

**LEGISLATIVE ASSEMBLY OF ALBERTA**Title: **Tuesday, April 26, 1977 2:30 p.m.**

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

**PRAYERS**

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF VISITORS**

MR. SPEAKER: I have the honor to introduce Mr. and Mrs. Bruce Barclay from New Zealand. Mr. Barclay is Member of Parliament representing Christchurch Central for the Labour Party since 1939. He's the opposition spokesman for agriculture, fisheries, lands, forests, parks and reserves, and science. We're pleased to have Mr. and Mrs. Barclay visiting us from one of our sister members of the Commonwealth.

I'm also pleased to say that we have a distinguished member of the House of the Commons in the person of Mr. T. C. Douglas, former Premier of Saskatchewan and former national leader of the New Democratic Party, accompanied by Dr. Maurice Foster, the member of the Dominion Parliament for Algoma and president of the Canadian branch of the Commonwealth Parliamentary Association. With him is Mr. Ian Imrie of Ottawa, executive secretary of the Commonwealth Parliamentary Association.

I would ask our distinguished visitors to stand and be recognized by the Assembly.

MR. ADAIR: Mr. Speaker, it's also my pleasure today as the member for the provincial Peace River constituency to introduce to you, and through you to the members of this Legislative Assembly, Mr. Ged Baldwin and his good wife Beulah, who are in the Speaker's gallery. Mr. Baldwin will be travelling to Jasper this weekend to speak to the provincial association of librarians convention on Friday. I would ask that they stand and be recognized by this Assembly.

head: **INTRODUCTION OF BILLS****Bill 39****The Legislative Assembly Statutes  
Amendment Act, 1977**

MR. HYNDMAN: Mr. Speaker, I beg leave to introduce Bill No. 39, The Legislative Assembly Statutes Amendment Act, 1977. This being a money bill, His Honour the Honourable the Lieutenant-Governor, having been informed of the contents of this bill, recommends the same to the Assembly.

This bill amends three other bills, Mr. Speaker: The Election Act, The Legislative Assembly Act, and The M.L.A. Pension Act. Its major provisions are as follows.

First, it will implement precisely and exactly each of the recommendations of the independent electoral

boundaries redistribution commission chaired by Mr. Justice Tevie Miller, as evidenced by the final report of the commission recently tabled by Your Honour in this Assembly. Secondly, it enables MLAs and members of Executive Council to participate in a group insurance plan and/or a long-term disability plan. Thirdly, it provides for payment of moving expenses to a member of Executive Council who moves his residence from Edmonton to another part of Alberta as a result of ceasing to be a member of Executive Council. Fourthly, there's also an amendment in the bill regarding MLAs who own or breed horses.

[Leave granted; Bill 39 read a first time]

**Bill 18**  
**The Social Development**  
**Amendment Act, 1977**

MR. LYSONS: Mr. Speaker, I beg leave to introduce a bill, being The Social Development Amendment Act, 1977. The purpose of this act is to reflect changes in the federal bill respecting family allowances in Alberta.

[Leave granted; Bill 18 read a first time]

MR. HYNDMAN: Mr. Speaker, I move that Bill 18, The Social Development Amendment Act, 1977, be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: **TABLING RETURNS AND REPORTS**

MR. DOWLING: Mr. Speaker, I would like to file with the Legislature a number of reports and papers: Investigations and Tests with Peace River Iron Ore by Krupp Industries; Financial Problems of Small Alberta-Based Oil and Gas Companies by Foster Research; The Impact of Major Resource Projects with reference to Regional Development in Northeast Alberta by Peter C. Nichols; Inventory of Infrastructure for Selected Northern Communities by the northern development branch, really an inventory compiled with reference to statistical data now in the files of various departments of government; and lastly, the 1976 Ski Industry Evaluation Study by Peat Marwick which will be distributed to the operators of all ski hills in Alberta.

MR. YURKO: Mr. Speaker, I beg leave to table with the Legislative Assembly a brochure on the subdivision in the town of Airdrie which I promised to file with the Legislative Assembly some time ago. For the benefit of the opposition, the name of the new subdivision is Airdrie Estates.

MR. CLARK: By the time you get the overpass over the road, it will be worse than that.

MR. LEITCH: Mr. Speaker, I wish to table the annual report of the Public Service Commissioner for the year 1976.

**head: INTRODUCTION OF SPECIAL GUESTS**

MR. HYNDMAN: Mr. Speaker, it's a pleasure for me today to introduce to you and the members of the Assembly some 70 grade 9 students from Laurier Heights school in the sunny, southern part of Edmonton Glenora constituency. They are accompanied by their teacher Mr. W.L. Gibson. They are in both the members and public galleries, and I ask that they stand at this time and receive appropriate recognition from the Legislative Assembly.

MR. LEITCH: Mr. Speaker, it's my pleasure today to introduce 32 grade 5 students from the Alice M. Curtis school in the Calgary Egmont constituency. They are accompanied by their teachers Mrs. Durand and Mr. Sulz, and by two parents Mrs. Brandvold and Mrs. Harrison. They are in the members gallery, and I would ask them to stand and receive the welcome of the House.

MR. JAMISON: Mr. Speaker, it's my privilege this afternoon to introduce to you, and through you to the members of the Assembly, 30 grade 5 students from the Robert Rundle school in the city of St. Albert. They are accompanied by their teacher Mrs. McDermid and their principal Mr. Rod Thronson. They are seated in the public gallery, and I would ask them to stand and receive the welcome of the Assembly.

**head: ORAL QUESTION PERIOD****Psychiatric Facilities**

MR. CLARK: Mr. Speaker, I would like to direct the first question to the Minister of Social Services and Community Health. It's really a follow-up to the question yesterday concerning the comments made by the Canadian Mental Health Association. Is the minister in a position to indicate to the Assembly this afternoon whether officials in her department have had an opportunity to check the validity of the comments made by the Canadian Mental Health Association?

MISS HUNLEY: Mr. Speaker, my officials have of course been working on it. I've had the opportunity only to discuss it briefly on the telephone, although I do have a meeting later this afternoon. I would prefer to deal with the questions following the meeting with them this afternoon.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Having regard for the minister's wish to deal with the broad general area following the meeting this afternoon, is the minister in a position to indicate to the House if Alberta Hospital at Ponoka is accepting only those patients who are committed under warrant, and that no patients are accepted on a voluntary basis because of space problems?

MISS HUNLEY: I'll check to find out for sure, but I don't believe that's an accurate statement. I believe people can go there either as formal or informal patients, and do not need to be committed under warrant. But I will check that to be sure.

MR. CLARK: Mr. Speaker, a supplementary question to the Minister of Hospitals and Medical Care. Is the minister in a position to indicate to the Assembly if it is the intention to use the new psychiatric wing at the Calgary General Hospital as a day care facility for patients? When I talk about day care, I mean for psychiatric patients during the day.

MR. MINIELY: Mr. Speaker, what has been brought to my attention at this point is that the hospital has proposed a variety of programs. Following my response yesterday to the hon. leader, officials of my department and my colleague's department are meeting with the Calgary General Hospital today, and for the balance of this week, to come to decisions on the program.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister, and it flows from the answers the minister gave to the Assembly yesterday afternoon. Are there any allegations or concerns about misuse of funds by the Calgary General Hospital board? I ask the question in light of the comments yesterday by the minister when he talked of the funds being allocated and the matter of priorities then being decided by the board. Is there any concern by the minister's office or the commission with regard to the proper use of funds that have been allocated for the psychiatric ward of the General?

MR. MINIELY: Mr. Speaker, no, that has not been at issue at all. The issue has been that the initial figures submitted to us by the Calgary General appeared to indicate that the costs would quadruple over what they had been on a per-patient basis in previous years.

MR. TAYLOR: Supplementary to the hon. minister. Will the psychiatric wing of the Calgary General Hospital be available for workmen who are injured and referred there by the Workers' Compensation Board?

MR. MINIELY: Mr. Speaker, I would have to check that specific and report back to the House.

MR. CLARK: I would like to ask the minister a further question, and it deals with the procedure the government used in this particular area. When approval was given by the minister's office to go ahead with the psychiatric ward at the Calgary General, was a commitment given by the government with regard to the kinds of programs which would be carried on in that psychiatric wing?

MR. MINIELY: Mr. Speaker, whether it's a psychiatric wing or other programs in hospitals, it has not been the case historically — as a matter of fact over the last 20 years — that sufficient attention has been paid to the impact on operating costs. We are now moving to a system, and have been for the past year or two, where the operating budget is considered at the time the capital budget is looked at. But the hon. leader would understand that we've been in a transition from . . .

MR. SPEAKER: Order please. It appears to the Chair that the question was with regard to priorities.

MR. MINIELY: Mr. Speaker, I did not understand the question to be the way you understand it. Perhaps the hon. leader would like to clarify.

MR. CLARK: Mr. Speaker, let me rephrase the question to the minister this way. At the time approval was given for the psychiatric wing at the Calgary General, what programs were anticipated to go on in the space that was approved?

MR. MINIELY: Mr. Speaker, the Calgary General Hospital had made a submission to us for the programs they would like to operate in the facility. When this was referred to my attention, I compared both the programs and the costs and indicated to the Calgary General Hospital that the costs on a per-patient basis would quadruple as a result of their request. Since that time we have been working with the Calgary General to determine what the programming content and the level of cost or program support on a per-patient basis should be, recognizing we did have some concern that the proposal in one year would quadruple the cost per patient from what had been experienced in the past.

MR. CLARK: Mr. Speaker, can the minister give a commitment to the House that the facilities of the new psychiatric ward at the General will be operational by July 1 this year?

MR. MINIELY: Mr. Speaker, I think I answered that yesterday.

MR. CLARK: The answer is no?

#### NAIT Extension

MR. CLARK: Mr. Speaker, I'd like to direct the second question to the Minister of Advanced Education and Manpower and ask if he's had an opportunity to check with officials of his department and office with regard to complaints lodged with his office about the procedures used as far as furnishings for the new extension at NAIT are concerned.

DR. HOHOL: Yes I have, Mr. Speaker.

MR. CLARK: Then could the minister indicate to the Assembly whether his office was advised of these concerns some seven weeks ago, and what action the minister has taken on them?

DR. HOHOL: I indicated to the Assembly yesterday, Mr. Speaker, and my response is the same today, that the nature of the question is considerable in terms of checking files over a period of weeks and making certain the information is accurate beyond the shadow of a doubt so that any information I bring to the House is of that order. When that information is of that order, I'll bring it to the House.

MR. CLARK: Mr. Speaker, is the minister in a position to confirm to the Assembly that this matter was brought to the attention of the minister's office more than seven weeks ago?

DR. HOHOL: Offhand I could not say the period of time, but the matter referred to by the hon. Leader of

the Opposition was brought to my attention some time ago. It could have been five to seven weeks ago.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. What action has the minister taken since that period of time?

DR. HOHOL: This will be part of the information I will bring to the House, Mr. Speaker. But at that time, as I recall — and I'm going by memory, pending the search and summary of files — I had referred the concern of the person who was in touch with my office to senior officials of the department to deal with it and to report to me.

MR. CLARK: Mr. Speaker, I ask the minister a very direct question. In light of the fact that the minister couldn't recall yesterday that the matter had been brought to his attention, has the minister just started this investigation yesterday?

DR. HOHOL: On whether I hadn't recalled yesterday, we'll have to check *Hansard*, Mr. Speaker. I simply said that I will review the matter and respond when I've completed the review. I made no reference to no recall. That is the statement of the hon. Leader of the Opposition, not mine.

MR. CLARK: Mr. Speaker, then a question to the Minister of Housing and Public Works. Has the minister had an opportunity to check into the situation of the new extension at NAIT, and is the minister satisfied . . . Perhaps I should put it this way: what justification can the minister give the Assembly for transferring the control over the design specifications from the minister's design staff to a private consulting firm, even after the specifications for the interior design furnishing were virtually completed by the minister's own staff?

MR. YURKO: Mr. Speaker, I checked this matter out with the Deputy Minister of Public Works and with the Deputy Minister of Housing, who is also in charge of realty, and was advised that in no instance was the policy of the department in respect to tendering breached; secondly, that indeed all travel by officials of the department is on the basis of using funds appropriated by this Legislature for such travel.

MR. CLARK: Mr. Speaker, a supplementary question to the minister once again. Mr. Minister, can you indicate to the House why a private consulting firm was asked to come in and establish the specifications for the interior furnishing of the expansion at NAIT after the department's design staff had in fact first completed the work at public expense?

MR. YURKO: Mr. Speaker, in checking into the matter, I was advised by my senior officials that the budgeting for equipment and furnishings at NAIT was transferred from my department to the Department of Advanced Education and Manpower approximately three years ago. So the budget for equipment and furnishings for the NAIT expansion rests with the Minister of Advanced Education and Manpower.

MR. CLARK: Mr. Speaker, a supplementary question then to the Minister of Advanced Education and

Manpower: Can the minister indicate to the Assembly the justification for transferring the design responsibilities to a private consulting firm after the department's design staff had virtually completed the work?

DR. HOHOL: Mr. Speaker, I wish to co-operate in every way possible, but that sounds very much like a question that would fairly be placed on the Order Paper. Transferring a specific account from one to another is not the kind of thing I can respond to, standing in my place. But it'll be part of a comprehensive report to the Assembly.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. In light of the response of the hon. Minister of Housing and Public Works that no tendering policies of the department were breached and his comment that this was transferred to the Department of Advanced Education and Manpower, can the minister advise the House whether any tendering did in fact occur with respect to furniture acquisition for the NAIT expansion?

DR. HOHOL: To the best of my recollection — and this goes back some weeks — there was some tendering. But I say again that I'll bring a comprehensive summary of all the events as they transpired chronologically and other information being asked for, which is fair and reasonable. But it's not the kind of technical detail anyone would be able to respond to.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Is the minister in a position to advise the Assembly today when we might expect that comprehensive report from him on this matter?

DR. HOHOL: Since it's a current concern to the members, as soon as possible.

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

MR. CLARK: Mr. Speaker, I'd like to direct one further question to the Minister of Advanced Education and Manpower and ask if he had the opportunity to check into the question of department officials responsible for purchasing going to Chicago by private jet to look at one specific line of furniture. Has the minister had a chance to check specifically that question which was raised in the House yesterday?

DR. HOHOL: Yes. This question has been put to the department and, again, will be part of the information which I'll report on in the Assembly.

#### **Oldman River Basin**

MR. THOMPSON: Mr. Speaker, my question is to the hon. Minister of the Environment. Could the minister advise the Assembly on the potential water storage ability of the Oldman River basin?

MR. RUSSELL: Mr. Speaker, it's my understanding that there is no direct storage on stream on the Oldman River. That's a matter under review presently. There is a reservoir on the St. Mary's River just above the confluence with the Oldman. The Leth-

bridge northern district also has an off stream storage at Lake Keho. Both those reservoirs are full to capacity, or very close to being full to capacity, and will be kept that way throughout the summer. With the water in there, we're looking at a six to eight week supply for the irrigation districts at full demand. We're not breaching any licences yet with respect to irrigation requirements. But a dry summer could possibly lead to some of that water being diverted for municipal purposes.

DR. WALKER: A supplementary to the minister. Due to the low water levels in the Oldman River at the moment from lack of moisture, and the inability of towns along the river to obtain water because the intakes for those towns are now above the water level, has the minister any contingency plan for rectifying this situation?

MR. RUSSELL: Yes, Mr. Speaker. As a matter of fact, at Fort Macleod it's been necessary to construct a temporary dike in the river around the town's water supply intake. The kinds of conditions I was referring to in the previous member's question could be applied to the town of Fort Macleod. Again, the availability of water being stored for irrigation purposes has the potential to be diverted to Fort Macleod for municipal purposes, probably combined with rationing should that become necessary.

#### **Eyremore Dam Study**

MR. MANDEVILLE: A supplementary question, Mr. Speaker, to the minister. Could the minister indicate at what stage the study is on the Eyremore Dam on the Bow River east of Bassano?

MR. RUSSELL: Yes, Mr. Speaker. It's very close to being finished. As a result of representations made many months ago, the department undertook a series of five studies, four of which have been completed. The fifth is nearly complete. I expect to have the five studies available within two to three weeks. I know the hon. member is very interested in the matter.

#### **Mobile-Home Parks**

MR. PURDY: Mr. Speaker, I'd like to address a question to the Minister of Housing and Public Works regarding the material on rental accommodation the minister tabled in the House yesterday. Has the minister any information regarding vacancy rates in mobile-home parks? If so, what are the present supply/demand rates?

MR. YURKO: Mr. Speaker, I gather the question is whether or not the department has any information on vacancy rates in mobile-home parks. I believe I answered the question several days ago in this way: during the course of the last two years the department has set up a fairly substantial library covering the entire area of housing within the province. Indeed, in that library there is information and data on mobile-home parks. I don't have at my fingertips any specific information with respect to vacancies in mobile-home parks. I'd have to check with the department and find out.

MR. PURDY: A supplementary question to the Minister of Consumer and Corporate Affairs, and just a bit of a preamble, Mr. Speaker. Representation has been made to me today stating that in the last 24 hours some tenants of mobile-home parks have received increase notices of 80 per cent. Could the minister inform this Assembly if the Alberta rent decontrol act will have a provision for the protection of mobile-home owners renting these lots?

MR. HARLE: Mr. Speaker, that would be included in a phrase I used yesterday in the ministerial statement, that the basic provisions of The Temporary Rent Regulation Measures Act will be continued. One of those basic provisions would be the fact that a mobile-home site is a rented property as far as the controls are concerned.

#### **Highway Clean-up**

MR. MANDEVILLE: Mr. Speaker, my question to the hon. Minister of Agriculture concerns the safety and well-being of the young people from the 540 4-H clubs that are going to be providing the manpower for the highway clean-up project on May 7. Due to the fact that the majority of 4-H members are below the age of 16 and won't be covered by workers' compensation, will the government have a comprehensive accident insurance program for these 4-H students?

MR. MOORE: Mr. Speaker, I wonder if I could refer that to the Minister of Transportation.

DR. HORNER: Mr. Speaker, yes, the government will have comprehensive insurance coverage for that day. In addition, we will have highway trucks with the amber lights working on the roads with the 4-H'ers. We'll have a mobile radio communications network also tied with that with the leaders of the 4-H groups that are doing it. We have been assured of the co-operation of the RCMP as well.

We hope we would get the co-operation of all MLAs as well in a very worth-while project to clean up our highways.

MR. MANDEVILLE: Just one supplementary question then. If I understand the minister correctly on this, have any officials from the department sent out any requests to 4-H leaders or parents to sign waivers so the province would disassociate itself from any responsibility in this area?

DR. HORNER: No, Mr. Speaker, because we are covering them with insurance.

#### **Adoption**

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Social Services and Community Health. Does the department have boys and girls waiting — with "waiting" in quotation marks — to be adopted?

MISS HUNLEY: There may be some older children waiting to be adopted. We always have a waiting list of adoptive parents rather than infants, but there may be adoptable children who are no longer infants for whom we have not been able to find parents.

MR. TAYLOR: A supplementary to the hon. minister. What is the average waiting period for the adoption of newly-born babies?

MISS HUNLEY: The last time I was informed it ran nine to 12 months. Generally speaking, the average waiting list is about 400, although I couldn't tell you there are exactly 400 parents waiting as of today.

MR. TAYLOR: One further supplementary. Does the department carry out any type of advertising campaign, such as is done in Ontario, to let people know there are boys and girls over school age who would like to be adopted?

MISS HUNLEY: I can't recall any specific advertising campaign for that. We have had advertising campaigns, though, for foster parents. I would have to check to find out whether we had any, or felt the need was there, for adoptive parents for older children.

#### **Fire Hazard**

MR. LYSONS: Mr. Speaker, I would like to address my question to the minister in charge of Disaster Services. In view of the critical prairie fire hazard situation, is there any plan whereby we can assist people in the event of loss, and are any changes contemplated in allowing fire permits?

DR. HORNER: Mr. Speaker, I think it's very useful that the hon. member raises this particular problem now, because I would hope we're all aware of the very dry conditions throughout the province and the very real danger of grass fires, brush fires and, indeed, forest fires.

I would suggest, however, that fire is something that is ordinarily insurable, but that extreme caution needs to be used in all the endeavors we're undertaking particularly in the rural areas of the province, and that close supervision by municipalities and in other areas by members of the department of my colleague, the Minister of Energy and Natural Resources, would be very helpful during these very dry conditions.

MR. TAYLOR: A supplementary to the hon. minister. Are there any restrictions for travel in forestry areas, on forestry roads, at this time?

MR. GETTY: Mr. Speaker, we haven't imposed any travel bans. However, we contemplate that if there is not any rainfall during the week we will probably be imposing fire permit bans this weekend.

