

LEGISLATIVE ASSEMBLY OF ALBERTATitle: **Monday, October 29, 1979 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF VISITORS**

MR. SCHMID: Mr. Speaker, I have the distinct pleasure of introducing to you, and through you to members of the Assembly, two distinguished gentlemen in your gallery: the Hon. Herman Beyen, Secretary of State of the Ministry of Economic Affairs of the Netherlands, and Mr. de Marees van Swinderen, Consul General of the Netherlands in Vancouver.

Mr. Speaker, the Hon. Herman Beyen is leading the Netherlands economic mission to Canada, which not only is exploring joint ventures in our province but also hopes to improve trade relationships between Canada and Alberta, which are now less than 1 per cent of Canada's trade in total. I'd like to ask these gentlemen to receive the warm welcome of this Assembly.

MR. SHABEN: Mr. Speaker, also in your gallery today is a distinguished Albertan I'm sure the members of the Assembly have known for a number of years, as he has been a Member of Parliament for almost 25 years. He is Mr. Ged Baldwin, Member for Peace River. With Mr. Baldwin is his granddaughter Diana Hoover. I would ask that the members of the Assembly extend Mr. Baldwin the usual warm welcome of the Assembly.

MR. NOTLEY: We'll get freedom of information, Neil.

head: **INTRODUCTION OF BILLS****Bill 66****The Planning Amendment Act, 1979**

MR. MOORE: Mr. Speaker, I request leave to introduce Bill 66, The Planning Amendment Act, 1979.

This Bill will amend various important aspects of The Planning Act, 1977. It's extensive not only in its length but in the number of amendments contained in it. Other than that, I would only ask members to give it adequate consideration before second reading.

[Leave granted; Bill 66 read a first time]

Bill 71**The Occupational Health and Safety Amendment Act, 1979**

MR. LITTLE: Mr. Speaker, I request leave to introduce Bill 71, The Occupational Health and Safety Amendment Act, 1979.

There are several reasons for making changes in the Act. One, to make provision for authority to request

health and safety in mines and quarries. This change is in keeping with the policy to bring together under one piece of legislation all matters pertaining to occupational health and safety. Two, to make possible a number of administrative changes resulting from three years of experience with this Act since it came into force in December 1976. Three, to clarify and to make additional provisions for the protection of workers from the harmful effects of hazardous substances and products.

[Leave granted; Bill 71 read a first time]

MR. CRAWFORD: Mr. Speaker, I move that Bill 71, The Occupational Health and Safety Amendment Act, 1979, be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. YOUNG: Mr. Speaker, I have the honor this afternoon to introduce to you and to hon. Members of the Legislative Assembly some 21 senior citizens from the constituency of Edmonton Jasper Place. The senior citizens' tour today was arranged by Mr. Felix Eisler, who is a leader of the senior citizens in Kenora Gardens from whence these senior citizens come. I would ask that they rise and be recognized by the House in the usual manner.

head: **MINISTERIAL STATEMENTS****Culture**

MRS. LeMESSURIER: Mr. Speaker, in late 1977 Roloff Beny approached the Alberta government and expressed interest in having his life's work retained in this province. There was good reason to give full consideration to this natural desire of a native-born Albertan who is an artist and photographer of distinguished international standing.

Preliminary discussions were held between Dr. Beny and me at a meeting in Lethbridge in May of this year. The Provincial Archivist, Mr. Alan Ridge, was present, as was Mr. Fahy, who represented Dr. Beny in subsequent discussions and negotiations in regard to the acquisition of the Beny collection.

The collection under consideration includes some 62,000 color transparencies and negatives, 22,000 black and white negatives, 80 boxes of prints, 54 diaries, over 80 volumes of first editions of his books in various languages, and enormous quantities of files, paste-ups, correspondence, and proofs connected with Beny's career as a photographer, designer, and producer of fine art books.

Before any final agreement could be made, it was necessary that a satisfactory procedure be arrived at to evaluate the archival, educational, and artistic significance of the Beny works. The Provincial Archivist has carried this important assessment on behalf of the province, with particular reference to archival significance. A further informal opinion has been provided to the government by Mrs. T. Clark, director of the Scala Institute of Florence, but she has not been formally

retained by the province for this purpose.

In due course an offer was made for the collection, designed to include the costs of cataloguing, materials for securing storage of the collection, duplication of key negatives and prints, and certain shipping costs. The proposed purchase price amounted to \$545,000, made up as follows: purchase price for the collection, \$450,000; cataloguing costs, \$65,000; storage and material costs in Rome, \$10,000; duplication of outstanding prints and negatives for security purposes in Italy, \$15,000; shipping, \$5,000; total, \$545,000.

Last week I indicated to the House that, based on information provided to me, an arrangement to purchase on the foregoing terms had in fact been made. This was based on information provided to me by officials in the department, and I have since ascertained that the information was not complete. The present circumstances are that negotiations are still in process, and I regret any impression that may have been left in the Assembly previously in regard to whether or not the contract has finally concluded.

Duplication of much of Beny's best work has been included in the proposed cost. Further duplication will be on an as-and-when-required basis. But for long-term preservation, major duplication expenditures are not anticipated for more of his material for many years.

The government has no intention of concluding a final agreement without being satisfied that the collection can be properly stored and that duplication costs will be reasonable. Considering the undoubted long-term value of the work, a present-day cost of \$20 per image would be considered reasonable. The best estimate available on cost at the present time for each color separation would be \$4 for film, \$2 for chemicals, and \$3 to \$4 for processing. This does not include labor, because it is assumed that these costs would involve in-house technical staff and would thus be free from commercial overheads.

In respect to copyright, the information I provided last week has since been confirmed by a telegram, a copy of which I will file today, from Mr. Bernard Fahy, who acts on behalf of Dr. Beny in this matter. The telegram confirms the understanding that the copyright will lie with the province of Alberta, with a proviso permitting Dr. Beny to use a number of the photographs for his own publications during his lifetime.

In the event that a contract is concluded which is satisfactory in all its terms both to Dr. Beny and to the government, I would be pleased to file a copy of it with the Assembly; or, in the event the Assembly is not then sitting, to provide copies to hon. members and make it public. As to the final form of the agreement, government legal counsel will continue to be involved, as will Dr. Beny's solicitors, in order to assure that the proper advice has been taken as to form and content.

Mr. Speaker, as I indicated, I would now like to file copies of the telegram in respect to copyright arrangements. This telegram reads:

THIS IS TO CONFIRM OUR TELEPHONE CONVERSATION OF TODAY OCTOBER 26, 1979 AT 5:30 PM WHEREIN I ADVISED THAT I HAD JUST SPOKEN TO DR ROLOFF BENY IN MADRID AND HAD CONFIRMED THAT YOUR UNDERSTANDING THAT THE COPYRIGHT WILL LIE WITH THE PROVINCE

OF ALBERTA WITH THE PROVISIO PERMITTING DR BENY TO USE A NUMBER OF THE PHOTOGRAPHS FOR HIS PUBLICATIONS DURING HIS LIFETIME IS CORRECT. ANY REPORTS QUOTING DR BENY TO THE CONTRARY ARE INACCURATE. IF YOU REQUIRE ANY FURTHER DETAILS OR CONFIRMATION ON THIS MATTER I CAN BE CONTACTED DURING THE WEEKEND AT 604-731-4738
REGARDS
BERNARD FAHY
THORNE RIDDELL AND CO
VANCOUVER

MR. R. CLARK: Mr. Speaker, in responding to the statement made by the minister today, I remind hon. members that in fact it was some months ago the Alberta government announced, through the minister's department, that the Alberta government had acquired the Dr. Beny collections. What we have heard here today is a clear indication that that announcement made some months ago by the minister's department over the minister's name was inaccurate and not based on fact.

Secondly, Mr. Speaker, the hon. minister has indicated that negotiations are still in progress. Frankly, my colleagues and I wished the government had dropped these negotiations and then attempted to start negotiations all over again from a clean slate, if it was the view of the government after what happened last week that this collection was desirable as far as Alberta is concerned.

Mr. Speaker, in light of the statements the minister made in the House last week and the announcement the government made some months ago about the collection having been acquired, I call on the head of the government to request the Provincial Auditor to investigate the circumstances of what I would now refer to as the near purchase of the Beny collections, to assure members of this Assembly that the financial breakdown and the usual control mechanisms in the department of Culture have not once again gone astray.

head: ORAL QUESTION PERIOD

Pipeline Safety

MR. R. CLARK: Mr. Speaker, I'd like to direct the first question to the Minister of Environment. It flows from the ERCB recommendations with regard to the Mill Woods pipelines. Can the minister indicate to the Assembly the stage of the discussions regarding the potential relocation of the Rimbey pipeline and others like it from the Mill Woods area to the RDA?

MR. COOKSON: Mr. Speaker, perhaps that question might be better directed to the Minister of Energy and Natural Resources, since the ERCB comes under his jurisdiction.

MR. R. CLARK: Mr. Speaker, then I'll redirect the question to the Minister of Energy and Natural Resources, who seems anxious to jump to his feet.

MR. LEITCH: Mr. Speaker, I'll make some inquiries and report to the House later.

MR. R. CLARK: Mr. Speaker, I have a number of supplementary questions dealing with the same report that can be directed to either the Minister of Energy and Natural Resources or the Minister of Environment.

Can the Minister of Energy and Natural Resources indicate to the Assembly what action the government has taken on the ERCB report to look at new CSA standards as far as pipelines in urban areas are concerned, and that the new standards would be retroactive to liquid petroleum product pipelines in urban areas?

MR. LEITCH: Mr. Speaker, I think an appropriate procedure might be for the hon. Leader of the Opposition to let me know what questions he has in connection with that report. I will take them as notice, bring myself up to date — because it's been a little while since I had discussions on the report — to make sure I am current as to the activities going on arising from the report, and then report to the House.

MR. R. CLARK: Mr. Speaker, I am quite prepared to indicate to the minister what areas I'd like to pursue. Before doing that, a supplementary question to the Minister of Energy and Natural Resources or the Minister of Environment. What concrete steps has the government taken since the ERCB report was made available this August? What steps has the government taken in dealing with the rather sizable number of recommendations put forward at that time?

MR. LEITCH: Mr. Speaker, I thought that was contained in my previous answer.

MR. R. CLARK: Mr. Speaker, are we to assume then from the answer of the minister that the minister is not in a position to indicate any concrete step, any one of the major recommendations that's been followed forward?

I can appreciate that the minister wouldn't know each of the recommendations, but certainly the minister can indicate to the House some of the steps the government has taken as a result of the explosion last March and now the recommendations coming forth from the ERCB on, I think, August 2.

MR. LEITCH: Mr. Speaker, rather than deal with the matter piecemeal, I'd prefer to cover it in total, as I've just indicated. The hon. Leader of the Opposition has given me some areas in which he's interested. I'll get brought up to date on all those and deal with it in its entirety rather than in a piecemeal fashion.

MR. R. CLARK: Mr. Speaker, then to the Government House Leader. In light of the recommendation from the ERCB report that consideration should be given to changes in The Pipeline Act, 1975, so that water lines and roadways and the impact they could have on pipelines would be covered in the Act, is it the government's intention to bring forward at this fall session any amendments to The Pipeline Act, 1975, based on the recommendations the ERCB made following public hearings on the Mill Woods incident?

MR. CRAWFORD: Mr. Speaker, as I recall, the minister responsible for that legislation hasn't made any proposal for legislation that I could speak to at this time in the sense of the fall session. But I don't think there's any doubt that recommendations, when made by

such an agency as the Energy Resources Conservation Board, would certainly be carefully considered by the government.

MR. R. CLARK: Mr. Speaker, to the hon. Government House Leader. Can he indicate to the Assembly any concrete action the government has taken or any concrete direction the government has given to departments or government agencies as a result of the ERCB recommendations to the government on that particular matter?

MR. CRAWFORD: Mr. Speaker, such a question should not be directed to me. The previous one relative to the progress of legislation was properly directed to me, and I responded to that.

MR. R. CLARK: Mr. Speaker, just one last question to try to uncover any positive action the government has taken as far as the ERCB recommendations are concerned.

AN HON. MEMBER: Order.

MR. R. CLARK: I can appreciate the sensitivity of one of the ministers.

