

LEGISLATIVE ASSEMBLY OF ALBERTATitle: **Thursday, October 29, 1981 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS****Bill 85****Labour Relations Amendment Act, 1981**

MR. YOUNG: Mr. Speaker, I request leave to introduce Bill 85, the Labour Relations Amendment Act, 1981.

Mr. Speaker, the Bill contains several amendments, two of particular significance. In the case of a newly certified union, neither the employer nor the union may cause a work stoppage for 60 days following certification if a notice to commence collective bargaining is served. Secondly, in the event of an application for union certification by petition, these amendments would assure that the Labour Relations Board would maintain in confidence the names of the petitioners.

[Leave granted; Bill 85 read a first time]

Bill 87**Mines and Minerals
Amendment Act, 1981 (No. 2)**

MR. LEITCH: Mr. Speaker, I request leave to introduce a Bill, being the Mines and Minerals Amendment Act, 1981 (No. 2).

Mr. Speaker, the principal purpose of this Bill is to make changes in the system of registration of financial transactions which is now in the legislation.

[Leave granted; Bill 87 read a first time]

Bill 88**Natural Gas Pricing Agreement
Amendment Act, 1981**

MR. LEITCH: Mr. Speaker, I also request leave to introduce Bill 88, the Natural Gas Pricing Agreement Amendment Act, 1981.

This being a money Bill, His Honour the Honourable the Lieutenant-Governor, having been informed of the contents of this Bill, recommends the same to the Assembly. Mr. Speaker, the principal purpose of the Bill is to enable the Alberta Petroleum Marketing Commission to make payments to the federal government of the market development incentive payments that were part of the energy agreement of September 1, 1981.

[Leave granted; Bill 88 read a first time]

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. ISLEY: Mr. Speaker, it is my pleasure to introduce

to you, and through you to members of the House, a group of five people from the constituency of Bonnyville associated with the St. Louis hospital board. They're seated in the public gallery. The individuals are provincial superior of the Sisters of Charity and a member of the St. Louis hospital board, Sister Mary Ellen O'Neill; chairman of the St. Louis hospital board, Mr. Marcel Ducharme; member of the St. Louis hospital board, Mr. Norman Ouellette; member of the board and member of the provincial hospital's privileges appeals committee, Mr. Ted Bodnar; and administrator Mr. Simon Dallaire. The hon. Minister of Hospitals and Medical Care will be pleased to hear they had a very pleasant and productive meeting with members of his staff this morning, hence will not be asking for an audience with him. [interjections] I ask that they rise and receive the welcome of the House.

MR. TRYNCHY: Mr. Speaker, it's my pleasure today to introduce to you and to the members of the House some 40 grades 7 and 9 students on travel option from the Whitecourt Hilltop school in the constituency of Whitecourt. Seated in the members gallery, they are accompanied by their teacher, bus driver, and parents. I ask them to rise and receive the welcome of the House.

MR. WOO: Mr. Speaker, I am pleased to introduce to you, and through you to members of this Assembly, a class of 68 grade 6 students from Brentwood elementary school located in the constituency of Sherwood Park. Accompanying the students this afternoon are their group leader Mrs. Keith, teachers Mrs. Hughes and Mr. Ebert, and three parents, Mrs. McBride, Mrs. Ostermeyer, and Mrs. Tenaka.

It will be of great interest to the Minister of Tourism and Small Business, the Member for Peace River, to know that these students had the opportunity this morning to visit the habitat of an endangered species in the province of Alberta. They spent the morning at the VIA Rail yards. The group is seated in the public gallery. I ask the students, teachers, and parents to rise, in order that they might receive the warm welcome of all members.

MR. GOGO: Mr. Speaker, I would like to introduce to you, and through you to members of the Assembly, some special visitors from the province of Newfoundland. We have Mr. Tom Doyle, who is the new chairman of the Alcohol and Drug Addiction Foundation of Newfoundland and a former minister of tourism in that province, and with him Mr. Wayne Smith, the new executive director. They're out here in Alberta looking at AADAC as perhaps a means of developing some programs. They're seated in the members gallery. I ask them to rise now and be recognized by the Assembly.

Mr. Speaker, there are additional people in the House I'd like to introduce to you and to members of the House. We have the chief magistrate of the city of Lethbridge, Mayor Anderson, and Alderman Martin and Alderman Carpenter from the city of Lethbridge. They're also in the members gallery. I ask that they rise and be welcomed by the Assembly.

head: **MINISTERIAL STATEMENTS****Department of Culture**

MRS. LeMESSURIER: Mr. Speaker, I take great pleas-

ure in advising members of the Legislative Assembly that Head-Smashed-In Buffalo Jump, located 12 miles west of Fort Macleod, was nominated to the UNESCO World Heritage List by the world heritage committee at their meeting in Australia on October 27, 1981.

Head-Smashed-In is the finest surviving buffalo jump in North America. It's located at the south end of the Porcupine Hills. It consists of three components: a gathering basin where the herd gathered; a steep cliff and kill area, over which the buffalo were run; and a campsite below the cliff, where the people camped and butchered the animals. The site covers about 15 square miles and provides a nearly continuous record of the use of a sophisticated communal hunting technique by native peoples for the past 5,700 years.

The site had previously been designated a provincial historic resource in 1979. The site is exceptionally well preserved, and one of the oldest of its kind. Considering the excellent opportunity to reconstruct the cultural history of the site, and the impressive appearance of the locality, Head-Smashed-In is a prime candidate for development of an on-site public interpretation program.

Twenty-four new sites were nominated to the World Heritage List, bringing the total number of designated sites throughout the world to 112. Two Alberta sites, the Dinosaur Provincial Park, near Brooks, and Head-Smashed-In, join five other Canadian sites on the list. Four of the sites are provincially owned, and three fall under federal jurisdiction. Sites are nominated to the World Heritage List because of their natural beauty, historical significance, or both. Two other sites nominated at the same meeting were the Great Barrier Reef in Australia and the old city of Jerusalem and its wall.

head: ORAL QUESTION PERIOD

Royalty Tax Credit Program

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Energy and Natural Resources. It's with regard to the royalty tax credit program. We welcome that announcement by the minister in terms of hopefully helping some of the small oil businesses in Alberta at the present time. We also feel that the tax program is an addendum to the energy agreement, and indicates the shortage that was in that and the mishandling of completing that agreement. [interjections]

My question to the hon. minister is: at this point in time, what across-the-board effect with regard to industry netbacks does the minister see on announcing this program? Acknowledging that this program will certainly benefit various companies in a different manner, what, in the mind of the minister, is the average effect?

MR. LEITCH: Mr. Speaker, before I deal with the average effect, I can't let the gibe of the hon. Leader of the Opposition about what should or shouldn't be included in the agreement go unresponded to, and simply point out to him that it was very clear that that agreement dealt with the very broad energy issues, and could only do so in a broad, general way. We knew at the time we were negotiating the agreement, and stated immediately after it was completed, that we recognized it would have a differing impact upon differing segments of the industry. We anticipated that there would be inequities or anomalies within the industry flowing from the agreement, and that we were then undertaking a complete

review of our programs and policies with the object of taking such action as appeared appropriate.

As to impact, Mr. Speaker, I don't know if one can give an average impact across the industry, in the sense of company impact. I can say the production to which the program would apply, and that is the production to which the royalty deduction would be applicable — for that production, if it is old oil and natural gas, the increase would be between 30 and 50 per cent of the netback.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the minister indicate what effect this announced support program will have with regard to the increase in drilling, the decrease in the number of rigs going into the United States, or the increase in new rigs being purchased here in Alberta for exploration?

MR. LEITCH: Well, Mr. Speaker, the hon. Leader of the Opposition has asked me to do some forecasting. We will certainly come to that.

I would respond to the use of the words "support program". I think that is quite an inaccurate description of the program. We have a royalty and taxation system in place within the province designed to determine what level of revenue the industry ought to pay to the province, in the case of the royalty system, with respect to production from Crown-owned lands. In the case of non-Crown-owned lands, a levy is imposed through taxation. In a broad way, that determines what level of revenue the industry ought to pay the province. Because royalty systems and taxation systems are broad policy documents, they require some adjustments to be most effective. Mr. Speaker, we've effected those adjustments through a variety of incentive programs: drilling incentive programs; geophysical incentive programs; royalty holidays, in the case of discovery of wells and new oil pools; and components of ALPEP. That really is the mechanism for adjusting the revenue flow, established on a broad basis by the royalty and taxation system.

Now, Mr. Speaker, we come to the question of what impact this most recent adjustment would have on industry activity in the province. That's really the question of the hon. Leader of the Opposition. I have no doubt it will have a positive impact, in the sense that it will improve it. But I certainly wouldn't want to leave in the Assembly any impression that that program by itself was going to restore activity to levels of some years ago.

Mr. Speaker, there's no question that one of the major problems, and in my judgment the most serious problem facing the industry, is the lack of natural gas markets. Now that we have an agreement in place with the federal government, I am hopeful that that has established a framework within which we can explore various ways of dealing with that problem of natural gas marketing — the major problem facing the industry — in co-operation with the federal government.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. I believe I used the word "support", and the minister took exception to it. I was wondering why. I didn't think there was anything wrong with that.

The minister has indicated there is concern with regard to the markets relative to natural gas. As well, I wonder if the minister could comment on the fact that our cutbacks, that took place in the last few months during the period of negotiation, have also caused slumps in demand for Alberta oil. I understand other markets — Mexico

and other countries — are filling those eastern Canada markets. What effect has that lack of demand with regard to the tax incentive program? Because as I understand the explanation, the producers must sell the oil in order to benefit relative to tax benefits.

MR. LEITCH: Mr. Speaker, the hon. Leader of the Opposition is correct in his assessment that today there is not a market for the total volume of oil that could be produced in Alberta. I think it accurate to say that that situation developed, in part, because of our restrictions on production imposed prior to the agreement of September 1, 1981. Incidentally, as has been said in this House and elsewhere, we regarded that as a very important action by this government in response to the national energy policy and budget of October 28, 1980, and very significant in our ultimately being able to conclude a successful energy agreement.

The marketing problem for Alberta oil arose because the suppliers then made alternative arrangements for oil supplies. I don't have the details of the period covered by the contracts they made for alternative supplies, so I'm not exactly sure when those contracts would expire. Also, there was an inventory build-up by refiners during this time. It's going to take a while — I would think a matter of a few months — before the system re-adjusts and gets back to where it was prior to the restrictions on production, which essentially was that the refiners in Canada were taking all the oil we were able to produce, some small quantities going to the United States, principally from Saskatchewan, but a bit from Alberta as well. Mr. Speaker, I would anticipate that we would be back to that normal situation in a matter of months.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. The minister indicated that the government is looking at other areas that may provide incentive to the oil industry and the producers at the present time. I wonder if the minister could comment further on that matter; and secondly, with regard to the proposed cost of this program, in terms of a one-year cost and the five-year, relative to the agreement.

MR. LEITCH: Mr. Speaker, I would respond to the use by the hon. Leader of the Opposition of the word "cost" in the same way I did to "support". I want to draw the distinction, because I think it's important.

This is different from a cost program where the government pays out funds, because what we're really dealing with is a system that determines how much revenue the industry should be paying to the government, as the trustees for the people who own the resource, in exchange for the right to produce and sell the resource. So we're dealing with a much different situation and, obviously, it's a judgment call, one you're going to have to monitor very closely and continuously review to make sure you have the right revenue flow coming to the province that represents a fair return to the people who own the resource, yet provides a sufficient incentive for the industry to do the kind of exploration and development work we want.

Now, the range of things we are doing is everything that relates to that revenue flow: ALPEP, the royalty system, and all the incentive programs. That's an ongoing process. As a matter of fact, Mr. Speaker, that's a process that's been held in abeyance for the past two years or so. It was one of the top priorities when I first assumed this portfolio, but I had to set it aside because there was no

point in doing that kind of review when we didn't have an energy agreement in place. We had to get that agreement in place so we knew what the broad, general terms were going to be, then do the review of the other things I've covered. That's what we're now in the process of doing.

MR. NOTLEY: Mr. Speaker, a supplementary question, if I may, to the hon. minister. The question relates to whether there is any dollar figure in terms of the foregone revenue, both on a yearly basis and over the next five and a half years of the agreement. I raise that because estimates were supplied in the figures to be borne by the province of Alberta with respect to incentive programs that accompanied the agreement in early September. Is this in addition to, or are they included in, those figures, and what would it come to?

MR. LEITCH: Mr. Speaker, that in part is the question asked by the hon. Leader of the Opposition, and I didn't answer it in my response to his question, which was: what really is the reduction in revenue flow? Mr. Speaker, I would estimate it to be approximately \$140 million dollars for the year 1982. To go beyond that, one could pick any period of time, because while we have these programs in place we don't put an end to the program on them. So if the question is to estimate the overall reduction in revenue, one would have to fix the time when it was going to end, and we haven't done that with any of those programs. We put them in place; they're always under review and changes would be made. But with respect to next year, the number is the one I have mentioned.