I might say, Mr. Speaker, that presently there are 12 fires in the province, all under control. The fire danger rating is high to extreme in settlements in the lower east slopes, moderate to high in other snow-free areas.

#### **Pollution Controls**

MR. NOTLEY: Mr. Speaker, I'd like to direct my question to the hon. Minister of the Environment and ask whether officials of the department have compiled a list of violations of the air and water environmental standards in the province?

MR. RUSSELL: Mr. Speaker, I wouldn't say we've compiled a list of violations. I have asked the department to draw up a list of existing non-conforming industries which don't have licences, and undertake a program this year either to upgrade those industries to the point where they can and will be licensed or issue them with certificates of variance or emission control orders.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Have any emission control orders been issued? While I'm on my feet, has the list been completed or is it in the process of being compiled?

MR. RUSSELL: Mr. Speaker, as far as I know it's complete. It's not the kind of thing I would want to table, if that's what the hon. member is getting at.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Is the minister in a position to advise the Assembly whether charges have been laid or prosecutions started as a result of the compilation of this list?

MR. RUSSELL: Mr. Speaker, some prosecutions are under way, but not as a result of the compilation of that list. As I say, the compilation or review of the industries is to approach it on the basis of legalizing existing non-conforming industries so they have an emission control order or licence or a certificate of variance.

The matter of prosecutions is really treated separately. Those are issued from time to time.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Is the minister in a position to indicate to the Assembly where in general the bulk of — rather than using the term "violations", I'll use the minister's term — non-conforming industries rests, whether in the oil sands, the major cities, around Hinton, or wherever?

MR. RUSSELL: Mr. Speaker, my recollection is that they're throughout the province. They tend to be the older types of industries which are either in the process of installing updated pollution control equipment or will very shortly be starting on it. My recollection is that the majority are in the major cities.

#### **Nursing Homes**

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Hospitals and Medical Care. I wonder if the minister could indicate whether the department along with the minister is reviewing the financial support for private and public nursing homes in the province.

MR. MINIELY: Mr. Speaker, yes, we have been, as I've indicated before in the Legislature.

MR. R. SPEAKER: Mr. Speaker, could the minister indicate when an announcement will be made with regard to the level of support?

MR. MINIELY: Mr. Speaker, I hope soon, but I can't give a specific date.

#### **Land Use — Grazing**

MR. KIDD: Mr. Speaker, my question is to the Associate Minister of Energy and Natural Resources. Perhaps it impinges on the responsibilities of the Minister of Recreation, Parks and Wildlife. Perhaps a short explanation will be allowed. Even in periods of drought, rain and hence the growth of grass are generally more abundant in the forest reserve along the mountain front than in the outer foothills. In view of these considerations and the possibility of drought this year, will the hon. minister be giving priority to cattle grazing over other land use in the forest reserve this year?

MR. SCHMIDT: Mr. Speaker, although the finalization of land use within the eastern slopes is not completed, I would say to the hon. member that with the diversification and that degree of balance in the zoning concept which has been studied — which will, I hope, shortly arrive at a policy decision — in the total concept it is not the intent to withdraw grazing from the eastern slopes area.

The specific question on the dryness of the season and whether there would be an extension beyond the normal operation of grazing within the eastern slopes would depend, I suppose, on more than one factor. That factor would not only be the shortage of grass, but would certainly be tied with the statement of the hon. Minister of Energy and Natural Resources as to forestry conditions in regard to fire. It would also be tied with the Minister of Recreation, Parks and Wildlife. But I can assure you the intent is not to withdraw grazing, whether it be dry or wet.

MR. HYLAND: A supplementary, Mr. Speaker, to the Minister of Agriculture. In view of the possible drought conditions previously stated by the member, is the Minister of Agriculture carrying on negotiations with the federal department in reference to possibly opening up the Suffield reserve for extra grazing?

MR. MOORE: Mr. Speaker, some negotiations have been carried out. I'm not exactly aware of their status at the present time. Perhaps the Minister of Federal and Intergovernmental Affairs would have a comment.

MR. HYNDMAN: Mr. Speaker, I'm sorry, I didn't hear the essence of the question. Could it be repeated?

MR. HYLAND: Mr. Speaker, the question was on the state of negotiations toward opening up the Suffield reserve for extra grazing.

MR. HYNDMAN: Mr. Speaker, over the last number of years considerable submissions have been made to Ottawa on that matter from federal Members of Parliament, I gather, as well as from the province. It is to be remembered that a federal presence is very directly involved with respect to those lands. I can provide a full report to the member as to the present status of the matter, but it should be remembered that the use of land in the Suffield reserve is not going to be the same as with other provincial, privately-owned lands or public lands in the right of the province that are grazing lands. However, I will get an update of the

present status and provide the hon. member with information.

#### **Weather Modification**

MR. CLARK: Mr. Speaker, I would like to direct my question to the Minister of Agriculture. It really is in the same general area, with the drought conditions facing a sizable portion of the province. Mr. Minister, last week in response to a question you indicated to the Assembly that a rain increase program in Alberta for this particular year wouldn't be possible. My question is: have there been discussions with the federal government about the possibility of using radar facilities of the Penhold air base and other federal defence establishments in the western portion of the province that might make it possible to have a rain increase program in place in Alberta if the present drought conditions continue?

MR. MOORE: Mr. Speaker, first of all I should indicate that there have been a good number of discussions. There are continuous discussions with the federal government between not only the Alberta Weather Modification Board and the Research Council of Alberta, but the expertise contained at McGill University as well with respect to rain increase and hail suppression programs.

It's my understanding, Mr. Speaker, that it is not possible to put in place over a very short period of time, such as we are looking at in the next two or three months, a rain increase program that involves radar in aircraft seeding of clouds. On the other hand, we have had some discussion relative to the benefits, if any, of putting into place on very short notice a rain increase program that might involve ground generators which can be contracted from private companies in the United States.

It's my feeling, Mr. Speaker, that it would be premature for us to be involved in spending a great deal of money on the ground generator system of rain increase, because of the lack of experience we've had in Alberta with that kind of program. I would have to say, however, that that is still a remote possibility for this year.

I want to mention as well, Mr. Speaker, it is my understanding that the most success that's been obtained with rain increase programs in various countries throughout the world has not been in the plains areas but with regard to the concept of increasing the snow pack in the mountain areas during periods of heavy snow, thereby improving the situation with regard to water storage and major reservoirs. That's an area the departments of Agriculture and Environment, and certainly our Research Council, will be looking at relative to the longer term. By that I mean the latter part of 1977 and early 1978.

In conclusion, Mr. Speaker, tomorrow I will make some further remarks with respect to the drought problem that's developing, and some of the contingency plans relative to the Alberta Hail and Crop Insurance Board and so on.

#### **Drought — Contingency Plans**

MR. CLARK: Mr. Speaker, a supplementary question to the Premier. Mr. Premier, in light of the concern expressed by a number of members today, impinging

on a number of departments, is the Premier in a position to indicate to the Assembly what kind of mechanism he anticipates establishing, if I could use the term, to ride herd on whatever steps will need to be taken if the drought situation continues, having regard for municipal governments, the situation on the eastern slopes, and agriculture in general?

MR. LOUGHEED: Mr. Speaker, to respond to that question, today at the meeting of Executive Council I directed the Deputy Premier, who is responsible for Disaster Services in the province and is also chairman of the rural development committee of cabinet, to call together a special meeting of the rural development committee and the Minister of Energy and Natural Resources to review the various contingency plans. As the Minister of Agriculture has just responded, preliminary or initial reaction to that will come from the Minister of Agriculture tomorrow. Further report will come in due course from the Deputy Premier and Minister of Transportation.

MR. CLARK: Mr. Speaker, a supplementary question to the Premier. Is it reasonable, Mr. Premier, to assume that perhaps next week, or certainly the week after, we can expect some sort of outline in the House as to what the government has in mind in this area? I would hasten to add that hopefully it will have rained by then, and there will be no need for the announcement, but in the event that doesn't happen.

MR. LOUGHEED: Mr. Speaker, yes. I would be quite delighted, as would all members, if the work were unnecessary in the sense that their contingency plans were not required. It would obviously be difficult to put a time frame on a cabinet committee's deliberations of contingency plans when they've just been instructed this morning to move in that direction. Certainly we'll advise the House of the nature of the plans as soon as we're able, even if they are on an initial or preliminary basis.

#### **Fire Hazard (continued)**

MR. GETTY: Mr. Speaker, to make sure the reply I gave earlier on forest fires is as complete as possible, I missed a comment on a second page which differentiated between normal forest fires in the province and the national parks. I would just like to add that there is a fire in Banff National Park, 17 miles west of town, which is not completely under control. The Department of Energy and Natural Resources is sending 50 personnel to assist the federal government with this fire.

#### **Weather Modification (continued)**

MR. TAYLOR: Mr. Speaker, supplementary to the hon. Minister of Agriculture, following the last round of questions. Since rain inducement normally means using silver iodide on clouds, and where there are no clouds it's very difficult to use silver iodide to any avail, does the hon. minister know of any method to make clouds?

MR. NOTLEY: Pray.

MR. SPEAKER: Possibly the clouds could be made outside the question period. [laughter]

MR. JAMISON: A supplementary question, Mr. Speaker, to the Minister of Recreation, Parks and Wildlife, a little on the wetter side. I was wondering if the minister would suggest to the St. Albert rodeo Kinsmen rainmakers that they hold their rodeo in southern Alberta this year to bring some rain.

#### **Flooding — Fort McMurray**

DR. BUCK: Mr. Speaker, my question to the Deputy Premier is related to too much moisture. I'd like to know if the Deputy Premier can give the Legislature a progress report on the processing of claims for the damage following the flood at Fort McMurray.

DR. HORNER: Yes I can, Mr. Speaker. We've had 325 claims. Approximately 200 are in a position where the appraisers are at work on them, and the others will be appraised as quickly as possible. I would expect that appraisal will be completed within the next two weeks. Very shortly thereafter, we expect compensation payments can be paid.

DR. BUCK: A supplementary question to the minister. Can the minister indicate if we've received any reply from the federal government? Will the federal government be participating in the program of helping the people who were flooded?

DR. HORNER: I can only report to the Assembly, Mr. Speaker, that the letter has gone from the Premier to the Prime Minister. We expressed the idea that they would follow what they call their rule of thumb, which is a dollar per capita that the province puts out first and they share in any portion thereafter. As I've said before, the unfortunate part about that is that sometimes their Treasury Board in Ottawa doesn't agree with their rule of thumb.

MR. CLARK: Talk to Alberta's representative in the cabinet.

DR. BUCK: Supplementary question to the Deputy Premier. Can the minister indicate if he has any indication now if the \$4.5 million will be sufficient to cover the damage that occurred in Fort McMurray?

DR. HORNER: Yes, we're fairly confident that that will be the case. But as my hon. friend knows, sometimes the damage will not show up immediately. As an example, nobody has ever before submersed in water some of the mobile homes in this country. So the resultant damage is going to be a little difficult to appraise for a short period of time yet.

#### **Highway Clean-up (continued)**

DR. HORNER: Mr. Speaker, while I'm on my feet, could I just correct very briefly my response relative to the 4-H? In the original documentation there was a clause relative to saving the government harmless,

and that's why we went back and got the blanket insurance policy to cover that particular area.

MR. NOTLEY: Mr. Speaker, I think I have several questions and supplementaries, so I'll save it for another day if we're just about to run out of time.

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

MR. SPEAKER: May I draw to the attention of the Assembly that there is in fact Government Designated Business this afternoon, although it did not appear on the Order Paper, and that designated business is Committee of Supply.

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

MR. FOSTER: Mr. Speaker, I move that the following motions for returns stand and retain their place on the Order Paper: 140 and 146.

[Motion carried]

115. Mr. Clark moved that an order of the Assembly do issue for a return showing:

A copy of the research study prepared by Markitex Inc., on trade and export and the role of the Alberta Export Agency and international marketing, referred to in Sessional Paper 199/75.

MR. DOWLING: Mr. Speaker, hon. members will recall that last session, during the second session of this Legislature, the Export Agency was under extensive examination by the Public Accounts Committee. Prior to that period we had undertaken several studies which we considered to be internal. One of them was the Markitex study. They are, in the departmental view — and this is why we've taken such a great deal of time to examine this study to see whether there was any possible way we could table it. However, all the documentation involved in the study was what we consider to be internal. Since that time members will recall that the Export Agency has become a little bit redundant and is no longer in existence. Therefore I think that the request or the motion is rather redundant.

However, Mr. Speaker, the data involved in the study has some implications with regard to market potential, not only in this province but others. I think making it public is not in the Alberta public interest. Therefore I would suggest that hon. members vote in opposition to the motion.

MR. NOTLEY: Mr. Speaker, speaking very briefly to Motion for a Return 115, the fact of the matter is that it was put forward, and was accepted by the Chair. It seems to me that we have to look very carefully at the arguments of the Minister of Business Development and Tourism before following his suggestions. He argues that because the Export Agency has in fact been discontinued, this information is not necessary. He also made a number of other arguments; I'll come to them in a moment.

Mr. Speaker, the public quite frankly has a right, in my judgment, to as much information as possible



about why the government chose to discontinue the Export Agency. It's interesting that we had in the gallery today the hon. member from Peace River, who has championed the question of the public's right to know in the House of Commons. Here we have a major decision of the government of Alberta, to dismantle the Alberta Export Agency — a much-heralded initiative when it was undertaken in 1974, talked and boasted about during the election campaign in 1975, and discontinued in 1976. Obviously this study would contain a good deal of information which must have had some important influence on the government determining to do away with the Export Agency.

I believe that sort of information should be made public. An important initiative of this government was disbanded. Neither in the estimates nor in the news release announcing the demise of the Export Agency in the summer of 1976, has there been — in my view anyway — documented, thoroughly analytical assessment of why the government chose to do away with the Export Agency. Perhaps within this study would be some of the reasons the public has a right to know and understand.

The other point the hon. minister made in dealing with this question is that somehow it might prejudice our market opportunities. Mr. Speaker, one of the things we should have learned from the Export Agency discussion in spring and fall in Public Accounts, is that when export opportunities are discovered, they should be relayed to the entire trade as quickly and accurately as possible. Mr. Speaker, I therefore find it a little difficult to understand why the government chooses at this point to say, vote down this particular resolution. If there are certain parts of it, certain amendments — fair ball, move an amendment. But to say, no way are we going to make this available, in my view, Mr. Speaker, is closing the door on information that should be made public.

MR. R. SPEAKER: Mr. Speaker, in speaking in support of this motion I'd like to say, number one, we've almost recognized that public funds are spent on a document such as this. The title of the document we're asking for talks about the role of the Alberta Export Agency, which the minister says — and we all know — is an agency not in effect at the present time. It has been replaced by another agency.

It's talking about the role. Mr. Speaker, we get involved in talking about certain private companies, certain private industries, and various things such as that where if we disclose it, it affects the business world of this province. I can't see that at all. I think the minister in his discretion said, well, let's not give it to them. They don't need it.

DR. BUCK: They might uncover something.

MR. R. SPEAKER: The information isn't of any value to them. But maybe it is, Mr. Speaker.

MR. NOTLEY: Keep the door closed.

MR. R. SPEAKER: What we could derive from having information such as this, is a tool by which we could assess the present international agency the minister has established in his department.

Mr. Speaker, I think the information, one, would be

worth while to us; two, [we] as taxpayers have spent some money on it; three, I can't see any way it can affect the business world. The minister has given no information to that effect. He has made the statement. But that doesn't prove the statement at all. That doesn't add any validity to the statement. I think the only way there can be validity is if we have the information presented in this House so we can assess the report and use it as best be.

At the present time we have no indication what the government's doing with it, what is coming out of it, what new plans are being made. I think it would be good for this Legislature to have the information so we could use it to a greater extent.

MR. CLARK: Mr. Speaker, just in rising to conclude the debate on Motion for a Return 115, it's extremely co-incidental that the day after the Premier announces he'll be going to Russia, the Middle East, and Israel; that the Minister of Federal and Intergovernmental Affairs will be in Geneva observing the GATT discussions; that this very same government is saying that the public in Alberta can't have a look at a report prepared by Markitex Ltd., which is an Ontario firm, Ontario individuals . . .

MR. NOTLEY: Shame, shame.

MR. CLARK: Yet the people in this province can't have a look at that report that was done for this government, a government that's saying it's opening itself up to try to have new initiatives in Russia and the Middle East, and going to have an impact on the GATT negotiations — that a study like this will contain information that will be detrimental to Alberta's position in international marketing.

That argument, Mr. Speaker, was used by the Minister of Government Services and Culture about a year and a half ago, when we first tried to get information on the Export Agency. We were turned down on that occasion — the same argument we are hearing today, only a year and a half later. We don't have the Export Agency today, but we have the same very narrow, very inward-looking attitude by the government.

As far as I'm concerned, frankly, Mr. Speaker — several times in the course of this session we've talked about the public's right to know. It seems like this government thinks it's the public's right to know when it's to the government's benefit. But when it's a matter of the taxpayer finding out where his or her money is being spent, even on a report such as this, done by a firm from Ontario . . .

MR. NOTLEY: Toronto, I'll bet too.

MR. CLARK: It may even carry a blue membership. We can't get the information. It's a sad, sad commentary on a group that would like to give the impression that they're outward looking rather than very inward and very narrow looking.

[Mr. Speaker declared the motion lost. Several members rose calling for a division. The division bell was rung]

[Three minutes having elapsed, the House divided]

For the motion:

Buck	Mandeville	R. Speaker
Clark	Notley	

Against the motion:

Adair	Gogo	Moore
Ashton	Hansen	Musgreave
Backus	Harle	Paproski
Batiuk	Horner	Purdy
Bogle	Hunley	Russell
Bradley	Hyland	Schmid
Butler	Hyndman	Schmidt
Chambers	Jamison	Stewart
Chichak	Johnston	Stromberg
Cookson	Kidd	Taylor
Crawford	Koziak	Thompson
Doan	Leitch	Topolnisky
Dowling	Little	Trynchy
Farran	Lysons	Walker
Foster	McCrae	Webber
Getty	McCrimmon	Wolstenholme
Ghitter	Miller	Zander

Totals:	Ayes - 5	Noes - 51
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145. Mr. Clark moved that an order of the Assembly do issue for a return showing:

The written policy guidelines or directives, issued to ministers, regarding the provision of information in response to motions for returns and written questions.

MR. CLARK: Mr. Speaker, I move Motion for a Return 145 in light of the fact the federal government has moved on such guidelines, and I understand the guidelines have been developed in Ottawa.

MR. SPEAKER: I'm sorry. I didn't hear the hon. leader. Did he say it was withdrawn?

MR. CLARK: I said I move Motion for a Return 145. [interjections] I could make my speech again, Mr. Speaker.

[Motion carried]

MR. HYNDMAN: Mr. Speaker, I beg leave to table the answer and four copies.

#### head: **GOVERNMENT DESIGNATED BUSINESS** (Committee of Supply)

[Dr. McCrimmon in the Chair]

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

#### **Department of Federal and Intergovernmental Affairs**

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

MR. HYNDMAN: Mr. Chairman, I'd like very briefly to sketch the highlights of our work over the last year and predictions for the coming year.

First, with regard to the constitution, the British

North America Act, a good deal of time was spent on that subject over the course of the last year. As members will recall, there were three ministerial meetings, two meetings of the premiers; they culminated in the October 14, 1976, letter from our Premier to the Prime Minister. I think Alberta's position on the amending formula is well known at this time. The matter as it stands today is not one of high priority, but in our view it is possible it may be raised this fall.

Secondly, with respect to major conferences, Mr. Chairman, there were of course two major conferences in Alberta last year: first, the seventeenth Premiers' Conference held in Edmonton and Banff in August. The matters on the agenda primarily dealt with the economy, fiscal relationships, and the constitution. The Western Premiers' Conference in Medicine Hat, Alberta, in the spring dealt significantly with such items as transport, agriculture, tariffs and trade, and fiscal matters.

In addition, Alberta hosted the meeting of the ministers of consumer and corporate affairs for Canada in December 1976 and, just a month ago, the meeting of the ministers of communication. Upcoming in early May will be the Western Premiers' Conference in Brandon, Manitoba. The eighteenth conference of the 10 premiers of Canada will be held this year in mid-August in the province of New Brunswick.

With regard to fiscal arrangements, members will recall a good deal of time and energy was spent last year with respect to submissions, particularly by Alberta, to urge the federal government to withdraw and give more tax room to the provinces. We achieved significant success there, with 13.5 tax points moved over to the provinces. I think one of the reasons for the success of the efforts of the provinces was the very significant leadership of the Provincial Treasurer in developing and maintaining a common front in negotiations with the Minister of Finance of Canada and the federal government.

