of the municipality may well be.

Right now my department is preparing, or is essentially a couple of weeks away from preparing, an array of what you describe as matching-grant arrangements. Many of them are beneficial. As I say



— I cited only the interest stabilization program from my department — many are very beneficial and are a result of requests by the elected people to bring these programs forward.

So let's not challenge their credibility. I think it's very important we do not challenge their credibility. Let's be fully aware of the fact that there are very good criteria in terms of these decisions, and we assist in these decisions in terms of cash flow, responsibility, and operating costs.

MR. CLARK: Mr. Chairman, it's all well and good for the minister to talk in terms of a cost-sharing program and refer to the interest stabilization program in his own department. Yes, that's one program, but that isn't the kind of program municipalities are getting in trouble with. In fact, that's one of the programs I'd rather commend the minister on. But let's be a bit more specific. Let's talk in terms of some of the capital aspects of the recreation grant program. It isn't only the capital consideration, but it's the operational costs which cause the problem.

Might I say to the minister, it isn't at all a matter of challenging the intelligence or integrity of local officials. All of us in this Assembly face the electorate, whether it's every four years or every three years. There isn't a member in the Assembly who hasn't had the situation of his constituents — be they municipal or provincial — who are very anxious to get hold of provincial or federal government money. The province finds itself in the same kind of situation.

I can well recall when the question of medicare was very, very current. The situation was: was Alberta going to be prepared to throw away \$30 to \$35 million, or in fact was it going to be involved in the program? What I'm saying to the minister is: at a provincial-federal level, the government's position, and the former government's position, was that we should in fact be backing away from these kinds of cost-sharing things.

I'm saying to the minister pretty candidly that I think that's a mighty good approach provincially, and locally too. We're all mature enough to recognize that, regardless of the good intentions of the people involved, if a local government sees some money, or its citizens see money they can acquire from the province on a matching basis, or putting up a portion, it's very difficult to convince people, be they putting pressure on local or provincial politicians, not to become involved in the program regardless, unfortunately, of the long-term economics involved.

That's why I raised the question of the matching grants situation. If it's our position to the federal government that we should be backing away from this thing, frankly I think there is a lot of advantage as a Legislature backing away from some of the matching grant programs we have involved, and really in fact moving in the direction of a lump sum.

I know there are many problems in that area, but for two or three years we've had the municipal finance review committee. The minister says one, but his predecessor was involved at least one year before him. The municipality has been waiting at least three. So we have this kind of review going on.

I'd like to ask the minister if he has discussed modifications of a direct lump sum, recognizing it wouldn't be practical in every situation. But if that's the approach we are going to take federally, what

about applying the same approach to the children of this Assembly, which really are the municipalities.

MR. JOHNSTON: Well, Mr. Chairman, I have to weigh carefully the arguments presented, because I could, of course, make the same case. Yet if we talk about the global budgeting concept for municipalities, I think probably it does afford them some of these planning opportunities, in the sense that they can program what their income will be over a longer period of time, and they can probably identify it more clearly by rate of growth or by some other functional increase.

So I think that, generally, I have to concur with the point of view of the hon. Leader of the Opposition when he suggests that maybe some form of global or lump-sum budgeting might be a good opportunity for many municipalities. But I can only hearken back, and without really quarrelling or extending that debate much further, I would suggest that we have in most recent times, certainly in the last year that I have been involved, turned down major recreational projects because the cash flow just was not there. It was not economically affordable by that municipality to proceed with that investment decision, and we have weighed it very carefully.

I'm sure now and I'm confident that the criteria are in place which afford the weighing and the evaluation of capital investment decisions in much the same way as the private sector does, whether using present values or discounted cash-flow techniques. The tendering process is much clearer. The planning process is much better established. So in my own mind I have confidence that this is taking place.

As to my discussions, I think we are reviewing constantly these kinds of interactions between various departments, so Municipal Affairs is well aware of the kinds of programs and the new offerings being made by other departments. But my own particular concern, I guess, is in the area of capital projects. I think that is shared also by the Leader of the Opposition.

Finally, I just don't know how I can go beyond that in terms of a commitment, in terms of an understanding. We recognize the problem. I think it's running very well right now in terms of those major areas.