To answer the second half of the question of the hon. Member for Spirit River-Fairview, that this alteration in the program was not included in the numbers that formed a schedule to the energy agreement, as I said earlier, during the course of negotiating that agreement we had contemplated the likelihood of changes in our various programs. But without knowing what those changes were going to be, we wouldn't be able to calculate the figure. But certainly when we were negotiating the agreement, we contemplated there would be some changes in the various programs and policies I've mentioned.

MR. SPEAKER: Order please. We've spent a great deal of time on this subject, considering its importance. I have eight members who would like to ask a question. Could we have one further supplementary by the hon. Member for Spirit River-Fairview, followed by one by the hon. Member for Bow Valley, then the hon. Member for Edmonton Mill Woods. Then, if there's time, we can come back to the topic.

MR. NOTLEY: MR. Speaker, my supplementary question to the minister flows from his answer. The figures that accompany the energy agreement are presumably over five years and include ALPEP, which presumably is going to cover five years. My question is: because it is essentially an adjustment, or an enrichment if you like, of a previous program, is it the government's intention that this \$140 million should take place over the five years? Because other aspects of ALPEP were calculated over the five years in the figures that accompanied the energy agreement.

MR. LEITCH: Mr. Speaker, these things would be under continuous review and adjustments would be made, but certainly at this moment I would not contemplate any circumstances that would lead us to alter this program, or

the change in it that was announced yesterday, over the term of the agreement.

MR. MANDEVILLE: Mr. Speaker, I appreciate that the program announced yesterday is going to enable the oil companies with contracts to market their oil and gas. But will any program be put in place for some of the smaller companies? For example, there are approximately 10,000 capped gas wells facing cash flow problems. Will any program be in place for people in this situation?

MR. LEITCH: Mr. Speaker, that question really refers to what I mentioned in my earlier answers as being, in our judgment, the principal problem facing the industry, which is a lack of natural gas markets. We're considering what action might be taken in that respect. As I mentioned earlier, I'm contemplating some discussions with the federal government in that area, to see whether we cannot improve the opportunity for increased natural gas markets.

Other proposals are being put forward. None of them, of course, would involve a change in existing programs or policies because, as the question quite properly notes, we do not have any policy in place dealing with the problems of producers who have discovered natural gas but are unable to market it. Certainly it is an area that concerns us, and we are examining possible solutions. Clearly, the most obvious solution is to get an additional export market.

MR. PAHL: Mr. Speaker, a supplementary to the minister. In designing this program in effect to reduce the take and help, if you will, the producers at the bottom end, has the minister any calculations or estimates available for the House in terms of the numbers of oil companies that would be helped and, in percentage terms, in what way in terms of their total royalty payments?

MR. LEITCH: Mr. Speaker, the accurate answer to the question of who would be helped is: all — because the program is applicable to all producers.

But I think the far more important question is implied in the latter part, which is to what extent. The 40 or so largest producers in the province would produce something like 80 or 85 per cent of the province's Crown natural gas and oil production. So the assistance to those companies, by way of reducing the sums they would pay the provincial government, is on a percentage basis very nominal. All the balance of the fund, of the reduction in revenue flow to the province, would be applicable across a very large number of companies that produce a relatively small percentage of Crown oil and natural gas production. And for those companies, the percentage improvement in their revenue flow would be very significant.

Government Assistance

MR. R. SPEAKER: Mr. Speaker, my second question is related to the first question, and it's to the Minister of Agriculture. The minister confirmed in this Assembly today that revenue of some \$140 million in 1982 has been foregone and, over a television broadcast yesterday, indicated that \$850 million in the next five years will be foregone revenue in this province. Whether it's foregone, spent, or used for support programs, is a question of semantics. But could the minister indicate, under the present circumstances where the small oil companies of this province have received support from the government,

that at this point in time another industry in this province, the cattle industry, should receive some equal treatment and the same opportunity?

MR. SCHMIDT: Mr. Speaker, on behalf of the agricultural industry in this province, we look forward to the incentive program, recognizing that the industry it represents and agriculture have worked hand in hand and had the opportunity to share, mainly to those in agriculture and the off-farm income — I suppose because the activities take place mainly within communities where there is a balance of both agriculture and the oil industry.

As far as the announcement and the incentive program to the oil industry is concerned, as I say, we look forward its results. That announcement should in no way hinder any decision in regard to the other industry the hon. members mentions, the total package of the livestock industry, both cow-calf and fat cattle.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. The question was: when will the government be putting in place a program of equal access to small business men — that is, cattlemen in this province — where we can have either a stop-loss or an ongoing program that will assure the farmers and cattlemen in this province that we will have a cattle industry in a few years; that they haven't left the business, just as the oil companies? Can the minister assure us that a program will be in place, and that the cattlemen of this province will have equal treatment? When will that assurance be given?

MR. SCHMIDT: Mr. Speaker, I think the same question was asked yesterday and the day before. The reply has to be basically the same. The province will be making its intentions known in regard to the livestock industry in all its phases before the end of this year.

MR. R. SPEAKER: Mr. Speaker, in the same vein, a supplementary question to the Minister of Housing and Public Works. It's with regard to renegotiating mortgages and young families, even those without children, having all opportunities of purchasing homes. Can the minister indicate whether a new program is being put in place, with additional revenue from resources, that can enable these people not only to renew mortgages but to have their first home? Is the minister considering a new program in light of the announcement yesterday and today?

MR. CHAMBERS: Mr. Speaker, I've gone over this ground before. I don't mind repeating it, if you'd like me to do that, sir. Recently we announced a \$200 million addition to our funding for this year, which brings our total expenditure in housing in all areas to \$1.7 billion. There is no other province that even comes close to that number.

MR. MANDEVILLE: Mr. Speaker . . .

MR. SPEAKER: Followed by a supplementary by the hon. Member for Edmonton Mill Woods.

MR. MANDEVILLE: Mr. Speaker, my supplementary question is: has the minister had the opportunity to review the new regulation the minister put into effect, where a family has to have one dependent child to qualify? Is it temporary, or is it going to stay in effect?

MR. CHAMBERS: Mr. Speaker, I think I indicated earlier that when we looked at the increase of \$200 million — and I think \$200 million is very, very significant — for the balance of this year, we had to look at prioritization. As part of prioritization, we said, okay, families or single parents with children should have the higher priority, the greatest need. While that will apply for the balance of this year, I can't say at this stage whether or not it will apply for next year. It will all depend on the size of our budget and so forth.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. As a result of our interest rates dropping approximately 2 per cent with the Bank of Canada, is the minister anticipating any drop in interest rates for Home Mortgage from the 19.5 per cent at the present time?

MR. CHAMBERS: Mr. Speaker, it's probably worth while underlining that point again. The rate the Home Mortgage Corporation sets is one point over the borrowing rate. Our criterion is that it's one point over the borrowing rate, which just covers administrative costs, or the low end of market. Therefore, if the rate goes down by more than half a point — we use a half-point movement as the criterion, so we're not moving it every day — then of course the rate of the Home Mortgage Corporation would be adjusted accordingly.

The subsidies, which are very, very large indeed at the current rate — the last I saw they were \$565 a month direct payment to the home-owner as the maximum subsidy available. Again, those subsidies, which are straight line subsidies between the minimum income of \$12,000 and where they come off at \$38,000 a family income, of course are retained according to the interest rate so that the affordability always remains the same.

MR. PAHL: Mr. Speaker, my supplementary is on the question of the hon. Leader of the Opposition to the Minister of Agriculture. I wonder whether the Minister of Agriculture would agree to review this province's royalty schedule on beef production and, in view of the concerns raised by the hon. Leader of the Opposition, if he would agree to slash them at least in half.

MR. R. SPEAKER: Go tell the cattlemen that.

Mr. Speaker, my supplementary question is to the Provincial Treasurer, with regard to priorities established by this government, the procedures used in supporting not only small oil companies or small businesses. I want to say that I do support the royalty tax credit program. I've no problem with that. But in my mind, there is . . .

MR. SPEAKER: Order please. I thought we had finished with that question. I'm very much concerned about reaching a number of members who have yet to ask their first question.

MR. R. SPEAKER: Mr. Speaker, they have a caucus twice a week. [interjections]

MR. SPEAKER: Order please. Does the hon. leader wish to ask a question or does he not?

MR. R. SPEAKER: Mr. Speaker, could the Provincial Treasurer justify the procedure used whereby one segment of the industry of this province is given support — call it support whether it's by foregone revenue or otherwise . . .

MR. SPEAKER: Order please. We're obviously going to get into a debate. To justify anything requires debate.

The hon. Member for Macleod followed by the hon. Member for Calgary Forest Lawn.

MR. R. SPEAKER: Mr. Speaker, the question to the Provincial Treasurer . . .

SOME HON. MEMBERS: Order.

MR. SPEAKER: Order please. If there's time, we'll come back to the topic with questions that come within the parameters of the question period.

The hon. Member for Macleod.

MR. R. SPEAKER: On a point of order, I want to take exception to that ruling. I feel that when we try to start a question area, that area should be concluded. The conclusion to this question area I've started is my question to the Provincial Treasurer. I feel that . . .

MR. SPEAKER: I'm sorry, I can't agree with the hon. leader that the question should be concluded, because it could be of such a nature that it would monopolize the whole question period. We have now used at least two-thirds of the question period on the first two questions of the hon. leader. I have eight members who would like to ask their first question. There has to be some fairness in the situation.

MR. R. SPEAKER: On the point of order. I'd like to know what your ruling is. Is the ruling on the matter of the kind of question I was going to ask, or is it on the time factor? If it's on the kind of question, I haven't even been able to word the question at this point. [interjections]

MR. SPEAKER: I don't wish to take up the question period with a debate with the hon. leader, and I won't do it any further. But the question started out, whether somebody was going to justify something. Now that is out of order to begin with. I realize there has been very substantial latitude in the question period. The hon. Minister of Energy and Natural Resources has been asked to make predictions of various kinds and so on. There has been an exceptional amount of latitude in the question period. I felt it was appropriate in view of the importance of the subject, but there do have to be reasonable limits. We do have to be fair to other members who want to ask their questions.

The answer to the hon. leader is twofold. Firstly, the question was out of order. Secondly, we're taking up an excessive amount of time.

MR. R. SPEAKER: Mr. Speaker, on the point of order. In this Assembly, time after time, I've seen where a member who worded a question that was out of order had the opportunity of rewording it and putting it into an acceptable form.

MR. SPEAKER: If there is time at the end of the question period, the hon. leader will have that opportunity.

Head-Smashed-In Buffalo Jump

MR. FJORDBOTTEN: Mr. Speaker, my question is to the Minister of Culture. But may I first say how proud we

as Albertans are to have another designated world heritage site within our borders. In view of the international significance of the site, what steps are being taken by the minister and her department to preserve it?

MRS. LeMESSURIER: Mr. Speaker, as I said earlier in the ministerial statement, Head-Smashed-In Buffalo is registered as a provincial historical site; as such, we try to prevent vandalism and unwarranted digging.

At this time, I must add that we have had the co-operation of the Piegan Reserve, which is right beside the site, and the local people, who have also taken their turns in policing this area.

MR. FJORDBOTTEN: Supplementary, Mr. Speaker. If we're preserving the site, do we now own the land? What is being prepared in the way of public access and interpretation of the site?

MRS. LeMESSURIER: Mr. Speaker, there were two farming families around the area of Head-Smashed-In — Mr. Dersch and Mr. Calderwood, I think — who very generously donated the 15 square miles that Head-Smashed-In is on. I would like to point out to the Assembly, though, that there is a proposal for a major interpretive centre at the top of Head-Smashed-In which will have the same type of facilities as our Strathcona Science Park.

MR. FJORDBOTTEN: Mr. Speaker, a supplementary. What time frame are we looking at in developing that site, now that it has received its designation? Would the minister be looking at moving quickly in developing the site?

MRS. LeMESSURIER: Mr. Speaker, if the program is agreed to as we propose, and things can travel through the routine, we would like to have the interpretive centre open to the public by 1985. I think it will become a major tourist attraction to that area.

Early Childhood Services Funding

MR. ZAOZIRNY: Mr. Speaker, my question to the hon. Minister of Education is on the rather well-worn but unresolved issue of financial assistance for community early childhood services operators. The question arises from the minister's most recent assurance to this Assembly on May 29, 1981, that the matter was under consideration and help was on the way. The minister made a similar assurance on June 6, 1979. Can the minister advise the Assembly if help has finally found its way to the community ECS operators and, if so, what form it takes?

MR. KING: The answer is that help has not found its way to the community ECS operators at the present time.

MR. ZAOZIRNY: Mr. Speaker, just for the record, I will ask the supplementary question. Can the minister give any indication as to when this matter might finally be resolved?

MR. KING: Well, the hon. member will recall that, subsequent to the comment quoted, in May 1979, help was indeed delivered to the community operators in Calgary and in other communities throughout the province. The hon. member is indicating for the record that it

was not as much help as he had hoped it would be. Nevertheless, there was help. So I'd like to separate the undertaking of May 1979 from the undertaking of May 1980. With respect to the undertaking of May 1980, I can only say that a proposal has been developed, it has left the Department of Education, and it is under consideration within the government.