On the subject of anti-inflation, of course a new agreement, as previously announced, has been signed. Energy and farmgate prices are protected as before. A new 15-day termination clause is available to this government. In the months ahead we will try to secure more information as to the plans of the federal government on decontrol, decontrol date, postcontrol, and any postcontrol mechanisms they might envision.

On the subject of major visits last year, the Premier's visit to the United States in June was certainly a highlight. Visits were paid to the governors of Oregon, Washington, and Montana, and the Premier spoke to representative groups in Houston and New York. The visit of Senator Jackson of the United States, now a very senior person in the United States administration, took place last year. In addition to the Soviet ambassador visiting Alberta, we had a large and increasing number of people representing other countries and indeed world economic institutions. The visit of the Premier to the U.S.S.R. and the Middle East was outlined by the Premier last evening during his estimates.

The matters of energy pricing are ongoing. The results of last year are known, and the results with respect to the energy pricing negotiations this year may be known in greater detail within the next few months.

The Quebec election, of course, was a significant event last year, and has and will affect federal/provincial relations in the months and years ahead.

The matter of tariffs and trade, one of the stated initiatives as outlined in the government throne speech this year, will take increasingly the time and effort of the department and its officials. As mentioned by the Premier last night, there will be a full report by me with respect to the initiatives being taken in the tariffs and trade area.

Mr. Chairman, I'd just like to mention two other items. One is the special fund of \$146 million which will be going toward energy and transportation matters within the province of Alberta. That was negotiated over many months last year, and the benefits will be seen over the months ahead.

The other item which covered and crossed a number of departments was Habitat. The department of which I'm the minister, was involved in a very direct co-ordinating role, with particular initiatives taken by the Department of Municipal Affairs, and the ministers of Municipal Affairs, and Housing and Public Works. I think our contribution demonstrating the new patterns and initiatives that Alberta could offer to Habitat was one of the things that made it a success.

Completing that review, Mr. Chairman, we look forward to a year which may be busier in the forthcoming 12 months than in the last 12 months.

MR. NOTLEY: Mr. Chairman, there are four areas I'd like to raise both in the form of comments and questions.

First of all, Mr. Minister, dealing with the Quebec election, certainly this had a rather profound effect on the politics of Canada. When I listened to the Prime Minister last week I think one rather important point came through. For the last seven or eight years, the federal government has taken the approach of promoting the recommendations of the B and B Commission. The basic argument for that was that only if French Canadians could feel at home within the country, and where there are enough numbers that it is reasonable and administratively possible to provide services in French, should these services be provided. The basic thrust of that argument was that only by making French Canadians feel at home in English-speaking Canada the way English-speaking Canadians have traditionally felt at home in Quebec, as a result of certain rights set out in that province, would there be any hope of keeping the country together. That, as I take it, has been the traditional argument of the federal government.

However, when the Prime Minister spoke, I thought I detected a rather important change in that traditional position. One which essentially argued the case for English being the working language of the English-speaking provinces and French being the working language of Quebec. Almost an acceptance of a unilingual Quebec and by contrast a unilingual west where the promotion, if you like, of the French language would be modified. Equal languages in a sense, but within Quebec it would be a unilingual French situation and within the rest of Canada unilingual English.

Now perhaps that's misreading the Prime Minister's remarks. But I thought there was a subtle shift in what had been a traditional position. I'm not so

sure I agree with that shift if in fact it is taking place. It seems to me that we can argue over the whole bilingual policy, but the basic thread of the argument set out eight or nine years ago still holds, that there is not going to be much hope of keeping Canada together [unless] people of the two major language groups can feel at home where it is administratively possible for them to have services within the country. So I raise that as number one because I think it was one of the rather important issues that Canadians will have to address in the next few months.

The second is this question of the British North America Act. We had some discussion last fall on the amending formula for the BNA act. But probably more relevant today, in view of the Quebec election and the fact that the Canadian body politic is in a state of flux as to the division of powers between the provinces and the federal government, a more relevant question than the amending formula is perhaps the issue of the division of powers between the federal and provincial governments.

Now in listening to the Premier on several occasions, I have heard this government talk about decentralization. However, the question of decentralization is just a statement unless we have some idea of what is meant by decentralization. The other day in the House, the Premier indicated that perhaps one alternative the government is looking at is a constitutional court which would be a panel of judges probably appointed by both the federal and provincial governments, that would rule on constitutional matters, federal government vis-a-vis the provinces.

Mr. Minister, my question to you is: are there any other changes in the distribution of powers that the government sees as being important at this time? I'm not talking about administration, because I think there is an argument on a different basis for decentralizing federal administration. But I'm asking whether or not the government sees any powers which are presently held by the federal government under Section 91 of the BNA act that should be transferred to the provinces.

The third question deals with the whole anti-inflation program. The minister indicated there have been some discussions and will be further discussions. I would be interested if he would go into some more detail on the level of discussions between the federal and provincial governments on the decontrol program: what plans are being made in Alberta for consultation on decontrols, specifically with business and labor; whether there will be any formal meetings between the minister, for example, and business and labor together to plan decontrol; what consultation will occur and when with local government officials on the decontrol process.

Mr. Chairman, the final question I would put to the minister concerns the issue of the Mackenzie pipeline. I know that when I raised this matter in the House a year ago when Mr. Justice Berger was in Edmonton holding public hearings, the government indicated they were not going to take a position on something that was clearly within federal jurisdiction. Mr. Chairman, there's no doubt that the question of the Mackenzie pipeline is in federal jurisdiction, but the impact it will have on the province of Alberta will be immense. It seems to me, therefore, that the position of the Alberta government on this matter is

something which is relevant and important, and I would invite the minister's comments.

MR. HYNDMAN: Mr. Chairman, I think four questions were posed. First with respect to the interpretation of the Prime Minister's recent remarks in Winnipeg, I suppose each and every Canadian did or will draw various conclusions in the course of assessing that speech. I can't say I was drawn to the distinction made by the Member for Spirit River-Fairview. However, I suppose we should bear in mind that the law of Canada today is as reflected in the Official Languages Act. If there were to be any significant changes with respect to the use of English and French in Canada, particularly in the federal dimension, such changes would have to be manifested in amendments to the federal Official Languages Act.

Again, I guess each of us can read different things into the Prime Minister's speech, but I think it will be necessary to see a few more actions of the federal government and perhaps further statements of the Prime Minister to assess whether he was actually speaking about a new kind of relationship of languages. At the moment I think we have to take the Official Languages Act as given. This government supports it and has done so.

On the matter of division of powers, our concern is as much with the attitude of the federal government as it is with any particular preoccupation with a massive rewriting of the British North America Act. First, I think we would like to see a stop to the significant number of what I think can only be described as intrusions into provincial jurisdiction by the federal government and its bureaucracy over the course of the last decade or two. This is particularly manifested in the area of resource ownership. The Premier of Saskatchewan has of course recently underlined and underscored that point on a number of occasions. Consumer credit and banking legislation is another area where there has been, in our view, an intrusion by the federal government. And I think the list could be drawn even longer.

So with regard to working towards a clarification of division of powers, the first thing we as a province would like to see would be for the federal government to back up from the significant number of intrusions into federal jurisdiction that we, and I think a number of other provinces, view as having occurred over the course of the last decade or two.

With respect to the question relating to specific transfers of powers, we have indicated before that in the area of culture perhaps, or the area of some joint jurisdiction in immigration, we think a movement away from total federal government jurisdiction could be achieved. Perhaps a delegation mechanism might be useful.

In the area of communications, for example, we hold to the position that those aspects of cable television which relate particularly to systems that originate from and are broadcast within the province, such as pay television, are matters within the jurisdiction of the provincial and not the federal government. So those would be three examples.

With regard to the third question, on anti-inflation, at the moment I guess all Canadians and this government are in the position of having some general position papers having been put forward by the Minister of Finance. They suggested at least a month or

two ago that a decontrol date of either October 14 of this year, the anniversary date of the program's initiation, or perhaps the end of this year was being looked to as a starting date for a phase-out. The second point is that the federal government appears to be looking to a phase-out of the controls as they affect labor and business, rather than a sudden dropping of the axe on a particular date.

We have had no more in the way of definitive information on those suggestions. One reads that there have recently been discussions on them in Ottawa between business and labor. Hopefully, within the next two weeks we will be able to get more information from the federal government. They have indicated they wish to provide more to the provinces within the course of the next two weeks. If it is definitive, I will be presenting it to the Assembly.

Consultation — with the limited information, it's difficult to assess right now the form, manner, intensity, or quality of consultation that should take place with business, labor, and other interested groups in the province. We would welcome submissions from them at any time as we have done. But when more details are available from the federal government, and perhaps they will be in the next two weeks, we'll be able to assess better the manner in which we will devise appropriate consultations with business, labor, and others as to the method of coming out of controls. I think that's the issue to which the hon. member was referring. Certainly the controls were dropped on the province and on Canada very, very quickly. I think most people feel there should be some planned pattern of removal from controls.

On the matter of the Mackenzie pipeline, as the honorable gentleman mentioned, our position was and is that because it is a federal undertaking, we are not taking a position with respect to that. Of course the Berger Commission and the National Energy Board reports will be forthcoming to the federal government within the next number of months. However, among the various departments of this government that might be involved, we have been assessing and trying to predict the possible impact of a Mackenzie pipeline across the province of Alberta. We haven't yet brought that information together. But realizing that the pipeline may come across the province, we are assessing what impact it might have with regard to at least five or six departments that are directly and peripherally involved.

MR. NOTLEY: Mr. Chairman, just to follow that along. Certainly while we have no direct control over the pipeline, at least until it gets to Alberta, the impact on the province will be enormous. The pipeline has been estimated at anything from \$7 billion to \$20 billion; much of that economic impact will bear directly on Alberta. In my view, it will have a rather important impact on the pace of some other developments within the province that this government is considering. It would seem to me there is only so much investment we could have on our plate at any one time in this region of Canada. Therefore, while one can say the Mackenzie pipeline is federal government jurisdiction, the fact of the matter is that that kind of project — because there are only so many construction workers, so many materials, and so many suppliers — could have a very real impact on the pace of petrochemical development, oil sands development,

what have you. So it seems to me that as a province, our position will certainly be affected by it.

Mr. Chairman, I want to ask the minister what the government's position is with respect to relations with the new separatist government in Quebec. First of all, let me preface this by saying that some of the Canadian premiers have been speaking out rather vocally of late. The hon. Mr. Hatfield, Premier of New Brunswick, was quite vocal at the time of the Quebec election. Recently Mr. Davis, the Premier of Ontario, indicated that as far as Ontario was concerned, there was no way it would agree to a customs union with an independent Quebec. On the other hand, Messrs. Schreyer and Blakeney have indicated that on provincial issues, while they disapprove of Mr. Levesque's separatist position, if there are ways those governments can be of assistance to the government of Quebec in terms of policies where there are common objectives and interests, so be it.

I think it would be important for the members of the Assembly, Mr. Chairman and Mr. Minister, if we could have a fairly definitive position as to where this government stands in terms of its relations with Quebec. Might I just say this: I would hope — and I speak now as an Albertan and a Canadian — that in our efforts to keep Quebec in Confederation, I'm sure there would be unanimity in this Assembly that we would want Quebec to stay in Confederation. But in this coming debate, I would hope that English-speaking Canada would not be foolish enough to attempt to use economic sanctions in order to bludgeon Quebec. I think that if the people of Quebec are going to stay in Canada, they have to feel that they are in fact welcome in this country, and that we feel concerned enough about the future of Canada with Quebec in the country that we respect them as individuals sufficiently to make a decision.

Therefore I think it's rather unfortunate that certain business people have been quoted as saying they're going to move from that province. I say that, Mr. Minister, because quite frankly it seems to me that that is grist for the separatist mill; that if Mr. Levesque is able to show French-speaking Canadians that important parts of English Canada are "out to get Quebec", then we are going to be making more separatists. In my view the case for the rest of Canada in the next two or three years will be to show moderation, to show a real sense of respect for the people of Quebec and a willingness, even while fundamentally disagreeing with Levesque and his separatism, to work on a co-operative basis on common provincial areas where there is agreement.

MR. HYNDMAN: Mr. Chairman, I think the comments of the hon. member are well worthy of consideration. One of the problems in giving a definitive statement is that the situation in Canada and in Quebec is somewhat fluid and shifting as every week goes by.

With respect to our relations as a province with the province of Quebec, our position is that we would seek to develop the kind of working relationship we would develop with any new government of any other province in the country. It may be that that working relationship will be somewhat different from that with other provinces, but the way we deal with, talk with, and make arrangements with every province in the country is somewhat different.

As with other provinces, I would suspect there will

be certain matters on which we disagree and certain matters on which we agree. For example I think, as has been stated, that Albertans in the mass feel strongly that the country should stay together. I think Albertans believe in the nation, believe in keeping Canada together, and are strong supporters of federalism and of the monarchy.

In our view the constitution has demonstrated and has proven itself over the last number of years — over a century — to be a very flexible, pliable, and adaptable document. I think that is a very positive feature, suggesting — as I think Albertans hope — that the country will stay together in the years ahead.

But I think the relationship between Alberta and Quebec is something that will develop. We would like to establish a working relationship. Our Premier has not been down to the province, for reasons which he mentioned. But I would imagine that in the months ahead, perhaps at the Premiers' Conference in New Brunswick — if all the premiers are there, there should be some discussions as to the future of the country and provincial relationships over the next year.

MR. CLARK: Mr. Chairman, I would like to ask the minister questions on three or four areas — perhaps start with the questions, and then a couple of areas with rather a broad statement.

Mr. Minister, in the course of the presentation made to us from the Alberta Chamber of Commerce, a great deal of interest was expressed in a road from Ft. MacKay up to Swanson Landing in the Northwest Territories. I don't expect the minister to be in a position this afternoon to indicate what action, if any, the province has taken in this area as far as negotiations with the federal government are concerned. But the problem is Wood Buffalo National Park; trying to encourage the federal government to take some initiatives within the park itself and then into the Territories north of there. Perhaps the minister could check that out and let us know at some time in the future just what kind of representation the province has made there. More important, what kind of response did you get from the federal government — just where that sits?

Mr. Chairman, the second area is the question of the pipeline coming down from the north, which has already been discussed briefly. In the course of the minister's opening comments I'd rather hoped to hear — and I apologize for having to slip out for a few minutes — that the government was taking this period of time this year and next year to organize and facilitate itself for Edmonton to a great degree really becoming the jumping-off point for the north.

We can argue about which pipeline is going to be coming down from the north. I certainly don't propose to be an expert in the field. But from talking to people interested in the whole area, it does seem to me that sooner or later, and likely sooner than many people think, one of these pipelines is very well going to be coming down from the north, and there's a great likelihood that we in Alberta are going to be on that line.

It seems to me it's a glorious opportunity for Edmonton to re-establish itself once again — if that's the term — or strengthen its position as the gateway for northern development. It would seem to me then that this is the logical period of time for the Depart-

ment of Federal and Intergovernmental Affairs to be taking some very careful stock of our relations with the Northwest Territories, the Yukon, and Alaska; to have already started, along with the Department of Transport, in putting some of the gears in motion for the possibility of expanding PWA's operations into that particular area.

If the minister did comment in that area when I was out, then I can read *Hansard*. But if the minister didn't, I think, Mr. Minister, this is an area your department should be right on the ball on as far as this year is concerned. It seems to be a logical area for us to be moving in. I don't think Alberta's going to be able to afford the luxury forever of being able to say, well, we're not going to get involved in the question as to which pipeline will go ahead. Before long, Alberta's going to have to express some sort of preference there.

The third area, Mr. Minister, is the question of the negotiations on the General Agreement on Tariffs and Trade. I was a bit perplexed when we did the estimates in the House and the Minister of Agriculture was talking about Alberta's involvement and initiative in that area. When we got down to the nitty gritty of who was looking after what we weren't in a position to find out who the chairman was, or the person looking after the task force — who really was, if I could use the term, calling the shots on a day to day basis for the task force that's going to be guiding Alberta in its representation to Ottawa and hopefully having some impact on what the federal government tries to work out in Geneva. So some additional information there would be extremely helpful.

The last area I want to touch upon, Mr. Chairman, is the question of the constitution. I think I would say that likely the federal government is becoming more aware of the Legislature's view on the constitution than it was initially before the second letter went to Ottawa. But I do think that in the course of the next period of time when the debate will be going on with the province of Quebec and the government there, in addition to making it clear to our cousins in Quebec that we very much want them to stay in Canada, I think it's also important — and I've made this point before — that people in central Canada, and in Quebec too, recognize that where they in Quebec feel they have some injustices with Confederation, and they may well have, the people in this province have sold, are continuing to sell and, I gauge, are prepared in the future to sell our resources at a great deal less than we could if we saw some progress in the question of freight rates. Mr. Chairman to the minister, that's why I raise this question of the Premier in the course of the next year taking some initiative in central Canada — and I certainly would include Quebec — and not from a belligerent point of view but from a very frank point of view, saying: "We're Canadians too. We appreciate some of your concerns in Quebec, but in Alberta and western Canada we have some legitimate grievances also." Because over a period of many years, Alberta and the province of Quebec have had a great deal in harmony on the question of provincial rights.

I'm sure if we were to look at the many years in federal/provincial negotiations, more often than not the provinces of Alberta and Quebec have really been arguing the same argument on provincial rights. I think there is a rather long-established affinity there.

I agree with the comment made by the Member for Spirit River-Fairview that we shouldn't go down and flaunt our situation. But on the other hand, I think it is so very important that people outside of western Canada recognize that we have some very legitimate grievances in the rearrangement of Canada for the future.

I think the Premier certainly has an opportunity, and I would say, some obligation, to at some time in the course of '77 take an active and a well thought out part in the national debate that I think is beginning to develop. I hope this would be masterminded, if that's the right word, by the Department of Federal and Intergovernmental Affairs. I raise it here for that reason, and ask the minister to respond to that suggestion.

MR. HYNDMAN: Mr. Chairman, on the first matter, dealing with the provincial position on the northern pipeline. One of the difficulties we of course face is that a large number of alternative routes have been proposed for the pipeline, if it comes. Depending on which route is chosen by the federal government in making a decision in the national interest and looking at the need, depending on the construction date and the construction period, and I suppose depending to a lesser extent on some of the materials necessary for the pipeline, different conclusions can be drawn as to the impact on Alberta. I think it's difficult to get very precise until we know whether the impact will be in a certain geographical part of Alberta, whether it will be in northern or southern Alberta, and — with the figures of \$7 billion and upward — whether the impact will in effect be felt not only all over Alberta but western Canada and maybe the whole of Canada, in terms of drawing in expertise and technical people.

The suggestions made by the hon. leader with regard to the pivotal position of the province, where a new pipeline is contemplated from the north, are certainly very valid. We hope that if the pipeline does go ahead, not only Edmonton but Calgary and indeed the whole province would be able to further cement our position as the anchor looking toward northern Canada. I think in many ways the future destiny of the country resides in northern Canada, particularly in the Northwest Territories and the Yukon.

We in the department have been spending an increasing amount of time with regard to the opportunities for Alberta in the Territories and the Yukon. The pipeline is part of it but in addition we feel, as the hon. leader suggests, there is a larger place for Albertans to service and assist and supply northern Canada, but also a new and different relationship between the two parts of the country whereby Alberta will be seen as being the southern supply depot and there will be closer links between the two.

On the matter of tariffs and trade, as the situation now stands, new administrative arrangements have been put forward. First, a new subcommittee of the Economic Planning Committee of cabinet has been established. I chair the committee. Members are the hon. Minister of Business Development and Tourism; the Minister of Government Services, Mr. Schmid; and the Minister of Agriculture, Mr. Moore. There is a senior officials task force on trade and tariffs as the working group under that subcommittee. The chairman of that task force is Mr. Tom Nisbet, who is a senior member of my department. On the task force

are representatives from the Department of Agriculture and the Department of Business Development and Tourism.

The committee and the task force have as an objective the co-ordination and pulling together of the total position of the government of Alberta with respect to tariffs and trade. The task force will work on pretty well a full-time basis for at least the next year, maybe even longer if matters relating to GATT and Geneva and bilaterals develop into that length of time.

Four of the objectives of this task force would be: first, to ensure that there are clear and open lines of communication between Alberta and the federal government and its various trade and tariff agencies so we know what the federal government is proposing, to ensure that the western interest and the Alberta interest is directly represented by the Canadian ambassador and by Canadian officials in the GATT agreements. In addition, we want to be able to know the proper lines of communication so that we can convey to the federal government through a number of routes what Alberta and the west are trying to do. And of course, the agricultural brief tabled in the Assembly representing a four western provinces' position is one aspect of that.