My question to the Minister of Environment: is the government prepared to assist the companies in the relocation of the pipelines going through the Mill Woods area so that those pipelines could be moved into the RDA? I ask the question because of the precedent established where the government has in fact made financial contributions to the relocation of pipelines in other areas of the province.

MR. COOKSON: Mr. Speaker, I think it would be fair to say that the Department of Environment has, in the past, given some consideration to relocation — one specifically in the hon. member's area, I understand. There may have been others, in particular where pipelines are transporting materials which may not only be of an explosive nature but contain ingredients which may cause death in event of a rupture. Although we haven't yet addressed ourselves specifically to this problem, we would take into consideration any reasonable proposal that might be made, bearing in mind that the major responsibility really lies with the companies concerned, and that under the provisions of The Planning Act, municipal authority, and recommendations from various departments, we set up a number of guidelines and protection against these events happening on occasion.

MR. R. CLARK: Mr. Speaker, just one last question. Is the minister in a position to indicate to the Assembly whether he has taken part in any discussions between his department and officials of the companies who have pipelines running through the Mill Woods area, with regard to possible relocation and the department picking up at least a portion of the costs of that relocation?

MR. COOKSON: No, Mr. Speaker.

Beny Collection

MR. NOTLEY: Thank you, Mr. Speaker. I'd like to direct this question to the hon. Minister responsible for Culture. It's to seek clarification on the ministerial

statement this afternoon.

Is the minister advising the Assembly that, at this time, Mr. Beny is totally in agreement with the proposition that the copyright should rest with the province of Alberta? Further, in terms of the qualification that the minister indicated — I'm sorry, I don't have a copy of the ministerial announcement in front of me — will there be any restraint at all on duplication of any of the negatives?

MRS. LeMESSURIER: Mr. Speaker, I indicated in my statement this afternoon that we have complete copyright of all negatives. That is the way the telegram was stated, and that is what I am relying my statement on.

MR. NOTLEY: Mr. Speaker, a supplementary question. Is the minister in a position to assure the Assembly that Mr. Beny himself, as the owner, has in fact agreed to this proposition? I say that in view of the fact that it appears an agreement has not been concluded at this stage. Is that an obstacle in any sense to the conclusion of an agreement?

MRS. LeMESSURIER: Mr. Speaker, I believe I stated in the ministerial statement that unless these various points were agreed upon there would be no contract.

MR. NOTLEY: Mr. Speaker, a supplementary question then. Is the minister advising the Assembly that the government of Alberta has the assurance of Mr. Beny? Or is the minister saying to the Assembly this afternoon that the government is still in the process of negotiating with respect to this copyright question, and that that may in fact be an obstacle to the final signing of an agreement?

MRS. LeMESSURIER: Mr. Speaker, I believe there is a copy of the telegram attached to the ministerial statement. Upon agreement that all the various aspects are covered in the contract relating not only to the telegram, the copyrights, but various other factors mentioned in the ministerial statement, then the contract would be signed.

MR. NOTLEY: Mr. Speaker, to the hon. minister. The question really relates to the issue of the copyright. At this stage is there any uncertainty in the government's mind with respect to the copyright? Is there any obstacle at all on that question? I realize other aspects may have to be negotiated with Mr. Beny, but my question precisely relates to the issue of the copyright.

MRS. LeMESSURIER: No, Mr. Speaker, there is not.

MR. NOTLEY: Mr. Speaker, a further supplementary question. The minister indicated that the Provincial Archivist had done an evaluation of Mr. Beny's work and, I believe, had been in Rome for several weeks in the spring. Considering that that evaluation was done by the Provincial Archivist, is the minister in a position to advise why it was not possible for the minister to indicate to the Assembly the percentage of the work that involved Canadian or Alberta slides, if in fact this evaluation had taken place?

MRS. LeMESSURIER: Mr. Speaker, I believe I answered that last week when I stated that the process of cataloguing the slides was still going on.

MR. NOTLEY: Mr. Speaker, a supplementary question. Is the minister saying to the Legislature, then, that at the time the offer was made to Mr. Beny the government was not in a position to know what percentage of this collection had any relationship at all to Canada or Alberta?

MRS. LeMESSURIER: Mr. Speaker, negotiations are going on at the moment. I would wait until these are terminated before speaking to it.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. The question really relates to whether the government was in a position to know what percentage of the collection related to Alberta or Canada.

Did the government not give some consideration to the offer to purchase only that part of the collection that related to Alberta or Canada? If the hon. Minister of Education is going to put it in the school books of the province of Alberta, it surely should relate to this province, not Iran. [interjections]

AN HON. MEMBER: Utter nonsense.

AN HON. MEMBER: It's international.

MR. NOTLEY: Well, Mr. Speaker, I put the question to the hon. minister.

MRS. LeMESSURIER: Mr. Speaker, I think we're relating to the fact that this is not just an Albertan or a Canadian, it is an international collection.

MR. NOTLEY: Mr. Speaker, a supplementary question. Is the minister saying to the Legislature that at no time did the government of Alberta consider making an offer on the Canadian or the Alberta portion of it, and that it was always the view of this government that the offer should be made on the entire collection, which has been the subject of controversy, and that it's the objective of this government to purchase slides and negatives that have absolutely nothing to do with Alberta?

MR. COOK: Mr. Speaker, on a point of order.

MR. R. CLARK: Oh, sit down.

MR. COOK: The hon. member is restating a question he's already posed. Secondly, he is arguing a case and provoking the minister to debate.

MR. NOTLEY: Mr. Speaker, the hon. Member for Edmonton Glengarry, whoever it is, would like to provoke us, but without success.

MR. COOK: Mr. Speaker, further on the point of order, I'd refer the hon. member to Section 171 in the Fourth Edition of *Beauchesne*. It's clear there. If the hon. member would like to debate this, I would suggest he put a motion before the House that we can debate further.

MR. NOTLEY: Mr. Speaker, on the point of order. The hon. Member for Edmonton Glengarry has some distance to go before he becomes the Stanley Knowles of the Alberta Legislature; some distance indeed.

However, Mr. Speaker, I would ask the minister the question again, because we've not got an answer. Was there any consideration of making the offer contingent on those aspects of the collection that relate to this province and this country?

MRS. LeMESSURIER: Mr. Speaker, there was not. We've looked at this collection on the international basis, and the relationship that this man, Dr. Beny, is of an international standing.

DR. BUCK: Mr. Speaker, a supplementary question to the Provincial Treasurer. Can he indicate on what basis the special warrant for \$229,000 was signed, when in fact the purchase of the collection was just in the negotiation stage?

MR. HYNDMAN: Mr. Speaker, it was my understanding that the cataloguing, which is now being done, had to be done during the time in which the Legislature would be sitting, at which time a special warrant cannot be passed, of course. So it was done for that reason.

DR. BUCK: Mr. Speaker, can the Provincial Treasurer indicate if the \$229,00 was considered the entire purchase price of the collection?

MR. HYNDMAN: As the hon. minister has very amply stated, the matter is under negotiation. So of course it would not be.

DR. BUCK: Mr. Speaker, it seems rather strange that the minister signs special warrants for \$229,000.

SOME HON. MEMBERS: Order.

MR. R. CLARK: Just because there are negotiations going on, we sign a special warrant.

DR. BUCK: Mr. Speaker, can the Minister responsible for Culture indicate why in the negotiations the warrant was asked for \$229,000, when in essence we are ending up with a figure almost twice as high as that? Can the minister indicate the staging-in process that is required?

MRS. LeMESSURIER: Mr. Speaker, the \$229,000 is the initial payment of what we are dealing with right now. It's the first payment of purchase costs, cataloguing and typing, storage and materials, duplication of prints and negatives for security, and Provincial Archives staff travel.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. Is the minister in a position to outline to the Assembly this afternoon whether the insurance costs — which in my guess would be quite substantial — are included, or whether the cost of insuring the collection will have to be borne as another cost to the taxpayer if we proceed?

MRS. LeMESSURIER: Mr. Speaker, the insurance and shipping charges are included in the overall price.

MR. R. CLARK: Mr. Speaker, to the hon. minister. Why are the people of Alberta paying storage on the collection when in fact the negotiations are still going on?

MRS. LeMESSURIER: Once we have purchased — and we are in the throes of purchasing, Mr. Speaker — we will then have to store these slides in the order that they have been catalogued, in the boxes that they're being catalogued, in the envelopes that are being catalogued. We are storing them in a building outside Mr. Beny's residence.

MR. R. CLARK: Did the hon. minister say, "we are storing them"? Are we doing this right now?

MRS. LeMESSURIER: Excuse me, Mr. Speaker, they will be stored if the contract is reached and we do commence with the actual purchasing and the contracting of the slides. Then this will be done. At the moment, no moneys whatsoever have been transferred to Mr. Beny.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. Is the minister saying to the House this afternoon that should the government of Alberta decide not to proceed with this purchase there will be no payments to Mr. Roloff Beny for any of these costs, including storage or cataloguing? Or, in fact, will there be a bill of some nature that the people of Alberta will have to pay if the government proceeds not to purchase the collection?

MRS. LeMESSURIER: Mr. Speaker, as negotiations are under way I do not feel it's really my place to speak to that question at the moment. [interjections]

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. This is the taxpayers' money. At this stage, will there be any cost to the taxpayers of Alberta should the government not sign the contract? [interjections] It's not hypothetical at all.

MR. SPEAKER: A final supplementary by the hon. Member for Calgary North Hill.

MR. R. CLARK: Is the minister going to respond to assure the Assembly that there will be no cost to the Alberta taxpayer if this doesn't go through? [interjections]

MR. OMAN: I think I've been recognized, Mr. Speaker. I'd like to ask the minister just one question.

It's clear that these matters are under negotiation. I wonder if the Speaker does not sense some hesitancy over the fact that this is being flogged to death in public while we're in negotiations — not ruining the possibility of making agreement. [interjections]

MR. NOTLEY: That's a question to you, Mr. Speaker.

MR. SPEAKER: The fact of the matter is that we've had one question and 14 supplementaries. We'll go on to the next member now, and if there's time we can come back to this.

Telephone Party Lines

MR. PURDY: Thank you, Mr. Speaker. I'd like to address a question to the Associate Minister of Telephones. With the province's decentralization policy taking place and the number of small businesses moving into the rural part of the province, it is causing a real hardship and concern to people on four party line systems where a business ties into one of these things and the phone is being tied up on a 24-hour basis. Is the minister considering a policy change in this regard?

DR. WEBBER: Not at the moment, Mr. Speaker.

MR. PURDY: Mr. Speaker, would the minister consider a policy change to having businesses, when they move into a rural area on a four party line system, purchase private lines?

DR. WEBBER: We'll take the hon. member's question as notice, Mr. Speaker, and respond at a later time.

MR. APPLEBY: A supplementary question, Mr. Speaker. In some hamlets in the province it appears that there is a non-party line system. I wonder if there's an optimum number of subscribers who have to be in that hamlet before they can put them on a private line system.

DR. WEBBER: I believe, Mr. Speaker, the hon. member is referring to the establishment of a base rate area outside the main base rate area. In that case, it is necessary to have approximately 50 subscribers before that would happen.

Railway Tax

MR. D. ANDERSON: Mr. Speaker, my question is to the hon. Minister of Economic Development. It is my understanding that a tax is levied by the provinces of B.C., Saskatchewan, Manitoba, Ontario, and Quebec on rolling stock travelling through those provinces to the province of Alberta, but that no similar tax exists in this province. Could the minister indicate if that is the case?

MR. SPEAKER: Order please. With great respect to the hon. member, he is clearly asking for an opinion as to the state of the law.

MR. D. ANDERSON: Mr. Speaker, if I might reword the question. Could the hon. minister indicate if Alberta has a tax on rolling stock travelling by rail through this province?

MR. PLANCHE: No, Mr. Speaker, we do not.

MR. D. ANDERSON: Mr. Speaker, a supplementary question to the hon. minister. If other provinces do and Alberta does not have this tax, does that tax in other provinces have the impact that Alberta products cost more once they've travelled through those provinces, yet our products going to market cost considerably more because of the tax levied on them during that travelling period?

MR. SPEAKER: I regret interrupting the hon. member again, but he is asking the minister something which is beyond the minister's responsibilities and which might be eminently qualified for the hon. member's own research.