Condominium Conversions

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the Minister of Housing and Public Works. To preface, last Friday the hon. Minister of Consumer and Corporate Affairs indicated that the

provisions with respect to condominiums were of course amended last year to include not only the row or town house concept of condominium, where they're built side by side, but was expanded to include stack housing also.

Is the minister in a position to advise the Assembly whether the policy change identified by his colleague last Friday applies only to stack housing condominiums built under a specific agreement with the Alberta Home Mortgage Corporation, or does it apply in a broader sense to existing stack housing rental units being converted to condominiums?

MR. CHAMBERS: Mr. Speaker, I don't understand the question. Perhaps it could be elaborated on.

MR. NOTLEY: Mr. Speaker, I advise the hon. minister to read his Alberta family home purchase program booklet. The question relates to whether or not this particular program of funding under the Alberta family home purchase program applies to apartment units now being converted to condominiums, or only those units built as condominiums in the first place.

MR. CHAMBERS: Again, I'm not sure as to the specific reference. I point out though — whether or not I'm interpreting the question correctly — that most condominium types of units would be built under builder spec loans. Otherwise it would require every individual unit being sold. So our revisions would essentially result in single family, semi-detached, and smaller sizes of units, rather than large stack condos.

MR. NOTLEY: Mr. Speaker, I'm referring specifically to information given in this House by the hon. minister's colleague. Since the hon. Minister of Consumer and Corporate Affairs seemed to have knowledge of this new program, my question really applies to whether or not any program is presently in place in this province, through the family home purchase program, so those many Albertans facing the prospect of condominium conversion, and having their apartment units sold out from under them, can come to the Alberta Home Mortgage Corporation and apply for funds to purchase their condominiums where condominium conversion in existing stack apartments or buildings is occurring.

MR. CHAMBERS: Mr. Speaker, it hasn't been the policy to encourage condominium conversion by the Home Mortgage Corporation. Obviously, the basic intent has been to encourage new construction.

MR. NOTLEY: Mr. Speaker, in the absence of rent controls, in the absence of any program prohibiting

condominium conversion, as we had for some time in this province — but this government did away with that program — what protection does the individual have where there is a very tight market situation in both major cities, but especially in the city of Calgary, where condominium conversion takes place, other than going out on the street?

MR. CHAMBERS: Mr. Speaker, I think that question would be more appropriately referred to my colleague the Minister of Consumer and Corporate Affairs.

MR. NOTLEY: I refer that directly then. What protection does the individual have who now lives in an apartment where condominium conversion has been approved? No program is available from the government through the Home Mortgage Corporation to purchase that condominium. What protection does the individual have where the market situation is less than 1 per cent vacancy rate?

MR. KOZIAK: Mr. Speaker, first of all, I don't want to pull the rug out from under the hon. member's questions, but if he will look at the transcript of the *Hansard* proceedings on the day he posed the question, I suggested to the hon. member that he might ask my colleague for details of the Alberta family home purchase program as it applies to stacked condominiums. I made no suggestions in that regard, and I'm sure the hon. member now asking those details and getting those answers had not intended to suggest that I'd made any suggestions in that regard.

Secondly, when we get to the question the hon. member posed, the individual who lives in an apartment being converted into condominiums would have the additional protection, over and above an individual who is given notice to vacate under normal circumstances, of three months' notice. So unless you have a lease — if there's a lease, the lease governs the terms of the tenancy — there may be no provision for notice and there may be no provision for breach of that lease in advance of its required life expectancy. But under normal circumstances where there's just a month-to-month tenancy, a tenant's security of tenure, if one wants to use that phrase, would be three months. If the apartment were being converted into a condominium, the security of tenure would be extended by an additional three months to a total of six months. So an individual tenant in an apartment building that's being converted to a condominium would have three months' more security of tenure than an individual tenant under normal circumstances.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Then am I to take it that the only protection for tenants where condominium conversion takes place is that it's six months before they're out on the street, instead of three months? Is this government providing any kind of program to protect tenants, particularly older people, on fixed incomes who now face the prospect of condominium conversion with a good deal of fear? A massive program is under way in Calgary — over 9,000 applications for condominium conversion. Is there any program at all that will protect that kind of tenant?

MR. KOZIAK: Mr. Speaker, the hon. member huffs and puffs, and he waves his program at me — or whatever it is he has in his hand. He neglects — or his memory doesn't serve him well — to recall all the information I've shared with him, just in the scant two weeks of this fall

session, to assist him in those answers. He neglects to remember, for example, that 42 per cent of senior citizens who rent are in government-subsidized accommodation. He neglects to remember that the senior citizen accommodation, being built by this government in conjunction with non-profit organizations throughout the province, has been expanded and is proceeding at a marvellous rate. He neglects to recall that.

In terms of the individual he raises, that's just one program. There's the \$1,000 we're providing for senior citizens, to assist them with their rents. There was the 60 per cent increase in the assured income for senior citizens. And I seem to recall, Mr. Speaker, that I mentioned something about the core housing incentive program, where half the units built under that program are provided at controlled rentals to those who need it. So we are providing for these. What concerns me is that the hon. member, with his question, has the gall to suggest that perhaps we're not.

Here we are in this province with 8 per cent of Canada's population, and we are doing more in the area of housing than the other 92 per cent of Canada's population. [interjections]

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

MR. R. SPEAKER: Mr. Speaker, on a point of order.

MR. NOTLEY: On a point of order, go ahead.

MR. R. SPEAKER: Mr. Speaker, on a point of order. I think the hon. dramatization that went on the last few moments ... [interjections]

In reflecting on the earlier part of the question period, where you called me up short in terms of questions and then allowed that to go when people are being put out of their homes, I think we should think in terms of a little equity in this House. [interjections]

MR. KING: On a point of order. If the hon. member opposite is going to rise on what he purports to be points of order, could he do us the courtesy of referring to the standing order or the annotation which he says is being violated.

AN HON. MEMBER: That's the least he could do.

MR. KING: Reference might help him to learn a little bit about the rules.

MR. R. SPEAKER: Mr. Speaker, the hon. Minister of Education should look after his responsibilities in this province. [interjections]

AN HON. MEMBER: What about the hon. Leader of the Opposition?

MR. SPEAKER: Order please. It would appear to me that the question should not have been permitted in the first place. When a question asks, what are the programs or what is being done, that kind of question is just so obviously an invitation to give a long catalogue of what is being done. If the question is allowed, it would be manifestly unfair not to allow the answer. Therefore, I must accept the fault. I realize that if I had not allowed the question, I would have been condemned. And I am now being condemned because I did allow it. Neverthe-

less, in that no-win situation, would the hon. member, if he has another brief question, get on with it. I'm afraid that we're not going to cover our list.

MR. NOTLEY: Mr. Speaker, I'm sure I wouldn't want to offend the wounded pride of the hon. minister across the way. [interjections] This is the "now" government when it comes to oil companies, and "later" when it comes to the rest of us.

My question very directly to the hon. minister: in view of the fact that much of the housing he and his colleague have referred to is not going to be in place, and that there is a vacancy rate below 1 per cent in the city of Calgary, is any single identifiable program in place to protect those people in units that are subject to condominium conversion?

MR. SPEAKER: With great respect, that is a repetition of the previous question. I would be unable to muster sufficient courage to have the answer repeated.

The hon. Member for Calgary McKnight, followed by the hon. Member for Calgary Currie.

Home Conversion Program

MR. MUSGREAVE: Mr. Speaker, I'm almost afraid to ask this question after what you've just been saying to us. However, I would like to ask a question of the Minister of Housing and Public Works, to do with a program that's not involving new housing but involving the present housing stock. I wonder if the minister could tell us what success he's having with the Alberta home conversion program. The reason I ask him this is that I'm a member of the Calgary housing commission. I was at a meeting last week with some city aldermen, and they seemed to be totally unaware of this program.

MR. CHAMBERS: Mr. Speaker, I regret that the city is completely unaware of the program, because we have advertised it. We have what I think is an attractive brochure, which has been circulated. I would confess, though, with regret, that the program has not had much take-up. That appears to be related primarily to municipal building codes.

I don't want to get into the history of Alberta, but if you go back to the end of the Second World War, an awful lot of people moved into this province. At a time when ...

MR. SPEAKER: With great respect to the hon. minister, I must express some apprehension about the history lesson which is about to be given.

MR. CHAMBERS: Mr. Speaker, I'll try to abbreviate the history. A lot of people moved into Alberta then, and there wasn't much new housing constructed.

MR. SPEAKER: Order please. The hon. Member for Calgary Currie.

Psychiatrist Shortage

MR. D. ANDERSON: Mr. Speaker, my question is to the hon. Minister of Advanced Education and Manpower. Can the minister indicate if his department has any projections as to the needs of Albertans with respect to psychiatrists in the coming five years, and what our capacity as a province will be to deal with those needs?

MR. HORSMAN: Mr. Speaker, there are projections, but I don't have them readily at hand. A number of interdepartmental committees have been reviewing those matters with the medical profession, with various institutions, and with government departments such as the Department of Social Services and Community Health. I really would have to take the question as notice and try to respond with some statistical information for the hon. member.

MR. SPEAKER: The time for the question period has elapsed. I realize we haven't spent all of it on questions. Three hon. ministers have indicated their willingness to supplement information previously given. Does the House wish to deal with that, or would it be the preference of the House ... I must say candidly that an extension of the question period requires unanimous consent. Is it the wish of the House that these three matters be dealt with now?

HON. MEMBERS: Agreed.

MR. SPEAKER: Would the hon. Solicitor General wish to start, followed by the hon. Minister of Government Services, then the hon. Minister of Environment.

Suspended Driver Licences

MR. HARLE: Thank you, Mr. Speaker and members of the House. Yesterday I was asked a question that related to whether or not there was an increased number of drivers who might have had their licences suspended. I gave the figure at December 31, 1980, as being 31,077. As of September 30, 1981, the number was 41,598. So that is a considerable increase. I might also say that at the end of 1980, December 31, there were 1,597,419 drivers licences issued, of which 31,077, or 1.95 per cent, were suspended.

We did carry out check stops of vehicles during 1980 and stopped some 543,170 vehicles, of which 347 were discovered to be suspended drivers, which is 0.064 per cent of the total.

Air Travel by Cabinet Ministers

MR. McCRAE: Mr. Speaker, during question period yesterday, when the hon. Leader of the Opposition was challenging the use of commercial private-sector aircraft by the government for necessary travel, he asked a question about a couple of flights on April 25, 1981. He wanted to know the purpose of two Bell helicopter flights. Mr. Speaker, I want to assure him in the House that they were for the purpose of assisting members of Executive Council and Edmonton and area members of the Assembly in touring the proposed annexation area to assist them on that Saturday morning in visiting the area so they could come to the responsible and very fair conclusion they came to on the annexation question.

I thank you for the opportunity of responding to that, Mr. Speaker.

Water Quality — Bow River

MR. COOKSON: Mr. Speaker, the question by the Member for Calgary Forest Lawn, which dealt with polychlorinated biphenyls and our checking of the Bow River to date. The content within fish muscle is between 0.1 and 18 parts per million. The safe level for human consumption is 2 parts per million. At the present time, we can

detect no measurable amount of PCB in the water. However, we will continue to monitor the fish in the river.

Hazardous Chemicals

MR. COOKSON: The question from the Member for Olds-Didsbury, I think, with regard to Roundup and 2,4-D, the response with regard to Roundup, which is also known as glyphosate: the use of Roundup has been increasing over the past few years. It is now being used domestically. We estimated our licensed applicators are using about 4,000 pounds of the material. In 1981, it's estimated this figure would be considerably higher — domestic and farm use. In 1976, the IBT industrial biotest lab studies included this chemical as one of the tested chemicals. Ottawa has made it mandatory that certain chemicals, including Roundup at this time, must have a special warning label on the front panel of the container stating the safety. It would be Ottawa that will continue to monitor and review. It's important that the user who is using Roundup at the present time clearly understands the directions on the label.

MR. SPEAKER: I overlooked the hon. Minister of Culture. With the indulgence of the Assembly, I'd like to recognize that hon. minister.

HON. MEMBERS: Agreed.

Head-Smashed-In Buffalo Jump (continued)

MRS. LeMESSURIER: Thank you, Mr. Speaker.

In my enthusiasm, I stated that 15 miles was the amount of land donated by the two families. It was 10 acres, but the overall site is 15 acres.

MR. STEVENS: That's 15 square miles.

MRS. LeMESSURIER: Excuse me, 15 square miles.

ORDERS OF THE DAY

head: MOTIONS FOR RETURNS

MR. HORSMAN: Mr. Speaker, I move that Motion for a Return 138 stand on the Order Paper.

[Motion carried]

head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

213. Moved by Mr. Kowalski:

Be it resolved that the Legislative Assembly urge the government of Alberta to consider the adoption of a system of regionalized purchasing as a means of extending its successful policy of decentralization and of providing additional opportunities to local and small businesses.

MR. KOWALSKI: Mr. Speaker, I'm extremely pleased that Motion 213 has found its way on the agenda of the House so as to be introduced during Alberta's first ever Small Business Week, which runs from October 26 to

October 31 this year.