MR. ZANDER: Mr. Chairman, I thought I would have to say something after hearing the Leader of the Opposition. Perhaps he has no knowledge of the operations of a county council, or even how it functions. For your information, I was a municipal councillor and a county councillor for some 24 years. When I said mismanagement, I can only say that that's what it is. Before it strikes its budget, council at the beginning, before it strikes its budget, a council has certain sums of money it sets aside for certain projects. It also allows for capital expenditure, maintaining of roads, new construction, and oiling, and everything else is taken into consideration. A mill rate is then arrived at, the number of dollars that are going to be expended. Protection of persons and properties, recreation, policing: everything is taken into consideration. Most of the time, as most councils should act, municipal business is no different from government business, or an individual business operator.

MR. CLARK: They don't have special warrants.

MR. ZANDER: I've looked at a number of financial statements. When I can examine a county that has made provisions to spend \$1.2 million for its expenditure on public works, and also allows \$200,000 for capital expenditures such as road construction equipment, maintaining equipment, and the likes, then it overspends that budget by \$400,000, or by 15 mills on its assessment, it certainly indicates that these people are not managing their business properly. I can agree with the minister that somewhere down the line it had to be halted.

I can fully remember when the Pembina municipality, under the Social Credit government, went under. I think you can also remember — I think you were there — that we just got a ministerial order to the M.D. of Stony Plain saying there it is, you have got it. Take it, debt and all. We had to take it. I think that ministerial order is still available.

So the Leader of the Opposition can stand in his place and condemn the minister for trying to put on the brakes when perhaps he should have done it last year. But for the life of me, I can't see the Leader of the Opposition dwelling on the two municipalities that are in difficulties. They were elected just like you and I. They should be, and they are, elected by the people to run the business of local government. Down the line, surely these men or women are responsible people, but if they overexpend their budgets, I can say it's roughly their own mismanagement of their own affairs.

In the similar case when the Pembina municipality overspent \$1 million, it was turned over to the M.D. of Stony Plain — everything on the east side of the Pembina River. The M.D. of Stony Plain had to accept the debentures and all their overexpenditures. In one breath we just took over a debt of about \$600,000 created by some other administration.

When a municipality goes out and allocates \$200,000 for heavy duty equipment and then spends \$400,000 more, it hasn't got sufficient money. It has a lot of capital assets, but it hasn't sufficient money to operate that machinery. By and large, this is where they get into trouble. A D-7 today runs you around \$80,000, \$90,000, \$100,000. It doesn't take a municipality long to get into difficulties.

Surely if you're going to spend it, you have to budget for it. It's the same thing as in my own household. I had a constituent who was getting \$1,500 a month, but after he had paid all the monthly bills he ended up with \$79. It's poor budgeting.

Are you going to say then to the people, to the local government, to welfare, well, we have to bail them out. I think these are responsible people. Just because we have some 40 municipalities in the rural areas — I think there are 42 or 48 — if two of them get into difficulties, surely the world isn't coming to an end. I think the minister has indicated that he is going to provide expert advice to the people and the counsellors to dig themselves out of the mess they got themselves into.

In all the years in municipal government, we have never overspent a budget to the extent they are being overspent today. It is because of pressure groups. As the hon. Leader of the Opposition said, the government ties this into recreation complexes. These

people have minds of their own. I don't think that any arm twisting has been done by any minister to put up these huge complexes. These people are the people of their own destiny, elected in a similar manner to you and I. Certainly, if they have any sense of their own budget or the business they're operating, they should be able to budget as elected officials of a county, and be responsible to the people.

MR. TAYLOR: Mr. Chairman, I just want to say a word or two in support of matching grants. There's no compulsion on the part of any municipality or improvement district to accept a matching grant. Over the years I have seen a tremendous amount of excellent work done because of matching grants that just wouldn't have been done had there been no matching grants. So I don't like the impression that everything about matching grants is bad.

A typical example of what can be done with matching grants — every sharing project is a type of matching grants — is the tremendous arenas that we have in many parts of Alberta today. Were it not for the matching grants from the Department of Agriculture, these would not be there, and thousands of boys and girls, and even adults, would be denied the pleasure of having a facility like that in their community.

Had it not been for matching grants of the government, many people in my riding today would still be using outdoor privies and sandpoint wells, and maybe dying from so doing. But because there is a sharing they brought it within reason and could afford it. So I want to say that I think there's a proper place for matching grants.