Secondly, the task force will analyse and assess the effect on Alberta of the federal government proposals in Geneva. Those proposals must necessarily be proposals which we hope would reflect the national interest, not only central Canada but the east and the west. We want to be able to assess quickly and accurately the effect on Alberta of those proposals by the federal government.

Thirdly, the task force will be required to develop recommendations, options, and alternatives for the consideration of cabinet as to the ways in which Alberta should take initiatives in trade and tariff, the priority areas which we should home in upon — agriculture and petrochemicals would be obvious examples — and to recommend ways in which Alberta should move ahead, perhaps on a broad number of fronts in this new tariff and trade initiative, which is one of the five priorities listed in the throne speech.

Fourthly, the subcommittee's obligation is of course to co-ordinate the responses, proposals, and initiatives of all government departments, particularly Agriculture and Business Development and Tourism, but not excluding others, so that we speak with one voice, so there is major impact and the greatest amount of impact by this province in its efforts.

With respect to the matters raised on the constitution, I think those were thoughtful comments. Certainly I think there is a significant similarity in many ways between the views of the federal state of Canada, of Alberta, and of the people of the province of Quebec. I think we feel, as do a significant majority of the people of that province, that there has to be less of a suffocating drawing-in to the federal maw in Ottawa of decision-making, much of which could be made in Quebec City or in Edmonton. As I mentioned in my previous remarks, in response to the comments of the Member for Spirit River-Fairview, I think there is a similarity there.

It's important though, as we have said, for central Canada to recognize that even though the provincial election in Quebec on October 15 has caused and will cause a good deal of debate and concern, the members of the federal government in central Canada

should in no way feel that that is the only major problem in the country. The grievances of the west are still there. There has been limited progress on them. The Prime Minister made a speech in Winnipeg. It suggested possibly a change in attitude. Those were words; we'd like to see the action. I think it should be realized that the answering of the problems we face today in this unique federal state of Canada is going to require solutions not only to the situation in Quebec but also with respect to western aspirations: a desire of people in this part of the country to have full opportunity to achieve their own destiny and not be considered the caboose on the national train.

In future there are of course going to be people in central Canada, perhaps certain members of the financial and media community of Toronto, who will continue to suggest that Alberta should just close the door and be very quiet for five or six years while this problem of Quebec is settled. We have no intention of doing that. As I mentioned, we think they are one and the same problem. Of course those people in that part of the country would be delighted to see the star which has been slowly rising on the horizon, called western Canada, drop or explode. It's very difficult when one has spent 107 years as a province, perhaps defining the national interest as one's own provincial interest in central Canada, to see that there's a second star, or two or three other stars coming up on the horizon; to see that there's another engine coming up on a parallel track, so perhaps we eventually get 10 equal partners on 10 parallel tracks in Confederation.

So I think we're going to have some unusual expressions of opinion from central Canada, but we're not going to be stopped in our drive over the past years of trying to bring Alberta and the west into Confederation as an equal partner. At the same time we are sensitive to the problem in Quebec, and as I think I mentioned, we will want to see if we can assist in solving that problem, as we want others to assist in solving the problem of western alienation. And I think the Premier will be taking an appropriate part in the national debate when occasions arise.

MR. TAYLOR: Mr. Chairman, I just want to make one or two comments. I generally agree with what the hon. minister has said. While we have much in common with the province of Quebec, I think we should make it abundantly clear that we have nothing in common as far as separation is concerned. This is the big pitch of the present Parti Quebecois in Quebec. The leaders and the cabinet seem determined to separate from Canada. I don't think any sympathy should be shown towards that attitude at all.

I remember attending a convention in Quebec City several years ago when Maurice Duplessis was premier. The theme of his address was: "We are a very peculiar people". Those were his words. He went on to say they believed in the rights of the individual. At the time I remember remarking to friends who were there that I didn't see anything particularly peculiar about wanting to protect the rights of individuals.

To that degree I think we in Alberta are a "peculiar people". Because here certainly the rights of individuals have a very prominent part in our political life, and should have. While we may have problems, I

think ours are different entirely from a province that wants to separate to solve its problems. We want to solve our problems within Confederation. I think we should make this conspicuously clear: we're not supporting Quebec in any way, shape, or form in separating from Canada. At least that's the way I feel, I think it's the way the people I represent feel, and I think it's the way the people of Alberta feel.

I don't think we in Alberta have very much concern about whether they speak only French in many parts of Quebec. It doesn't worry me a bit. I think it's fine. Where the population of a town is 100 per cent French and they want to do all their business in French, this is their right within Confederation, the same as it is our right to do it in English. The only place I think we have a right to object is where the language is going to jeopardize the safety of other Canadians or where it's going to interfere with the workings of Confederation.

Surely the Fathers of Confederation, when they showed such tremendous wisdom, had the foresight to realize there would probably be a problem. They could have fought at that time and kept one language in the country as the United States did. For some reason they chose not to do so. So we have two official languages in Canada. Frankly I liked the way the Prime Minister put it the other day: if they want to speak French and do business in French in Quebec, that's their business; however, they'll also have to deal with the rest of Canada in English.

We may have pockets of people in Alberta and other parts of Canada where French is spoken quite fluently. I think of Fahler and maybe parts of St. Paul and St. Albert. I admire these people for holding on to their culture, making it part of the great Canadian mosaic. I'd like to see people from every part of the world do that. It makes our country greater and better. But by the same token I've never seen the people of Alberta try to push their language onto anybody else. I think that's the way it should be in our country: a complete freedom of choice.

I think we're tackling the problem properly now by getting languages taught in our schools at low grades. For many years we made a farce of teaching French in this province by not permitting it to be started until we got to Grade 9. The last few years have been different. Now they are taught in some primary schools — the place I think it should start — and certainly in the intermediate schools. We will see that as these youngsters grow older they will be able to speak and write French fluently. I admire people from other countries who may only have less than a high school graduation certificate but can speak two or three languages quite fluently. I think that should be the objective in our schools. Because it's certainly an advantage to be able to speak French, Ukrainian, German, Italian and Spanish, et cetera — as many languages as possible.

So my comment is that I certainly think we should show every co-operation with Quebec in solving problems within Confederation, but let's not give any sympathy whatsoever in trying to solve the problem by separation.

MR. CLARK: Mr. Chairman, just two very quick questions to the minister. Mr. Minister, are you doing an assessment of Alberta's offices outside Alberta — the offices in the States, Japan, London, and so on? Also,

specifically, is your department actively involved in looking at the north as far as Alberta's presence up there is concerned? How is this being done? Is it being done by one of your departmental people? Has it been contracted out? When do you expect to have the report back? When will we be able to get the gist of it here? It seems to me this thing in the north and also the question of an assessment of our offices outside Alberta are . . .

MR. HYNDMAN: Mr. Chairman, a continuous assessment goes on. I think, though, that after the course of the next nine months when we are able to assess in a more definitive way the directions and priorities we will take with respect to trade and tariffs over the next 10 years — that's what this exercise is developing into — then there may be changes in emphasis or other changes necessary with regard to the work of the Alberta offices and the activities which they're now involved in. Decisions will have to be taken as to whether they should be expanded, changed or whether there should be additions to them.

On the matter of the north, in view of the interest, perhaps during the fall — I think that would be the appropriate time — I could give a report on the steps we are taking in northern Canada with respect to Alberta's position vis-a-vis the Northwest Territories and the Yukon, in addition to reporting on tariffs and trade. This year we'll be doing two or three times as much as last year. It's in the tentative, formative stages but I think I can provide a reasonably definitive report in the fall.

#### Agreed to:

Ref. No. 1.0.1	\$103,496
Ref. No. 1.0.2	\$252,380
Ref. No. 1.0.3	\$627,701
Ref. No. 1.0.4	\$454,820
Ref. No. 1.0.5	\$136,040
Ref. No. 1.0.6	\$115,000
Vote 1 Total Program	\$1,689,437
Department Total	\$1,689,437
Capital Estimates	
Vote 1	\$4,000
Department Total	\$4,000

MR. HYNDMAN: Mr. Chairman, before moving that the resolution be reported, I would just like to pay a special personal tribute to Mr. Harold Millican, the former deputy minister of the department for something over two years, for his sterling contribution to the leadership of the department during the course of his tenure. I'd also like to offer a vote of thanks to the new Deputy Minister Dr. Meekison, and to all members of what is a compact but high quality department with, I think, a high level of competence and dedication and people who produce work of the highest standards against some very tough deadlines.

I'd like to move the resolution be reported, Mr. Chairman.

[Motion carried]

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



[Motion carried]

[Mr. Speaker in the Chair]

DR. McCRIMMON: Mr. Speaker, the Committee of Supply has had under consideration the following resolution, reports the same, and requests leave to sit again:

Resolved that for the fiscal year ending March 31, 1978, amounts not exceeding the following sum be granted to Her Majesty for the Department of Federal and Intergovernmental Affairs: \$1,689,437 for inter-governmental co-ordination and research.

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

HON. MEMBERS: Agreed.

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

#### 1. Moved by Mr. Donnelly:

Be it resolved that the government give consideration to exemption from universal workers' compensation coverage pursuant to regulations under The Workers' Compensation Act, based upon

- (a) representations received from industries or associations establishing low-risk or satisfactory alternative coverage,
- (b) individual applications where both employer and employees join in an application for exemption.

[Adjourned debate March 15: Mr. Thompson]

MR. THOMPSON: Mr. Speaker, I would like to speak in favor of the resolution. I had the privilege of being a member of the Select Committee on Workers' Compensation. I'm not only in favor of the concept but also feel the board really filled a need in Alberta.

Most of the industries where both the employers and employees need protection of the act are covered today. One exception is agriculture, and I want to come back to that later.

The procedure under Section 71 of the act, wherein industries that have a low accident rate are given a rebate on their assessment, is of real value. This encourages industry to enforce safety precautions on the worksite, and is of real advantage to both the industry and the workman.

I'd like to examine Subsection (a) of the resolution: representations received from industries or associations establishing low-risk or satisfactory alternative coverage

I would like to list some of the organizations which I consider low risk that will come under the Workers' Compensation Board on January 1, 1978. There are boards, commissions, foundations, banks, bond and stock dealers, consulates, cricket fields, holding companies, legal services, patent attorneys, piano tuning, radio paging and signalling services, and telephone answering services. There are many other groups in this category, but I feel these are samples. As far as I'm concerned, if any or all of these groups want workers' compensation they should be allowed to have it.

But in many of the above cases, the risk of injury on the job is almost non-existent. I realize their assessment would be very low. But the inclusion of this group would increase the paperwork of the board and create a real increase in staff. Under these circumstances, I do not feel the inclusion of the above-mentioned groups is of real help to anyone.

There are many private insurance plans for people employed in these types of industries, which in some ways are superior to workers' compensation. The main one is that most private plans give 24 hour-a-day coverage. Therefore many employees prefer private coverage.

Going on to Subsection (b):

individual applications where both employer and employees join in an application for exemption.

The best example I know of where this section applies is school boards and teachers. When the Select Committee on Workers' Compensation held public hearings in Calgary, there was representation from both the school trustees and the ATA. They were both very opposed to being placed under the Workers' Compensation Board. Both groups understand the act and the protection it provides. I feel both groups have the interests of teachers as a real concern. Yet neither wants the protection of the act. In cases such as this, I feel the government would be making a grave mistake by insisting that teachers or groups like them be covered.

As far as agriculture is concerned, I will admit this is a high-risk occupation. At present, farmers are accepted on a voluntary basis. As a farmer I am covered under the act. I would like to see more farmers included, but strictly on a voluntary basis.

Talking to many farmers on this subject, there seems to be a great reluctance to join. Farmers should be educated to the advantages of the act for them. Maybe in the future, agriculture will be more or less totally covered. I feel the government is on the right track by allowing participation on a voluntary basis.

Mr. Speaker, because of the above reasons I would urge members of the Legislature to support the motion, and I thank you for your attention.

MR. MILLER: Mr. Speaker, I would like to make a few comments on this motion, and to start by saying I am not in agreement with universal coverage by the Workers' Compensation Board. This is not to say I do not favor workers' compensation, but rather that I feel there is a place for alternate coverage by insurance companies. As well, the option should be left open for those employees and employers who wish to join in an application for exemption and opt for some other form of coverage.

It should be pointed out again, Mr. Speaker, as was done by the Member for Edmonton Kingsway, that the present program of workers' compensation is a sound program and not a welfare program. It reflects the worker's previous economic activity.

Furthermore, Mr. Speaker, we have also seen an upgrading of pension payments under the present program to offset the inflationary trends. There is no doubt that workers' compensation provides protection for the worker and his family. Nevertheless, with these thoughts in mind, we must remember that there are employees who do not wish to come under the present workers' compensation plan. There are

those who say, we have a private sickness and accident policy far superior to the Workers' Compensation Board. We have those who say, we are covered by a plan that provides protection not only on the job site but on a 24-hour-a-day basis which suits our needs much better. We have others who say, our job is such that there is no need for us to have such coverage, that there is no risk in our employment. I feel that it is our duty as a government to take heed of their wishes and not force the people to accept something they do not want.

In regard to the farming industry, Mr. Speaker, there is no doubt that the farmer should have some form of coverage. I can recall some very serious farm accidents within the last couple of years. I know of one case where a worker was out baling. He stuck one hand into the baler and he saw it was getting caught, so he stuck his other hand in. As a result, he lost both his arms. This is indeed a tragedy for a man who has a wife and four small children. I know another chap who was out baling. He stepped off his baler and his leg got caught in the power shaft. As a result, he lost that leg.

Now these are very serious accidents, and they're happening all the time. We have people who are losing their fingers and their hands. As an example, there's the hon. Member for Camrose who has four short fingers because he got them caught in a belt pulley.

I would submit, Mr. Speaker, that rather than come under The Workers' Compensation Act, consideration should be given to establishing an insurance program administered by the hail and crop insurance board. Here we have an organization with a head office and 52 suboffices located throughout the whole of Alberta which is insuring our crops and our livestock. Now why shouldn't they be insuring the farmers and the farm workers? I think this is the organization that could do a job of this. At the present time, we have the Workers' Compensation Board offering coverage, but the cost is approximately \$5.50 per \$100 of wages paid. This is felt by many farmers to be too high a cost. As a result, as the Member for Cardston said, there are too few farmers taking out workers' compensation and they have no fund built up in the reserve so that [for] any accident the rate immediately jumps up to too high a figure.

Mr. Speaker, there is no doubt that coverage is necessary, and we should be offering coverage, particularly to the farming community. It should be at a reasonable premium, and it should be on a voluntary basis. On this basis, Mr. Speaker, I support the motion.

MR. KIDD: Mr. Speaker, in walking this noon on this beautiful day on the lawns and green patches nearby, the beauteous damsels sprawled thereon stirred my blood. But sir, knowing your penchant . . .

AN HON. MEMBER: You're too old.

MR. KIDD: . . . for proper parliamentary procedure, my blood was stirred only to debate, sir, only to debate. [laughter]

Mr. Speaker, in joining this debate, it seems to me that the discussion of this resolution has been full and wide ranging. The hon. members for Calgary Millican, Edmonton Kingsway, Spirit River-Fairview,

Drumheller, St. Albert, Medicine Hat-Redcliff, Cardston, and Lloydminster have all provided this Assembly with worthy and thoughtful comments which I listened to and have read with interest in *Hansard*. Mr. Speaker, it is difficult to add to a debate carried to the present by such erudite members, and hopefully my words won't rise and circle around the 469 incandescent bulbs in the ceiling and drop like bits of burnt-out foam on the golden Mace below.

Some of the facts presented in the debate, as I see them, are as follows. First, the workers' compensation as it now exists is by no means universal. Notably, farmers and teachers are not involved.

Secondly, two areas have been discussed as carefully as porcupines make love. These include: (a) any relaxation of existing coverage, with due respect to the unions; and secondly, any attempt to force workers' compensation on the farmers, with due respect to the farmers.

Thirdly, there is a clear implication that low-risk industries may be able to get coverage at lower rates than those charged by the Workers' Compensation Board. For lower risk industries not bearing the burden of higher risk industries, which are incorporated in this rate, this would seem to be very likely. The argument is therefore made that compulsory workers' compensation will not allow some of these businesses to exist.

Fourthly, Mr. Speaker, the ability to maintain freedom of choice as a principle has been upheld by a number of the members, and surely that's a principle most members in this Assembly agree to.

Fifthly, considerable apprehension has been expressed that those choosing alternative coverage and being given that privilege will not fulfil the responsibilities, and that compensation will in any case fall back on the general public.

Sixthly, sir, workers' compensation provides protection for the employer.

Mr. Speaker, perhaps the six foregoing points provide a reasonable but certainly not totally comprehensive basis on which to make a few comments. There certainly is no suggestion in the resolution that insurance coverage for everyone engaged in any commercial activity is undesirable. Everyone here certainly is aware of the apparently increasing number of farm accidents, particularly those that are fatal. The hon. Member for Lloydminster referred to some of those and one that wasn't fatal. But we would hope those involved in commercial activities — and that includes farming — would themselves see the necessity to be insured.

Therefore in this context I believe that universal coverage is certainly desirable. I suppose it can be argued that if everyone were to be covered, the Workers' Compensation Board rates might be reduced.

At this point, Mr. Speaker, since my position may appear somewhat dichotomous, I'm reminded of the man at the prayer meeting called to end a period of drought. The man had very light, sandy soil. He was heard to implore the Lord: "Oh Lord, send rain, send rain — but none of your floods, oh Lord. Let it be a measly, drizzly rain."

Mr. Speaker, in general the high-risk endeavors are those that are most profitable and best able to pay. And the converse is generally true for those that are lower risk. Surely we must not hamper the initiative

of those who are now in or starting small businesses by compulsory charges. Hopefully, through the years this will occur. But this should occur through attraction and education, not through compulsion. Therefore, at the present time, it is my view that the resolution as presented is fair and reasonable and I support it.

Finally, Mr. Speaker, the Workers' Compensation Board deserves the commendation of everyone here for the excellent manner in which they have carried forth their work.

Thank you, sir.

MR. KROEGER: Mr. Speaker, I am interested in the subject matter and would like to make a few comments that might add something to the debate.

I guess the business that I've been in for 33 years would be rated relatively dangerous in that we are handling, selling, servicing and, in some cases, working a variety of equipment — a lot of it very complicated, some of it quite sophisticated, all of it pretty heavy and, with misuse, potentially dangerous. Having said that, after 33 years in business working with all these potentially dangerous machines, we have been fortunate in never having had any kind of serious accident. The reason I make that comment is that I don't like compulsion of any kind and certainly I think there ought to be some choices.

In our service department, where all these machines eventually wind up, we have all sorts of safety programs and safety equipment. We talk to the men who use this equipment and warn them against the dangers of carelessness, breakages, and so on. If you keep in mind that some of the equipment we lift — and that's when danger starts. As soon as you pick up something heavy and support it by something unnatural, breakage can occur and down comes your weight. And maybe two or three people are working around that piece of equipment. When you visualize the lifting mechanisms used today, which are generally actuated by something like oil pressure, a line leading to the pressure area could split, and down comes all of your weight.

[Dr. McCrimmon in the Chair]

Now to counter this danger, we tell our people when they lift anything heavy to put a fixed support under it so it can't come down in the event of a breakage. They do this. They do it when they work on automobiles, which is a very common thing. They very carefully lift these automobiles up, put the stands under them, do their job, and then reverse the procedure. But guess what? In the evening, when we're not open, one of these highly trained servicemen, aware of all the dangers we've talked about, will come to me and say, I'd like to put my car in tonight to do some work on it. Fine. So I walk into that service department when this fellow is working on his own car. He's got this thing up in the air hanging on a chain or on the jack with none of the support facilities we've been talking about.

That seems to tell me when that fellow has a choice, while his compensation factors are included in the kind of costs I pay at the end of the month, he wants those things. But when he's on his own, the same man working with the same equipment removes all of those things and doesn't think they're

important. That worries me because it seems to tell me that maybe we overreact sometimes.

I'd like to suggest, Mr. Speaker, that rather than aiming at forcing people to protect themselves from everything — a form of socialism, if you like, where we think things through for them from the time they're born until we bury them — a better route to go . . .

MR. GHITTER: Time's up.

MR. KROEGER: I had three minutes, Ronnie. A better way to go would be to aim at least a part of that effort in the direction of safety training rather than just safety compensation. It doesn't do you much good if your fingers are off and somebody pays you. It would do a lot more good if you could teach that person the value of taking care.

I've had some marvellous experiences in this kind of thing. I recall the factor of freight back in the early years when we first went into this business. Moving a piece of equipment from Edmonton 220 miles down to where we are was a very costly part of our whole program. To get around it — for instance, if we picked up a new tractor, which is one of these dangerous machines we're talking about — I decided you could drive these things out rather than freighting them out, because they're self-propelled. They would run down there in a matter of 25 hours. A little break-in factor [would] enter into it. The machines were running lightly. So I suggested this and immediately got a response from a couple of young fellows — one of whom happened to be my kid brother.