Motion 213 has three main purposes. The first is to highlight the role of local and small business in the province of Alberta; secondly, to raise a discussion on current government purchasing procedures; and thirdly, to create a positive environment for the proliferation of thought as to how the present system can be improved and expanded upon. In my view, Motion 213 is most compatible with the government's very well-known commitment to decentralization of service and the promotion of economic diversification in our province.

[Mr. Appleby in the Chair]

This week has been designated Small Business Week with the intent of highlighting the very important contributions that small business makes to the vibrant Alberta economy. It's dedicated to small business throughout Alberta and within the community, and without doubt it's a tribute to the vital and essential role played by small business in our economic, social, and community lives.

Mr. Speaker, this sector forms a vital part of the provincial economy and literally touches the lives of every Albertan on a day to day basis. Often, small business is taken for granted, with little recognition given to the role it plays in our social/economic fabric.

As a member of this Assembly, I am very pleased with the support and the drive given to Small Business Week by the Hon. Al Adair, the Minister of Tourism and Small Business. He and his department have worked hand in hand with the private sector, who have assumed the leadership and have provided the spark and the drive to put on this week. In particular, all members have to be very thankful to the Alberta Chamber of Commerce and the hundreds of member chambers throughout Alberta, the Alberta Construction Association, the Calgary and Edmonton chambers of commerce, the Canadian Federation of Independent Business, the Canadian Manufacturers' Association, the Canadian Organization of Small Business, the Federal Business Development Bank, the Management Advisory Institute, and the Retail Merchants Association. Small Business Week is a joint action of all the above under chairperson Catherine Pearmaine.

Motion 213 is directed to local and small business. It's within this context that we perhaps remind ourselves again of the definitions of small business within Alberta and look at some of the very important facts associated with small business in this province. Mr. Speaker, when we look at the definitions, they are very interesting. One basic definition of a small business is that it's an owner-managed enterprise which is not dominant in its field of endeavor. Size can vary from one sector to another, but generally in manufacturing, small business employs fewer than 100 people and in other sectors fewer than 50. Annual sales are less than \$2 million. Based on this, some 97 per cent of the nearly 100,000 businesses in Alberta are small. Most important of all in the definition of small business, the majority are family owned and operated.

The contributions of small business to our economy are very, very significant. To repeat: 97 per cent of all business is small business. Small business in Alberta provides jobs for some 42 per cent of the work force. Two-thirds of all new jobs are created by small business. Small business contributes some 30 per cent to our gross national product. Small business is the largest employer in this province outside the government itself. Agriculture, as a renewable resource, is Alberta's number one industry and is comprised almost totally of small business. Small

business in this province develops more new products and services, builds more new outlying communities, replaces more imports and generates more exports than any other segment in our provincial economy. In the year 1980, some 27,760 business incorporations occurred in this province. In that same year, 450 business bankruptcies were registered. Small business has been here since the creation of this province, and it's here to stay. Essentially, it's the soul of every community. Of course without it, communities large or small would not have been created in the first place.

Small business is a catalyst in the community. It provides more funding and volunteer public service than any other source. No matter what town, village, or community in the province of Alberta, we all understand and appreciate the role our small businessmen provide to that particular community. Small business fills the need of all persons, whether they be resident or visitor to that community. Small business tends to be interdependent and self-supporting. It's involved in new enterprises, new volunteer creations and activities within the community. It provides the greatest source for improved skills training, more than any other segment in the business world of Alberta. Of course, it unites the spirit of every community and provides a common bond to all the residents within those communities.

The majority of revenue produced by small business is recycled within its own trading area. Small business is competitive by its very nature, and it's responsible for the creation of more competition than any other source within our many and varied communities. Of course, it provides the greatest opportunity that exists for innovation, because it is based on innovation and competition.

As well, Mr. Speaker, when you look at small business in Alberta, it's of interest to note the various segments we have. Agriculture accounts for approximately 10 per cent of the number of small businesses in our province; forestry, approximately 1 per cent; fishing and trapping, slightly less than 1 per cent. Mines, quarries, and oil wells account for approximately 2 per cent of those types of small businesses; manufacturing, approximately 3 per cent; the construction industry, 18 per cent. Transportation, communications, and other utilities of that nature account for approximately 6 per cent. Our businessmen involved in trade account for some 22 per cent of the number of Alberta businesses; finance, insurance, and real estate, approximately 7 per cent; community business and personal services, 31 per cent; and public administration, approximately 1 per cent.

Small business is very dynamic. Of course, when we talk about it in a Legislature of the type we have, we always have to ask ourselves what the role of government is with respect to small business. In my view, the primary role government can play is essentially one of ensuring that a positive economic climate exists for the fairest degree of competition to exist in this province. It is one of ensuring that the citizens of Alberta have the highest disposal income of any citizen in the country. If citizens do not have to forward their income to government by way of taxes, both direct and indirect, then they are the masters of their own house. It is they who determine their own economic priorities.

In this regard, Mr. Speaker, the record of this government is very well known. Our government can assist small businesses and its citizens, and it does. It assists in a very dramatic way, by providing information and counselling services of a varied nature. In this regard, the role of the Department of Tourism and Small Business is a com-

mendable one.

Pamphlets such as Counselling Assistance for Small Business, Assisting Small Business throughout Alberta, and The Alberta Industrial Land Program cover a series of programs that are important to businessmen in all parts of the province of Alberta. When you open one of these pamphlets — as an example, Counselling Assistance for Small Business — go through the types of activities available, and look at the list of the kinds of services provided to those in the process of establishing a new business, you run across such headings as the provision of information on business licences, the provision of forms of business organizations, the preparation of business plans, the preparation for potential start-up and operating difficulties, information provided with respect to the question of tax requirements, information provided with respect to the particular types of business or appropriate sources of data for decision-making — and the list goes on. For those already in business, general business counselling services are provided. A series of very excellent pamphlets have been printed over the past several years from the Department of Tourism and Small Business, outlining a series of discussion papers and topics with respect to a variety of subjects in small business. Only this week, a new document was issued by that department, circulated to all members, and now available to all business people in the province of Alberta.

In addition to counselling, I think it's also very important that all businessmen in this province be cognizant of a very excellent program provided by the Alberta Housing Corporation called the Alberta industrial land program. Essentially, the purpose of that program is to assist communities that wish to provide land for their current and future industrial development. It's extremely important that the business community in this province realize and understand that their towns and villages can grow and expand further business opportunities and industries with participation in this particular program. This program does not exclude the private sector from participating in industrial development.

Mr. Speaker, what is the current procedure used by the province in the purchase of supplies? Again, I think it would be very helpful if every business person in this province had two documents in their possession, and had them all the time. One of these documents is known as Selling to the Government of Alberta, a very short, sweet pamphlet that outlines the process of dealing with the province of Alberta. A second is the pamphlet entitled Standing Offer Information for Vendors. Included in these two documents are the general purchasing policies of this government. I think it important that we all review them, because they outline a system that allows the business community in this province to get really involved.

Under our general purchasing policies, it's important for us to recognize that the primary aspect of any government policy should be that purchasing strive for economy in the buying of goods and services. Inherent in that economy comes the competitive aspect. Secondly, if quality service and price are equal, preference is given to products manufactured or produced in whole or in part in Alberta. Thirdly, purchases by the Alberta government are exempt from federal sales and excise taxes, in most cases. Fourthly, emergency purchasing privileges may be delegated to departments of the Alberta government, but all purchases are subject to review and approval by the purchasing branch prior to payment. This allows for an overall, continuous review of these purchasing plans.

In its general policy guidelines, the province demands that a very high standard of business ethics be followed in conducting business. Inherent in that ethic development, of course, comes the right to be restrictive as well, in terms of selecting products from unsavory business people. Heaven knows that their percentage in our province is very, very small and very, very remote.

All businessmen in our province should know that they can get started in dealing with the province and selling to the government of Alberta. It's a very simple process, for the most part. For a businessman in any part of Alberta who wants to get involved in attempting to bid or to sell his products to the government, he simply has to have his name included on a series of source lists provided, assembled, and published by the purchasing office of the Department of Government Services.

Mr. Speaker, I amplify those two documents and raise them specifically because the government of Alberta shopping list is very broad. It contains literally thousands of items, from paper clips to cars. Perhaps over 25,000 specific items are purchased annually by this government. The totals are very significant. My best guess is that an annual expenditure level of some \$350 million of supplies is purchased. If you were to add the agencies, corporations, and commissions associated with the province, that figure could very easily rise to some \$1 billion in annual expenditures. My best research suggests that 70 per cent of the purchases occur in the Edmonton/Calgary areas, and the remaining 30 per cent are purchased elsewhere in the province. But it's interesting to note that while 30 per cent of government purchases are made outside the two major urban areas, we also have approximately 30 per cent of provincial public employees located outside these two major urban areas.

The Alberta government's supply requirements are huge. They provide a cash market, and in my view it's a market that all small business in this province should be going after.

When I placed Motion 213 on the Order Paper this spring, the dollar limit for delegated purchasing authority — that is, the limit under which public employees could purchase goods at the local level without a sophisticated tender procedure — was \$100. On June 10 this year the Hon. Stu McCrae, Minister of Government Services, announced what is in my view a most significant increase in this delegated purchasing limit. That limit has now been increased to \$250 per purchase. That simple change is very important to small business because a very substantial amount of government acquisitions fall below the \$250 limit. When you look at it on the basis of some \$350 million a year in purchases and see that aggressive business people in all parts of Alberta understand the very simple rules in dealing with the province, there is a market that in my view has not been exploited to the extent it should have been to this date. That change, Mr. Speaker, very significantly extends the concept of regionalized purchasing that Motion 213 talks about and will offer an increasing number of regional and local entrepreneurs improved business opportunities.

While I'm pleased with that initiative, I also want to suggest that we can do more, but what we do must come about after feedback from the business community in this province. We really shouldn't move in opening new directions in the market place until we have actually received this feedback from Alberta business.

In this regard I want to advance the following ideas for discussion and raise these ideas by way of questions. It should also be clear that the concepts raised do not

complement one another. They outline different approaches which might be followed in further enhancing the concept of regionalized purchasing in this province.

The first idea by way of question is: should the Alberta government initiate a policy that would stipulate that all purchase transactions under a certain dollar limit be made in the region of use? We have several departments in our government which have already regionalized themselves from an administrative point of view. That question basically says, then, should purchases for service within that region be made from firms located within that region? A second idea by way of question: should the Alberta government institute a small business preference, whereby certain products under a certain value would be tendered only to defined small business within a particular region?

The third concept I want to raise by way of question is: should the Alberta government assume purchasing responsibility on a regional basis for all major items for various agencies, boards, and commissions funded by the government, including education boards, hospitals, colleges, and universities, within a particular region? The fourth idea I want to raise by way of question is: should the Alberta government institute a policy whereby Alberta-based firms bidding on contracts funded by the province receive a percentage preference in the bidding?

Mr. Speaker, I want to make it very clear that I'm advancing these concepts for discussion and in the hope of raising debate both inside and outside the House. On this day in October I have raised these ideas in the House. It's my intent, within a matter of several weeks, to send a letter to every chamber of commerce in Alberta outlining Motion 213 and asking their chamber to send me their comments and views so I can report to the Assembly in the spring of 1982 during the estimates of the Minister of Government Services.

Mr. Speaker, small business is big business. It is the backbone of life in Alberta, and I'm looking forward to a proliferation of ideas and a renaissance of thought in this regard. Thank you.

MR. ISLEY: Mr. Speaker, first I'd like to congratulate the hon. Member for Barrhead for introducing Motion 213 for debate. It may come as a surprise to the hon. member, after our many debates this summer on different issues when we disagreed on a certain committee, that I am in agreement with him on this one.

As I interpret the purpose of Motion 213, it's to promote regionalized purchasing to encourage economic diversification across the province. I must agree with the hon. member that I feel this is compatible with this government's general policy of decentralization.

In some departments we have seen a move toward regionalization which appears to be serving the province well. I'm thinking particularly of the regionalization that has occurred under the Department of Agriculture with its six regions throughout the province, the Department of Transportation with its six regions throughout the province, and recent moves taken by Social Services and Community Health, which I as a rural member appreciate.

However, if we review the present practice of government purchasing, we find we have centralized purchasing under the Department of Government Services, and one of the goals this purchasing strives for is economy. I think you could interpret that as large quantity buying, which can make it very difficult for small businessmen and small retailers to get a piece of the action. There's also encour-

agement of competition in our purchasing policies through the tender procedure, and this I have no problem with. However, Mr. Speaker, in discussions with local businessmen in my constituency about the purchasing practices of our provincial government, large corporations, and small corporations, a distinctive difference in their practices and policies is revealed. In my particular constituency, the companies or corporations I'm mainly referring to are oil companies operating in the heavy oil sands.

A small oil company operating a pilot project in the heavy oil sands tends to buy locally. This tends to strengthen the local economy and ensures better relationships with the business community. Local automobile dealers, welding shops, office supplies stores, oil field service companies, and construction firms appreciate and thrive on companies that employ local, decentralized buying practices. However, the centralized purchasing policies of large companies and of our provincial government contribute little to the local businessmen and hence to the local economy.