Diesel Fuel Supply

MR. BORSTAD: Mr. Speaker, my question is to the Minister of Energy and Natural Resources. Due to the economic activity in the province, especially in northern Alberta, there seems to be a feeling that there might be a shortage of diesel fuel this winter. I wonder if the minister can advise whether there will or will not be.

MR. SPEAKER: If I understood the question correctly, the hon. member is asking the minister to forecast whether there's going to be a shortage of diesel fuel. Surely that doesn't come within the responsibility of his portfolio.

MR. MOORE: Mr. Speaker, on a point of order. I believe the hon. member stated the question quite clearly: whether or not the minister had been advised whether there was a shortage of diesel fuel. That's quite different. [interjections]

DR. BUCK: They write their speeches, and now they tell them what questions to ask.

MR. R. CLARK: Now would you like to answer it, Merv? Come on.

DR. BUCK: When are they going to cut the puppet strings?

MR. LEITCH: I appreciate all the help, Mr. Speaker.

I made some inquiries about the supply of diesel fuel in the province of Alberta during the coming winter. There's no question that with the level of economic activity in the province there is a higher than anticipated demand for diesel fuel. But I've not received any information that would lead me to believe that there will be a shortage during the coming winter season.

Foreign Ownership of Land

MR. MANDEVILLE: Thank you, Mr. Speaker. My question is to the hon. Associate Minister of Public Lands and Wildlife. Does the minister have any statistics to indicate what effect the regulations on foreign land ownership have had on the sale of agricultural and recreational land in the province of Alberta?

MR. MILLER: Yes, Mr. Speaker, there's been a dramatic decrease in the amount of land that has been sold to foreign owners or corporations. I believe that last year less than 7,000 acres were purchased by foreign owners.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Could the minister indicate if the government is still making exemptions to purchasers under the regulations? If it is, does he have any indication or ballpark figure on the number of exemptions to date under the regulations?

MR. MILLER: Mr. Speaker, I don't have those figures at my fingertips, but I would take that as notice and report either to the member or to the Legislature, if that is what you desire.

Transport of Chemicals

DR. BUCK: Mr. Speaker, I would like to address my question to the hon. Minister of Environment or the Minister of Transportation. This stems from a representation made to me.

A tanker filled with ammonia overturned within the corporate limits of Fort Saskatchewan. Could the Minister of Environment indicate if this matter has been brought to his attention, and has the department been involved?

MR. COOKSON: Mr. Speaker, I haven't been personally contacted, but I'm sure my people would have been advised through The Disaster Services Act. Perhaps I could check that out for the member.

DR. BUCK: A supplementary question to the Minister of Transportation. Can the minister indicate if negotiations have been going on this summer between the provincial and federal departments as to the movement of hazardous chemicals through communities in Alberta?

MR. KROEGER: Mr. Speaker, I have not been directly involved in any negotiations.

DR. BUCK: To the Minister of Economic Development. Can the minister indicate if any negotiations have been going on, either in the Department of Transportation or in the minister's department, as to the rerouting of hazardous chemicals around Fort Saskatchewan via the CPR?

MR. PLANCHE: Mr. Speaker, there has been no conversation in my office about that issue since I've taken this portfolio, and I couldn't speak for the Department of Transportation.

Native Police

DR. CARTER: Mr. Speaker, my question is to the Solicitor General. In light of recent incidents on two Indian reserves in the province, has the Solicitor General taken any action with regard to native police training?

MR. HARLE: Mr. Speaker, one major step has been taken over the course of the summer to establish a course at the RCMP depot in Regina, to train native people as special constables who will be employed by the band. The course starts on November 1, and at the moment six natives from the Blood Reserve, two from the four bands at Hobbema, and two from the Saddle Lake Reserve will be attending that course.

Railway Tax (continued)

MR. D. ANDERSON: Mr. Speaker, I'd like to take another stab at a question to the hon. Minister of Economic Development. Has the minister made, or is he prepared to make, representations to provinces hav-

ing a rolling stock tax that is having a negative impact on the province of Alberta? Will he ask them to reconsider that tax in light of its impact on our consumers and producers?

MR. PLANCHE: Mr. Speaker, I have not made any initiatives toward that end. When I reviewed that issue before, as I remember it sales tax was a one-time tax on cars going through. If they went through often enough, it became such a small factor that it didn't seem worthy of pursuit. But I'd be glad to check into it and report back.

MR. D. ANDERSON: Mr. Speaker, a supplementary question. If the hon. minister is willing to take that back, perhaps he can calculate the amount of tax paid on material that comes to Alberta from those provinces. Will the hon. minister undertake to do that?

MR. PLANCHE: Yes, I will.

MR. SINDLINGER: A supplementary, Mr. Speaker. With regard to the question of the Member for Calgary Currie on the tax in Quebec, for the information of the Legislature that tax is a wheelage tax calculated annually. Inasmuch as many Alberta companies are having their cars

MR. SPEAKER: Could I suggest to the hon. member that the government members' offices would be an excellent place for giving legal advice to his colleague.

MR. SINDLINGER: Mr. Speaker, I do have a question. The question is: inasmuch as the Quebec government is impounding those cars which rightfully belong to Albertans, will the minister undertake to ask the government if we can have our cars back?

MR. PLANCHE: Mr. Speaker, I'll look for the lost cars.

Freedom of Information

MR. R. CLARK: Mr. Speaker, I'd like to direct a question to the Government House Leader. What consideration has the government given to the two recent publications of the commissioner of freedom of information and individual privacy, done in the province of Ontario?

MR. CRAWFORD: Mr. Speaker, I'm not aware of what publications that gentleman may be responsible for. Since the hon. leader's question relates to freedom of information, though, I have no objection to indicating to him that, quite apart from whatever consideration may be given in the sense of reviewing reports prepared along the lines the hon. leader asks about, over a period of time we have certainly had occasional inquiries from prestigious bodies in Alberta, such as the Alberta section of the Canadian Bar.

The answer I gave to them about the government's attitude in respect of such matters is, of course, the same one that I now want to outline to the hon. leader; that is, we have made the observation in the past that the amount of information available to people through government is enormous. Although we're willing to listen to representations made by the Alberta section of the Canadian Bar, we have no policy com-

mitment, in any sense, to responding favorably to such presentations. I indicated to them that I'd be glad to have detailed discussions with them, but these have not yet taken place.

MR. R. CLARK: Mr. Speaker, a further supplementary question to the Government House Leader. What consideration has been given to the position of the Canadian Manufacturers' Association that freedom of information would reduce the abuse of discriminatory powers by government regulatory agencies?

MR. CRAWFORD: Mr. Speaker, that's an interesting viewpoint. I hadn't been aware that the Canadian Manufacturers' Association held that view, and I don't think the fact that it may be held by them is particularly important to the issue.

Rail Transport — Damaged Bridge

DR. PAPROSKI: Thank you, Mr. Speaker. A question to the Minister of Economic Development. I wonder if the minister would indicate to the House the stage of progress in repair of the Vancouver bridge, so vital to Alberta's exports, which was damaged by a Japanese vessel?

MR. PLANCHE: Mr. Speaker, when the accident happened the forecast was 15 weeks. I believe that forecast is still valid as of this weekend.

DR. PAPROSKI: Mr. Speaker, a supplementary. I wonder if the minister would also indicate to the House whether he has made representation to whomever he has to make representation regarding that accident, to assure that this type of accident is less likely to happen in the future?

MR. PLANCHE: Mr. Speaker, I pointed out to the harbor master in Vancouver that it was of some considerable importance to Alberta that our bridges didn't get knocked down by boats. He pointed out that they would do everything they could to see that the boats didn't knock the bridges down. That's about the best I could do.

DR. PAPROSKI: Mr. Speaker, I'm pleased to hear the minister is making informal representation. But I really would like assurance from the minister to this House that he will make formal representation to assure that it's less likely to happen.

MR. PLANCHE: Yes, I will, Mr. Speaker.

MR. PURDY: Mr. Speaker, a supplementary to the minister. I wonder if the minister has any information for members of the Assembly — is the labor force back on the job today after the waffle they had out there yesterday?

MR. PLANCHE: I don't have that information, but I'll take it as notice and respond. I just heard about it a few minutes ago, Mr. Speaker.

MR. NOTLEY: A supplementary question to the minister. Is the minister in a position to report to the House whether the department has had an opportunity to do an assessment of the impact on Alberta exports?

Are we satisfied with the necessary alternatives that one has to consider in view of the bridge being knocked out?

MR. PLANCHE: Mr. Speaker, I appreciate that question, because it's such an important issue. I was there Thursday and Friday last week. I think we have done everything that can be done in terms of rerouting commodities to the terminals that specialize in those commodities, trying to leave available only for grains the north shore terminals traditionally used. The best estimate I've been able to get is that over the period of repair of the bridge, about a 15 per cent shortfall in exports will be experienced.

MR. SPEAKER: The hon. Associate Minister of Public Lands and Wildlife would like to supplement an answer.

Foreign Ownership of Land (continued)

MR. MILLER: Thank you very much, Mr. Speaker. I have the figures asked for by the Member for Bow Valley. I was in error when I said that this year there were less than 7,000 acres. In fact, just over 7,000 acres have been acquired by foreign individuals and corporations.

Parcels acquired in 1978 totalled 7,061 acres, as compared to 64,100 acres in 1977 and 159,699 acres in 1976. Of these 7,061 acres, estate settlements accounted for 3,129 acres, 26 acres were acquired because of the 20-acre exemption, 1,131 acres were for resource-related developments, 95 acres were for industrial use, and 197 acres were for new-home subdivisions. The last 1,271 acres were exchanged acre for acre for farm consolidation.

Thank you, Mr. Speaker.

MR. SPEAKER: Before the hon. Leader of the Opposition asks his next question, I should express some doubt about the question period being used as a means for eliciting or giving long lists of statistics. This is not at all implied criticism or censure of the hon. minister. But that question is in my mind, because ordinarily the Order Paper would be used for that kind of information.

PWA Ownership

MR. R. CLARK: Mr. Speaker, I'd like to direct a question to the Minister of Transportation. It deals with the future of PWA. Is the government giving any active consideration to making it possible for the employees of PWA personally to be able to acquire from the Alberta government some shares or interest in PWA?

MR. KROEGER: Mr. Speaker, having had one meeting with the chairman of the board of PWA, and that being limited to about two hours, we didn't get into this area. So I'm sorry, I can take that as notice for the hon. member.

MR. R. CLARK: Mr. Speaker, I didn't ask whether PWA was thinking about it; I asked the government's intentions of making a portion of PWA shares available to PWA employees. My supplementary question to

the minister is: what is the government's intention with regard to that matter?

MR. KROEGER: To my knowledge, Mr. Speaker, this has not come up in discussion, certainly not since my having been assigned to the duties.

MR. R. CLARK: Mr. Speaker, one further supplementary question to the minister. Does the government have under active consideration at this time any plan toward making the shares of PWA available for Albertans to acquire, so that in fact Albertans individually would become the owners of PWA?

MR. KROEGER: No, not in that sense, Mr. Speaker. At least, it hasn't come up in any discussions I have had to this point.

MR. R. CLARK: Mr. Speaker, to the minister. The minister answered by saying, "not in that sense". Are discussions going on at this time with regard to some change in the ownership arrangements as far as PWA is concerned, so that Albertans as individuals would be able to assume control of the company, as opposed to the Alberta government's running the company?

MR. KROEGER: Mr. Speaker, in explanation of my comment "not in that sense", that is exactly what I meant. It is presently owned by the people of Alberta, through the government. There has been no indication to me that we're contemplating a change.

ORDERS OF THE DAY

head: GOVERNMENT MOTIONS (Committee of Supply)

[Mr. Appleby in the Chair]

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

ALBERTA HERITAGE SAVINGS TRUST FUND CAPITAL PROJECTS DIVISION 1980-81 ESTIMATES OF PROPOSED INVESTMENTS

Department of Education

1 — Alberta Heritage Learning Resources

MR. CHAIRMAN: I believe that when we rose to report on Friday, the hon. Member for Calgary Millikan had indicated he wished to make a comment.

DR. CARTER: Mr. Chairman, I made the comment. It was recorded in the minutes, and we were then over to the minister.

MR. CHAIRMAN: Thank you. Are there any further comments or questions to the hon. minister?

Would you care to reply, then, Mr. Minister?