They said, that's great, what will you give us? We'll go up to Edmonton on the bus. We'll drive them home. So we worked out a figure, and away they went. Before they left they got a cap apiece — that was in the days when you turned the peak up like this. So they're getting on the bus and I'm looking at this, and on the face of this peak they have printed "Tractor Transporters". Now they're in business. They've got a sign.

So they get to Edmonton. I get a phone call from somewhere near Leduc that they've had an accident. What's the accident? Two guys, two new tractors, lots of room. Well, the accident was that they'd run into one another. So I had to solve that one.

The next time I sent them up I said, now will you please stay apart. So they did. One of them went down Highway 2 and the other one got lost in the Hobbema reserve. They were that far apart. Each time, I lectured them.

The third try I said, no more of that. One at a time. That'll do it. That time I get a telephone call from Castor, which is 60 miles from home — that's getting closer. The telephone call is to the effect that my brother is in the hospital in Castor, he has had an accident with this new tractor, and would I come up. That's all the information I get. So away I go in a desperate hurry to rescue this young fellow. He's obviously dying; they're calling me to his bedside. I walk into the hospital and here is the kid reading a comic book. Now I overreact the other way: I want to beat him up so that he has a reason for being in that hospital. In any event I don't, because I guess it's illegal.

But I do question him: how could you do this?

We've had the experience of the two of you running into one another, of getting lost on the reserve to stay apart. But now you're by yourself and still you've destroyed it. How did you do that? The way he managed it was — keep in mind that that goes back to the middle '50s, when you didn't have cabs. It was a beautiful day like today. He's driving along; he doesn't need his coat. So he takes his coat off and lays it over the seat behind him. He's bombing down Highway 12. Everything is going fine except that pretty soon he feels something on the back of his legs. By gosh, it's his coat. So he turns and reaches back for his coat, but he also turns his steering wheel. He drives it off in the ditch. When he feels the thing going over sideways, he does the natural thing, he just 'hocks' it back. When he does that he rolls the tractor. Fortunately his head wound up between the two fenders; the spring-loaded seat hit him behind the ear and knocked him out, but it didn't hurt him. That hurt my feelings in more ways than one, because I had to salvage that tractor and haul it home, with all of the expense.

What I'm saying is that you can build-in a large number of safety features and you can ensure against a lot of accidents, but it still winds up back with the people we are dealing with.

Let's take a look at cost factors because I was asked to have three minutes worth of comment on this, which I guess I've had.

DR. BUCK: Keep going, Henry.

MR. KROEGER: I checked the payroll ledger at home. Last month the payroll was \$22,001, the \$1 being me. I'm a dollar-a-year man down in that organization. I thought, boy, those fellows are doing all right — until I looked at the end figure. What they actually got was about \$16,000. Our company paid out \$22,000 but they wind up with about \$16,000. That's the big addition. I break it down. I look at one of the service people. His two-week cheque was \$600.74 gross, but he actually got \$446. So what happens to it? I see a whole list of deductions. One of them of course relates to what we are talking about here.

It's so easy to legislate more things into this payroll. But the sad part of it is, when we do we insure ourselves against everything and anything. The fact is, the guys are walking out of there with a lot less money than they should. So I suggest that we aim a bit at the safety educational factor rather than totally concerning ourselves with forcing people, employers and employees alike, to buy something that really doesn't totally do the job.

Thank you, Mr. Speaker.

MR. HYLAND: Mr. Speaker, as I rise to take part in the debate I would like to say that I support the resolution as moved by the hon. Member for Calgary Millican. I too am not basically opposed to compensation; more to the universality than the principle. People do need to be protected by some form of insurance, be it compensation or whatever. We tell people they have to have car insurance. We don't tell them where they have to get it. We don't say, only government will supply. We do give them an opportunity to buy this insurance wherever they think they can get the best deal.

Much comment has been made about letting private insurance in the world take a shot at supplying the proper coverage for this. In many cases private insurance agreements do supply very good coverage. A great number of them are on a 24-hour basis, which compensation isn't. It has been said many times that private companies cannot supply the amounts for death benefits and such, but it's pretty hard for us to say that. There's no place I've been able to find that has really given private industry the same opportunity compensation boards in the various provinces have in supplying these. Many provinces do indeed make it compulsory and the private sector does not have a chance to bid on a large amount so that they can be competitive and supply exactly the same service.

The hon. Member for Spirit River-Fairview during his speech made the comment: "... find the concept very attractive". I don't doubt that. They find the concept very attractive that does indeed supply the very good benefits and services of Workers' Compensation, especially if someone else is paying for it.

I would suggest a lot of the trouble with compensation is that of communication. If the workers' compensation that we have in this province is as good as everybody says it is — and I believe it is very good — we don't need universal coverage. This kind of coverage we offer can be sold — and I mean sold through good public relations, not by things that have happened in the past where various people got very mad at travellers coming around from Compensation and saying, you've got to do this, you've got to do that, and being very obnoxious about it. Compensation has a very good ace in the hole indeed on the private company as right now it says, you have to have it. It does give a great advantage, but I truly feel the coverage supplied on the job is second to none. This kind of deal, with good public relations, could be sold to the people and truly show them the advantages of it.

As for opting out, Mr. Speaker, I do agree that many low-risk industries should have the opportunity to opt out if it's agreeable to the employer and employee, and they agree that they can supply the service that suits both of them whatever the cost may be. I think it would be up to their discretion to do the same.

Agricultural workers in many cases are indeed in a very high-risk category. All of us from a rural constituency can think of many friends who have lost a finger, arm or whatever through various farm accidents and do agree this is a high-risk area. But I think some of the categories in the order in council that the hon. Member for Calgary Millican stated in his previous remarks should really be thought out again because a good many of them have now changed from 1974. We all know that this province has changed tremendously. Maybe these categories should once again be looked at and reviewed.

As for agricultural workers, we get into workers such as beet hoers in the sugar beet fields. If you are out there with just a hoe it should be quite a low-risk business. There shouldn't be too much that can happen to you, except maybe sunstroke. Equipment should be low risk, although when you do get into harvest you are dealing with more mechanical equipment and I think it would be pretty hard to set a rate for one farm worker to cover both of them, as the other factor that comes into effect are the hoers or

contractors. They get X number of dollars an acre for doing their job. They don't get paid an hourly rate, whereas the workers who take off the crop do.

I think in some cases there should be some responsibility [for] the workers themselves to see that they have compensation. I mean that in the way contractors who employ people — it should be up to some of those people to ask their boss to make sure they've got it. Indeed, on my preessional tour I had this come up: a person was building an addition to his shop, and the inspector comes along and says, "Have those bricklayers got compensation?" And the guy says, "I'm damned if I know if they do." And he says, "Well, why don't you?" He says, "I hired them to build that place. I know my men have got compensation. Do I worry for everybody?" So he says, "Well, if they haven't, they'd better have. And if the guy employing them hasn't, they're going to be on your roll." Mr. Speaker, I don't think that's right. I think if a person is employing them, it is up to him to supply his compensation; it shouldn't be up to the person contracting their services.

Also, somewhat in the same line as the previous [one] is the deal where the municipality has to submit to compensation the name of anybody taking out a building permit in excess of \$300. I can tell you, after just building a new house, you don't get very damn much done nowadays for \$300. We in this government have worked very hard in this area to encourage people to put as much of their own time and work into their own houses. I must say I was a little peeved when I just got nicely started on mine, and along came a letter to pay a Workers' Compensation permit because I had a building permit in excess of \$900. I didn't really think that was fair. It's just another added feature that comes along that nabs you for a little bit more. Pretty soon these things that come along and nab you for a little bit more get to the stage where "a little bit more" becomes quite a lot, and then you're out of it. As the hon. Member for Sedgewick-Coronation was saying, I can see where many people in business feel it's the add-ons that get you. Every time you turn around, there's an added feature.

In finishing, Mr. Speaker, I'd just like to say I very much favor the resolution, and ask the members to support it.

Thank you.

MR. R. SPEAKER: Mr. Speaker, in speaking to the motion, I would like to say I support in principle the idea that there is a possibility of becoming exempt from the Workers' Compensation program. When an employer and employee agree on that, I think exemption should be available to them.

I found it very alarming, as I reviewed the 1974 list that was submitted with regard to Workers' Compensation and found a number of different groups listed. In a list such as this, the question I raise is: how much consultation has really gone on between the employer and the employee group, or between government and these various groups listed, or between the Workers' Compensation Board and these groups listed?

I would have to say, Mr. Speaker, that I'm sure some groups listed here aren't even aware they are listed and are going to come under the program in a short period of time. All of a sudden they find that a

notice comes to their door that they start paying Workers' Compensation, and then there's no out. Under law they're in the program, and that's the way it is.

I'd like to refer to one group that related to me prior to this session of the Legislature: the beet growers and some of the vegetable growers of southern Alberta, and farmers in general. They met with me at a special meeting and raised the concern. At that point I wasn't aware of the problems and concern they had and certainly appreciated the meeting.

Following that particular meeting I came to the Legislature and raised their concerns to the government in the form of a question. To this date . . . I don't know who is responsible for the delay. My submission was early in March. I'm sure it was the first week in March that I placed the question on the Order Paper, and it was accepted by the Assembly. I have had no response to those particular questions and the concern of these people in southern Alberta, the beet growers in particular. Just no reaction. I received a phone call about a week ago. They said, when are we going to receive an answer? I said, when the government sends it. This is the kind of communication that goes on.

As I look through this order in council of 1974, the vegetable growers are listed. The list says they come under the program as of January 1, 1978. At this point they're asking, what do we do about getting out of the program, and why were we taken in without thorough and effective consultation? I understand they made a submission to the committee under the leadership of the hon. Member for Calgary Millican, Mr. Donnelly, but they didn't feel they had the opportunity to air their views completely before they were taken in under the plan.

So I raised some of the questions they raised with me. When will it be compulsory for beet growers, vegetable growers, to be under the workers' compensation program? I read from the order in council that it's January 1, 1978. The second thing I asked was, will workers' compensation include other areas? The third thing I asked was:

What is the reason for workers' compensation for contract farm labor being the responsibility of the employing farmer rather than the agent of the contract farm laborers?

In southern Alberta, Mr. Speaker we contract not only native labor but also Mexican labor. It's contract labor as such. Under workers' compensation regulations the farmer is held responsible for paying part of the workers' compensation fee. The farmers are saying, why us? Why not the contractor with whom they contract? That question hasn't been answered. It's left open at the present time. I think it only indicates the lack of communication that's gone on, when this particular policy has been developed on a universal basis across this province. That leads to a lot of concern as far as I'm concerned.

[Mr. Speaker in the Chair]

We talk about rates of workers' compensation for farm employers. There were indications that as of January 1, 1978, a certain rate would be effective. It's been indicated to me certain judgments have been made about the risk involved in farm employ-

ment. The rate given to me was fairly high — I felt, too high.

The other question I asked on this Order Paper was  
How many persons have become involved in  
workers' compensation rehabilitation programs  
[resulting from] ... injuries ... in 1974-75,  
1975-76, and 1976-77?

The statistics given to me were that the number of farm employees involved in rehabilitation programs were very, very few. The cost or the load on the program was not that excessive. Why the high rates?

I am talking in general terms without specific information. I was hoping that by the time this matter came for debate in the Assembly I would have that information. It hasn't been presented. I don't know what the holdup is. Somebody in the works is just not getting it back.

But those are the concerns of people in southern Alberta. Wherever that information is to come from, I think it should be made available to me and to the Assembly, and certainly communicated back to the agricultural groups. I speak in terms of those in southern Alberta. But others in central Alberta as well are concerned about how the policy is being implemented — the lack of communication, its universality — without really good communication and discussion about the whole thing.

In talking more specifically to the resolution, I'd like to say those concerns are out there. There are people who want to be excluded and want to have an avenue for exclusion. I think if we have something such as is indicated by the resolution, where the employer and employee agree there can be exclusions, then that should happen. Where there is private coverage on the farm, where the farmer and employee know there is good coverage, and they accept that as a negotiated agreement, then government and Workers' Compensation should stay out of it. Let them run their own program. That goes even for larger employee groups.

So, Mr. Speaker, on that account I certainly support the intent of the resolution.

DR. BUCK: Mr. Speaker, I'd like to enter the debate for a minute or two and indicate that there certainly are many areas of industry in this province that we think are safe from injury, whereas in actuality they may be quite hazardous. I read the resolution several times, and I really have divided feelings on just how far we should extend the coverage.

When we look through the regulations, as my colleague the Member for Little Bow indicated, there are certainly many inconsistencies. We have private schools covered and public schools not covered. I find that really hard to understand.

MR. R. SPEAKER: They amended that.

DR. BUCK: That has been amended, the hon. member says.

Then we get into:

With effect from the 1st day of January 1978 the following industries, establishments, undertakings, trades or businesses are deleted from Section 2 ... Bedwetting prevention services ...

Now, I just wonder how some of these industries would get covered, and how you could possibly get into too much trouble by curing people who have bedwetting problems. "Dancing studios" — I can

understand somebody getting a little overenthusiastic out on the dance floor, doing the rumba or something, throwing his back out, and requiring compensation.

But I know there are certainly many, many areas where it's mandatory that we have coverage for people in high-hazard, high-risk industries. You just wonder, as the hon. member Mr. Kroeger mentioned, how far you carry it. How far do you go with coverage? As legislators, what is our responsibility to make sure people are covered? Where do we draw the line?

It would have been quite interesting to be sitting in as an eavesdropper on the group drawing up the new areas of coverage. Because some of them — you really wonder. "Alarm clock or wake-up services" — I suppose if you are doing this by telephone, you can't get into too much trouble. But if you go to the hotel many of us stay at and bang on the door at 7 o'clock when you're asked to call at 8 o'clock, I can understand you may need some compensation after a few irate MLAs are awakened at the wrong hour. Over in Scotland, when they ask you what time you want to get up in the morning, the phrase is: "What time would you like to get knocked up?" I found that quite a cute phrase. If you were to be knocked up at 8 o'clock and somebody did it inadvertently at 7 o'clock in the morning, I could understand you being a little upset. You may take drastic measures with the person who was putting in the call service for you.

But, Mr. Speaker, we can all stand here and relate some of the stories and instances where we have seen people badly injured and they didn't have workers' compensation. I'm sure we'd be unanimous as legislators in wanting to make sure that these people have adequate coverage. But I really think that we have to review the entire area of coverage where we have people covered, practically for ingrown toenails. Because then I think we as legislators are carrying coverage too far.

So, Mr. Speaker, because I think this resolution has some validity, and because I would like to keep the debate open so we can look at some of the areas we have covered now — and we are going to extend the coverage — I think maybe we should have another look at extending the coverage to some of these areas. I would like to adjourn the debate, Mr. Speaker.

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

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Speaker, I move that the House do now resolve itself into Committee of Supply so that we will be in committee at 8 o'clock.

MR. SPEAKER: Does the Assembly agree that when it reassembles at 8 o'clock it will be in Committee of Supply?

HON. MEMBERS: Agreed.

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

[The House recessed at 5:30 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.

**Legislation**

**Vote 2**

MR. CHAIRMAN: Hon. minister, do you have any opening remarks on this section?

MR. LEITCH: Thank you, Mr. Chairman. I would like to deal with a couple of items now. They really arise from comments made while the Treasury estimates were before the committee.

First, a question was asked regarding the apparent increase in the preaudit division of the Auditor's office, which is shown in the element summary distributed with the estimates. It does show an apparent increase. I use the word "apparent" because it is not an actual increase. Members will recall I had mentioned during the course of the Treasury estimates that the Auditor's office had increased in numbers. There were two reasons: one, an additional workload; secondly, the Auditor was now doing post-audit work that had not earlier been done. The increase in the general audit division, which is Ref. No. 2.0.1, is where the additional people doing post-audit work appear.

The reason for the apparent increase in the preaudit division is that 10 positions which were previously in the general audit division had been transferred to the preaudit division. The reason we did that was in preparation for ultimately moving the preaudit division to the controller's office in Treasury. The net result is that the actual number in the preaudit division has not increased. It's the same number that was there earlier. People have been moved from the general audit division to the preaudit division. The persons who will be doing the additional post-audit work are part of the increase in the general audit division.

The other item I want to refer to is the references I made during committee study of the Treasury estimates with respect to preaudit work being done in Treasury. I think this is where some of the confusion arose, and some of the concerns expressed by members of the Assembly. There I was using "preaudit" to include really everything that takes place before and including the actual issuing of the cheques. Much of the work done prior to the issuing of the cheque will be done by the 30 people — it was an increase of 23 — who are now in the controller's office. Most of those people will be involved in the Alberta financial information system, which is really the complex computer systems we have that in effect take invoices and ultimately turn them into cheques

and, at the same time, provide information for the departments and advise departmental managers whether there is money in the expenditure codes. In essence that system is the basis on which program budgeting operates.

The actual responsibility for approving cheques that are issued remains with the Auditor's office. There is no transfer of responsibility in that sense. I think that might have been an impression I had left during Treasury estimates, and I now want to clear that up.

The Auditor of course does audit the Alberta financial information system on an ongoing basis, and it has to be a system he approves of or he wouldn't ultimately issue the cheques. That's really what I had in mind when I was talking about that system functioning under the control of the Auditor.

Mr. Chairman, I think those are all the opening remarks I have.

MR. CLARK: Mr. Chairman, in responding to the comments made by the Provincial Treasurer, I'm pleased he's taken the opportunity to make at least the second portion of those comments, because in looking rather quickly at the Monday, March 21, *Hansard*, it is easy to get the impression that in fact some of the preaudit function is to be taken over by the controller's office. Therein lies the misunderstanding, because I think no member of the Assembly would be in favor of the Auditor giving up any of his responsibilities; he being responsible to the Assembly, not to the Provincial Treasurer or that department.

Mr. Treasurer, would it then be fair for me assume that the preaudit work being done by the controller's office is basically in the area of developing this financial information system, a function that does not fit within the purview of the Provincial Auditor's responsibility in any way, shape, or form? Is that an accurate assessment of what you said?

MR. LEITCH: Well I have a little difficulty saying it's not within the Auditor's responsibility in any way, shape, or form, because if we didn't have a financial system he approved of he would not issue cheques. In that sense he has approval over the work being done by the people in the controller's office and the maintenance and development of the financial information system.

MR. CLARK: Mr. Chairman, perhaps I can put it to the Provincial Treasurer this way. I don't really mean to offend him, but what I want to get at is that there has been no eroding of the responsibilities or power of the Provincial Auditor. The matter I want to get clearly on the record this evening is that there has been no move in that direction by means of the controller being developed or any other activity within the department.

MR. LEITCH: No, Mr. Chairman, there hasn't.

MR. CLARK: Mr. Chairman, I then ask the Provincial Treasurer: can you give us some indication when we can expect to see the long-awaited auditor general legislation? I note you recently made some comments with regard to rather hastily conceived legislation as an effort to take advantage of a political situation. I never thought the Provincial Treasurer would

ever think in those terms. But in light of his new-found interest in the provincial auditor general, we'd be very pleased to hear from the Treasurer what kind of a time line the government is looking at.

MR. LEITCH: Mr. Chairman, I think it's time I put to rest the allegation that the government has been looking at this matter for some six years. The fact is that we decided in principle — I think in the summer of '75 — we would change the system. That decision was made in principle. I've forgotten the actual date I made the announcement, but I made the announcement that that decision had been reached by the government as a matter of principle. We then put people to work developing the legislation.

As I said on a number of earlier occasions, it has been a more technically difficult job, particularly on the side of changes in the financial administration legislation, than anyone had anticipated, and that includes all the officials in the department. I don't say that critically. This is something people experience in government and elsewhere when they plan to do something. It nearly always looks much easier in the planning stage than it does in the implementation stage.

I think we have worked on it with as many people and as much effort and concentration as could reasonably be expected. Remember, too, that during this past year we had a major workload added to the people in Treasury involved in the preparation of financial administration legislation. They were involved in a very major way — and a way that wasn't anticipated until the fall of last year — in the negotiations of new fiscal arrangements with the federal government. Alberta — which included officials and a much greater involvement than just myself — had an involvement in preparation of a common provincial position that no one had anticipated until that decision was reached by provincial finance ministers and treasurers, pursuant to a request by the premiers late last year.

Now the same people who will be doing a lot of work in that area would also be doing work on The Financial Administration Act. So I am not in a position to give a time line except to say to the members of the committee that we have worked on it as hard and as vigorously as we could from the date of the announcement in principle.