Granted, in June 1981 the Minister of Government Services announced an increase in the limit of delegated purchasing authority from \$100 to \$250, and this I applaud as a move in the right direction. My question to this Assembly is: could we not go further? Let's look briefly at one of our regionalized departments. Transportation, I mentioned earlier, has six regions in this province. I would submit that the Department of Transportation annually probably buys hundreds of cars and trucks, a number of snow plows, other items of road building equipment, in addition to office furniture, office supplies, and a whole array of other items. Could we not set up a system where we buy in the same region we're serving? For example, if we're buying 120 trucks, split that into six tenders and tender it on a regional basis.

Critics of this concept will argue that we won't get as good a unit price, and I would have to agree with that. But I think we will get a stronger and more diversified business economy in the regions and, I submit, the possibility of better and cheaper service contracts on equipment, because a local retailer is much more receptive to the servicing of a piece of equipment he is selling. Critics will also argue that there may not be enough competition in the tendering practice, and I suggest that if this were to occur you would simply have to expand the size of the region to ensure you were getting competitive bids. I don't think you'd find too many areas of government purchasing where, if you looked at a region of this province, you wouldn't have enough suppliers to get competition. But I'm suggesting you identify areas and expand the region to ensure you're getting competition.

Mr. Speaker, our government has an excellent policy of decentralization or, to use a term I heard coined the other day by the hon. Minister of Advanced Education and Manpower, regional enhancement. There are many examples of this, recent examples being the Athabasca University that went to Athabasca, the correspondence school branch to Barrhead, the agricultural research centre we're developing in Leduc, and the new technology school going into Stony Plain. We're all familiar with older examples: the Agricultural Development Corporation services coming out of Camrose, AOC out of Ponoka, and the new environment centre that opened this year in Vegreville. As I mentioned earlier, we've had the example of regionalization of the services of two, and now going into three, departments. Fellow members, I suggest that what we're encouraging here is an extension

of an existing policy which is working well. We are encouraging that in addition to decentralization of facilities, or regional enhancement through facilities, we also extend the concept to decision-making, and in this particular debate to decision-making with respect to purchasing.

In closing, Mr. Speaker, I state my support for Motion 213 and encourage other hon. members of this Assembly to support the direction initiated by this resolution.

MR. WEISS: Mr. Speaker, I would like to thank the hon. Member for Barrhead for bringing forth this motion today. As the hon. member has pointed out, I think it is very timely, in view of Small Business Week, and very essential to all Alberta, not just urban or rural Alberta but all Alberta.

Without reading it through, Mr. Speaker, I would like to clarify that the motion does say: "Be it resolved that the Legislative Assembly urge the Government of Alberta to consider ...". I would like to point out to all members of the Assembly that "to consider" is the most important point here. If all members cannot support this motion, I think something is wrong. When we're asked to consider something, I think it's very important that we sit and look, listen, and be responsive, if that's what we're here and elected for. Specifically, when we talk about this particular item we realize that it has a strong bearing because we talked today about the affluence of the economy and how vibrant Alberta is. We do know that a lot of areas need an awful lot of help and assistance. In this particular field alone, we could be supportive and, as members, be responsive and listen.

I would like to point out some of the general principles or purposes as I see they would be, Mr. Speaker: to follow the government's decentralization policy, with its goal of providing a greater balance and distribution of growth throughout Alberta and, by replacing the present central office with several regional ones, bringing the purchasing administration closer to local communities and ensuring greater use of small businesses in meeting the ends of government. I believe that autonomy and support by regionalization would be more effective, and it certainly would encourage people to live and relocate in all parts of Alberta, not just for some of the amenities or some of the more cultural aspects we believe only the urban centres can provide. I think we have an awful lot going for us in rural Alberta as well.

Mr. Speaker, the situation at present is that the purchasing of government supplies is handled through the office in Edmonton, staffed by the director of purchasing, the assistant director, two senior buyers, and 10 junior buyers. For southern Alberta, this office is supplemented by a single buyer office in Calgary. Their workload in the 1979-80 volume of purchasing, excluding the standing offer of business and lease and contract work, was some \$194 million, up approximately \$14 million from '78 to '79. I believe this could be spread around more effectively, more efficiently, and handled through regional centres.

It is presently the branch's policy to accept local business offers first, if all conditions of the tender are equal. Therefore, the policy is to favor regional businesses indirectly. However, this does not extend to the point of allowing a price edge. Mr. Speaker, I'd like to point out that I'm not speaking on behalf of small business people in asking or requesting that they receive any special factor or any precedent-setting in the way they should have an edge, or a 5 or 10 per cent factor, but only the opportunity to be competitive. I think it's most important that the

small business people have that opportunity. The problem today is that they're having to compete against closed doors. All they ask for is the opportunity to be competitive.

The 1979-80 annual report noted continued achievement of substantial cost savings from centralized purchasing, and estimated these at 10 times the purchasing branch budget. Over 91.23 per cent of all purchase orders are filled by Alberta suppliers. I think it's very important for all of us to recognize and know that we in government are at least responsible in trying to buy Alberta goods wherever possible. But I think we should extend that to buy local Alberta goods wherever possible.

In the debate on the estimates in 1980, the minister indicated that decentralization was being considered. To this end, I'm pleased that several steps have been taken: first, Calgary has been allowed to handle the purchasing of vehicles for government use in southern Alberta; secondly, the development of a computerized list of companies working in areas of the province, to allow for quick access to firms for the purpose of inviting tenders on purchase orders; and third, an order in council was passed, delegating to various departments the authority to acquire without tender some items up to \$50 in value. While these three items are of a significant nature, I would like to stress that I believe we can improve on them.

Mr. Speaker, as pointed out by the hon. Member for Barrhead and the hon. Member for Bonnyville, I believe the issue is that the decentralization policy of the government is, simply put, to allow for the movement of certain government operations to centres outside Edmonton and Calgary, where feasible. And I believe it is feasible, Mr. Speaker. The experiment of allowing the Calgary purchasing office to buy the vehicles required in southern Alberta has proved competitive on a cost basis with the previous centralization in Edmonton. Therefore, to an extent regionalization may also prove cost-competitive, as has been pointed out by the Member for Bonnyville.

[Mr. Purdy in the Chair]

A system where tenders are opened only to suppliers within the region serviced by a particular government facility would be a boost to the local businesses. It would reduce the number of businesses competing for each order, and thus increase the chance of a local firm servicing the order. With the number of government operations that have been decentralized to date, it makes administrative sense to decentralize the means whereby they obtain their supplies. On the other hand, the restriction of tenders to businesses within a certain region removes the assurance of obtaining the most favorable arrangement available. The amount government may end up paying out may be higher than it would have to if the competition were province-wide. The government has a responsibility to the taxpayers of Alberta to keep costs down. I believe we also have a responsibility to the taxpayers of Alberta to assure them of earning their livelihood.

The government has already taken some steps toward decentralization, as I've pointed out, and the minister has indicated that he would study the issue. Therefore, the motion is very timely and deserves a commitment, a reassurance, and perhaps a strong reminder to the Minister of Government Services. As has been pointed out, small businesses are a very important facet of our provincial economy, accounting for 40 per cent of our gross provincial product. Especially with the present economic

difficulties and the high interest rates, they deserve all the support government can give them. The present policy is quite favorable to small businesses in some areas. Where the offers are equal, local small businesses are favored over their larger competitors. That is appreciated, but I believe we should expand it to have an equal, favorable system throughout the province.

Mr. Speaker, I would like to refer to two particular references made in the past. In response to a question on May 2, 1980, in *Alberta Hansard*, the Minister of Government Services said:

He talked about decentralization of purchases, Mr. Chairman, and that is something we're continually looking at. I think it's an important thing. I can give you one example: when I first came to office, vehicles were all tendered out of Edmonton, and I had considerable representation from the other major metropolitan centre, Calgary, that there should be an opportunity at least to purchase the number of vehicles down there that were being used in that area.

It goes on and on and makes reference to what we've already indicated has happened. Mr. Speaker, I'm saying that a precedent has been established, and the precedent has worked out. It is a favorable arrangement, and I believe we can expand on it. He goes on to say that it requires lists when you're tendering particular contracts in a given area. I think that's cumbersome, Mr. Speaker, and is unfavorable to small businesses which perhaps aren't even aware of that practice today.

I would also like to point out, Mr. Speaker, in that same *Hansard* of May 2, 1980, in reference to a question from the hon. member Mr. Bradley, the minister has replied:

Mr. Chairman, I wouldn't want to give a bold commitment to do that. What I would give would be a bold commitment to study it. We study things rather dramatically and rather quickly.

Mr. Speaker, in speaking to the motion, my complaint at this point is that I'm not very pleased with the dramatics, and I'm not very pleased with the 'quickly' aspects. If we can be dramatic, let's proceed and let's be quick.

Mr. Speaker, if we refer to some other areas in Canada, I believe we'll find that regional preference in provincial purchasing and tendering policies has taken place. I'd like to point out to you and to the Assembly that on March 12, 1980, the governments of New Brunswick, Nova Scotia, and Prince Edward Island announced changes to their purchasing and tendering policies. This resulted from the work of a ministerial committee of the Council of Maritime Premiers. The announcement went on about studying the success of the Atlantic Canada plus programs and so forth, to say that a new maritime purchasing policy was implemented and accepted by those provinces. I would like to indicate to the Assembly and to you, Mr. Speaker, that other areas are doing it and doing it very well, as I indicate here.

The hon. Member for Bonnyville pointed out that there is a regionalization program. It was very well accepted, very, very pleased. I as a rural member find a very good working relationship within the Department of Transportation, and particularly received, I might point out as well, by the media. A very acceptable report was made on regionalization. It was called and referred to as taking decision-making to the user. The particular regionalization referred to in the Alberta Transportation report of October 1981 is very, very acceptable. I think you'll find

it is working very, very well, as indicated.

Before closing my remarks, Mr. Speaker, I would also like to illustrate, and as indicated by the Member for Barrhead, that information packages are available to small business firms. I certainly hope they would avail themselves of these practices and procedures so they too can enjoy some of the marketing aspects we handle and some of the products of the some 25,000 items that may or may not be available to sell to our government.

Through Government Services, the introduction and purchasing branch has a lovely catalogue, Standing Offer Information for Vendors, and the brochure, Selling to the Government of Alberta. I would certainly encourage all businesses to research and ask their MLA for this material.

Mr. Speaker, I encourage all members of this Assembly to support Motion 213. I appreciate the member sponsoring the motion. Thank you kindly.

MR. R. CLARK: Mr. Speaker, in those rather well-worn words: I hadn't planned to speak in this debate, but . . .

I would like to make four comments very quickly because I know members will have to put up with my voice at 4:30 this afternoon. I should perhaps advise the government that that will not be a very long speech, so I expect the Whip would conduct herself accordingly.

Suffice for me to say, Mr. Speaker, there are really four points I'd like to make in reacting to the proposition put before the Assembly this afternoon by the Member for Barrhead. Number one: along with the Member for Bonnyville, I would like to commend the hon. member. But in commending the hon. member, I would say that the hon. member shouldn't really feel he has it made. It would seem to me that a far greater test of having this proposition made would be if the members of this Assembly could vote in a positive manner on this motion prior to 4:30. That would be a far bigger indication of the member making it. On this particular question.

Having said that, I would like to make three more points. My colleagues and I support the concept before us. Frankly, though, I do not believe we need to have a great deal of consideration. I recall the discussion with the minister during the estimates last year, and I believe the matter had also been raised on a previous occasion. It seems to me the time for studying is over; the time for some action is rather close at hand. I recall the Member for Grande Prairie also raising it during estimates on that other occasion.

One of the other members has indicated that the Minister of Government Services has already taken some moves. I concur with the comments made by the Member for Lac La Biche-McMurray that the moves have not been nearly as dramatic as I think many of us from rural Alberta had hoped. I for one, and this is strictly a personal point of view, would have no difficulty at all in supporting the concept of some special preference being given to small businesses in various regions of the province. I think that should be something less than 5 per cent, but frankly I have no difficulty supporting that basic concept. I hope the Alberta chambers of commerce would express that point of view when they respond to the hon. member in the form of his questionnaire.

The third comment I would make, Mr. Speaker, is this. My constituency has had a little experience with some of the spinoff effects of regionalization, not through any activity taken by the Minister of Government Services but as a result of the college at Olds being put under a local board of governors. As a result, that college board

has been able to make its own decisions with regard to purchasing. There has been a very beneficial and very positive effect to the business people not just in Olds but in that particular region. That's another reason I don't think we need a great deal more studying. We simply need some action.

Now with that kind of enthusiasm, Mr. Speaker, perhaps I would be a little less than responsible if I didn't point out one caution to members. It's a caution that should not be used by the minister or anyone else for not moving on this suggestion. The caution is this: in following the suggestions put out in this resolution by the hon. member, the possibility opens up of difficulties arising in the whole government purchasing area only from the point of view that the purchasing practice will be decentralized and there's a possibility for some people using that system and abusing it. Sometime down the road there will be difficulties and some character who will abuse the system, and some character may very well end up getting some kickbacks and so on.