As a good example of what's going on: the Mayor of Drumheller told me some weeks ago that they would like to pave a certain road. He said the Department of Transportation has offered so much money, but we haven't got the other part of the money. So he's told his people, we can't do it. We haven't got the money unless you want to have an increase in taxation. That soon cools most people off. They don't want the job that bad, and if they do they'll say, we'll meet it by increased mill rate or increased assessment, and I think that's the proper way to do it.

I would also like to point out that the improvement districts must face this problem just like any other municipality. I doubt if there's an improvement district in the province that has gone in the hole because they watch where the money is going. ID 7 is a typical example, probably one of the hardest hit because of the depleting population and the disappearance of coal mines, et cetera. But not one year did ID 7 ever go in the red, but you couldn't do everything that everybody wanted done. I think it's as simple as that. Before I sit down, I do want to say again that I think there's a proper place for matching grants and I would hate to see them disappear from our programs.

MR. BATIUK: Mr. Chairman, I too would like to express an observation here, being a county councillor for a good number of years. I think back to 1967 when the municipal district of Lamont closed down with a school division and the county was formed. In the month of December we needed to purchase a machine but we had no money, so we made a deal with a machine company that we will purchase it

now, you bill us after the New Year when we formed our county. In the meantime, the secretary-treasurer passed away and an official trustee was put in, the present Deputy Minister of Municipal Affairs. He found this overexpenditure because the bill of sale was there, and the municipal inspector gave a real rough report for \$45,000.

However within the next four years, even though this may have been considered as a \$45,000 overexpenditure, without raising the mill rate in the county and carrying on the business, enough money was saved to put up a one-third of a million dollar administration building. Now when you see how additional municipal grants have been escalated over the last couple of years, along with extra special road grants and bonuses, I cannot see why any municipality should go into a \$400,000 or \$500,000 deficit in one year. I think this is really mismanagement, and it's very unfortunate to see that this happens all of a sudden. I think they must be clamped down a little. There's no reason whatsoever. I think it's mismanagement and nothing else.

#### Vote 1

MR. CLARK: Just before we go, I wonder if the minister can deal with 1.0.7. I'd like to know if that's where the study being done on the Calgary-Edmonton corridor is, the kind of time line involved, and what the department's looking at.

MR. JOHNSTON: Yes, Mr. Chairman, that is the policy research department under Mr. Frank Marlyn, and we do various kinds of urban research in that area. Specifically we are doing, on a share arrangement with the University of Alberta, the Edmonton-Calgary transportation corridor study, which probably should be completed sometime this summer.

Agreed to:

Vote 1 Total Program	\$1,906,350
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#### Vote 2

MR. MANDEVILLE: Mr. Chairman, the minister indicated in the House that the unconditional municipal grants would be going out to the municipalities starting in June. The question is: when will the municipalities be made aware of the amount of money they'll be getting under those grants so they will be able to strike their budget?

MR. JOHNSTON: Mr. Chairman, I haven't taken the opportunity to write directly to every municipality as there are some 350 of them, but if they did a simple calculation of taking the amount last year and adding 11 per cent to that sum, they would then find the amount they will get this year. Those cheques, by the way, will probably be processed in May and June. I was somewhat mistaken last time when I said June and September. I think it's May and June.

MR. GOGO: Mr. Chairman, on the same point, the unconditional assistance grants to municipalities. We see unique situations, I think, in the province where there are certain areas that seem to have very rapid growth and don't have the normal access to

revenue raising through the tax process as others. A point, perhaps, would be St. Albert, which is adjacent to the city and doesn't have the industrial taxation base.

Does the minister give consideration to some formula other than the normal formula for the unconditional grants to municipalities, based on the growth as opposed to the per capita?

MR. JOHNSTON: The hon. member makes a very good point. What he has really said is that as the population continues to expand beyond our continued assistance through unconditional grants, per capita unconditional grants drop off. This is indeed characterized by the town of St. Albert, and I think also the city of Medicine Hat, two urban areas which feature this strange arrangement.

We have certainly directed our attention to other ways of developing assistance formulas. I sometimes am reluctant to get into a new formula arrangement, because you tend to perpetuate differences if you get enough variables involved. In all respect to the hon. Solicitor General who evolved the last formula for us, some of the disparities between the two very comparable, almost symmetrical urban areas can be perpetuated, and I would rather find some other way. I think in 1977 I will be bringing forward recommendations and obviously reflect them in my budget to accommodate some of the growth problems throughout the province.