MR. KING: Thank you, Mr. Chairman. If my memory serves me correctly, when we adjourned on Friday two outstanding points required a reply from me. Both had

been made by the hon. Member for Edmonton Norwood. I don't believe any other points required a reply.

The first was really a comment with respect to in-service, offered in reply to some observations I had made. So I think the only thing required is to repeat that we have a committee investigating the whole question of our future participation in in-service. I hope that committee will be in a position to report next spring to the three sponsoring bodies: the Alberta School Trustees' Association, the Alberta Teachers' Association, and the department. At that time, the department for its part will consider the whole question of in-service and how we are going to participate in the future. I think it would be presumptuous of me to make any comments while we are waiting for the outcome of that report.

The second question was with respect to evaluation. It is our intention to evaluate the project and its materials, not the use of the project *per se*. We're operating on the assumption that the teachers in the province are professionals, competent in their field, and that they are going to use materials provided to them in the best way possible. So our evaluation is not going to be of the way the teachers use the materials; it is going to be an evaluation of whether or not there have been any deficiencies in the design or production of the materials themselves that have rendered them less useful in the classroom than they might otherwise have been.

In other words, we are going to do an evaluation. We hope it will be comprehensive, but it is going to be an evaluation of the product, not of the use of the product by teachers. As I said, the reason for that is that we operate on the presumption that the materials are being used by professionals in the classroom, and that their use of the materials will be as good as the materials themselves allow.

Thank you, Mr. Chairman.

MRS. CHICHAK: Mr. Chairman, I would just like to make these comments with respect to the minister's last answer. It was not from a personal doubt or concern that my remarks were made with respect to whether an evaluation of the use of the materials was going to be made. My question and suggestion were put forward as a result of representations received by me with respect to numerous other materials, which heretofore have been made available to the schools at some extensive cost, that have not been used. I was simply passing on to the minister the concern expressed to me, the representations made.

I have no doubt of the competence of the people in the profession or of their desire to put to use every aid made available to them. But I simply want to reiterate to the minister: the representations have been made by students and parents, and these cannot be ignored.

Agreed to:

1 — Alberta Heritage Learning Resources	\$639,000
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MR. KING: Mr. Chairman, I move the vote be reported.

[Motion carried]

MR. HYNDMAN: Mr. Chairman, the Minister of Energy and Natural Resources is just fueling up with a little caffeine. He'll be back directly. His would be the next department.

MR. CHAIRMAN: Do you wish to hold it for a moment?

MR. HYNDMAN: Yes, if we could.

MR. CHAIRMAN: Very well, everybody just relax, then. We'll be right with you.

The Clerk Assistant says you can stand slack and count your medals, whatever that means.

**Department of Energy
and Natural Resources**

1 — Alberta Oil Sands Technology and Research Authority

MR. CHAIRMAN: Mr. Minister, do you have some comments?

MR. LEITCH: Mr. Chairman, I might make a few general observations that would be applicable not only to this vote but to a subsequent vote regarding an expansion of AOSTRA's activities. That of course would be connected with the legislation, now on the Order Paper at third reading stage, with respect to the amendment of the Alberta Oil Sands Technology and Research Authority.

The two observations I would like to make at this point, Mr. Chairman, relate to the whole question of energy in Canada. Because I've fallen into this trap myself, I simply want to call to the attention of members of the committee that it's inaccurate to talk of an energy shortage or energy crisis in Canada. The fact is that Canada is now, and I anticipate will be for some time, a net exporter of energy. We export coal, natural gas, and electricity. Of course we export some oil, but we are a net importer of oil. So if you take the total energy situation in Canada, Mr. Chairman, we are a net exporter of energy. When we're speaking of the energy problem in Canada, I would suggest to members of the committee that we should be very careful to define it properly.

The actual energy problem in Canada can be stated as a vulnerability to interruptions in world supply in liquid fuels, particularly crude oil. But defining our energy problem in that sense doesn't make it any less serious for the nation as a whole, because in my judgment we unquestionably have a very serious situation in Canada because of our vulnerability to the interruption of world supplies in liquid fuels, particularly petroleum.

Mr. Chairman, when we've properly identified the problem, we can then turn to the solution. I'm sure all members of the committee are aware that in Alberta we have the solution to the vulnerability problem I've just defined. That solution is in the immense energy reserves in the oil sands. This vote enables the Alberta Oil Sands Technology and Research Authority to continue the very important work it is doing in the oil sands, along with other energy resources in the province, particularly oil in the carbonate rock deposits.

While we are not far enough along with the experimental work AOSTRA is carrying on, in most cases in partnership with the industry, to be certain what the results might be, I can tell the committee that I have a feeling of optimism, as I'm sure the members of AOSTRA's board do, that from the various experimental projects and research work now under way will come the technology that will lead to the economic

development of the deep sands. That is the place in which the majority of their work is being conducted.

Commenting briefly on the vote we will shortly be coming to, Mr. Chairman, Conventional Oil Enhanced Recovery Program, AOSTRA would operate this program in much the same way, or following much the same format, as the research work it is now doing. It would be concerned with research work, primarily pilot projects with new enhanced recovery techniques. Those techniques would be designed to get more conventional crude oil from our reserves than we are now able to do.

Finally, Mr. Chairman, I would simply say that when the national problem is a vulnerability to interruptions in world oil supply, and we have in Alberta the means, the resource, to overcome that supply problem, I would strongly support, as I'm sure committee members do, the continuation of AOSTRA's work and its expansion into a new program.

I don't want to leave the impression that other alternate energy sources should be ignored, because that's clearly not the case. I think the energy situation in Canada is such that we should be actively exploring all the alternatives. But my submission to the committee, Mr. Chairman, is that we have placed the appropriate priority on further work in the oil sands, the carbonate rock, and enhanced recovery schemes, because there we have the resource to relieve and ultimately remove our current vulnerability with respect to liquid fuels.

MR. CHAIRMAN: Thank you, Mr. Minister. I have several members who wish to be recognized. The first is the hon. Member for Calgary Buffalo, followed by the hon. Member for Edmonton Mill Woods, and then the hon. Member for Lac La Biche-McMurray.

MR. SINDLINGER: Thank you, Mr. Chairman. I was interested in the remarks by the hon. minister in regard to definition of the problem. He defined it as a problem of vulnerability in regard to supply. I've often heard the problem defined, not as a supply problem but more as a price problem that the world faces today.

The question I have is in regard to the supply of energy in Canada. The minister indicated that at this time we are a net exporter of energy. The question I would pose is: how long into the future does the minister see Canada remaining a net exporter of energy? Furthermore, at what point in time will the energy produced from heavy oils, tar sands, et cetera, play a significant role in satisfying the demand for Canadian energy?

MR. CHAIRMAN: Does the hon. minister wish to take all the questions first or answer them as they come?

MR. LEITCH: Mr. Chairman, we might try taking them all at first. If there get to be too many, I may interrupt and answer those I've already received.

MR. CHAIRMAN: Thank you. The Member for Edmonton Mill Woods then.

MR. PAHL: Thank you, Mr. Chairman. I want to indicate my support to the minister and his department for his emphasis on the Alberta Oil Sands Technology and Research Authority. I acknowledge that he did make the comment that other energy sources are important. However, I would ask the minister, in view of

the fact that we have more energy in coal than we have in all other energy sources in this province put together, whether it wouldn't be timely to have some research effort directed towards getting the coal out. Coal sort of leads to coal gasification, and that would help us remain a net energy exporter far beyond when we may not want to commit liquid hydrocarbons — that is, oil — to export.

MR. WEISS: Thank you, Mr. Chairman. The minister has referred to participation or involvement by industry at large. In view of the significant expenditure and the moneys we're looking at here, would the minister advise the Assembly if industry will be involved in joint funding and, if so, up to what participation level?

MR. CHAIRMAN: Are there any further questions or comments by any hon. members? If not, perhaps the minister would now like to comment.

MR. LEITCH: Thank you, Mr. Chairman. I was asked how long I thought Canada might be a net exporter of energy. I don't know that I would like to put a time frame on that. I do see increased exports for coal over the medium and long term. While the immediate, short-term outlook for additional coal markets is not bright, I think the medium- and long-term market is. In addition, there is always the possibility that the significant volumes of coal now being imported into Canada, particularly by Ontario Hydro, may over time be reduced or perhaps eliminated entirely, depending in part on what action the United States might take with respect to its energy shortfall.

I would hope natural gas exports would be increased. In that connection, a number of applications for increased natural gas export are currently before the National Energy Board. I would anticipate that over time there would be additional electricity exports from Canada. In fact, members of the committee may be aware that some companies are now exploring the feasibility of using coal, particularly in Alberta, to produce electricity here and export the energy in the form of electricity.

So I think there are a number of reasons for us to believe that our energy exports in coal, natural gas, electricity, and perhaps uranium would grow over time. Equally there is the risk that our net oil imports might increase over time. But if I had to make a guess, Mr. Chairman, I would think that for an appreciable time into the future, we would be a net exporter of energy. Certainly if the work of AOSTRA or others resulted in economic development of the deep oil sands, I would think we could, over a relatively long period, ultimately become a net exporter of oil.

That really brings me to the second part of the question of the hon. Member for Calgary Buffalo as to what role the oil sands would play. In the very short term, Mr. Chairman, I would see them as contributing to something in the order of 15 per cent of our total production of oil within Canada. Of course we have two projects: the Esso heavy oil project at Cold Lake, and the Alsands project at Fort McMurray, which would more than double our current production from the oil sands. But again even if those projects received immediate approval, it would be several years before production actually started to flow from them.

Summing it up, Mr. Chairman, in the immediate term I would expect about 15 per cent of the total

volume to come from the two oil sands plants now operating, and significantly larger volumes — certainly not only in volumes but on a percentage basis — in the medium term; that is, over the next six or seven years or so. I would hope that additional oil sands plants would follow the two I've just mentioned; namely, the one at Cold Lake and the Alsands plant.

Turning to the question of coal, which was raised by the hon. Member for Edmonton-Mill Woods, and specifically with respect to coal gasification and coal liquification. Mr. Chairman, they are unquestionably extremely valuable resources. I have no doubt that research into coal gasification and liquification ought to proceed. We of course have a coal research institute, which I anticipate will be more active in the immediate future than it has been to date, though I wouldn't see coal gasification or liquification coming on stream until some time down the road. There is a good deal of technology in the world with respect to both coal gasification and liquification and operating plants. But I think the state of the technology today is such that I doubt they could be done and compete as to cost with synthetic fuels from the oil sands.

Finally, Mr. Chairman, with respect to the question from the hon. Member for Lac La Biche-McMurray regarding industry participation in AOSTRA projects, I think they are pretty well outlined in the annual report of AOSTRA, which I tabled a few days ago. Essentially, the bulk of the funding for AOSTRA has been committed on a fifty-fifty partnership basis with the industry. In those arrangements, AOSTRA retains the right to market the technology; the industry partner in the project has the right to use the technology free of charge anywhere in the world. So in exchange for putting up 50 per cent of the cost, the participant from industry in the project is entitled to use the technology free; AOSTRA has the right to market the technology to all others. A relatively small portion of the funding from AOSTRA goes to individuals in support of research and things of that nature, and there the arrangements are a little different.

MR. PAHL: A supplemental question, Mr. Chairman. I noted in AOSTRA's annual report, in the second last paragraph, that the chairman expresses concern, I guess you might say, that there be a supply of trained people to respond to the very great needs we have in this area. Would this vote of \$36 million, in addition to sustaining ongoing projects, be thought to be an adequate response to Dr. Bowman's concerns to the extent that you can solve that problem with money?

MR. LEITCH: Mr. Chairman, an important question is raised by the member, as well as by the chairman of AOSTRA in his report. Yes, I think the funding now available under this vote and the funding of \$10 million available under the conventional oil enhanced recovery program, which I mentioned earlier and which we'll come to in a moment, would provide adequate funds for the program of which the chairman spoke.

MR. KNAAK: Thank you, Mr. Chairman. Mr. Minister, in light of the fact that heritage savings trust funds are being used to stimulate tar sands development, to some extent we're asked by the federal government to overheat the Alberta economy to meet national supply growth. Has an estimate been made by the department to determine to what extent growth in

crude oil consumption would be reduced if the price moved to the Chicago composite price level?