The point I want to make to members of the Assembly is this: that should not be used as an excuse not to move in this direction. If that happens, it will have to be dealt with at that particular time. If it's dealt with very forcibly, very straightforwardly, and very directly, the good benefits of the program would not be lost.

I commend the people in government purchasing. During the time I've been here, they've done an excellent job. This should not be seen as a vote of non-confidence in them, but more of a vote of confidence in the various regions of the province. Despite that one caveat I filed. I think we should move quickly and deal with the problem that would arise when it arises.

MR. STEWART: Mr. Speaker, I too want to rise in my place today and commend the Member for Barrhead for bringing forward this particular motion. I think there's a lot of merit in it. I support it. I am also pleased with the research previous speakers have gone into to identify the steps that have already been taken by this government to make the reality of decentralization in rural Alberta a fact of life in many areas and in many ways.

Getting back to my own rural constituency, I'm more than pleased with our policy of decentralization of our college at Vermilion. Lakeland College concept is a decentralization of the whole process into the eastern region of this province. I think it has great merit. It's an opportunity for us as Albertans to take our educational process to the grass roots. I certainly commend the philosophy behind it.

When we talk of decentralization of purchasing, I think we have to take the caution given by the previous speaker and the ramifications it can have. But I also am well aware, Mr. Speaker, that many of our construction firms of a smaller nature, and some of them not so small, are decentralized throughout the province. The spinoff effects of their tendering in competition with the firms in Edmonton and Calgary and the larger centres have been quite successful.

One of the most successful enterprises in the town I come from has been successful in sewer and water tenders throughout the province. Their name is well known. They started in Wainwright, expanded, and have become a province-wide operation as a result of that. It's an indication that there's a certain economy of scale you have to have in regional centres to make possible businesses that can be competitive. It's not necessarily a fact of life that you have to have your head office in Edmonton or

Calgary to be competitive on many of the services that we as a government are purchasing today.

I think we only have to look to the city of Wetaskiwin to realize that some of the most successful car sales enterprises in Alberta are centred there, 40 miles away from the major metropolitan area, and are quite successful. I'm quite convinced that many other types of enterprises that can supply government with the goods we are purchasing can be established outside the main metropolitan areas and be competitive on bids throughout their region and possibly into other regions.

I think we realize that one of the most successful natural decentralization processes taking place is the mere fact that our energy is dispersed throughout almost the entire province. As a result, it's the stimulus to centres that serve both oil and gas. Our other resource industries are and will be developing outside the metropolitan areas.

There's no doubt in my mind that agribusiness has a real plus from the point of view of locating in different geographical areas, because there are specific advantages in some areas. As a result, those agribusinesses are gravitating and expanding in those areas. I think of the de-hy plants, producing dehydrated alfalfa, dispersed throughout the province. By natural design, they have to go where the product is.

I think those are the types of things making decentralization of our province a reality. In its effort to decentralize services, the regionalization of transportation, and many of the other services, the government has brought to the communities where they have been centred a real stimulus of additional people, and with that, creating an area that can provide additional services. By their very nature, small communities are limited in what they can serve. But with the added numbers of people and the added services needed by our government and industries, certainly rural Alberta has seen a growth that we're all very proud of. With this motion this afternoon, I think we're just adding one more issue that will make regionalization and decentralization a fact of life in Alberta.

MR. BORSTAD: Mr. Speaker, this afternoon, especially during Small Business Week, I am pleased to have the opportunity to speak on Motion 213, proposed by the hon. Member for Barrhead, urging the government to consider a system of regionalized purchasing.

This government has been promoting economic diversification by regionalizing various departments across the province such as Transportation, Social Services, and others. So it follows that another department, which does purchasing, should also be decentralized so that small businessmen across the province have the opportunity to sell their products and services to this government. Even though we have decentralized some of the departments, their purchases are made by central purchasing.

The motion suggests that regionalized departments would purchase in conjunction with regionalized purchasing agents. This is one way. But someone will say, this is going to add an extra cost to the item purchased because it may be purchased in Grande Prairie or Medicine Hat, or you will not have the competitive bidding of the larger centres. It does not have to be that way if you had seven or eight regional purchasing centres hooked up by telex or computer to a central purchasing in Edmonton. To make sure your prices were right, you could check these prices across the province when you do your local purchasing.

I think there would be some advantages to it. When they're doing regional purchasing, people in the local area

would have the opportunity to get to know the purchasing agent. The purchasing agent in that area would also get to know the suppliers who could supply various items in the area. This isn't the case right now. Regional purchasing could compare local bids with central purchasing, and if the prices are not right, they just don't purchase.

I think the main opportunity is for the local person to be able to tender or bid. I do not believe that government, just because it's government, should purchase in Grande Prairie because it's in Grande Prairie and we're trying to decentralize. I don't think the case could be made that they should pay more in Grande Prairie than they do any place else in the province. If the local businessman has the opportunity to compete, I don't believe you would have any complaints from the businessmen in the smaller areas. The main advantage is that they have the opportunity because they already have one advantage: less overhead, in many instances. If they've had the opportunity and lost, I think the next time around they would sharpen their pencils and probably be able to get the tender.

[Mr. Appleby in the Chair]

With a province-wide bidding system as I have described, in some instances, and probably in many cases, we would find the savings to the system we're now using. I've heard it said that local people cannot compete on larger centres, and I'd like to give you one example. A local Grande Prairie firm was able to get on the list and tender on the furniture for the Grande Prairie air terminal. They got it and installed the furniture. Then they realized a new terminal was being built at Lethbridge and was opening. They were able to get in on the tenders on that and were able to supply the furniture to Lethbridge. So you can't tell me that a local bidder can't be competitive across the province. I think all they need is to have the opportunity.

Another example: a local supplier was asked to rent some typewriters to a local government department in Grande Prairie because the Edmonton supplier did not have the models they had tendered on in stock. Well, the local supplier had them on his shelf, but he did not have the opportunity to bid or did not know that the tender was being called. So we rented the typewriters from the local businessman, waiting for the order to be filled by somebody from Edmonton. I do not think this is right. Ten chances to one, the price was higher than it would have been if they had been purchased locally.

Other jurisdictions have moved the regional purchasing so purchasing is done as close to the use point as possible in order to stimulate the businesses in the various regions. Some would say that you could have deals or patronage with local purchasing. I don't think this is necessarily so, and it wouldn't be any different than you find today in private enterprise. If all local tenders had to be compared or approved by a central control, there would be no difference than we have right now. But the local businessmen miles from the two major centres would have had the opportunity to bid.

It will be said we are now moving towards local purchasing by allowing local purchasing to go up to \$250. This is a step in the right direction, but it does not give the opportunity for the local supplier to bid and supply on larger goods and service items. We should now move to further support this government's decentralization policy, and decentralize purchasing.

I urge the members to support a very important and, I would say, very timely — during Small Business Week — motion brought forward by the hon. Member for Barrhead, Motion 213, which will assist many small businesses across this province.

MR. BRADLEY: Mr. Speaker, I would like to participate in this debate today and congratulate the hon. Member for Barrhead for moving this motion, particularly on the fact that it came up during Small Business Week. I just don't know how he had such an incredible sense of timing to provide us with this opportunity today to debate such an important issue.

AN HON. MEMBER: Do you think he knew something we didn't?

MR. BRADLEY: Well, he certainly was plugged into the right timing sequence.

In my remarks, I intended to deal extensively with regard to our policy of decentralization and regionalization of government services in the province, the steps which have been taken to date, and congratulate our Minister of Government Services for what he has been able to do and encourage him to take further action, as several members have today. I also wanted to explore the area with regard to assistance to small business, as to whether or not we shouldn't be considering a policy where we allocate a percentage of our purchases of goods and services to small businesses, based on the percentage of their assets or sales.

Mr. Speaker, I see we're rapidly coming to the time when debate on this motion ceases. I beg leave to adjourn debate.

MR. DEPUTY SPEAKER: Since it has already reached 4:30, the member's place on the Order Paper will continue the next time the resolution appears.

head: **PUBLIC BILLS AND ORDERS
OTHER THAN
GOVERNMENT BILLS AND ORDERS
(Second Reading)**

**Bill 206
An Act to Amend
The Alberta Energy Company Act**

MR. R. CLARK: Mr. Speaker, I move second reading of Bill 206.

Mr. Speaker, I believe this is the twentieth Bill I've put before the Assembly in the course of the last four or five years. Due to a slip in the government ranks on one particular occasion, one of those Bills got past second reading. That dealt with having Indian representation on school boards. I don't think the Bill I have before the House this afternoon will suffer that fortunate fate. But I ask that members look seriously at this question of accountability, which I see to be the central issue in Bill 206.

Mr. Speaker, I might say that this Bill appears on the Order Paper at a rather fortuitous time for me, somewhat similar to the Member for Barrhead having his resolution before the House during Small Business Week. Whether or not the Assembly continues for some time, I notice on the Order Paper that the next Bill I have would be several weeks from now. As members of this Assembly know —

and it should now appear in *Hansard* — whether or not the Assembly is still sitting, I will not be a member of the Assembly after the end of November. So this is the last opportunity I'll have to speak to a private Bill in the Assembly.

In doing that, I would like to preface my remarks by saying — and at a later time, I hope to be able to elaborate just a little on this in the Assembly. In the past 10 years in the Assembly, '71 to '81 — in fact, one could go back to '60 — we have made a number of changes which ... It may seem rather strange that I would say this, but given my present situation perhaps I can look at things from a little farther back than any other members of the Assembly: I would put it that way. I suggest to members, though, that we might consider making the whole proposition for private members' Bills a bit more meaningful if we were to consider the proposition they have in the province of Ontario, where at the end of the debate — in our case, it would be 5:30 — it isn't simply a matter of talking the Bill out. I've been a party to that on the other side of the House also. But if we are to take the proposition of private members' Bills seriously, we would call a vote at 5:30. Now I know that can cause some difficulties from a government point of view because a government has to take a position, and for a variety of reasons that isn't always the most desirable thing. But once again, where you sit seems to have some influence on your attitude.

But I say very seriously to members that the province of Ontario — and on occasion we in the Assembly would feel there aren't many things we would want to take from Ontario. The province of Ontario has made a number of major changes in the way they handle private members' Bills. As I understand their process in the province of Ontario, one thing they do is that after the debate takes place in the House — for the one hour, or longer if it's agreed to — the Bill is dealt with in one manner or another. It would seem to me that that's one proposition members may want to consider. Obviously, Mr. Speaker, in fairness I don't expect that to happen on this particular Bill today. But in the long run, I think it would make private members' day, as far as private Bills are concerned, far more meaningful. In the long run, it might have a certain amount of sobering influence on members who put Bills on the paper too. Because at 5:30, they themselves have to stand up and vote pro or con on the proposition. I put the proposition to members of the House and say it's certainly worthy of consideration. But I say to members of the Assembly the same comments I made earlier, that consideration shouldn't take an extended period of time.

Mr. Speaker, looking specifically at Bill 206, the prime purpose behind the Bill is to build into the Alberta Energy Company — one could have taken PWA or perhaps some other government agencies, and talk in terms of the kind of accountability we have for very sizable government investments as far as the public is concerned. I first put the matter before the House several years ago, about the time the Alberta Energy Company got involved in the Willowglen proposition. Members will recall that Willowglen electronics was a firm in Calgary that borrowed money from the Alberta Opportunity Company. Then, in due course, the Alberta Energy Company bought the thing from the Alberta Opportunity Company. To be quite frank, it was not the kind of success story that AEC or the Alberta Opportunity Company would point to. That being aside, what we're really talking about here is some kind of accountability.

[Mr. Speaker in the Chair]

Lest members feel that what I am proposing here is the idea that government should become more and more involved in the day to day management of corporations like PWA or the Alberta Energy Company, that's not the proposition I'm putting forward. But if I had my 'druthers', it would be a question of: we would sell the \$75 million we have in the Alberta Energy Company to Albertans. And if I had my 'druthers', we would sell PWA to Albertans, through an arrangement where Albertans could buy shares in PWA and the Alberta Energy Company, and take some steps to see that those shares were resaleable only to Albertans. But quite candidly, Mr. Speaker, Albertans haven't bought that proposition, despite my very best efforts. Some members in this House have had a great deal to do with that. But I say to hon. members that this area of government getting more actively involved in business and the problem of accountability is becoming more and more of an issue.

Within Alberta itself, members might want to refer to Dr. Horner's announcements yesterday. One of Dr. Horner's suggestions, which I won't comment on the legitimacy of, is the concept of "Alberta meats", which in fact would become some kind of Crown corporation, and we have the problem of accountability. Or if we look a bit further, at the conclusions and observations of the Foster Research report that was done on the economy of Alberta, if members have the time to look at the bottom of page 50 of that particular report, it says:

Normal market forces cannot be depended upon in a regional situation such as Alberta to accomplish this except over the very long run. The project team therefore commends to the government of Alberta a quasi-interventionist approach, certainly not "Japan Incorporated", but rather the creation of a unique system of financial stimulation to the process of innovation and commercialization.