As to a longer term direction, I think this is really the essence of the question, I would then go back to the original comments I made relative to the comments of the Leader of the Opposition that some better global arrangement has to be made so that a growth and a more determinate income flow can be arranged for municipalities. There

There are a lot of very complex and, I suppose, fundamental issues at the basis of this: whether, for example, we should continue to make commitments of the same rate to metropolitan areas over rural areas, whether rural areas should have other forms of income, whether we get into industrial tax share. There are major things which have to be decided, and I really look forward to some of these decisions being put together in a jigsaw, certainly before the next two or three years.

MR. CLARK: Mr. Chairman, relating to the answer of the Member for Brooks. The minister indicated that municipalities could simply take their municipal assistance grants from last year and add 11 per cent. What about municipalities where there's been a fairly sizable increase in population? The minister shakes his head. I'm afraid he's going to tell me, regardless of what's happened to population, that has no effect on the municipality this year.

MR. JOHNSTON: I'm sure the hon. Leader of the Opposition is aware that this is not a per capita grant, and that's what we dropped, I believe, in 1973-74. It really ties in with what the hon. Member for Lethbridge West suggested, that on a per capita basis we do not recognize growth situations. This grant is merely a simple 11 per cent over last year.

Agreed to:  
Vote 2 Total Program \$56,424,000

### Vote 3

MR. CLARK: Mr. Chairman, one very straightforward question to the minister. Is the minister in a position to indicate to us the effect of this program? If I recall, it's been in effect about three years. Are we about back to where we were three years ago — our property tax, at about that level now? What's been the cumulative effect across the province?

MR. JOHNSTON: I can outline two or three things which would probably balance a consideration in this vote. My own study, which I had completed since the onset of this program until 1975, based on average assessments and some average assumptions, would show that likely there's been a horizontal effect and, in fact, there's been no increase in property tax over that period.

What this means is that the municipal authorities have then been able to expand into this essential void which has been allowed to accumulate as a result of this property tax reduction through the school foundation program fund. Further, if you were to discount that by an average rate of the consumer price index or a combination of other indices, I think you would find there has been a dramatic reduction on an average assessment. I would only add to that the extra dimension which was introduced by the Provincial Treasurer when he suggested that if you consider property tax, again on an average basis as a rate of disposable income, you'll find the rate of change in terms of the property tax is much less than that which is compared — that is disposable income which has increased at a very rapid rate in the last two or three years.

In conclusion, I would suggest the property tax reduction fund program has indeed been very positive and has taken a lot of the tax load off the property-holder since its onset in 1973.

MR. CLARK: Coming back to the minister though, if I can put it this way. His study to the end of '75 — forgetting this question of gross income and so on, is the minister really telling us the mill rates are about the same now as they were prior to the tax reduction program in '73. Is that where we are?

MR. JOHNSTON: Mr. Chairman, that is not the case. I'm talking about the absolute tax dollar that's been spent by an individual and that would then be a function of two things, the assessment times the mill rate.

The difficulty is introduced here because some of the municipalities will adjust their assessment by their general assessment, which takes place roughly every seven years. Therefore, the relationship between assessment and mill rate is not direct. In fact, their assessment goes up because of reassessment. It's often the case that the mill rate will drop. So when I talk about the effect of the property tax reduction program, I'm talking about the dollar effect on an average household.

Agreed to:  
Vote 3 Total Program \$10,601,550

### Vote 4

MR. MANDEVILLE: Mr. Chairman, could the minister very briefly outline what the formula is for distributing grants to regional planning commissions? Is it based on their per capita or the area of the region?

MR. JOHNSTON: Mr. Chairman, I had an opportunity of working through the budget process this year with the regional planning commissions. Given the policy we announced in September of 1975 — that is, an 11 per cent increase on our target — we attempted to set this as the guide for regional planning commissions as well. What we do is allow them to put together a budget setting out their needs, setting out the requests for funding, and then work with them on a basis of determining whether or not we can afford that in terms of our budget.

The cost-share program is roughly 80:20. That is, 80 per cent of the cost of the regional planning commission is funded by our direct grants, and 20 per cent is funded by the other participants. That's on its operational concept. Special studies which are sometimes required by the regional planning commissions are funded on a 60:40 basis — 60 per cent by the province, 40 per cent by the participating regional planning commissions.