MR. LEITCH: Mr. Chairman, we in the department have not done estimates of the reduction in demand that might result from an increase in the Canadian price to the Chicago composite price. Perhaps I should amend that to "detailed estimates". I think some 'guesstimates' have been made of that reduction. I don't know that one can ever regard them as more than 'guesstimates' until you've had some history on which to base your estimates. While you can look to European countries or other countries in the world such as Japan, that have gone through that experience, I don't know that that experience can be translated to the North American continent, particularly to Canada, without making some adjustments. I'm sorry I can't give a definitive answer to that.

Unquestionably, much will happen in the way of conservation as a result of significant price increases, particularly in the commercial and industrial areas. Canada has a history of having very cheap energy; certainly in recent years it's been much cheaper than all its competitors. There hasn't been the concentration on energy efficiency or conservation that I'm sure will come, should there be a significant price increase.

From that, rather dramatic changes will occur in buildings. For example, in a few weeks in Calgary a major building will be officially opened that will use as little as 20 per cent of the energy a building of comparable size would have ordinarily used, using conventional heating and air-conditioning systems. That kind of conservation will inevitably occur as a result of increases in the cost of energy. Certainly there's been significant energy waste in industrial plants, in the sense that with very little expenditure the energy consumption can be dramatically reduced.

That applies not only in the commercial and industrial area, but in home usage. Undoubtedly because the cost of heating or air conditioning your home was a relatively small portion of the total living expenditure, not a great deal of attention was paid to matters that could reduce energy costs. As the energy price goes up, undoubtedly much more will be done in that area. But I can't be specific and give percentages. I think we're all satisfied that significant increases in the cost of energy are going to bring about significant reductions in the use of energy, but we're just not able to put percentages or numbers on them.

MR. CHAIRMAN: Are there any further questions or comments?

Agreed to:

1 — Alberta Oil Sands Technology
and Research Authority

\$36,000,000

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

[Motion carried]

2 — Alberta Reforestation Nursery

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

MR. LEITCH: Very briefly, Mr. Chairman, this vote will enable us, if I may phrase it this way, to put the finishing touches on the nursery. In recent weeks I've had the opportunity to tour the nursery and be present at its opening. I'm able to tell the committee with a good deal of pleasure that it's an outstanding facility which has a number of features unique to this type of nursery. A number of visitors from North America and Europe have come to the nursery to examine its facilities, because it's the most up to date of its kind in the world. It's a facility of which Albertans can be very proud. I was certainly pleased to have the opportunity to visit it.

MRS. CRIPPS: The object of this vote is stated to be the production of a total of 20 million seedlings per year, which will be used to reforest certain types of Crown lands. I understand that the present harvesting procedures utilize over 25 million trees a year. Taking into consideration this fact and also the fact that not all the 20 million seedlings will reach maturity, I wonder if the minister could inform the committee what the future plans there are for increasing the production of seedlings needed for total reforestation in Alberta?

MR. LEITCH: Mr. Chairman, we don't have any current plans to expand our production of seedlings. While the hon. member has quite accurately pointed out that the 20 million that will be produced annually in this nursery do not meet the total Alberta requirement, there are other sources of seedlings, in particular companies that are holding forest management agreements.

There are three areas in which seedlings are required or reforestation is being done in the province: first, replacing trees that are being harvested; second, reforesting burnt-over areas; and third, reforesting areas that were cut earlier in our history but not reforested. The total requirement of those three general areas exceeds the \$20 million, as has been properly pointed out. But that shortfall is being met by seedling production from other sources.

MR. OMAN: Mr. Chairman, by way of observation, I read recently that a multibillion dollar project under way in Brazil, I believe, might in the course of 20 years threaten Canada's forest industry. Is there any research going on with regard to new types of trees which would mature earlier and thus, perhaps, our crops could be refurbished on a faster basis than is presently being done? Or is this part of that program?

MR. LEITCH: Mr. Chairman, research is being done at this nursery, and it really takes two forms. One is to grow a better tree of the kind we're now harvesting in the province. The principal trees harvested in the province are lodgepole pine, white spruce, and black spruce. I think a very good program is going on at the nursery in an effort to produce better trees of those species. That involves, for example, selecting the finest trees of a species in a particular stand, taking the cones from those trees and the seeds from those cones, and replanting them to see whether they are in fact a superior tree or whether it was just some accident of growth that that tree turned out so much better than all the others in the stand around it. That deals with some of the work being done to improve the quality of trees native to Alberta that we're now harvesting.

In addition to that, there is at the nursery a program of experimentation with trees that are not native to the province of Alberta. In the visit to the nursery, I was very interested to learn that a Russian larch was doing better with respect to growth rates than native trees. They had little plots of each in the nursery area, and the growth rate of that larch was surprisingly greater than the growth rate of native trees planted in similar circumstances and being tended and nurtured in the same way.

So we are working in the two areas: improvement of native trees, and experimenting with others that might be introduced to Alberta and produce a better timber supply or a better natural resource.

MR. CHAIRMAN: I might point out, for the benefit for the Member for Calgary North Hill, that this particular tree improvement program comes under Vote 5, under Energy and Natural Resources.

Are there any more questions or comments?

Agreed to:

2 — Alberta Reforestation Nursery \$430,000

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

[Motion carried]

3 — Conventional Oil Enhanced Recovery Program

MR. LEITCH: Mr. Chairman, I believe the general remarks I made under the earlier vote for the Alberta Oil Sands Technology and Research Authority covered anything I might say as opening remarks under this vote.

MR. WEISS: Mr. Minister, I believe your department has estimated that some 21 billion barrels of conventional crude oil are left out there unrecovered. Hopefully, through the enhanced recovery program, some 2 billion barrels would be successfully recovered, which is approximately \$40 billion. How soon can you see this coming on stream? Would you give the Assembly a conservative estimate — whether it would be three, four, five, or 10 years?

MR. LEITCH: Mr. Chairman, I would hesitate to make any estimate, except to say to members of the committee that it is unquestionably going to be longer than we would like. As members of the committee would know, in the province of Alberta we now have enhanced recovery schemes employed in our conventional fields. The most common, of course, is the water flood. Members of the committee would also be aware that we have a program within the department where ... Perhaps I should back up a little and say that through the Energy Resources Conservation Board surveillance of production from the conventional fields, the board orders, whenever it thinks it would result in a greater production of oil over the lifetime of the reservoir, the installation of an enhanced recovery scheme. The most common one, of course, is the water flood. If any enhanced recovery scheme could not be economically introduced — that is, the cost of putting in the enhanced recovery scheme would not be economical — there is provision for an application to the department for royalty reduction relief. We consider the economics

of the proposed scheme and, if thought necessary, will provide royalty relief for the oil produced by that enhanced recovery technique.

But in this vote we're speaking of different, new, or what some in the industry call enhanced recovery techniques. I would expect, Mr. Chairman, that it would be a number of years before these exotic, new enhanced recovery techniques came into general application within any reservoir. I think they would need to develop a proposal. That would be done primarily by industry and would be reviewed by the Alberta Oil Sands Research and Technology Authority. If they felt it advisable to proceed with such a scheme, it would be introduced on an experimental basis, perhaps in the laboratories first, and later on in the field on a pilot basis. It would only be after the pilot had run for some time that final decisions about the viability or usefulness of a scheme could be made and put into effect in the reservoir.

Unquestionably these areas of technology take some time to research — in the laboratory, in some cases — put into the field by way of pilot projects, and thereafter, if the pilot projects are successful, put into the field on a full commercial basis.

MR. LYSONS: Mr. Chairman, I'd like to ask the minister if there has been any thought recently about using nuclear explosions for enhanced oil recovery.

MR. LEITCH: I haven't given any thought to it, Mr. Chairman.

MRS. CRIPPS: Mr. Chairman, can the minister outline how the interests of Albertans in the development of procedures funded jointly by the government and industry are being safeguarded?

MR. LEITCH: I'm sorry, Mr. Chairman, I didn't catch the last words of the question.

MR. CHAIRMAN: Perhaps, rather than looking at the minister, the members would address the microphone. Would you like to repeat your question?

MRS. CRIPPS: Can the minister outline how the interests of Albertans in the development of new procedures jointly funded by the government and industry are being safeguarded?

MR. LEITCH: It was the word "safeguarded" that I missed, Mr. Chairman.

As I mentioned earlier, in projects that are joint developments between individual companies in the industry and the Alberta Oil Sands Technology and Research Authority, the Authority acquires the right to market or use or license the technology to all others except the individual company involved in the project. That company, in exchange for putting up 50 per cent of the costs, has the right to use the technology free, anywhere in the world. So the interests of the people of Alberta are safeguarded, or at least they get in exchange for the funds they contribute to the cost of the experimental project, the right to market the technology.

MR. CHAIRMAN: Are there any other questions or comments?

MR. OMAN: Yes, Mr. Chairman. There are a lot of dates and figures being thrown around with regard to conventional crude. I'd like to get some idea from the minister as to whether, in the mid-80s, we're in a situation where we're rapidly going downhill as far as our supplies are concerned. What is an up-to-date picture of our conventional production, say till the end of the century?

MR. LEITCH: Mr. Chairman, I couldn't give that detail to the committee, as I don't have it in my head or in any documents with me. We have certainly passed the peak production capability from the reserves we have discovered to date in Alberta. So our conventional production is going down. To give an update or to estimate what it might be a few years from now, of course, is fraught with a great deal of difficulty. One can say with confidence, and without any reservations whatsoever, that production from our existing reserves will be less each year in the future.

However, in making a total production forecast from our conventional reserves, we have to take into account the possibility of additional discoveries and things of that nature. Of course, members of the committee would be aware that our reserve discovery rate during the past number of years — I think it may be as many as 10 years — has been less than the volume of reserves produced in that year. So our history for the past 10 years has been that we've been discovering significantly less reserves than we've been producing. But there's always the possibility, of course, and I guess it depends on how optimistic one is, that appreciable conventional reserves might be discovered in future. Recently there have been some encouraging reports, but certainly not enough information about them is public, as yet, for us to make any estimate of what impact they might have on the volume of conventional reserves that might be produced in the next 10 or 20 years.

MR. MACK: Thank you, Mr. Chairman. My question is with regard to the enhanced recovery systems. Would it be totally innovative and new, Mr. Minister, or would they broaden some of the conventional proved recoveries, such as the flood? Is it strictly the innovative program they will be zeroing in on?

MR. LEITCH: Mr. Chairman, I don't know that I would say "strictly", but certainly primarily the innovative, the new. As I mentioned earlier, the industry uses such phrases as exotic enhanced recovery techniques. So I wouldn't totally rule out involvement in existing enhanced recovery techniques. But certainly the primary emphasis is going to be on the totally new, untried, enhanced recovery techniques.

MR. CHAIRMAN: Are there any further comments?

Agreed to:

3 — Conventional Oil

Enhanced Recovery Program \$10,000,000

MR. LEITCH: Mr. Chairman I move that the resolution be reported.

[Motion carried]

4 — Grazing Reserves Development

MR. CHAIRMAN: I believe the Associate Minister of Public Lands and Wildlife will speak to this. Would you care to speak, Mr. Minister.

MR. MILLER: Thank you, Mr. Chairman. I would like to say a few words about this program. It's the only program under my ministry that is funded by the Alberta Heritage Savings Trust Fund capital division. It's a program that has been extremely well received. At present we have 10 reserves either completed or partially completed, and the acreage totals 197,900 acres.

The objective of the program, as stated in the manual is:

To diversify and stabilize small scale farming particularly the unproductive grey wooded areas of Northern Alberta by providing additional improved pasturelands.

Mr. Chairman, this has been extremely well received, particularly by younger farmers, in that many of them have been faced with high capital costs for land and, having these pastures available to them, they are able to use their capital funding for other than buying land for grazing. It's resulted in some smaller farmers being in a very viable position, which they wouldn't be otherwise.

It's quite an extensive program, and the money put into upgrading of a lot of this land is — first of all, we acquire the land. Then a planning process as to how to best utilize the grazing reserve takes place. Then we do some brushing and piling, we reseed some of the area that has been brushed, we provide dugouts where they're needed, there's some fencing and corrals.

Mr. Chairman, this is an ongoing program. We presently have two other grazing reserves in the planning stage. I think it's been most successful and that it's a very worth-while project.

MR. BORSTAD: I'm very interested in this project, and I would like to know from the minister if there's money allotted in this program for new reserves, or is this upgrading present reserves. And if there are any new ones, how many?