What that says to me is that Foster and Associates, after looking at the strengths and weaknesses of Alberta's economy, are really saying that the government or the heritage fund is going to have to become more deeply involved in some kind of venture capital arrangements or there's going to be an awful lot more government involved in day to day business, from the standpoint of funds being involved corporately in all those companies.

I've said my 'druthers' are that we don't move in that direction, but that isn't the direction we're moving. One has to be somewhat of a fool if one thinks we are. Not just in Alberta but within the last two years, I can recall members in the Assembly lamenting terribly about the Canadian Development Corporation acquiring Aquitaine. If we're to be perfectly honest ourselves, members in this Assembly will recall your colleagues in Ottawa belaboring the federal minister of energy as to how CDC was using the taxpayer's money in the acquisition of Aquitaine. Members will recall all the commissions paid to people and so on. I was as condemning of that as members in this Assembly were.

Members will also recall the situation as far as Petro-Canada is concerned. During the life of the time this proposition has been on the Order Paper, we've seen CDC acquire Aquitaine, and other things too. We've seen PetroCan appear upon the scene. We've seen the development of a sizable number of these kinds of corporations in other provinces. It seems to me that at some time we have to come to grips with the problem of how we have accountability, how we govern, how we account for

these new kinds of quasi-governmental corporations which are coming into being.

The proposition included in my Bill today simply says that the Minister of Energy and Natural Resources, as far as AEC is concerned, bring to the Assembly the instructions the minister is giving to the individual who is voting the government shares in the Alberta Energy Company, and that if the Assembly isn't in session and it can't be done, the minister himself go and exercise the government proxy.

I don't expect members this afternoon to enthusiastically support the proposition. There are other alternatives members can look at. One alternative might very well be, and it is now being considered in some jurisdictions in North America, some kind of third party regulation or third party accountability. There are some groups, some governments, and certainly some people in the private sector who are looking very seriously at the idea of some kind of Public Utilities Board approach. I'm not proposing that to members, Mr. Chairman, but the point I am trying to make in my remarks this afternoon is simply this: I think there are really three choices for us. One is simply to say that we're going to continue the status quo; we're going to continue the approach — as far as Alberta Energy Company and PWA are concerned, and the approach the feds use as far as PetroCan or CDC is concerned — that we don't get involved in the day to day management decisions of the company and we're not prepared to answer for those decisions of the company; yet a sizable amount of public money is involved there. That's one approach. Basically over the long run, up to now that approach has served us rather well in Canada, I suggest.

The second approach would be for governments to sit and to continue what I call approach number one until we get to the stage where more and more public pressure builds for more and more political interference or political involvement in these kinds of corporations. That really ends up in governments running these kinds of organizations to a far greater extent.

As I see it, the third option is to address ourselves now in this province to looking at some other kinds of accountability mechanisms. I guess the bottom line really is how we regulate the rapidly developing area of Crown corporations and quasi-government, private-sector corporations that are developing. From my vantage point, I say to hon. members that the danger of our simply saying we're going to continue to do it the way we are now is that down the road, with the tremendous increase in the number of these kinds of corporations across this country and in the province of Alberta in the foreseeable future, I see us having some real difficulty convincing the voters in this province, the citizens of this province, that in fact real accountability is built in.

The next step is going to be for people to say that the only way to get real accountability is for the government to take these things over and run them totally themselves, to lose the private-sector expertise and involvement. If that happens, I think we'll lose much of what's gained by some of these quasi-government operations to date.

So this afternoon, I put before the members the proposition that in Bill 206, An Act to Amend The Alberta Energy Company Act, we're trying to aim at some kind of built-in accountability. It may not be the best kind of built-in accountability, but it's a small step in that direction. In the course of the next three-quarters of an hour, if this debate could serve the purpose of stimulating or urging some members on the government side to think

seriously about this question of how we regulate this whole new group of quasi-government, corporate agencies that are on our doorstep — they're not just in Ottawa; they're not just in the various provinces. If the government takes the advice of Dr. Horner, if the government takes seriously the advice of Foster and Associates, there's going to be more of this kind of thing here in Alberta.

I believe all members in the Assembly believe in the private sector. I think we'd be very wise to try now to develop some techniques that will allow us to regulate those organizations from the standpoint of public accountability, when there's not the great public pressure to do it as opposed to being forced into it from a political point of view some time down the road. If we wait until that happens, the easy political answer is to say, we'll take it over and do it ourselves. If we do that, we'll lose much of the benefit we have in those institutions at this time.

I look forward to comment by members of the Assembly on the proposition in Bill 206, but I also ask members to consider seriously the broader question of not just accountability of AEC, not just the accountability of, one could say, PWA, but think in terms of the accountability of PetroCan, CDC, and other quasi-government corporations that are springing up across this country.

Thank you very much.

MR. GOGO: Mr. Speaker, speaking to Bill 206, An Act to Amend The Alberta Energy Company Act, the hon. Member for Olds-Didsbury, who has a very proud and honorable record in this Assembly, today has put forward some arguments in support of the Bill that members will obviously have to consider. Frankly, I don't agree with him, and I'll give some reasons why.

First of all, the member has pointed out that he'll be leaving the Assembly before we get to the next Bill he has sponsored, and I suppose in many ways it would be appropriate to give him a farewell gift. However, Mr. Speaker, I question whether it would be a gift to the people of Alberta if in our altruistic attitude we consented to passing a Bill simply because it was a farewell gift to a member of the Assembly.

MR. R. CLARK: I wasn't that hopeful, John.

MR. GOGO: He should probably know, and I'm sure he is well aware, that there is a service club in the province of Alberta, indeed a service club of the world, that has a four-way test. One of the items in the four-way test asks the question: would it be fair to all concerned? I suppose one would have to make that judgment before he agreed with the hon. Member for Olds-Didsbury that it would be fair to all concerned to agree with the principal changes he proposes in Bill 206.

He goes on to say that there's a present practice in Ontario — although I don't think he's accurate when he uses the word "present" — that at the conclusion of the hour on private members' day, they vote on that Bill. I believe it was a practice for some time during that period of time when they had what was known in legislative or political terms as a minority government. I frankly don't think they had any option than to develop bringing matters to a vote as a positive strategy. I don't think that's particularly applicable to this Assembly. Further to that, although I don't read Queen's Park *Hansards*, I just wonder whether or not the Ontario government's acquisition of 25 per cent of Suncor for almost three-quarters of a billion dollars, which I understand has to be borrowed

in America, was debated in the Queen's Park Assembly prior to being implemented.

That being said, Mr. Speaker, I'd like to come to the direct point of Bill 206. It really consists of adding after Section 35 a new section, 35.1. Essentially, its purpose is to make an amendment to bestow limited authority upon the Legislative Assembly whereby they would direct the government's participation, how to vote their shares, in the annual meeting of the Alberta Energy Company. As members are well aware, it's now done by appointing some person through the Minister of Energy and Natural Resources. That person happens to be the chief executive officer and president of the company. It doesn't have to be; it could be anybody.

It should also probably be pointed out, with reference to the Member for Olds-Didsbury about government control and the free enterprise concept, that by virtue of ownership of 50-plus per cent of the company and the company having 10 directors, it would go without saying that the majority owners are entitled to representation on the board. It's interesting to look at The Alberta Energy Company Act, the statute, which states that out of 10 directors on the board, the government may appoint four members. So I think the government has deliberately taken a position of only 40 per cent in terms of authority in the legislation. Indeed, Mr. Speaker, although authorized to appoint four directors, in practice the government in fact only appoints three. I think that's a very clear indication that, first of all, although the owners of the company represented by the proxy vote at the annual meeting, i.e. the government portion of 50-plus per cent, only three directors sit there. To me, this is a clear indication on behalf of the government or the majority owners, that the managing of a company should indeed be at arm's length from the government and not controlled by government.

In the final analysis, to quote the Minister of Economic Development: the success of a company is generally measured in the bottom line or the profit picture. If one of the goals of the company is to achieve profits for its shareholders, I think it's more than warranted to keep hands off if indeed you have good management of the company.

I don't particularly want to go into the history of the company, Mr. Speaker, other than to say that as a candidate in the provincial general election in this province in 1975 — although The Alberta Energy Act was created in 1973 and brought in in 1974 — it really became a matter to put before the Alberta people whether or not they wished to participate, or have their government participate on their behalf, in the Alberta Energy Company. In a very substantive way, the results of the 1975 election in putting some of us here were a direct result of the views of the people in response to those issues raised during the election campaign. I'm sure all members are aware that as a result of that, the government of Alberta, on behalf of its people, provided by special warrant \$75 million to set up that portion. It's also interesting to remember that the original intent was that here was an offering — I guess the only similar one prior to that was the Alberta Gas Trunk Line Company — that was available by design for everybody in Canada, with the one proviso that the needs of Albertans would be served first. What happened? Well, I think it's history. Some 60,000 Albertans, representing 3 or 4 per cent of our population, acquired all the shares available, and as a result people in other parts of Canada did not have an opportunity to purchase other shares except through the stock exchanges

Mr. Speaker, one only has to look at the series of annual reports of the Alberta Energy Company to see the very great success story. You can measure success in several ways. Some of us, I guess, tend to do it in terms of earnings. A company is created; it has its mandate set out, if only being profit. The mandate of this company is totally different. It is to provide an opportunity to all Albertans to participate in the very things they own in the province; namely, non-renewable resources. If we look through the history, we've seen dramatic increases from the earnings point of view. I think it's gone from some \$7 million or \$8 million to about \$58 million or \$59 million in the latest year. It's also interesting in terms of payout, Mr. Speaker. Again, I'm addressing the question of the success of the company. Shares initially issued at \$10 are now paying a dividend alone of 4.5 per cent, I think, of the original price. Yet surely it is known as a growth type of security.

Another way of measuring success, I guess, is the asset value of a company. We see where the assets have increased so dramatically with the Alberta Energy Company from day one. Naturally, when one looks at Alberta Energy from a government point of view, as the sister province of British Columbia did, there are those who think they could launch similar vehicles and achieve similar success. I think the history of BCRIC is probably well known to all members, particularly those who bought shares at \$6 and are now begging someone to buy them at \$3.70.

Mr. Speaker, when we look at the Bill moved by the Member for Olds-Didsbury, perhaps it's in order to look back to some of his comments. I'm a little confused, because I do think there's some inconsistency. I would just quote the hon. member's comments not so many years ago. He said:

I believe it's also important that when we are looking at a corporation such as we are today with the Alberta Energy Company, it be made clear from the outset that the future and the destiny of the Alberta Energy Company must be removed a very great distance from the political destiny or the political future of governments, this government or future governments.

It would be my view, Mr. Speaker, that the way we presently have it accomplishes that view, that the day to day operation, the management of the company is handled by a board of directors, of whom only 30 per cent are appointed by the government representing 50 per cent ownership, but clearly has confidence in its chief executive officer or other officers by each year allocating that proxy to be exercised which, I think, in a substantive way is a reflection on the management of the company.

So, Mr. Speaker, I really see no way I can support the principle in the hon. member's Bill, because I believe that in its six years the Alberta Energy Company has been extremely successful. I would think that the 60,000 Alberta owners are satisfied with the operation of the company. I as the Member for Lethbridge West do not receive any type of complaint or correspondence from constituents who obviously own these shares and are probably happy with the management of the company. Indeed if they have concerns, I would assume they would attend the annual meetings held throughout the province.

Based on those few remarks, Mr. Speaker, and recognizing the great contribution the Member for Olds-Didsbury has provided in this Assembly, in all good conscience, I just can't wish him farewell by agreeing with

his Bill.

Thanks very much.

MRS. CHICHAK: Mr. Speaker, I too wish to make some remarks with respect to Bill 206, and concur with some of the remarks of my hon. colleague from Lethbridge West and add a few of my own from the point of view as I observe the operation of the Alberta Energy Company and how it reflects my interest and the interests of other citizens who are either shareholders independently or shareholders by way of the representation that exists under the 50 per cent ownership by the Alberta government.

Mr. Speaker, although the Bill appears to be simple enough in requiring that the individuals to whom proxy might be given with respect to attending the annual meetings and the voting on the shares be selected by the Legislature, I would have some concerns with respect to that. I think we need to reflect on some of the considerations or decisions made and the actions taken by many Albertans, which were based principally on the manner in which the Alberta government had determined that the Alberta Energy Company would be set up, the function it would have, and the manner in which it would operate and manage the interests of the shareholders of Alberta.

I recollect when the announcement was first made that the Alberta Energy Company would be set up and that shares be made available for direct purchase by Albertans, and that the government of Alberta, on behalf of Albertans, would also participate in the purchase of shares and in the interest of the company. I think it went a long way to encourage and give a feeling of security to Albertans that its own government was going to be involved in providing interest in the activities of the company for all those Albertans who did not have the financial means to be able to purchase shares.