As well this year, there are some surpluses in the planning fund which we allowed each regional planning commission to take into its budget for greater flexibility as it attempts to meet its expenditure programs. Generally, we stayed on our 11 per cent target. Specifically, we allowed some greater flexibility in those areas where there were moves, for example, needs for staff expansions, and capital equipment. Those kinds of concerns were also reflected in the budget. So it's a program arrangement. We allocate the scarce resources to fill those needs, and we do it in an objective, around-the-table discussion after we agree on some general principles.

Agreed to:  
Vote 4 Total Program \$5,029,030  
Vote 5 Total Program \$7,556,580  
Vote 6 Total Program \$502,430

### Vote 7

MR. GOGO: Mr. Chairman, although I was a member of Subcommittee A, because of the clock — and it looks like it's that way again — there wasn't really an opportunity to ask the Northeast Alberta Regional Commissioner for some of the activities which have gone on through the Department of Municipal Affairs in that area. We know what's been done through Housing and Public Works. I wonder if the minister would comment, very briefly, on what's gone on in the Department of Municipal Affairs in the Fort McMurray area in the past year.

MR. JOHNSTON: That's a tall order and a leading question.

Let me just concentrate on two or three of the things the commissioner has managed to achieve.

First of all, I think he's brought to the northeast region a certain degree of stability insofar as he acts as a buffer between the various groups that participate in that region and the variety of complexities they face in dealing with governments. I think this was one of the things that area needed.

Many of the people are in a transitional state essentially because they are native Canadian or Metis; therefore their difficulties are often very real in dealing with the transitions they're facing as urbanization, population, and growth affect their area. So I think the commissioner has done a very fine job generally in this area. I hope we can continue with the same kinds of responses to the needs of the people.

But in three specific areas I can mention, we were able to complete the regional plan for the northeast area which will provide for a plan for the region outside the town of Fort McMurray; a plan which would characterize urban areas to be developed, talk about the settlement needs of some of the northern communities, and perhaps work with some of the autonomy questions we hope to focus on in that area.

Beyond that, should the government be facing the requests of the private sector for new townsites or locations of this type, we will have at least some of the alternatives available to us to weigh and to make rather sage decisions in this area.

Also, the commissioner dealt with such things as a gravel crisis, one of the needs which has surfaced there. He was able to muster, bring together, and co-ordinate the forces of government to develop, expedite, and deliver gravel for the housing market in Fort McMurray. He's also working on a granite deposit near Fort Chipewyan which, hopefully, will reach commercial proportions. We attempt to bring native participation in this project as well.

As well, he's dealt with the evolution of the town of Fort McMurray, specifically dealing with the town board as it meets its crisis situations which seem always to be present — financial, housing, or decisions which require planning assistance.

So to sum up, Mr. Chairman, I think the commissioner has done very much in the northeast regional area, and I really am grateful that someone as capable as Mr. Henning is with us.

Agreed to:

Vote 7 Total Program

\$633,180

Department Total

\$82,653,120

MR. HYNDMAN: I move the committee rise, report progress, and beg leave to sit again.

[Motion carried]

[Dr. McCrimmon left the Chair]

[Mr. Speaker in the Chair]

DR. MCCRIMMON: Mr. Speaker, the Committee of Supply has had under consideration the following resolutions, begs to report same, and asks leave to sit again.

The Department of the Environment:

Total Program: resolved that a sum not exceeding \$51,225,309 be granted to Her Majesty for the fiscal year ending March 31, 1977, for the Department of the Environment.

The Department of Municipal Affairs:

Total Program: resolved that a sum not exceeding \$82,653,120 be granted to Her Majesty for the fiscal year ending March 31, 1977, for the Department of Municipal Affairs.

MR. SPEAKER: Having heard the report and the request for leave to sit again, do you all agree?

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Speaker, tomorrow afternoon we will first move the motion which was on Votes and Proceedings today with regard to the adjournment from 5:30 tomorrow until Wednesday, April 21, at 2:30. We will then proceed to Supply again with the Recreation, Parks and Wildlife Department, possibly followed by the beginning of the Department of Education.

I move the Assembly do now adjourn until tomorrow afternoon at 2:30 o'clock.

MR. SPEAKER: Having heard the motion by the hon. Government House Leader, do you all agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: The Assembly stands adjourned until tomorrow afternoon at half past 2.

[The House rose at 10 p.m.]