MR. CLARK: Mr. Chairman, not meaning to prolong the discussion, I think that while we're interested in perhaps having the record rather accurate, it should be pointed out too that the Treasurer's colleagues introduced a private member's bill dealing with an auditor general in 1971, if my memory is accurate.

Perhaps we might refer to this as somewhat of a Mexican stand-off. It's fair to say that we're likely not going to see the auditor general legislation until 1978, which would mean we wouldn't have the first report from the auditor general until after the next provincial election.

MR. LEITCH: Mr. Chairman, I should say we're talking here of two pieces of legislation, The Financial Administration Act as well as the auditor legislation. The bill to which the Leader of the Opposition refers dealt with only one side of that question.

MR. CLARK: Mr. Chairman, it's obvious the government didn't recognize that until just a few months ago either.

Agreed to:

Vote 2 Total Program	\$3,947,795
Department Total	\$7,744,786
Capital Estimates	
Ref. No. 1.0	\$11,300
Ref. No. 2.0	\$5,510
Ref. No. 3.0	\$850
Department Total	\$17,660

MR. APPLEBY: Mr. Chairman, I move the Legislation vote be reported.

[Motion carried]

#### Department of the Environment

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

MR. RUSSELL: Mr. Chairman, just a couple to try to point out what I believe will be the emphasis, or highlight, of the department's activities during the coming fiscal year.

I should say the department is now six years old, almost to the day. It's a relatively new beast insofar as government organizations in Canada are concerned. I think it's now fairly well organized, and knows where it's going with its legislation. In the coming months you can expect to see, I think, perhaps a stronger emphasis on implementation of some of the legislative requirements. I'm trying to say that I think you're going to see a tougher image emerge insofar as the department is concerned, especially with respect to its relation with industry.

The staff is now consolidated for the first time in a new building, under one roof, over on 106 Street. I think that's going to add to the efficiency of their day-to-day working. I certainly hope so.

As hon. members are aware, some large capital amounts from the heritage savings trust fund have been transferred during the first capital works bill under that act into programs covering irrigation, provincial parks development, and land reclamation. I think in all those cases that was a worth-while endeavor.

I think the budget will indicate the strong ongoing support for regional development throughout the province, particularly with respect to assisting municipal governments in a variety of ways. I'm thinking particularly of the water and sewer programs. Both those votes are up substantially. In a couple of cases in the province, Mr. Chairman, you'll see heavy expenditure directed toward regional development of regional utilities, and I think that's something we're going to see more of.

There's also some financial assistance for the beginnings of what I hope will be a good solid-waste management program. The other program that works on a local basis and will assist municipalities and citizens throughout Alberta is The Beverage Container Act. As members are aware, new legislation is coming in insofar as that's concerned.



As for the management of our capital water resources and those resources that deal specifically with environmental matters, I think it's going to be an important year for the department. I hope that very shortly the government will be making a decision on proposals to regulate the flow of the Red Deer River. We also hope to finish or substantially finish the phase two studies for basin management of the Oldman River. I think those are two very important projects for Albertans living in those regions.

Members can expect to see a very meaningful start on the main lab building of the environmental research lab at Vegreville. Another very major regional utility, the St. Paul regional waterline, will be constructed, and its sort of twin — if I can call it that — the Red Deer regional waterline, will be commissioned and put into operation very early in this fiscal year.

In conclusion, another thing that is probably going to receive some careful attention and emphasis is the federal/provincial program on the Alberta oil sands environmental research. A lot of money is going into that. The work being carried out is important, and we've recently spent a lot of time trying to reorganize the structure that had been put into place for that.

The last thing of course — and you'll find it in your last vote — is the Environment Conservation Authority. Some important administrative changes and reorganization will be taking place there.

MR. CLARK: Mr. Chairman, I have a number of questions to the minister, but initially I'll confine my comments to three areas. I think the first area is most important. Mr. Minister, you'll recall that last year when we dealt with legislation from your department, legislation was approved by the Assembly that would give the minister power to exempt certain industries from standards that have been set up. During the debate at second reading, Mr. Minister, you'll recall that you indicated you would be prepared to give to the Assembly the circumstances of each of the exemptions you made — I suppose the proper term is "certificates of variance". I think it would be very helpful if right off the top this evening we could have that information for the members of the committee.

Secondly, Mr. Minister, as I understand the court case launched by the province with regard to GCOS, in a nutshell what really happened was that the case was dismissed because the Crown failed to produce evidence, despite the fact that the monitoring done by GCOS exceeded the regulations many times over. The information I've received is that basically the statutes are really meant to prevent a situation and not to rectify it.

Following from that court decision, Mr. Minister, what implications does this have for the monitoring done by industry? What implications does this have for future charges that would be laid against GCOS or anyone else? As a result of that decision, does it mean the province is going to have to become much more actively involved in monitoring? Or does the government plan to change the legislation somewhat and introduce amendments that would bear that particular judgment in mind? If necessary, I could go into more detail. But in light of that decision, as I understand it, what we are really saying is that the results of the monitoring which a company does at the direction of the department basically cannot be used in a

court case against the company involved. That being the case, what implication does this have for the department?

The third area I would touch on, Mr. Minister, is the question of public hearings on the tar sands. My reading of the situation is that basically industry and government agencies have given the government a green light as far as a number of public hearings with regard to the tar sands and the environmental ramifications thereof are concerned. During the session last year the minister indicated the government would be considering this in the course of this year. We've yet to hear from the minister any announcement of the government's move to ask the ECA to move directly into that area. I suppose the most favorable thing I could say as a result of no public announcement being made, Mr. Minister, is that it's still under consideration. However, I get the feeling the decision has been made and the government's decision is: no, it isn't going to move in that direction.

Perhaps I might stop there and ask about the certificates of variance, the GCOS court case, and the public hearing on the tar sands.

MR. RUSSELL: Mr. Chairman, no certificates of variance have yet been officially issued, although one will be tomorrow. We've got a news release lined up to issue. I recall very well telling the members in the House I would report to them, and I would propose to do that. The first one is coming out officially tomorrow, and it will be good for an industry until the end of the year.

Insofar as the GCOS court case and its implications are concerned, my understanding is that of four charges the Crown lost three and two are now being appealed. I believe the one under the federal Fisheries Act is not being appealed. I think our problem in all cases — and the hon. leader got on to it — was how to use evidence in court: number one, to get it admissible and, number two, to prove it was in fact the evidence. The second point relates to the Fisheries Act where there was some difficulty in marking, taking care of the dead fish and the water they were in, and proving absolutely where and when it came from.

Insofar as the charges under The Clean Air Act are concerned, the leader is quite right that in the one case the evidence was readings the industry itself had taken and the judge didn't allow us to use that. The second dealt with proving levels or gradings of visible emissions, which proved to be a very difficult thing to do.

You may recall that earlier in the session I answered a question in the House, that the legislation was under review. At this time we're not proposing any early amendments; that is, at this particular session. But what implications this will have so far as monitoring is concerned, I believe our requirements to ask industry to monitor will probably increase rather than decrease. A number of industries throughout the province are now required to do their own monitoring and submit monthly reports to us. This has very obvious value on a province-wide basis so far as the department's concerned. It may be that in cases where prosecutions are under consideration, we may have to go in and do our own monitoring as we have done in other cases.

The third issue the hon. leader brought up, the

question of oil sands hearings: we've indicated both in the House and outside that we see these hearings being held after about the fourth or fifth year of the oil sands environmental research program being completed. That's a 10-year program, and of course it wouldn't make sense to wait until that work was finished. But looking at the format the ECA has developed, we really can't see much sense in having hearings much before then. I've gone over this with the ECA. The pattern they've developed is to take all the available technical, scientific, and research data, condense it into what they call information bulletins, make those available throughout the region, and go in ahead of the hearings and discuss the information bulletins with people so everybody interested in the hearings has a clear understanding of the technical data they're talking about. Then the hearings are announced, and they go in and hold them.

Quite frankly we think it would be premature to hold hearings without any sort of research data or base being provided to the people. That's a judgment decision, and I suppose it's arguable. But our decision on that is quite firm.

MR. CLARK: Mr. Chairman, to the minister. Are we looking at something like 1980 for the commencement of those hearings? Is that in the ball park?

Mr. Minister, can we go back to the question of the GCOS case? You tell us you're looking at the legislation. The way you tell us that, I read into it that you're not going to bring in any amendments this spring session. Are you looking at the possibility of amendments for the fall session this year? Will those amendments be based on whatever happens in the period of time leading up to, during, and after the appeal?

I raise this, Mr. Minister, because I've had a surprising number of people express concern to me, not just people from STOP and so on but individual citizens too, who frankly were extremely surprised at the decision arrived at by the court, who recognized the long period of time these appeals sometimes take, and who seem to have a feeling that for a period of time we may very well be in this no man's land. From what you're telling us, I guess that we're really going to be in this no man's land at least until November, or until the fall of this year, when there may be some legislation.

From your comments, Mr. Minister, I also assume it may very well be necessary for the department to really become much more actively involved in the monitoring area itself. That would hinge somewhat on the decision on the pending appeals, but is the department already doing some gearing up in this direction? From what you've told us and from what happened in the court, it would seem to me that from now until a decision with regard to legislation is made the responsibility is going to rest on the department for any monitoring the department feels it would have to use as evidence in court in light of this decision. Does the department have the capacity in this budget to move in and do the kind of monitoring that may be necessary? I hope it isn't necessary, but it may be necessary in some cases.

MR. RUSSELL: Mr. Chairman, in my opening statement I mentioned that I think the public could expect to see the department take on a little tougher attitude

this year. I wouldn't want members to get hung up in believing that prosecutions are necessarily the best or the only conclusion to difficult situations. Something far more effective the department has is the stop order because a polluting industry can drag its case through court for months and months and go on polluting day after day, and it isn't really getting at the heart of the problem the department is interested in.

So we have, as the leader mentioned, a certificate of variance with a time limit on it which gives notice to people that they've got so long, and only so long, to operate illegally. We have the emission control order, which permits an industry to keep operating but puts some pretty stringent conditions on it. We have a stop order, which closes them down. The fourth method is taking them to court. Quite frankly I think the stop order is far more effective than taking a polluter to court, but obviously there are cases where each type of action is appropriate.

MR. NOTLEY: Mr. Chairman, I would like to make two comments, then pose five questions to the Minister of the Environment.

The first comment, Mr. Minister, is with respect to the court case concerning GCOS. As the minister pointed out, the problem was the admissibility of the evidence gathered by the company itself. My understanding of the case is that it was found that in fact it would be self-incrimination, in a sense. Where you get into situations where the statutes have to be upheld, there will be some occasions when prosecutions are necessary, even though the minister is probably correct that the stop order will be the usual course to follow. It seems to me that in order to have any chance of being successful, there will have to be some provision for adequate independent monitoring.

The second comment is with respect to the delay in the oil sands public hearings. Mr. Minister, I really find it a little difficult to agree with the government's assessment that we should be into this joint federal/provincial oil sands research study for four or five years — almost half way through the 10-year program — before we have enough information to launch meaningful public hearings successfully. Mr. Chairman, with great respect, it seems to me that with the experience we now have — with Great Canadian Oil Sands in operation since, if my memory serves me right, 1967 or 1968, almost 10 years; Syncrude will be going into production; a possibility of further expansion — that we should be in a position where useful public hearings conducted by the ECA could be undertaken.

I know it's a value judgment and the government indicates they're firm on it. Quite frankly, Mr. Minister, I think you're wrong. I suppose one could make the same argument even more persuasively with respect to the Berger hearings that were conducted into the Mackenzie pipeline. But the federal government quite properly took the course that it was necessary to have the Berger hearings. With the widescale support from various groups, not only some of the traditional groups that support public hearings but many others as well, including the advisory committee of the ECA itself, it is not unreasonable, Mr. Chairman and Mr. Minister, that the government should proceed with public hearings at the earliest possible time. I just submit to you that four or five years into a federal program, after major investment

decisions may well have been made, is a little late in the game.

I'd like to move from those comments to raise five specific questions. The first relates to something that came up during the resolution put before the Assembly by the hon. Member for Lesser Slave Lake, dealing with the ECA hearings into soil erosion in north-western Alberta. As the minister knows, one of the ECA proposals was to change the capital funding under water resources from 50-50 to 75-25. I submit that while it's necessary to change the capital funding, the ECA was probably too cautious. I think a 75-25 split is still too heavy a burden on the local level. I would like to see considered either a 90-10 or, alternatively, one of the proposals advanced by the improvement districts in northern Alberta: a levy on the property tax of so many mills which would go to water resource capital cost sharing so there would be an equal levy across the north. I think the 75-25 recommendation of the ECA would still mean that many worth-while projects would not proceed.

It's my understanding from talking to people in the minister's department that a position paper dealing with changes in the water resource capital funding program was to be presented during the spring session. I would ask the minister if he's in a position to advise the Assembly when we will have a definitive policy with respect to changes in water resource capital funding.

The second question is also related to northern Alberta. We've just recently seen the feasibility report on the Dunvegan hydro-power site. One of the major recommendations in that report was that the lower dam would be feasible even though we're talking about a very heavy capital expenditure — about \$1.09 billion as I recollect. Nevertheless, it would be feasible to produce power from the low dam at Dunvegan.

The second major recommendation in the study is a feasibility study on the Mountain Rapids site. I understand that has been commissioned. I would ask the minister — and I intend to pursue this in a more detailed way with the Minister of Utilities and Telephones, particularly with respect to the finances — to bring us up to date on where things stand in terms of the Mountain Rapids site, and what priority the government is now placing on hydro development in terms of meeting Alberta's overall power requirements.

It's also my understanding from reading this report that there isn't much chance of working with the government of British Columbia. The high dam, which would produce a lot of additional power, would flood so much land in northeastern B.C. that the cost of buying land and expropriating the Taylor, for example, would be prohibitive. The medium dam, which would produce substantially more power than the low dam — power that could be shared with British Columbia — would nevertheless, once we consider that power sharing, leave Alberta with no more power than would the lower dam.

One of the recommendations in the report, Mr. Minister, was this: if the project is delayed for several years, the study suggests it might well be worth working with British Columbia again on the medium dam, not the high dam but the medium dam. In view of the importance of hydro power on the Peace, and the alternative at the Slave River, perhaps the minis-

ter could take a moment or two and bring the Assembly up to date on that matter.

The third question, Mr. Chairman, is with respect to the management committee that has been set up to oversee the water management studies on the Oldman River. It's been brought to my attention by some of the people — who, quite frankly, are opposing the Three Rivers dam — that of the nine committee members, three government and six non-government, the feeling of the Three Rivers people is that only one of the non-government members is in fact an opponent of the project. There's a feeling from that particular group that those arguments are not being put forward very well. I leave that to the minister.

A rather more serious question relates to how public hearings on this project will be conducted. Are we going to wait until phase two studies are completed before public hearings will be held? Will public hearings be held under the auspices of the ECA or the management committee?

Mr. Chairman, the final question I'd put to the minister deals with an issue I raised in question period several days ago; that is, the problem in areas of high soil acidity with respect to natural gas plants where sulphur recovery units aren't installed. The suggestion to me, made rather forcefully by a number of farmers in the Teepee Creek area, is that perhaps we should be taking a look at a special policy with respect to those areas of the province that do have a soil acidity problem, and that the present guidelines as to the mandatory installation of sulphur recovery equipment should be more stringent in those areas.

With respect to the Teepee Creek sour gas project, I realize that within two years sulphur recovery has to be installed. But a number of other projects in the Peace River country are being considered, and the matter is of some immediate concern. Perhaps the minister might like to bring us up to date on where that stands. He indicated in question period that the matter was under consideration, not only for the Peace but for other areas in the province. To my knowledge there are at least four additional projects in areas that have rather heavy soil acidity. What I'm interested in at this point is where we stand in terms of that review and when a policy will be brought in.

Obviously the market place is not going to work, Mr. Minister. With the present price of sulphur, it's not going to pay anybody to put in sulphur recovery equipment, nor does there appear to be any likelihood the sulphur market is going to recover quickly enough or, for that matter, even in the long term to make the market place work. So we're going to have to look at regulation by the department.

MR. RUSSELL: I'll respond in order of the questions, Mr. Chairman.

The ECA recommendation on the 50-50 versus 75-25, or some other mathematical split, is going to the department for consideration.

I don't believe we committed a policy statement or a position paper at this session. We did purposely get the resolution dealing with that report on the Order Paper so members could comment on it. The transcription of that debate has gone to the department, and I'm preparing an assessment and a position for government to consider as a result of the debate held in the House. It's possible that cost-sharing split would be looked at. There's an element of fairness,

though, that has to be considered for citizens throughout the province. We wouldn't want to make the mistake of responding very quickly only to one area in the province. I am merely saying there are other sides to that coin.

Insofar as Dunvegan is concerned, as the hon. member stated, if there's to be early commencement of work there, probably the only realistic alternative Alberta could go with for the time being would be the lowhead dam. The medium one really requires a second reservoir to be constructed by British Columbia. They've indicated they're not interested in doing that at this time. So to make the total project effective, we would really need the co-operation of British Columbia.

The other thing that has to be done, of course, is to compare Dunvegan in any form with other hydro-electric sites. There's really only one, and that's Mountain Rapids. A government study has not been commissioned. I hope nobody has that misunderstanding. The only thing under way is some very preliminary work by Calgary Power at their own expense under a temporary licence from the Department of the Environment under The Water Resources Act. That's really a literature review and a study of winter ice conditions. That's the kind of work they're doing under a temporary licence. But it's no secret that before too long the government will be wanting to compare Dunvegan versus Mountain Rapids.

The other comparison that has to be made, of course, is hydro-electric with thermal-electric. We're learning more and more about the various aspects of thermal-electric production and will be looking into that more actively in the near future. While this is going on it's quite possible that conditions might change in British Columbia and we would be able to consider a medium dam. But I wouldn't want to pin our hopes on that for now.

Going to the management committee for the Oldman River, this is a situation where we based our experience on what happened in Red Deer. I really believe it's a step forward. In the case of Red Deer the department did the preliminary studies, examined them, picked from a variety of solutions what they believed was the best alternative, worked it up in detail believing they had all the questions answered on one specific alternative, then called public hearings on that alternative. Very early in the public hearings, of course, we found out the public didn't want to talk about one specific project. They wanted to talk about alternatives and more or less work with the government in the development of managing the resource.

So that's the approach we took with the Oldman. As soon as our phase one studies were done, we made them public, sent them to about 80 groups in towns and cities throughout southern Alberta and said, please comment. They had several months to do that. Based on their comments, we're going into phase two or final studies, and they'll be the subject of public hearings.

In order to make sure we're carrying out the phase two studies the way we think people want us to, we've set up this management committee, with three government people and six citizens at large. The six citizens were selected to choose regional or local interests as opposed to some particular group. I think that's an important distinction. In other words,

somebody is not on there representing a chamber of commerce or this protective society or something else. They represent regions.

I can't help but be a little disappointed when the Member for Spirit River-Fairview says we only have one opponent of the project on the committee. There is no project yet. We have one person opposed to a dam at a particular site, and at this stage some economic aspects of that dam look relatively good in comparison with other kinds of structures. But we're certainly nowhere near making a decision. Two people are from that specific region, the Pincher Creek end of the river basin: Mr. Buchanan and Mr. Pharis. One-third of the citizen representation comes from there. So I don't believe the member's facts are quite right, and I don't agree with the conclusion he has reached.

He asked how the public hearings will be held. Subject to any final review, I see no reason they couldn't be held by the ECA in the traditional way: take the studies, which are now into their last phase, prepare information bulletins, and let the authority hold hearings based on those.

The last issue the member raised was the matter of soil acidity, particularly around the Grande Prairie region. It's quite true that's a kind of unique regional problem that has become high profile in the last couple of weeks. We know more applications are pending. Before we decide on those, we've asked the Energy Resources Conservation Board to carry out a special review and study of the specific matter mentioned by the hon. member. We would expect to have that information before we deal with any more applications.

The member talked about the price of sulphur. I hope he is not overlooking the attractive price of gas and the incentives this government is giving to gas producers, which makes sulphur recovery equipment quite feasible.

MR. NOTLEY: Mr. Chairman, just to follow that up for a moment. Going back to the Dunvegan versus the Mountain Rapids study, Mr. Minister, you indicated the assessment today is essentially just one undertaken by Calgary Power with respect to researching literature and what have you. When is the government going to be in a position with respect to commissioning the kind of study on Mountain Rapids that is contained in the Dunvegan report? It certainly was one of the major recommendations, that a major study would have to be undertaken to evaluate the alternatives.

MR. RUSSELL: I can't answer that, other than to say it's a current item under consideration at the present time.

MR. TAYLOR: Mr. Chairman, I'd like to mention a few items at this stage, and they practically all involve water.