MR. MILLER: Mr. Chairman, there are presently two reserves in the planning stage. There will be others, but right now they're working on two. This money is allocated primarily for upgrading of the present reserves we have in operation.

MR. LYSONS: Mr. Chairman, I'd like to ask the minister if he could define small-scale farming. The other question would be, are reserves being developed in northeastern Alberta, about where are they, and how big would they be?

MR. MILLER: Mr. Chairman, the average number of cattle of the people who are presently utilizing these reserves is under 40; I think the average is between 30 and 40. It varies from reserve to reserve, and it's hard to say what the number of cattle would be accommodated at each reserve. As the reserves are developed, pasture will be made available for more cattle.

As far as northeastern Alberta is concerned, the department is presently looking at some land which

might be available. To the best of my knowledge at this time, they haven't found a suitable area that they felt could be developed.

MR. LYSONS: Thank you, Mr. Minister. You say there are 40 head of cattle on the reserve. Did you mean 40 head of cattle in total, say a 40-cow herd as the maximum a farmer could have. In other words, if someone had 100 head of cattle, would he be able to put 40 head on a reserve?

MR. MILLER: Mr. Chairman, a committee is set up to allocate the number of cattle per individual as such, and that was the figure I gave you. It averages about 35 or 38 cattle per individual.

MR. THOMPSON: Thank you, Mr. Chairman. I think this is a very good program. I will vote for it, Mr. Minister. But another facet I'm interested in is grazing leases. Over the years there have been instances where the carrying capacity of Crown leases in Alberta decreased by up to 70 per cent. We have techniques at present that can increase the grazing on grazing leases from 300 per cent to 1,200 per cent. I would hope that in future you could recommend to the committee that we look into this area to see if we can do something with our grazing leases. Basically the government of Alberta is the custodian of Crown land, and we are responsible to see that it doesn't deteriorate.

MR. MILLER: I would like to comment on what has been said by the hon. Member for Cardston, and which was so well put forward in the resolution to which so many people spoke in the spring portion of our present session. The hon. Member for Wainwright put forward the resolution, and stressed the fact that in many pastures there's less pasture now than there was 20 years ago because the brush has moved in and taken over. If we look on it as one of our basic natural resources, I certainly would support upgrading those leases so we would have greater carrying capacity.

MR. L. CLARK: Thank you, Mr. Chairman. First, I'd like to say that I agree with the program; I think it's excellent. As far as I'm concerned, in our area there is no place for a grazing reserve. I believe the closest one is the Lost Lake reserve, which is in the planning stage. When some large ranches come up for sale, I wonder if any consideration has been given to turning them into grazing reserves for the people in our area instead of letting them go to some foreign corporation?

MR. MILLER: The Member for Drumheller raises a very good point. The grazing leases would not go to foreign corporations or individuals, but they could be transferred to Canadians.

With regard to his point about grazing in special areas, that is one aspect we haven't come to grips with yet. Our main purpose has been in the gray-wooded or northern areas of the province, where we actually have many acres growing nothing but scrub bush, as it were. It seemed to be the logical place to make a start, to upgrade that land so it would have some utilization as far as grazing was concerned. You raise a very good point about expanding the program into the dryland part of Alberta.

DR. C. ANDERSON: Mr. Chairman, to the minister. I've been receiving a fair number of delegations about the development of grazing leases and grazing land, and the clearing policy. During the clearing of this land, is there any thought of leaving certain areas alongside coulees and the like to create habitat for wildlife, so we can keep our wildlife there, at the same time creating a better space and better pastureland for cattle?

MR. MILLER: Mr. Chairman, the Member for St. Paul raises an excellent point. I would like to report to the Legislature that this is part of the planning process. In the grazing reserves they usually try to leave about 40 per cent of the land in its natural state for the wildlife habitat aspect. They also like to leave some of the trees next to the watercourses, so there isn't the pollution that would occur if it was cleared right off. So we're not looking at a complete brushing, breaking, and reseeding program. It's on a planning schedule which allows for wildlife habitat as well as grazing.

DR. PAPROSKI: Mr. Chairman, I suppose the hon. associate minister and the committee will ask why an urban member would get up to speak on this or ask a question. But I can assure you that even urban members are very interested in this. We recognize very clearly that, 50 per cent of the gross provincial product being agriculture, this is an important item for everybody. Having an item like this on the capital projects division of the Alberta Heritage Savings Trust Fund certainly merits strong support from every member.

The question I'd like to ask, Mr. Chairman: is the cost to the farmer for utilizing these reserves known, and does it vary from area to area? Does the hon. associate minister have any information about the percentage of cattle that are actually utilizing this reserve now, and how does that compare with last year, as a ballpark figure? I think that would be very interesting.

MR. MILLER: Mr. Chairman, I don't have a count on the number of cattle that utilized the reserves last year. It has been going up steadily as the reserves are developed. You would recognize that when a reserve is first set aside, there is a development phase. They would be able to accommodate a small number of cattle while they're getting the fencing in order and doing the brushing and breaking. It's a variable factor that is increasing each year.

On the next question, in regard to cost, the cost varies somewhat from reserve to reserve. Generally speaking, it's safe to say that it is competitive with other forms of grazing costs. In fact, it's less than what the farmer would have to pay if he had to rent land from a private individual who owned grazing land.

MR. CHAIRMAN: Are there any further comments or questions?

Agreed to:

4 — Grazing Reserves Development

\$8,100,500

MR. MILLER: I move that this be reported, Mr. Chairman.

[Motion carried]

5 — Maintaining Our Forests

MR. LEITCH: Mr. Chairman, I don't believe I have any opening comments on this vote. I think I covered most of what I might have said when dealing with the other vote. Members of the committee will note that in this vote we fund the reforestation program, the tree improvement program, and the stand improvement research projects of which I was speaking while dealing with the other vote.

MR. LYSONS: Mr. Chairman, to the minister. I see that there is nothing in this vote for prairie woodlot development. Has your department given any thought to development of prairie woodlots? I understand in several areas in the United States they have done a bit of work in that regard, and it has turned out quite profitable.

MR. LEITCH: I have to interrupt the hon. member there, because I missed the words he's using to describe the program.

MR. CHAIRMAN: I think it was "prairie woodlots". Was that it?

MR. LYSONS: Yes, prairie woodlot block.

MR. LEITCH: [Inaudible] Mr. Chairman, it's news to me. But I'll check.

MR. CHAIRMAN: Are there any further questions or comments?

Agreed to:

5 — Maintaining Our Forests \$3,000,000

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

[Motion carried]

Department of Economic Development

1 — New Rail Hopper Cars

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

MR. PLANCHE: Thanks, Mr. Chairman. I don't think there's anything to be added at this time to the ministerial statement given earlier.

MR. CHAIRMAN: Are there any questions or comments?

MR. NOTLEY: Mr. Chairman, I certainly intend to support this appropriation, and I commend the government for investing money in improving the position as far as rolling stock on the railways is concerned. I'd just like to make several comments which I think are relevant on this question.

In the past number of years, Mr. Minister, we've seen a situation where in fact governments and, last spring, farmers themselves have had to get into the business of supplying a portion of the capital that one would

expect the railroads to make available in the normal course of their business. That's what the railroads are supposed to be doing. But over the last number of years, we've seen the government of Canada purchasing hopper cars. The railroads weren't doing that, somebody had to, and the government of Canada did. Last spring we saw the situation where the Canadian Wheat Board had to use farmers' money to purchase hopper cars. Now we've seen the situation where the governments of Saskatchewan and Alberta — quite properly, and we support the position taken — have to allocate substantial amounts of public money to purchase rolling stock for the railroads.

As a first comment, Mr. Chairman, I would say that I find it very difficult to accept the proposition of the railroads that we must throw out the Crowsnest Pass rates and bring in a user-pay system when, in actual fact, over the last number of years we have been systematically relieving both CN and CP of much of the normal responsibilities of replacing capital, of instituting modern equipment, so they can keep pace with what is going on. No member of this Assembly is opposing the particular appropriation today, but I would have to express some considerable scepticism when I hear from both major railroads the plaintive cries that we have to get rid of the Crow rates and give them not only capital equipment that the taxpayers are purchasing but rates which in fact are user-pay rates. With the likely increases in energy costs that are forecast and almost certainly will take place over the next several years — you can argue about how fast the increase will occur, but there's no doubt that the costs of energy are going to mount considerably — I don't think agriculture in western Canada can stand the application of user-pay rates on the railroads.

As we look at this question of negotiating rates, it seems to me that we have to be fairly candid with the railroads. We have to say to them that they can't have it both ways. In fact they are getting a large part of their capital equipment paid for by the taxpayers of Alberta and Saskatchewan, the farmers themselves, and the government of Canada. They can't then turn around and say, give us user-pay rates too. They can't have it both ways, yet certain people would like to have it both ways. Mr. Chairman, as a member of this Assembly and a member of this Committee of Supply, I feel pretty strongly that we have to state that case as far as the railways are concerned.

Mr. Chairman, there are alternatives. We've had the Hall commission recommendations, for example, that would pay the difference between a compensatory rate and the Crow rate. But even there, should the government of Canada accept the recommendations of Mr. Justice Hall, it seems to me that we have to bear in mind that the huge capital investment we are collectively making from the public sector — two provinces, the government of Canada, and the farmers — has to be calculated in looking at the difference paid between a compensatory rate and the Crow rate.

Mr. Chairman, I would just say that I was a little concerned, and perhaps I should take this opportunity to express that concern. I gather that the Minister of Agriculture is indicating in this House — at least he did last week — that the Alberta government has not yet arrived at a position on the issue of paying to the railroads the difference between a compensatory rate and the Crow rate, as opposed to this other suggestion that somehow we would pay the difference to the

farmers. I think the suggestion of paying the difference to the farmers might look attractive in the next year or two, because many farmers have considerable trucking costs. But with energy costs rising and trains being approximately six times as energy efficient as trucks, I really question whether we should be locking the farmers of all western Canada into a situation where we're going to be encouraging modes of delivering grain which are not as energy efficient as possible. When we get \$20-a-barrel oil, \$30-a-barrel oil, or whatever the price will be in the future, it seems to me that that will become increasingly self-evident.

So I would like to say to the government, Mr. Chairman, that I think we have to be very sceptical of this proposal to simply hand the money back to the farmers. Over the long run, I think it would create a built-in incentive to develop an energy-inefficient delivery system in the province and the country. Second, and equally important, the bureaucratic maze of sending out 140,000 or more cheques to farmers all over western Canada would be difficult to calculate and would demand an army of civil servants to administer. I really question how efficient that is.

But the third reason is probably even more basic. I would say to the farmers of western Canada that the worst possible deal would be their getting money directly in exchange for the Crow rate. It would not be long before a federal government, deciding to restrain expenditures and trying to balance the \$11 billion deficit, would begin to cut back on that difference. Instead of keeping pace with the rising costs, on one hand we'd find a freezing of the differential payment to farmers, while on the other the actual costs of operating the railways and the user-pay would be going up. From the bottom-line position of a lot of farmers in this province, I think that would be a very questionable exchange to get into.

Let's also not be naive about what would happen. There will always be individuals who will take advantage of that kind of system. All we need to do is find one farmer who cashes in his Crow rate equivalent cheque to go to Florida. It becomes national news, and all of a sudden it becomes part of a mini-scandal that would be used by politicians who are not sympathetic in the first place to say, can we really afford this kind of thing when we've got a huge federal deficit? I say to members that, in my view, the Crow rate equivalent is a blind alley which would be a serious mistake for us as a province to consider.

That does not, however, change my view on the specific request we have this afternoon. I certainly think the request for \$15 million and the purchase of the hopper cars are reasonable. I would ask the minister, though, when he concludes debate or if he wishes to answer individual questions, perhaps to advise us what prospects he would see, in view of the Saskatchewan commitment as well as the Alberta commitment and the need to expand our fleet in the future, of developing an indigenous industry in western Canada, because we're looking at some years. It seems to me that's the kind of thing that, frankly, would create a reasonable business opportunity for western Canada at this time.