The first item is the Red Deer River. I appreciate the comments the minister has already made that some decision on that will be made shortly. However, I think I should put on the record some of the points that, in my view, are most important in regard to the Red Deer River. The people of the Drumheller area — that's more than just the city, the Drumheller area — want two major results.

The first is sufficient water the year round. At present the river goes down low and so do the water wells of the city. We've been in a very precarious position periodically when we don't know whether we're going to have enough water to meet the ordinary needs of the city. This is an important item. Of course the quality of the water is involved in that sufficient quantity of water. So the major item is a sufficient amount of water of good quality. That is really a number one requirement.

The second item I'd like to mention is that we need sufficient water for industrial development along the Red Deer River. The Red Deer River is an excellent stream, but it's too good a resource simply to permit it to run wild. While I can understand the representations of some of the naturalists and some of the extreme environmentalists who want nothing done on the Red Deer River, they are closing their eyes to the needs of human beings. The needs of people should be the number one priority. While fish and wildlife are important, certainly nothing is as important as the needs of the people.

So I put those two major items out as the major requirements along the Red Deer River: sufficient amount of good quality water, and sufficient water for industrial development along the Red Deer River.

There's a third item that's almost as important, but certainly not as important: the elimination, if possible, or at least the reduction of the flooding hazard along the river. These items are very important. I'm not sure we should be telling the department whether it should be a dam, a storage procedure, dikes, or a little of all three. I prefer the philosophy that the people ask for results and let the experts decide the best way of giving those results. I don't suppose people in Drumheller will care whether it's a dam at site 6 or at Sundre, or a storage problem in Sylvan Lake, Buffalo Lake, et cetera, as long as the needs of the area are met. I also think the people of Red Deer would feel the same way.

I would, however, like to point out one or two items with regard to the storage suggestions, for those who feel storage might solve the problem. In the years I was in Highways, I remember times when Sylvan Lake and Buffalo Lake were very, very high; so high in fact at one time that the people of Sylvan Lake petitioned us to make a dike that would take the water out of the Sylvan Lake area and move it away. The water went right up to and even over the road at that time, and right up to where the present road is. What I'm trying to say is that our lakes have high periods and low periods, depending on many, many factors. If we're going to use them as storage basins, that aspect would have to be considered very carefully in order to meet the major requirements of sufficient water the year round for Red Deer, Drumheller, and other places in the area, and for industrial development.

At this stage I would like to congratulate the minister and his department for what I consider very excellent expertise. The engineers of that department certainly stand shoulder to shoulder with engineers anywhere in the continent or the world. I like the way they are prepared to come and discuss matters with the ordinary rank and file people. They make their explanations so anyone can understand why, what they're trying to get at, and the objectives they are trying to reach. I appreciate the minister arrang-

ing for various engineers to come to the area to discuss these highly technical matters, matters of very great relevance to the people.

In connection with the Red Deer River I am hoping a definite decision will be made that will take the worry of those three major requirements away from the people of that area.

The next point I'd like to mention also involves water. I might say it's multipurpose water. The people of Rockyford would like to have a multipurpose dam; the people of Standard would like to have a multipurpose dam at the Crowfoot or Chimney Hills; and the people of Hussar would like to have a lake at Deadhorse Lake that could freshen up the present water and bring in a much more adequate supply. None of these items is new to the hon. minister or the department, but I thought I would outline one or two in connection with these requests.

Every weekend and every holiday, the water areas in that part of Alberta are so swamped, largely by people from our major cities, that local people hardly get a chance to enjoy what's there. I don't think we mind that. They're people of Alberta; the lakes don't belong to us particularly. But there isn't sufficient water to look after the needs. I would like to see some type of policy developed by the hon. minister where we can progressively increase the recreational and multipurpose water bodies in that part of Alberta.

Whether we start at Rockyford, Standard, Hussar, Dalum, or somewhere else in that area — well I shouldn't say I could care less, but I think a decision will have to be made on the cost, on the number of people it will serve, and factors like that. Unless some decision is made, 20 years from now we'll probably still be talking about secondary water supplies at Rockyford, Standard, and Hussar without anything having been advanced.

The largest of these, the most expensive, is the freshening of the water at Deadhorse Lake. This would have a number of objectives. It would provide irrigation stock water for farms, probably about 30 owners each with 100 or so acres of arable land. So there's an agricultural use that would certainly be of very great importance. It would also have the possibility of water-based recreation on the improved Deadhorse Lake, which would probably provide for boating, duck hunting, winter sports, canoeing, et cetera. It could provide a satisfactory, reliable municipal water supply for the village of Hussar, and for Chancellor also. Of course that is a vital requirement. It would provide a more suitable habitat for wildlife as well.

I realize the cost put on piping the water from the western irrigation ditches to Hussar is quite high, but along with that figure we'd have to consider the great many uses and advantages that will result from a project of that magnitude. The lake is an enticing one. A hundred years ago the CPR concerned itself about the source of water for irrigation. As a result we have the WID today. The feasibility [study] indicated it would cost \$67 million, I think, which puts it out of the range of municipal financing. But it might be within the range of a co-operative effort of a number of bodies.

Deadhorse Lake probably covers an expanse of some 2,800 acres. Another nice thing about this is that practically all of it is non-arable land. It's about 65 miles from Calgary, 35 from Drumheller, the two

largest population areas.

The proposal is to bring in water from the western irrigation district canal by pipeline, not by open ditch, and as it goes through the districts of Standard, Tudor, et cetera, irrigation would be provided to those areas. The pipeline would make it possible for the whole project to be carried out so it would not have open ditches and would not be an eyesore or that type of thing.

There is the problem of making sure the fresh water stays in the lake. There's provision, I think, for the overflow that would go south and then northeasterly before reaching Crawling Valley, where it could provide irrigation as well. It could be dammed to create another lake for the eastern irrigation district and for other uses as well.

So I say there's a multi-use of this largest and probably most expensive project. I would like to say to the minister that I would certainly like to see a program worked out so that progressively over the next few years the people can make plans or hope to have one of these come on stream; possibly a short while after that another one, and eventually all of them. They're all very, very important.

The next item I want to mention is a water problem in the town of Strathmore. I'm not going to deal with the court case in connection with pipe laid by an engineering firm, with which the town is not at all happy. A stop has been put on any use of water from that area, and the town is getting to a precarious position in regard to water.

Alberta Housing is developing an excellent housing development for low-income people. There is another subdivision. Unless something is solved in Strathmore within the next reasonable time, we're going to find ourselves without sufficient water in that area. There is a feeling we should be looking more seriously — I believe your engineers have already looked at it — at the idea of bringing in water from some of the larger lakes rather than depending on wells when the population is increasing so rapidly. I think the population of that area — Carseland, Rockyford, Strathmore — is going to continue to increase, because so many people like to live in a nice town, not right inside the city of Calgary. It really becomes a dormitory for Calgary, and it does require water.

I want to mention one other point at this time. When I read the reports from some of the pollution groups and the extreme environmentalists, I sometimes get the feeling that if we carried out their wishes we wouldn't have a job or an industry in the province. Their objective is fine, but they've become too extreme — to the point where there can't be any pollution at all, or you have to stop everything. I'm continually getting things across my desk wondering why the government isn't prosecuting this, that, or the other industry.

I think there has to be a balance in regard to pollution. I don't think we can ever get the world or our province to a point where there is no pollution. There is going to be a reasonable amount of pollution, a tolerable amount we can stand without detriment to our health, the atmosphere, clear water, or clean air. I think we have to use a little reason and balance in regard to settling this whole thing.

I like the idea that the department is not going to carry out a wide-ranging prosecution of people because there is some pollution into the air or into

streams. I think it's a far better plan to discuss this matter with the industries and have it stopped or reduced in that way. We have to realize we're going to need jobs for a growing population. We're going to need jobs to produce industry and wages for our people. We want a minimum of pollution, within tolerable limits, but let's not get so extreme we're going to stop the wheels of industry and eventually kill the goose that today is laying the golden egg.

MR. RUSSELL: Mr. Chairman, I very much appreciate the comments the hon. member made. I don't believe he really raised any questions. I recognize he's making a very strong pitch for Deadhorse Lake on behalf of his constituents, and I'm sure he's aware that regional water recreation studies are being carried out in the area to see whether Deadhorse or some other proposal is the best answer to that.

I think all members could reflect on the point the hon. member did make about the desire of his constituents to have a guaranteed supply of good water all year, water available for industry, and to feel safe from flooding. That pretty well puts in a nutshell some of the problems when the human race settles along river valleys. We'd all like to see that.

While this House has been in session this spring, we've dealt with a bad flood in one of our important communities. We're concerned about very low water flows in other municipalities this year. So I think we all recognize the importance of wise water management. This is what the Red Deer hearings are all about, and what we'll be looking at when we get into the Oldman. I think the hon. member summed it up very nicely.

I appreciate the remarks about the department engineers. Usually civil servants get other kinds of comments thrown at them. I'll certainly see that those are passed on to my staff.

Thank you.

MR. CLARK: Mr. Chairman, to the minister. Perhaps I might touch on three areas. First of all I would like to make a general comment with regard to the ECA hearings on the Red Deer River. I would pay a tribute to Dr. Wood especially, and the people on the ECA. I don't often tell the minister he's made a wise choice. But when circumstances took the turn they did as far as personnel in the ECA is concerned, in this case, Mr. Minister, you pleasantly surprised me. You made a very wise choice in the selection of V. Wood as chairman for the ECA. I had the opportunity to attend . . . [interjections] That may be the only time during the session the Solicitor General and I agree on anything. I will certainly note that occasion.

Mr. Minister, I think Dr. Wood conducted those hearings under difficult circumstances and, from everything I've heard, did a fine job.

I welcome your comments about an early decision, Mr. Minister. I think the longer this thing drags on the more difficult it's going to be, not only for people in the area. Whether they come from Sundre or west of Sundre, or whether they are in the area of site 6, Drumheller, Red Deer, or wherever they may be on the Red Deer, the sooner the government makes a decision on this matter, the better off the government and everyone else affected is going to be. I welcome the minister's indication of an early decision, and

certainly will remind him of those comments if no decision has been made come the fall session.

Secondly, Mr. Chairman, I'd like to deal with the waterline that's being built down from the Red Deer River to serve the towns of Innisfail, Bowden, Olds, Didsbury, Carstairs, and Crossfield. Mr. Minister, as you've indicated in the House, it now looks like this waterline will open in August, if my recollection is accurate. I'd be very interested in having you explain to the committee the problem as far as getting equipment for the filtration plant and so on. I understand that's a portion of the holdup.

Mr. Minister, I think the one sour note on this project — perhaps "sour note" is a poor choice of words, but the one disappointment or sour note is the location of the intake just downstream from where Innisfail is going to be emptying its lagoon into the river. It's all well and good to say Innisfail will empty its lagoon only once a year, or perhaps twice a year. But if Innisfail continues to grow in the next few years like it has in the past, it isn't going to be very long before it will have to do the same thing many other communities in that part of the province are doing; that is, substantially adding to its lagoon. I say, Mr. Minister, that you may have to defend this situation now that it's there. But certainly from hindsight, if the intake had been located on the other side of the lagoon, by any degree of common sense it would have been a far safer and wiser situation.

The third matter I'd like to raise is the question of Pyrotechnic Industries Ltd. and their proposed operation in the Cochrane area. Mr. Minister, you'll recall in question period about a month and a half ago I asked: had environmental approvals been given to this project? Mr. Gerhard Zimm, who is the promoter, has appeared before the Rocky View municipal development board. At that time the development board basically said, we're waiting until we get reports from the Department of the Environment. Those meetings were held February 21, I believe. Prior to that, Mr. McCallum from the Department of Business Development and Tourism had indicated to the people in the area that this project had the full co-operation of the government. That was done at a meeting with a number of people in the area on February 3.

I get the very definite feeling the Department of the Environment, perhaps through no fault of its own, got involved in the project late, that the project moved along, and sometime in December the application for the necessary environmental approvals was made to the Department of the Environment. I would be critical in two areas right now, Mr. Minister. One is the fact there was virtually no communication with people in the area until it appeared this was a fait accompli. I met with some of the people there, and it was awfully hard to convince them that in fact approval by the government hadn't been given for this project when the cement pad for this reactor was already poured. It was also very difficult to convince those people that approval hadn't been received from the Department of the Environment when in fact the harvesting of the trees in the area was going ahead at a pretty rapid pace. In fact one of the people found that the trees were being harvested on a grazing lease he thought he had. Certainly if we learn nothing else from this experience, it should be that those people directly affected in the area should have been consulted and levelled with long before February,

when that took place. Perhaps I'll reserve any other comments on this project, depending on the answers we get from the minister with regard to the approvals and safeguards the government has put in place in this project.

MR. RUSSELL: Responding very quickly to the points raised, I'll simply agree with the hon. leader's comments about Dr. Wood and the ECA assignment. I'm very pleased with the way he was received in that job.

Insofar as the regional waterline is concerned, there was a series of problems. The first of course was obtaining right of way, then altering it in one or two locations after it had been purchased. But those were minor problems and didn't substantially delay the project.

This evening I'm unable to answer what the details of the filtration equipment delivery delay are, but I'll certainly undertake to find that out for the hon. leader. We did have a number of problems throughout the winter months with respect to the final laying of the main pipeline and the laterals, and the lining thereof. I recall one day the leader was talking about leaks that had been discovered during testing. I think pipe was tested at something like 2,000 p.s.i., and it's designed to run at 900 p.s.i. I believe 16 or 18 leaks were discovered and, considering the high pressures that were used and the new invention that had been used to line the pipe, it really wasn't a bad result. All those leaks have been finished.

I suppose we could debate the Innisfail outlet at some length. I was concerned when it was first brought to my attention. The department did quite a thorough study for me, and I put that in a letter to an Innisfail councillor. I assume it's been distributed. If it hasn't, I'll see that duplicate letters are made available to interested people. I don't really believe there is the health or sanitation danger that some people first believed there was.

Insofar as Mr. Zimm is concerned, the contact we had with the people in the area early in the year — or it might have been just before Christmas — was a letter, almost in the form of a petition, asking us to demand an environmental impact assessment study on this. It wasn't really the kind of project where we could ask that.

As for the timber leases he'll need, those of course are the responsibility of the Minister of Energy and Natural Resources. As far as the concrete pad he put in is concerned, no approvals from the Department of the Environment are needed for that. In fact we haven't been able to determine whether or not he does need any approvals from the department for what he proposes to do. That surprised me when I was told, but in any event I think the present situation is that he's waiting for the necessary additional timber leases. He's gone ahead and put in a concrete foundation at his own risk. We can't really ask that an environmental impact assessment study be done on a small project like that. At present that's where the matter sits, a sort of uneasy waiting period. I know it's puzzling to the local residents. We've been in pretty close communication on that with the MLA for the district, and that's where the matter stands.

MR. CLARK: Mr. Chairman, to the hon. minister. I just don't understand how the department wouldn't

know whether or not there was a need for any environmental approvals. I would assume the department would be considering The Clean Air Act and The Clean Water Act. Mr. Minister, you're telling us it's now the feeling of the department that no environmental approvals at all may be needed. Is that the situation?

The reason I ask you is in fairness to the number of people who got hold of Mr. Kidd, myself, some of the Calgary MLAs, along with the minister — I know I undertook to raise it during estimates and simply say, where does the thing stand? You're now telling me there may be no need whatsoever for environmental approvals.

MR. RUSSELL: That's correct. That's quite possible, Mr. Chairman. I don't believe he needs any approvals under The Clean Water Act. It's possible he might need a licence or a permit under The Clean Air Act, but any preliminary indication we've had to date is that he can easily meet those.

MR. CLARK: Mr. Chairman, I assume this information has been imparted to Mr. Zimm and also to whoever from the area got hold of the department. Is that basically the situation now?

MR. RUSSELL: Yes. We've answered all the letters that I know we received. We've kept in touch with the MLA, and I think the thing is in the office of the Minister of Energy and Natural Resources at the present time.

Agreed to:

Ref. No. 1.0.1	\$101,568
Ref. No. 1.0.2	\$238,929
Ref. No. 1.0.3	\$56,965
Ref. No. 1.0.4	\$198,065
Ref. No. 1.0.5	\$129,732
Ref. No. 1.0.6	\$316,684
Ref. No. 1.0.7	\$325,660
Ref. No. 1.0.8	\$56,801
Ref. No. 1.0.9	\$37,350
Ref. No. 1.0.10	\$155,662
Ref. No. 1.0.11	\$150,572
Vote 1 Total Program	\$1,767,988
Ref. No. 2.1	\$1,471,421
Ref. No. 2.2	\$1,303,127
Ref. No. 2.3	\$785,343
Ref. No. 2.4	\$5,139,708
Ref. No. 2.5	\$1,153,183

**Ref. No. 2.6**

MR. CLARK: On Ref. No. 2.6, waste management. Mr. Minister, in the course of visiting a number of municipalities last summer, especially in central Alberta, it came as some surprise to my colleagues and me that the question of solid-waste disposal seemed to come up time and time again. We had a situation of municipal governments coming along and saying, if we were to burn off a sizable portion of the solid waste, there's virtually no way we would be able to afford the kinds of facilities the department requires. The information given to us was that something like 60 per cent of the solid waste could be burnt off if they could work out some sort of arrangement.

I suppose one of the centres would be 4,000 or 5,000 people. They were telling us they would have to spend not far from a million dollars to get the necessary equipment to burn their solid waste. In their judgment there was simply no way they could afford that kind of commitment for this project unless there was some sort of initiative or long-term financing available from the department. Candidly I think they were looking at the kind of program in place right now for water and sewage.

The question to the minister is: is the government giving any consideration to a move in that direction? I'm sure a number of municipalities have discussed it with the minister. Whether it's a large or small municipality, it seems this question of solid waste and how much further we can go with digging a ditch, putting it in and covering it up, then requiring additional land, recognizing the department has had regulations for some time with regard to burning and some of the problems that are involved there . . . But this question of solid-waste management is becoming increasingly difficult for a lot of our smaller centres.

MR. RUSSELL: The leader is quite right in his assessment of the problem. We are trying to discourage some of these old-fashioned town dumps, as you might call them — the open pit where they burn, which was okay a few years ago but is gradually being phased out. We've tried to encourage municipalities to enter regional landfill programs, where more than one municipality would share the same dump. In a case like that we'll buy it for them.

We propose to go further. In this year of restraint I didn't get all the additional funds I was requesting, but we have just put into operation a kind of pilot project. I know that's a bad term to use, because pilot projects are looked upon as permanent if you're not careful. This was an experiment in the Crowsnest Pass region. All the communities there have joined in establishing one sanitary landfill site. We bought it for them, fenced it, built a road to it, bought the equipment for it, and they run it. That's a substantial direct capital contribution. We would hope to see more of that, but it wasn't possible this year.

MR. CLARK: Mr. Chairman, to the minister. Is the project in the Crowsnest Pass simply a matter of the department acquiring land, then it becomes a burying project? Has the department checked the economics of some of these upright things that have been developed? I understand some of them are now being used in British Columbia. They say 60 to 70 per cent of the solid waste can be burned, then naturally some of the remains have to be buried. It seems to me the department would be well advised to look carefully at the economics, when you look at the amount of land being used and the costs involved. I recall the situation in Leduc, for example, where the town was going through some soul-searching with regard to what it was going to do on its solid-waste problem. Has the department gotten involved in any — I think the term now is "experimental projects" rather than "pilot projects" — moves in that particular direction? Just what is the minister's thinking in that area?

MR. RUSSELL: We're open-minded, Mr. Chairman. I guess it becomes a question of economics for the province — the degree we're willing to contribute —



and what the municipalities can afford. We did investigate. At the request of the Crowsnest Pass communities, we sent a team to Seattle to investigate incineration which also could be used as a heating plant for the school. The local people had put forward a proposal to us that didn't sound bad. But when the economics were worked out, it was cheaper in this case to truck the waste and bury it in a landfill site. That's what we ended up doing. It's possible there may be other regions in the province where burning on a combined basis, and even using the heat as energy, might be feasible. In that case we would be willing to contribute on the same basis as for the landfill project.

MR. TAYLOR: Mr. Chairman, I wonder if I could say a word in connection with regional dumps. It seems to me that some of the local boards of health don't have a practical bone in their bodies in regard to costs imposed on the rank and file of the people. When regional dumps begin to cost 10 or 15 times what it cost before, people just can't find that kind of money and they become very, very upset.

It seems to me there is a proper place for controlled burning. As a matter of fact it sometimes becomes almost ridiculous when we start hauling for 25 or 35 miles items that could properly be burned with control. If our regional dumps are going to require hauling of 25 or 50 miles — I understand in one place it's closer to 100 — the costs are going to jump. I'm just wondering what we're doing to the people who are expected to pay this. Their income isn't increasing — it's held down by the anti-inflation guidelines — and many of them just can't afford that type of thing. I'm hoping that when we start into this program — we've already started into it — it will be tempered with some realization of what it's doing to the pocketbooks of the ordinary people.