MR. R. CLARK: Mr. Chairman, I just want to make one rather brief comment. As we've indicated earlier in the Assembly, we're quite supportive of the proposition that's been put forward. But, Mr. Minister, in five or

three years time we find out that rather than 18 or 19 days, whatever it is now, turnaround time for cars coming from someplace in Alberta to Vancouver port and back, we find that because we have additional cars it's taking 25 or 30 days, then the whole purpose of the purchase of the cars would be, in my judgment, totally missed. From some of the discussions I've had not only with farm groups but with rail people and some of the elevator people, unless in addition to moving the cars we continue to put the pressure on to get some changes made, let's say, at both ends — and quite likely in the middle also, but primarily at both ends, Mr. Minister — we're simply going through what could appear on the surface to be a very fine gesture, as far as the heritage fund is concerned, to buy some more cars. But if we simply have more cars sitting on the sidings, I think we're not serving any purpose at all.

I'd like to make one other point, Mr. Chairman, and I know I said I'd just make one point. I say a bit facetiously but not totally facetiously to the Minister of Agriculture and to the Minister of Economic Development: from the standpoint of transportation and Alberta's transportation problems, with the Prime Minister being from Alberta, the national Minister of Transport being from Alberta, and now the grain co-ordinator being from Alberta, the stars will never be in such a perfect line in the future again. If we don't make some progress in the next year or two, we will have missed the chance. I include in those stars the Heritage Savings Trust Fund in Alberta, if it has to be used in some manner in addition to this. But let's not come back in two years or five years and lament the problems, because the stars are never more properly lined up than they are today. I would never want to have remind members that I made this speech in the House. But just in the event I might need to, I put it on the record, because I think the situation is unique in the history of all of western Canada. Let's not miss the boat, and let's not be satisfied with simply having cars sit on the tracks for longer periods of time.

MR. LYSONS: Mr. Chairman, to the minister. Of all the things I discussed with people at home over the weekend, I don't think I've ever found anything that was more encouraging than their support for the purchase of these cars and Alberta's direct effort to help rural Alberta.

One of the things I'd like to mention is that by having these cars, and with the co-operation of Saskatchewan and the federal government as well, we should be able to save our road system dramatically by having more grain moving more efficiently by hopper car.

But there are a couple of questions. What strings, if any, are attached to the use of these cars? I'd just like to point out that I think you're wise in the decision to purchase these cars, because — and it's probably one of the very few times I've ever agreed with our colleague from Spirit River-Fairview — we're putting our money where our mouth is, and we should be able to have a say in grain transportation.

In particular, I wonder if the minister has had time to address himself to the movement of grain or rail in general on the one track out system and the other track back. Have you had any leanings that way?

MR. KNAAK: Mr. Chairman, I just have a comment and then a question. First I would like to say that I too

fully support the acquisition of the grain cars. One of the problems of the bottleneck in transportation is that in a way the bottleneck frustrates the research, and the results of the research developed by the Department of Agriculture now. What in fact has happened is that the productivity of farmland has increased significantly, and what has to happen now is that farmers have to use their land ineffectively. My broad comment is strengthening the Alberta economy. Surely agriculture, our renewable resource, is still one of the strongest pillars of the Alberta economy, and I have to give credit to the work of the Department of Agriculture in the area of research. I think the low erucic acid rapeseed is one of the best examples of strengthening the agricultural sector.

But the point is this: without eliminating the bottlenecks in agriculture, the improvements in productivity and yield are of no effect or no result. A really significant aspect of the strengthening of the Alberta economy is lost, because we can't sell because of transportation bottlenecks what is more than internationally competitive.

So I too realize it's a very complex and difficult problem, but certainly support the proposition that if we're ever going to get it done, this is really the time that looks most optimistic for us.

The question I have is: who will be paying the maintenance and repair of these boxcars? Will it be the railway, or will the western provincial governments continue to bear the cost?

Thank you.

MR. CHAIRMAN: Three more members have indicated they wish to participate in the discussion on the resolution: the Member for Wainwright, the Member for Three Hills, and the Member for Calgary Buffalo, in that order.

MR. STEWART: Thank you, Mr. Chairman. I also take this opportunity to agree that in my estimation the purchase of the hopper cars was a step in the right direction. Prior to the announcement of Saskatchewan and Alberta to invest in hopper cars, the Minister of Transport made the statement that several thousand conventional boxcars would have to be put through a repair shop in order to keep them in the transportation system long enough to enable this country to move its grain, prior to additional hopper cars being purchased.

One of the things the minister mentioned in his announcement of this purchase was that we would not be able to manufacture these cars in Alberta, but would have to go to some other part of the country to get them. I read an interesting article the other day about a possibility that the people of China had the steel and could possibly, in a trade deal with Canada, purchase some of the high-grade coal we have and could prefabricate a lot of these hopper cars, which could then be shipped to Canada and assembled.

I wonder if the minister has given this any consideration, if it's part of an ongoing plan, or if he would elaborate on it in his summing up of this particular item.

MRS. OSTERMAN: Mr. Chairman, for all the obvious reasons, I too support this move to purchase hopper cars. Even though the hon. Leader of the Opposition has been talking about heavenly bodies, I think we're

in a position where we need some pretty hard, earthly solutions to our transportation problem. The Member for Vermilion-Viking has talked about strings being attached to these hopper cars, and I hope the minister will give us his knowledge, information, or proposed plan to make sure they in fact are utilized to the greatest degree.

DR. BUCK: Mr. Chairman, I would just like to . . .

MR. CHAIRMAN: The hon. Member for Calgary Buffalo followed by the hon. Member for Clover Bar.

MR. SINDLINGER: Mr. Chairman, first of all I would like to say that I support the purchase of these hopper cars through the use of the heritage fund, but the direction the government's going to take relative to the Crow rates gives me a great deal of concern. I have some background in that area. I completed a masters thesis on freight rate discrimination, and since that time I've followed the subject with a great deal of interest. The more I follow the subject, the more confused I become about the Crow rates and freight rate discrimination.

The major concern I have is in regard to the compensation the railways will be paid for carrying grain products, those products currently carried under the Crowsnest Pass rates. The major contention the railways have had for the abolition of those rates has been that they haven't been compensatory, that they don't cover the costs, or that the financial reward isn't great enough to warrant an investment in new equipment.

So the question that comes to my mind now and the problem I have difficulty dealing with is, now that we're in a position to provide the capital for those cars, what level do the rates go to from the Crow rates to a new compensatory rate? If a new rate is struck to replace the Crow, will that rate take into account the fact that the heritage fund as well as the governments of the other two western provinces, Saskatchewan and Manitoba, have put up the capital for the new equipment, and that the rate will be reasonable, there will be a reasonable rate of return?

I've done enough studies of railway freight rates — and I'm sure the Alberta government has too, now that they've acquired railway transportation costs after 1973 from the Canadian Transport Commission — to determine what the rate of return is on the movement of a particular product. It's not unusual to see rates of return in the order of 200 to 300 per cent on the movement of particular products. Now I would certainly hope, and I would seek an assurance from this government, that after the provision of that capital equipment, the rates that replace the Crow rates don't rise to such a level, and that the rate represents a reasonable rate of return on the actual capital and the actual costs of moving grain.

DR. BUCK: Thank you, Mr. Chairman. I support the question before us, but I just wish to say to the new minister and members of the Assembly that I want them to guard against thinking this is going to solve all our problems. It seems we feel that because we spend the money on the cars it's going to solve our problems. The problem, and the information I have received, Mr. Chairman and members of the committee, is not only the vehicles we are going to put in place to

move the product, but the problem is at the collecting end and the dispensing end.

I think it's our responsibility as members of the Assembly not to raise false expectations in the minds of western farmers that we're going to solve all the problems of moving grain because we invest in hopper cars. I would just like to bring to the attention of the hon. minister and the Minister of Agriculture, now that we have the government grain terminals in our possession, let's make use of these things. Let's start cleaning, collecting, grading and separating our grains out here on the prairies. Let's look at the innovative usage of unit trains. The problem is not just in transportation. The problem is in collecting and treating out here and then getting it onto the water.

I would just like to add that word of caution to members of the committee, Mr. Chairman. Let's not think this is going to solve all the problems we have in moving grains.

MR. SINDLINGER: I would like to make a supplementary comment in regard to what the Member for Clover Bar has just made. Some time earlier this session, I passed out a sheet of paper to all hon. members. I had intended to use that in support of some comments I was going to make prior to this time. However, I wasn't called upon to make those comments, and everybody's been asking me what that sheet of paper was for.

Well, that piece of paper relates directly to the comments just made this afternoon; that is, what happens to our grain handling distribution system? The point is, there is more to the distribution system than just railway hopper cars. There are bottlenecks and other problems as well. But that little matrix sets up a little fire station where one person is in charge of seven fire engines. He's called upon to allocate those seven fire engines to seven different fires. While I was speaking I had intended to ask members to look at that little sheet and tell me which was the most efficient way to allocate those seven fire engines to the seven different fires. I've gone through that exercise before with a lot of learned people, and it's taken them a great deal of time and effort to figure out which is the most efficient allocation of just those seven engines to the seven different fires.

One time I did it for a company that had 500 railway cars, all LPG cars carrying propane. Those cars originated at seven different origins and went to 51 different destinations. I gave them that little matrix of the seven fire engines and asked them to figure that out. After 15 minutes they couldn't do it, so I gave them the answer. But then I pulled out another matrix that had those seven origins and 51 destinations for 500 different cars and asked them, if they couldn't do the seven engines, how in hell could they do this for 500 railway cars? Well, it's very difficult. It can be put on computer, which is what I did. After running it through the previous year, we found we could reduce their total cost by 25 per cent, which relates directly to the comment earlier today by the hon. Leader of the Opposition about turnaround times.

If these cars can be brought under the control of one dispatcher, you're going to have a better turnaround time. I think we'll find that Dr. Horner, being in the position he is now, will have the ability to control more efficiently the allocation of rail cars for grain distribu-

tion in western Canada. I have a great deal of confidence that we're going to see benefits from his appointment and from the purchase of these rail cars in the near future.

I think that's what I wanted to say.

MR. CHAIRMAN: Any more comments? Would the hon. minister like to respond to some of the comments?

MR. PLANCHE: Thank you, Mr. Chairman. I was able to observe two things: it's a very complex issue, and there's a great awareness among the people in this Assembly as to the ramifications of the issue and the difficulties in solving it.

The other observation I'd like to make is that everybody is unanimous in support of the purchase of the cars. I've rationalized it in my own mind as: we simply have to begin someplace. We can't wait forever for everybody around us to change the rules that affect our livelihood. So with a start with the three inland terminals, 1,000 grain cars, the Prince Rupert terminal, the man who has the drive and hustle to get this thing put together, and some of the other ancillary stuff that is important, perhaps we can come to some kind of solution in a medium term.

I'd like to make some very brief comments, starting with the Member for Spirit River-Fairview, but with the clear understanding that I'm handicapped not by any particular in-depth knowledge of the situation. One of the things that is very clear is that as energy prices increase, the difference between compensatory rates and Crow rates is going to become magnified. If we're grappling with the problem now, by next year it's going to be a great deal worse, and the year after that a great deal worse again. For better or worse, we're going to have to address ourselves to the issue of whether we're going to allow compensatory rates to come into effect on the railroad.

I've heard it said about the railroads being the kick-me for all problems. Some people in my department have pointed out to me that if we put the same amount of taxpayers' money into rail beds as we do into highways, over the longer term we would probably have driven a lot more people to rail use. That becomes a very predominant fact now when the railroad mode is so energy saving. Perhaps it's a little late in the day for that. But I think we all should remember that, after all, only three provinces in Canada don't have some kind of salt water access, and Ontario has been given that through the seaway by the people of Canada. So there's a federally owned rail bed, if you like, that they sail boats up and down. Perhaps if we had a federally owned rail bed from here to the coast, compared to what they are now the rates would make a great deal of difference in terms of economics. I appreciate the remarks very much because they're thought provoking, and certainly philosophically there's lots of meat there. Whether we can bring them to fruition in the time that's of interest to our farmers, I'm not sure.

The indigenous industry problem is, of course, of great interest to us. I guess the problem is that some industries across Canada are equipped to produce railcars. They produce them by allocation from the Wheat Board. One of the factors in the choice of where those orders are placed is employment and regional disparity. I'm sure we could manage to give the first order here, but because we purchase on the basis of low tender in this province, whether they'd be successful in

an ongoing way in only a railcar business troubles me. It seems to me if we're going to get involved in down-range economic development; the responsible thing for us to do would be to be certain the things we have in place have a natural advantage. I appreciate your remarks. We haven't dismissed the idea. But, in fairness, people tend to build around industries; if the industry can't stand on its own, the little guy around it goes under when the props are kicked out of the big one. So we have to watch that.

In terms of the astrological forecast, I don't want to leave the impression that the solution of this problem is 24 months. I think it would be premature of you to stand up in 24 months and say, look, nothing has happened. I want it on record now that this problem is one of a full chain of events, some of which are within our control, some of which aren't. This is only one part of that total chain. I take a medium view rather than a short view. I don't think you could expect this to be a panacea for industry problems in 24 months. I'd like that to be on the record.

In terms of the 19- to 25-day turnaround, I agree with you altogether. When we made the remarks earlier that these cars would be for Alberta use, I was primarily thinking that we should have a caveat on them to be sure we have enough of them to block-train from these terminals, if in fact we can have a balanced flow. If we can do it with less than 1,000 cars, then of course the cars would become deployed maybe in other ways and to other people. But in the short term we'd like to keep that sticker in place. It wouldn't be our intention to use them just for board grains either. We would use them for non-board grains as well — feed, rapeseed, and other commodities grown by our growers.

The question of maintenance and flowback of rates after we leave the Crow rate, if that's our purpose, and get the compensatory rates, is a subject of negotiation with the Wheat Board or the railroad. To tell you the truth, I haven't addressed myself to that completely, other than in the short term. As long as we're on Crow rates, it wouldn't be our intention to be paid for the use of the cars.

As for the proposal from the People's Republic of China, we don't have one yet. Maybe the people in the department have. Since the announcement came out in the House, I'm rather surprised I haven't had a single phone call indicating any interest to supply the cars. So I guess we have to go looking for people to build them. It seems to me that's part of the Canadian malaise.

Whether the Crow rate will be adjusted upward, and all the ramifications of that, is at this point hypothetical, and I don't think it's appropriate for me to comment.

Finally, I would only like to say that I don't think anyone in this House who is going to vote should do it on the basis that they expect this to be a solution to a problem. It's intended to be a partial solution; it's intended to express our impatience with the history of events that led us to a position where our growers can't sell their product. No more than that. In addition to several other initiatives we're prepared to take over the shorter term, we hope to have a solution in the medium term.

Thanks, Mr. Chairman.

MR. BATIUK: Mr. Chairman, just a few comments. Being a member of the Alberta Grain Commission I must also add my satisfaction with the purchase of the 1,000 hopper cars. Just two months ago at our meeting it was passed that we recommend that the Minister of Agriculture lease some hopper cars, because in many areas of the province individual farmers are having great difficulty moving their grain.

What concerns me most, and it's been mentioned, is that if the railroad had upgraded their railroads from time to time maybe they would have been much more efficient and had much more use. I can agree. When we look back, the Canadian Pacific railway received half the mineral rights in Canada for putting a railroad across the country. There's nothing wrong. But I think when they start to abandon maybe they should be losing those mineral rights proportionately. During the times when the profits were lucrative, instead of putting money to upgrade their railroad systems they invested their money elsewhere.

I recall very well a few years ago the intention to build the Chateau Lacombe hotel for \$8 million. It passed in two or three days without any problem. Then in rural areas, when it came to \$50,000 or \$100,000 to upgrade 20 or 30 miles of railroad, you'd have hearings and meetings all over. In the end the railroad would be abandoned. That's my only dissatisfaction. I think if the railroad companies had upgraded their systems, they would have been much more efficient and maybe it would have been cheaper to keep our roads in good condition.

Agreed to:

1 — New Rail Hopper Cars	\$15,000,000
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MR. PLANCHE: Mr. Chairman, I move the resolution be reported.

[Motion carried]

Department of Environment

1 — Capital City Recreation Park

MR. COOKSON: Mr. Chairman, perhaps I could say a few words about the total amount to be voted. It would be of some interest, particularly to the new members of the Assembly, who are perhaps not familiar with the program that was started in 1974. At that time the government initiated two programs, the Capital City Recreation Park and Fish Creek Park in Calgary.

The Capital City Recreation Park is located in the valley of the North Saskatchewan River. Those who aren't familiar with the general area should perhaps take a walk through it, since it's almost completed. It's within the limits of the city of Edmonton with the exception of one part, the Strathcona Science Park, which at the present time is still in the county of Strathcona, and one doesn't know just where it will be after the annexation hearings. Three city parks — Rundle, Hermitage, and Gold Bar — have been developed as part of the total Capital City Park. There are approximately 18 miles of hiking and bicycle trails which join the new parks on both sides of the river with previously developed recreation areas upstream. Four cross-river bridges join the trails on either side to permit loops of varying length for hikers, bicycle riders, and cross-country skiers. There are a number of

amenities in the form of rest stops, picnic shelters, and viewing decks. The valley itself within the confines of the park system, from the High Level bridge to the Cloverdale bridges, has been upgraded by general landscaping.

One of the objectives of the total concept is to obtain the necessary land, utilize the natural features, convert former industrial and sanitary landfill areas to recreational use, and add scientific resource oriented exhibits.

River banks are protected with berms and other protective features. In some of the work we were fortunate, or unfortunate, to locate a special archeological area in part of the Strathcona Science Park area. It is now estimated to be possibly 4,000 years old, and we're taking special steps to make sure that this area is protected and preserved.

The total project commenced in 1974. We let the first contract for trails in June of '76, and the work within the limits of the city essentially was completed by July 1978. Construction started in the Strathcona Science Park area in '78, and our time frame indicates that it should be completed in early 1980.

I think it was an excellent concept; it has been an extremely worth-while project. For those of you who have had an opportunity to view the area from the air or who can observe it from the river banks, it's an extremely excellent contribution to the city of Edmonton and to those visitors who might to come into the city.

It's pretty well on target in terms of construction completion. By this time most of the land, or perhaps all of it, has been purchased. The costs have come pretty well within the guidelines set down originally when one considers the escalation factor for inflation.

Mr. Chairman, that's all I can add, except to say that it is in the wind-down stage at this time.

DR. BUCK: Mr. Chairman, to the hon. minister. Can the minister indicate what the total expenditure is now on the Capital City Park here in Edmonton?

MR. COOKSON: Mr. Chairman, I don't know whether I can give the exact figure. The original estimate, excluding the land, was in the area of \$34 million. Then of course because of escalation of inflation and taking into consideration the purchase of the land — a few acres still have to be expropriated — I think the total figure will be in the area of \$45 million, including the cost of the land.

MRS. CHICHAK: Mr. Chairman, a few comments and I'd like to put a couple of questions to the minister. Insofar as comments are concerned, I'm very pleased, both for myself and for citizens of the city of Edmonton, that we did move on the development of a provincial park within the boundaries of both this city and the city of Calgary. I think the decision to put into place a provincial park where there is a high concentration of citizens was a very forward step in our whole parks program in the province. At the time when this Legislative Assembly embarked on the debate to ask the government to consider the development of provincial parks within the boundaries of the major urban centres, back in 1973, we were of course contemplating that the Commonwealth Games would be held in this city in 1978. We were predicting that in all probability the official opening of the park, the whole development in this city, would take place by then.

I think some considered it a far-fetched dream. All the planning from stage one — right from developing the concept to all the other detailed plans and the tendering for the work — to completing all work just didn't seem feasible within a period of five years, the time frame in which that would take place. Nevertheless, it was a feat that was completed.

I know that we as a provincial government were very pleased with the co-operation received from the city council of Edmonton. Without that co-operation, the time frame might not have been reached. Initially, in the 1960s as I recall, when my interest was to some degree directed to municipal government, I explored the plans of the city of Edmonton with respect to development of the river valley for parks. Although they had a long-term goal in developing the river valley, they really envisaged the difficulties they would have and really weren't certain that that could be achieved because of the extensive costs the city would have to face. They felt it would be an unfair burden on the tax payers of the city of Edmonton.

So when this Assembly considered moving into developing provincial parks within the cities, it was indeed a step forward. Today, the major part of the park having been developed and officially opened in 1978 and with the continuation we're now having, I'm very pleased with the progress towards reaching some of the final plans that were put forward.

The minister made reference to land expropriation that still had to be completed or carried out. I'd like the minister to indicate whether this is with respect to simply determining the fair price to be paid for residential land; that families wish to sell their properties and move into another area, so expropriation is a mechanism to determine the fair price. Or is this in fact an area where it is prior to the time the families are ready, of their own volition, to move out, and are being asked to relocate because of the direction of the development? I would be interested in knowing the answer to that, because I would have some concern over forcing people to move out of the river valley prior to the time that they really are ready to move.

The other question I would like to pose is whether dialogue has taken place with Edmonton city council with respect to the kind of development that might take place along the river bank in the upper level, or whether there's some restricted development in that area so that citizens are not shut out from enjoying the river valley by the development of high-rises and private developments.

Perhaps the minister may want to deal with those comments, and on the next day I may have a few more points I'd like to raise.

MR. CHAIRMAN: Any other questions or comments? Would the hon. minister like to reply?

MR. COOKSON: Mr. Chairman, I haven't with me the actual acreage involved in terms of expropriation. But normally, on expropriation, we ... In this case, by the way, the initial purchase of the land is arranged by the city of Edmonton itself, then the province contributes the amount required toward the purchase of the land. So it's initiated by the city. If a residential area is included within the boundaries established for the park, the normal procedure is to give them sufficient time to find other equivalent property. They come under the home for a home concept. I would think the

city would permit them to remain there as long as was reasonably required, and still be able to accomplish what we're attempting to do there. The Expropriation Act makes provision for an initial payment, and the balance is arrived at through the expropriation process.

That's really all I can say about the position of these properties at this time. The province will have a contract with the city, and we're presently working in the area of the problem of policing and shared costs. So they will still have — and I'm sure the city will be interested in this too — provisions that will protect the Capital City Park from any kind of incursion by a high-rise or anything of this nature. I would think too that the regional planning commissions and the planning commission within the city would not permit this sort of thing to happen.

MRS. CHICHAK: Mr. Chairman, I would like to ask the minister, as well — I know that the initial plan for the development of the river valley was from the 109 Street bridge to the eastern boundary; some 9 miles in length. I wonder whether the minister has had any representations to consider moving slightly in the westerly direction along the river, insofar as the riprapping of the river bank to stabilize it, and perhaps to provide some bicycle or hiking trails, to enable the citizens to enjoy the river valley in the other direction; and whether there are already some picnicking or recreation areas that are partially developed, and whether the city has approached the minister to consider assisting it to develop these, particularly in the Fort Edmonton area, which is a natural drawing card for tourists. When we're looking at expanding our tourist development program for the province, the funding might then be considered to be obtained from the budget for the Minister of Recreation and Parks. I wonder if there's been any exchange or dialogue on the part of the Minister of Environment to look at that area, because initially the guarding of the river valley and stabilization of the banks of the river would come under the minister's jurisdiction.

MR. CRAWFORD: Mr. Chairman, perhaps the minister could deal with those matters when the committee

reconvenes. I move the committee rise, report progress, and ask leave to sit again.

[Motion carried]

[Mr. Speaker in the Chair]

MR. APPELBY: Mr. Speaker, the Committee of Supply has had under consideration the following resolutions, and reports as follows:

Resolved that from the Alberta Heritage Savings Trust Fund, sums not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1981, for the purpose of making investments in the following projects to be administered by: the Minister of Economic Development, \$15 million for New Rail Hopper Cars project; the Minister of Education, \$639,000 for the Alberta Heritage Learning Resources project; the Minister of Energy and Natural Resources, \$36 million for the Alberta Oil Sands Technology and Research Authority project; \$430,000 for Alberta Reforestation Nursery project; \$10 million for Conventional Oil Enhanced Recovery Program project; \$8,100,500 for Grazing Reserves Development project; \$3 million for Maintaining Our Forests project.

Mr. Speaker, the Committee of Supply has also had under consideration certain resolutions, reports progress thereon, and requests leave to sit again.

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

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, it is not proposed that the House sit this evening. In forecasting tomorrow's work, I regret that I'm unable to say at the moment whether the House would sit tomorrow night. I'll try to get that information to the hon. members of the opposition as early as possible tomorrow.

[At 5:29 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]