Agreed to:

Ref. No. 2.6	\$540,666
Ref. No. 2.7	\$950,806
Vote 2 Total Program	\$11,344,254
Ref. No. 3.1	\$66,082

#### Ref. No. 3.2

MR. MANDEVILLE: Mr. Chairman, while we're on land conservation, there was a sum of money in the heritage fund, I believe it was \$1 million, for reclamation of gravel pits and old coal mines. Could the minister briefly outline how many municipalities have used this particular fund and how the fund is working?

MR. RUSSELL: Mr. Chairman, I don't believe any of the money has actually been spent yet. I memoed all members of the Legislature to see if they had suitable sites within their own constituencies that they wanted considered. I've had a few responses to that. We're now looking mainly at a variety of old gravel pits, a couple of old sanitary landfill sites, and a couple of small former coal-mining areas that could stand some reclamation. Within a short while I expect those will be consolidated in the first year's program. We'll carry them out this year.

MR. MANDEVILLE: Mr. Chairman, just one further question. Has the minister had recommendations from municipalities or irrigation districts in regard to using some of this fund for reclamation of land which is under water or alkali land, to put it into agriculture — a reclamation project such as this?

MR. RUSSELL: Mr. Chairman, I don't know if we've had that specific request. We've had a number of unsolicited letters from people and municipal governments who have heard about the available funds. They've all been forwarded to the appropriate ADM in the department. He's combining them. When he gets enough projects to spend the money, we'll approve a program and do it. If the hon. member has examples of the kind of thing he mentions which he wants considered, he should get them to us quickly.

Agreed to:

Ref. No. 3.2	\$1,548,017
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#### Ref. No. 3.3

MR. CLARK: Mr. Chairman, to the minister. I'm sure the minister wouldn't want 3.3 to go past without someone asking about the restricted development areas in Edmonton and Calgary. Mr. Minister, can you give us a report on the status of restricted development areas in Edmonton and Calgary, also some indication as to what progress is being made in dealing with some of the problems of the small holders within those areas?

I hold no brief for some of the larger holdings in those restricted development areas. But I must say I've had, I think, two cases presented to me of people who have relatively small holdings in the Calgary area who are caught in the RDA and now find themselves in a situation where there's precious little they can do other than sell the land to the government, and there is some question about how the price is to be arrived at. So what's really the situation, Mr. Minister?

MR. RUSSELL: Well I believe the situation is pretty good. We've had more experience with the Edmonton one. It's much smaller in scope but it's well established now. The kinds of things that are supposed to be organized and going in there are a couple of pipelines and a power line, and reserving rights for future transportation facilities while maintaining the green rural characteristic of the ring around Edmonton.

There's been a number of cases where for very valid reasons people have wanted to sell. They've been able to show us that in fact we have interfered with their legitimate development rights. In those cases, we've bought. We've also bought for compassionate reasons in a couple of cases: a very elderly gentleman wanting to wind up his estate, another case where there was a divorce and a property settlement involved. We really had no reason to buy, but in that case we did to help that family. We've probably purchased somewhere between \$18 million and \$19 million worth of land around the Edmonton corridor. So the Crown land holdings are very substantial in that restricted development area.

We haven't bought any land in Calgary yet, because

we're applying the same rules. I think people are still in a getting acquainted and settling down stage so far as the Calgary one is concerned. The last report I had dealt with the early rush of applications, something in excess of a hundred. Most of those, about three-quarters of them, had been approved in the time the regional planning commission would have approved them. In other words, they were carrying their existing land use, so no problem was involved. They simply did that. In the case of small holders, of course, they can do that.

It is causing people to pay more attention to where they're proposing to develop, particularly if they're in or near the transportation corridor part of the restricted development area. I think the public recognizes that in the long-term growth strategy for the Calgary region, we are trying to protect that. Eventually I suppose the day will come when we will be interfering with somebody's development rights and would have to purchase in order to protect that corridor. But as far as I know, that hasn't happened yet.

Probably the major problem at the moment in the Calgary RDA is the five major pending land annexations that are either before the LAB or are scheduled to go before it. They're all cut exactly in half by the transportation corridor. I've met with the developers, and they recognize a major problem there that they have to help us solve.

Agreed to:

Ref. No. 3.3	\$2,748,378
Ref. No. 3.4	\$1,142,655
Vote 3 Total Program	\$5,505,132
Ref. No. 4.1	\$55,656

MR. R. SPEAKER: Mr. Chairman, I have two questions I'd like to ask the minister. The first one is with regard to the Three Rivers project as such. The allocation of funds from the trust fund is in the vicinity of \$70 million in 1974 dollars. Possibly by the time we start construction in 1980, with an inflation factor of 10 per cent, it would be around \$125 million, which means the percentage goes from 35 per cent to over 60 per cent of the \$200 million.

My two questions there are: one, how does the minister see handling that kind of outcome relative to the heritage trust fund? The second question is: in the considerations or the discussion in regard to the heritage trust fund, how would the minister see this sort of affecting internal rehabilitation of some of the districts? I know that's not quite in your area of responsibility, but I'm sure it's come up in discussions.

MR. RUSSELL: Well I'm sure the Minister of Agriculture has already embarked upon spending his part of the money; that is, the improvements throughout the local districts. He and I met jointly with all the irrigation councils shortly after the last election and asked them to get their priorities and needs down. It's up to the Department of Agriculture to design a program and get those funds flowing.

The hon. member did raise an interesting point when he said, what if we're caught by inflation on a major construction component of Environment's share? I guess he's saying, if our \$110 million becomes something-plus, shouldn't the \$90 million

become something-plus? I don't know of any business that works like that, Mr. Chairman.

MR. R. SPEAKER: To the minister. I would assume the only alternative is for the cost overrun to come out of general revenue.

The other question I had for the minister — and it's one I asked of the Minister of Agriculture, and sort of gave notice earlier — was with regard to water rights. Under the changing responsibilities of the irrigation districts, they're taking up more of the delivery system up to the headworks, also major storage facilities within the irrigation districts. I was wondering whether the minister could indicate if the policy and the mechanics have been finalized within his department so the districts can give water rights to various farmers along main delivery canals or out of major storage facilities. Has that been completed?

MR. RUSSELL: If I understand the question, the way the system basically works is this: Environment manages the water resource and an irrigation area would be responsible for the headworks and anything above that. As for the distribution canals and anything below that, that's handled through the irrigation councils and they report to the Minister of Agriculture. We allocate the water, license it, and try to prorate it so everyone along the river — when I say everyone, I mean every party, like an irrigation council for instance — gets a fair share, compared with a city or an industrial user.

MR. R. SPEAKER: Mr. Chairman, to the minister. I wonder if the minister could check on that a little further, possibly with his staff, and report back to me on it. Let me give you the example. There are three or four farmers along the canal below the main diversion off the Bow River. Prior to this year, the department has been issuing licences so they could take water out of the facility. As you outlined, at this point there's a transition in the policy, where the right to take water out of a canal is being given to the local irrigation districts. At the present time, as I understand, that change in policy is within the department, the mechanics are being worked out, and it hasn't been finalized. The districts — for example, the Bow River district — aren't sure how far they should go at the present time, unless something has happened in the last week or two that I'm not aware of. The department wasn't quite sure how they should issue water rights or water licences. Maybe if the minister could follow it up with his staff, somebody could report back to me.

MR. RUSSELL: They're here tonight, Mr. Chairman, and they've noted the question. I'll get a report to the member. I can't answer any further than I already have.

Agreed to:

Ref. No. 4.2	\$11,044,566
Ref. No. 4.3	\$839,033
Ref. No. 4.4	\$2,342,599
Ref. No. 4.5	\$2,607,342

**Ref. No. 4.6**

MR. MANDEVILLE: Mr. Chairman, possibly I could ask one question on this with regard to land use and water management on the Paddle River basin. Could the minister indicate its status, where it's at right now?

MR. RUSSELL: Yes. You'll recall the ECA held public hearings there and gave the government a recommendation which was worked up by the department into three alternative schemes. We chose one. We've appointed two committees: a citizens' advisory committee and a management committee. The work is under way. There are capital funds in here for the first year's work on the Paddle River: widening channels, brush clearing. Later on we'll be going into some structures for flow regulation.

## Agreed to:

Ref. No. 4.6	\$2,555,731
Ref. No. 4.7	\$1,591,957
Ref. No. 4.8	\$525,798
Vote 4 Total Program	\$21,562,682
Ref. No. 5.1	\$904,023
Ref. No. 5.2	\$2,000,000
Ref. No. 5.3	\$246,416
Vote 5 Total Program	\$3,150,439
Vote 6 Total Program	\$900,270
Capital Estimates:	
Total Vote 1	\$27,687
Ref. No. 2.1	\$228,100
Ref. No. 2.2	\$307,475
Ref. No. 2.3	\$70,705
Ref. No. 2.4	\$3,730,200
Ref. No. 2.5	\$90,600
Ref. No. 2.6	\$18,000
Ref. No. 2.7	\$21,720
Total Vote 2	\$4,466,800
Ref. No. 3.1	—
Ref. No. 3.2	\$2,900
Ref. No. 3.3	\$2,154,400
Ref. No. 3.4	\$27,982
Total Vote 3	\$2,185,282
Ref. No. 4.1	—
Ref. No. 4.2	\$8,809,000
Ref. No. 4.3	\$6,000
Ref. No. 4.4	\$1,200,000
Ref. No. 4.5	\$71,850
Ref. No. 4.6	\$1,180,000
Ref. No. 4.7	\$950,000
Ref. No. 4.8	\$7,377
Total Vote 4	\$12,224,227
Ref. No. 5.1	\$5,000
Ref. No. 5.2	\$157,312
Ref. No. 5.3	\$24,500
Total Vote 5	\$186,812
Vote 6	—
Department Total	\$44,230,765

MR. MANDEVILLE: Mr. Chairman, maybe I could make one comment. I think the minister deserves to be commended for the presentation of his budget. I think the detail of the budget is one of the best of any of the ministers. I think the object of expenditure was explained really well. It was really easy to follow. I

want to say it's one of the best presentations I've seen in the House since I've been here.

MR. RUSSELL: Well thank you very much. Mr. Chairman, on that happy note I'd like to move that the resolution be reported.

MRS. CHICHAK: Mr. Chairman, perhaps before the motion is put. I wonder if it's an error or I'm not reading this correctly. In Vote 6 you had indicated there was no amount to be voted where in fact on page 157 the amount to be voted is \$900,270. I wonder if that was an error, or am I reading it incorrectly?

MR. CHAIRMAN: We were under capital expenditure on Vote 6 at the time.

MRS. CHICHAK: Oh, I'm sorry. All right.

MR. CHAIRMAN: Mr. Minister, would you like to make your motion again, please?

MR. RUSSELL: Mr. Chairman, I move the resolution be reported.

[Motion carried]

**Department of  
Consumer and Corporate Affairs**

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

MR. HARLE: Mr. Chairman, I would just indicate that the area where there has been perhaps the greatest amount of activity has been the companies branch. I'd like to indicate that as of March 31, 1977, there were about 78,000 active companies, and the volume of work being done by the companies branch probably is increasing this year at a rate of about 40 to 45 percent. When you examine the estimates, I think you will see there simply had to be additional funds and positions in the work being done by the companies branch.

MR. MANDEVILLE: Mr. Chairman, I have a few areas I'd like to discuss very briefly. One is the REAs. I'm just wondering if the minister has been doing any counselling as far as financing REAs and gas co-ops is concerned. I appreciate that in some cases the REAs in the province are in financial difficulty. I think the union of REAs is trying to increase the membership — I know this is a concern — also recommending that REAs build up their deposits as far as rehabilitation of lines is concerned. I would like to ask one question: if the minister or his department is not doing any financial counselling as far as rural gas co-ops and REAs are concerned, are they considering any counselling in this area in the future?

MR. HARLE: Well, Mr. Chairman, with regard to the REAs, officials in the department of course make I would say a valiant attempt to be at most of the annual meetings of the various REAs and gas co-ops. Obviously they are in contact with the secretaries of the REAs whenever activity is going on.

At the moment, the Minister of Utilities and Telephones and I, along with a committee of MLAs, are doing a fair amount of work with regard to the financial situation of REAs and the concern of reserves. The counselling that has been done, if you'd like to use that term, would certainly indicate we're seeing a fair number of REAs starting to increase their deposit reserves. I think this in itself is very encouraging.

What counselling work is going on relates primarily to the ability to generate funds for rebuilding lines and this sort of thing. As well, letters have gone out to the REAs where it has been found necessary to do so. By and large there has been a great realization by people involved in REAs that they have to think in terms of today's costs and build up adequate reserves in this regard.

With regard to the rural gas co-ops, officials from the department try to attend most of the annual meetings. Recently we have had some contact basically to find out their cash flow positions with regard to being able to pay loans and keep track of the amount of gas consumed because repayment of capital is related to consumption of gas. We've been trying to find out from them whether they would like to see some adjustment in the time period for repayment of loans. I'm hoping we can try to solve some of the problems with regard to debt repayment.

Most of the counselling would be with regard to procedures of running meetings, and this type of thing, by officials who attend annual meetings of gas co-ops. A fair amount is being done. As far as officials in the department are concerned, because they're moving around the province as much as they are, I think they are doing about as much as we could possibly expect.

MR. MANDEVILLE: Mr. Chairman, I appreciate the co-op activities branch is guaranteeing many loans to REAs. The question is: is the government or the minister's department considering any type of direct financial assistance to REAs in the province?

MR. HARLE: Mr. Chairman, my recollection is that funds were provided in the Department of Utilities and Telephones. I believe I'm correct in saying that. The scheme would not directly involve the department though, and no additional funds are provided for that in my estimates.

#### Agreed to:

Ref. No. 1.0.1	\$101,088
Ref. No. 1.0.2	\$101,608
Ref. No. 1.0.3	\$127,666
Ref. No. 1.0.4	\$83,957
Ref. No. 1.0.5	\$72,783
Ref. No. 1.0.6	\$77,578
Ref. No. 1.0.6	\$338,289
Vote 1 Total Program	\$902,969
Vote 2 Total Program	\$545,996

#### Vote 3

MR. R. SPEAKER: Mr. Chairman, to the minister. We've noted the format or the use of the co-operatives legislation has changed: some into agri-businesses, various things like this. I wonder if the

minister could comment on the general use of the co-operatives legislation.

MR. HARLE: Mr. Chairman, I'm not sure I fully grasp the intent of the question. Do you mean from a point of view of the borrowing aspect of co-operatives?

MR. R. SPEAKER: Yes, partly the borrowing. The other is membership within the co-operatives. As I understand the original concept of the formation of a co-operative, to a large extent there would be member involvement. The members were on the board and fulfilled the management role. But in some of the newer co-operatives that have been formed, it isn't that you don't have the same base of membership; it seems to be more a corporate type of formation than the old co-op concept. I wonder if the minister would comment.

MR. HARLE: Mr. Chairman, because of the availability of funds and some co-operative legislation in the area of guarantees, undoubtedly been use has been made of co-op formation primarily for that purpose. There has been no shift in thinking from the department's point of view as to the importance of the co-operative as a mechanism under which business activity and enterprise can be carried on.

Therefore, relating again to the counselling work that's done, the co-operative development officers spend a great deal of their time telling people about the principles of co-operative formation and the use to which the co-operatives can be put, also the one vote/one member principle and the participation individual members have in the co-operative. Where the degree of participation by members is high, I think the general trend would be that you have a successful co-operative. Where that breaks down and you don't get that member participation, chances are you will get a failure.

We have spent a fair amount of time winding up some of our old co-operatives, a fair number under The Native Co-operative Guarantee Act where there have been defaults. The co-operative has simply failed and is now being wound up. That has been going on over the last year, because we want to clean up this group of co-ops which are no longer active. From conversations I've had with the co-operative development officers, they spend a lot of time trying to inform people about the co-operative movement and the principles of co-operatives. Undoubtedly those which are successful follow those principles.

#### Agreed to:

Ref. No. 3.1	\$355,370
Ref. No. 3.2	\$639,056

#### Ref. No. 3.3

MR. MANDEVILLE: Mr. Chairman, on this vote could the minister indicate how many times a year the board meets as far as setting insurance rates is concerned? Does the minister anticipate an increase in insurance rates at the next meeting of the board, or will there be a recommendation for increases?

MR. HARLE: Mr. Chairman, I would say the board meets slightly more often than once a month, but

most of the meetings are concentrated in a period from approximately a month ago until the latter part of the summer. Of course we have requested the board do some studies. They did a major one last year — it could have been longer ago than that — related to the no-fault subject matter, of which a report was tabled in the Legislature.

They're currently working on another project which the insurance industry feels might replace the current exchange system we have in this province, quite often referred to as the Florida plan. We've asked the board to study that and let us have their views. As far as insurance rates this year are concerned, that matter is somewhat in limbo, primarily I suppose as a result of the AIB and the effect of the AIB on insurance companies.

They've had a much better year. As a result some of them are reporting a profit which, after a period of five, six, seven, and eight years, would certainly indicate they're on a better financial basis. But I think it's too early to tell. I've certainly had no reports yet with regard to what they anticipate might be premium increases. I would suspect that some companies will in fact either be holding the line or reducing premiums on renewal business. Some might be applying for increases, but I suspect they will be fewer this year than in the past.

From the point of view of their experience from January 1 of this year, because of the extremely mild winter we've had throughout most of Alberta, undoubtedly the companies are going to have a much better year if that trend continues. Of course we don't know what will happen in the winter months toward the end of 1977.

Agreed to:

Ref. No. 3.3	\$66,530
Ref. No. 3.4	\$1,248,561
Ref. No. 3.5	\$63,135
Ref. No. 3.6	\$607,465
Ref. No. 3.7	\$445,048
Vote 3 Total Program	\$3,425,165

#### Vote 4

MR. MANDEVILLE: Mr. Chairman, could the minister indicate what the response has been to The Unfair Trade Practices Act. I'm thinking of the number of complaints he's received. Have any charges been laid, or what number of charges have been laid under the act?

Mr. HARLE: On the last matter, I think the words "charges laid" are perhaps not the ones to use. While there are possibly two sections that relate to prosecutions, they relate primarily to supplying of information. They don't relate to matters involving unfair trade practices. There are of course a number of activities by the director; there have been several supplier's undertakings, roughly in the neighborhood of 13 or 14, I believe. As far as the courts are concerned, one if not two actions are proceeding in court, because the director has felt that in fact there is an alleged unfair trade practice and has obtained the permission of the Attorney General. The business concerned has not believed there was, and therefore has not completed a supplier's undertaking.

Agreed to:

Vote 4 Total Program	\$2,252,625
Vote 5 Total Program	\$752,260
Capital Estimates	
Ref. No. 1.0	\$7,695
Ref. No. 2.0	\$13,690
Ref. No. 3.0	\$50,595
Ref. No. 4.0	\$2,130
Ref. No. 5.0	—
Total Program	\$74,110
Department Total	\$7,879,015

MR. HARLE: Mr. Chairman, I move the resolution be reported.

[Motion carried]

MR. HYNDMAN: Mr. Chairman, I move the committee rise and report.

[Motion carried]

[Mr. Speaker in the Chair]

DR. McCRIMMON: Mr. Speaker, the Committee of Supply has had under consideration the following resolutions, reports the same, and requests leave to sit again.

Resolved that for the fiscal year ending March 31, 1978, amounts not exceeding the following sums be granted to Her Majesty for the Legislative Assembly: \$3,429,171 for support to the Legislative Assembly, \$3,947,795 for Provincial Auditor, \$367,820 for office of the Ombudsman.

Resolved that for the fiscal year ending March 31, 1978, amounts not exceeding the following sums be granted to Her Majesty for the Department of the Environment: \$1,767,988 for departmental support services, \$11,344,254 for pollution prevention and control, \$5,505,132 for land conservation, \$21,562,682 for water resources management, \$3,150,439 for environmental research, \$900,270 for overview and co-ordination of environmental conservation.

Resolved that for the fiscal year ending March 31, 1978, amounts not exceeding the following sums be granted to Her Majesty for the Department of Consumer and Corporate Affairs: \$902,969 for departmental support services, \$545,996 for rural utilities loans and guarantees program, \$3,425,165 for business and co-operative formation and regulation program, \$2,252,625 for consumer education protection program, \$752,260 for rent regulation measures program.

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'll move to the estimates of the Department of the Solicitor General and, on Thursday evening, the Department of Education.

I move the Assembly do now adjourn until tomorrow afternoon at half past 2.

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

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

HON. MEMBERS: Agreed.

[The House adjourned at 10:21 p.m.]