Based in part on that kind of understanding, Albertans trusted this approach. Many of them went out and, yes, even borrowed money to buy shares in the company. They believed then that the operation of the company would be at arm's length from government, that the only influence would be broad policy guidelines and the direction outlined in the legislation under which the Alberta Energy Company was established and functions.

I think one would have to look to some degree at the record of action on the part of the directors of Alberta Energy who have been acting in the interest of its shareholders. It would have to be taken into consideration whether there ought to be concern as to their actions and how they have in fact placed these shares and the interest and investment of Albertans, in order that we might determine whether the process of control is inadequate and needs to be altered. Does the consideration being proposed under Bill 206 need to be brought to this Legislature and, in fact, put in place?

When we look at the areas in which the Alberta Energy Company has invested the money of Albertans, in each and every case it has been primarily directed to natural resources and the development of those resources. The areas of investment and involvement directed and entered into by the Alberta Energy Company, over and above what is directly known as our natural resources and their development, are of course subsidiary kinds of benefits.

For a long time, Albertans have said they should have the opportunity to have an ownership and investment right in the development of their own resources. This is one vehicle that has been put in place. The fact that the Alberta government has a 50 per cent interest simply

reassures Albertans that the majority ownership will always be maintained with the province and within its own borders, which is a very important factor.

The proposal being made under Bill 206, to make a selection of the directors who might be appointed to have proxy and act in the voting of matters at annual meetings and the decisions of the Alberta Energy Company, leaves open to be discussed in public personalities and individuals who might be put forward as nominees. I think that it is hardly conducive to the fair and proper treatment of individual citizens of this province whose names would be put forward for consideration as nominees to the Alberta Energy Company, to reflect the Legislature's interest, not necessarily the interest of all the shareholders. I still look upon the shares that are owned by the Alberta government as owned by Albertans through the vehicle of the Alberta government.

If many discussions were being hampered by the procedure being proposed and the kind of investment considerations the Alberta Energy Company undertakes from time to time, that would certainly not leave open or available to the Alberta Energy Company the kinds of decisions that would be in the best interest of its shareholders. Much more of the dialogue and consideration would have to become public before decisions on such investments could be made. I think we all know that where tentative investments are discussed in advance, it certainly affects the price and the availability of such commodities.

I would just simply like to add briefly that certainly the hon. Member for Olds-Didsbury has put this Bill forward in a very positive way and, no doubt, truly believes it is a necessity to make this change. However, I don't believe that change is really in the best interest of the shareholders, who are residents and citizens of Alberta and of this country. I think that kind of consideration should be first and foremost. Therefore, Mr. Speaker, I really do not feel that I can support this particular Bill, even though there may be a compelling reason why one may wish to give some special consideration to the hon. Member for Olds-Didsbury at this particular time.

Thank you, Mr. Speaker.

MR. SPEAKER: I believe the hon. Member for Olds-Didsbury would like to clarify just briefly something he said previously.

MR. R. CLARK: Thank you, Mr. Speaker. I indicated in my remarks dealing with Bills on private members' day in the Ontario Legislature that there is an automatic vote at 5:30. That's not accurate. The procedure is that 20 members stand, and they can force an automatic vote at 5:30. I might just simply add, though, that in the Ontario legislative situation, that in fact has become an automatic vote because of the breakdown of members in the Assembly, even now.

MR. KNAAK: Mr. Speaker it gives me pleasure to address the Bill put before us by the Member for Olds-Didsbury. It will be the last time I, too, will be able to address a Bill proposed by the Member for Olds-Didsbury, and before going into my comments I want to take this opportunity to thank him for the contribution he's made generally to this Legislature and to the people of Alberta. I've gotten to know the member personally to some extent and have really learned to respect his contribution and appreciate it. I wish him the best of luck in his new chosen endeavors, and I'm sure he'll do well there

as well. We'll miss him.

With respect to the Alberta Energy Company, I was fortunate in being close to the formation of that in a different capacity and was cognizant of the initial purpose of The Alberta Energy Company Act. My colleague has correctly pointed out that it was to give Albertans an opportunity to participate in the resource development of this province. That was the main function. I think most Albertans who are shareholders of the company are thankful they did invest, and are appreciative of the kind of efforts the present management has put into the company and the kind of success they've been able to develop.

Although the management of the company is totally at arm's length from the government, as it should be and was intended to be, there is no doubt that the Alberta government, having a 50 per cent interest in the voting shares of the company, does reflect its interest as a shareholder in some indirect way. To some extent, that limited the management of the Alberta [Energy] Company from perhaps being the kind of entrepreneurs they would have wanted to be if they did not have the government as a shareholder. From our point of view, I think it's just as well that the kind of development has taken place as it has.

The issue of accountability is of course difficult when we bring it back into the Legislature. It's difficult because of the nature of our private enterprise philosophy and the intent of setting up this company as a private enterprise company. That was really the intent, and it was to function as one. I hope the 50 per cent non-government shareholders feel that they have control of the company. In fact they do, since the government is not exercising, and never has, its 50 per cent vote.

I've attended shareholders' meetings of the Alberta Energy Company, even though I'm not a shareholder and never have been except for about a month or so at the beginning. At those meetings, I see a very significant interest of Albertans and an accountability to those shareholders right at the shareholders' meeting. I believe that's the way it should be. It shouldn't be forgotten that when we talk about accountability, this company, as every other public company, is fully accountable to its shareholders, which means Albertans and this government. It does that through regular reports and a full and thorough annual report which they're obligated to provide.

I just want to remark that although the long-run future of Alberta Energy Company is an issue we can debate and some of us might feel that under certain circumstances perhaps all the government's interest should be disposed, I don't think this is the time for it. But certainly, philosophically, if there are other ways of assuring Albertans' participation in our own resource development, that can be reviewed.

In concluding, I just want to say that I think the management and the directors have accounted fully to the shareholders and that I have complete confidence in their abilities and in their full accounting. Thank you.

MR. PAHL: Mr. Speaker, I too rise with some sense of history to debate Bill 206, but I guess history will show me being equally uncharitable to the Bill. However, it's a poor occasion when one can't find some good in the proposal.

Just commenting on the preference of the Member for Olds-Didsbury to emulate the Ontario House, I wouldn't mind indulging his wish for this one because I would be

very pleased to stand up and be counted in the vote against it. But perhaps one of the member's colleagues would take up the torch on this one, because I think there is a germ of value to the concern the hon. member has pointed out. It's simply this — and I will go back somewhat into the history of the purpose of the Alberta Energy Company to indicate that I don't think it applies in this instance. But as we move into the 1980s, with our very unique opportunity of the Heritage Savings Trust Fund and the opportunity to invest and save 30 per cent of our non-renewable resource revenues, I'm sure there will be times when the investments undertaken by the Legislature and the government will not be so clear cut in their purpose and perhaps there will be a need for that accountability. However, I must say that to this point I can't see that prospect arising on the horizon. I certainly don't agree with it with respect to the Alberta Energy Company.

In terms of backgrounding why I feel that way, Mr. Speaker, I should like to refer back to the genesis of the Alberta [Energy] Company. It really evolved out of Alberta's policies on energy. That goes back to about 1973, when I first became aware of them being stated. The first of Alberta's five basic issues with respect to energy was a security of supply for Canadians. Certainly, we can look back at the performance of the Alberta Energy Company and see that their participation in Syncrude at a very critical time, their participation in the Suffield-Block, and now into the Primrose bombing range area, have certainly addressed the issue of security of supply for Canadians.

Another one of our concerns as a Progressive Conservative government in 1973 was a fair return for Alberta's resources. We of course have been through a very trying number of years trying to establish that principle. The other side of that coin and the third of our policies with respect to energy — that, by the way, has been consistent throughout the years — has been a fair price of petroleum products for Canadians.

Number four in that 1973 policy was provincial responsibility for resource policy. I'm sure all members would accept the principle and agree that the points made by the Premier with respect to the signal point of the energy agreement signed with the federal government was, never again would there be a unilateral imposition of a policy that so dramatically affected our province or any others.

Number five in that 1973 policy of the Progressive Conservative government was investment opportunities for Canadians. The idea was to develop a plan to give Albertans and other Canadians an opportunity and a chance to invest in the oil sands as well as in conventional oil and gas activity in Alberta. That was the Alberta Energy Company. There was a specifically defined purpose, that of an investment opportunity in oil and gas. The mandate of the company was clear. That really was the sole purpose. I think the fact is that that investment opportunity has served one of the goals of the national energy program that Albertans have never disagreed with; that is, Canadianization of the energy industry, although I do take some exception to our dean of the Legislature saying we can continue operating in the status quo like Alberta Energy Company and PetroCan.

I'd like to explore for a moment some of the differences between Petro-Canada and the Alberta Energy Company. Alberta Energy Company was an investment opportunity. It was placed on the market, and it was oversubscribed by Albertans. I didn't see the federal government showing the same level of confidence in their venture into the industry. Similarly, beyond the start-up, the fact that this

Legislature had the courage to put out the shares and have them oversubscribed also indicates that the citizens of Alberta had confidence in the concept of a company that government would have an ownership in, but would not operate and control.

I think that policy is well worth reinforcing, in the sense that at that time the Progressive Conservative government rejected and was opposed to state-owned and state-controlled exploration of oil and gas as an alternative. The Progressive Conservative approach favored that of a partnership between government and the private sector, with the private sector having the profit incentive to take the risks and provide the technological skills — and, I might add, the management know-how and the ability to make decisions that is not always handled well by a government. Certainly, it has taken some courage to stay with a 40 per cent directorship, but I think the confidence of the shareholders of Alberta Energy Company have borne that out.

That comparison with Petro-Canada also concerns me somewhat in that not only has the federal government not provided any shares; they have continually supported the national oil company with our taxes, without a vote, by proxy or otherwise, and they've also continued to levy at the pumps for that decision. Whether or not that translates itself into accountability, I really don't know.

I also find that the principle of comparing the Alberta Energy Company with Petro-Canada in their operations in the oil industry would tend to suffer a little from the test because Petro-Canada was demonstrated to have been very much in bed with the regulator, the federal government, with respect to the drafting of the national energy program, and carved itself, in a very objectionable way, into something like 25 per cent of the action.

Similarly, I see in the reports that Petro-Canada has been sufficiently alienated from the rest of the oil industry that it is dropping out of the independent petroleum producers' association. So I don't find the parallel there, Mr. Speaker, although perhaps that was not as great an effort. Admittedly, the Alberta Energy Company started out with some advantages, and I think that was well accepted by the shareholders who own the 50 per cent, who are represented by the provincial government. Certainly after that start-up, it's been very much on its own.

Mr. Speaker, I would reinforce the germ of concern that is in Bill 206, because as we inevitably invest more of the Heritage Savings Trust Fund moneys into investment opportunities that will build, strengthen, and diversify our economy, I feel we may find situations where, as you move down the scale of investment opportunities, there may be a need for more accountability, if you will, by government and the Legislature in such vehicles. But I certainly don't think that the case has been demonstrated with respect to the Alberta Energy Company.

With some regret as a parting shot, I therefore urge other members, whether we vote or whether we talk it out, to reserve their support for this Bill until the need is demonstrated. Thank you.

DR. PAPROSKI: Mr. Speaker, before I proceed with Bill 206, for the record I too would like to add my compliments to the hon. Member for Olds-Didsbury for his many excellent years of service in the Assembly and to the people of Alberta. I wish him well. I suggest, and I am sure all members would agree, that he is truly an honorable member.

Mr. Speaker, getting back to the Bill — and nothing to do with the hon. member's position at this time — he has

indicated that this Bill has something to do with accountability, yet he has not shown us any reason why more accountability is necessary. The way I read this Bill, the motion in fact is a non-binding motion. It's difficult for me to see how we will get more accountability. Maybe in his closing remarks on another occasion — if that ever comes; or one of the other members of the opposition will clarify that. He gave no examples of why more accountability is necessary regarding the Alberta Energy Company. He certainly hasn't indicated how any problems that may have occurred could have been avoided by bringing in this particular amendment. He says — and the hon. Member for Lethbridge West has indicated already — that he would not interfere. But the way I read it, that's exactly what is happening here.

Apart from that, Mr. Speaker, why are we changing when all is well with the Alberta Energy Company? If there is any question about that, I suggest we go to the shareholders and ask that question directly.

Finally, Mr. Speaker, on the comments he made, I suggest the new carrier of the proxy will not have any special or unusual knowledge. So why are we doing it? Again, the hon. Member for Olds-Didsbury says that many types of Alberta energy companies may develop in the future, and we should be concerned about doing something about accountability. Well, I agree. In a broad philosophical way, we should always be assured of accountability. But I can also say, Mr. Speaker, that I hope we have many, many, many Alberta energy companies of this type.

So, Mr. Speaker, I will acknowledge that there is a need for accountability in all cases. Certainly the thinking and philosophy behind the member's thrust in this case is proper. But I suggest the amendment does not do this; neither does it do it effectively, and probably not at all.

Mr. Speaker, I realize there are only a few moments and there's no way I'll get through all the comments I want to make. Very briefly, when I see a resolution here, just to review the central point, it says that the Legislature move a resolution, and the resolution would be non-binding, to "propose a person or persons to be nominated to hold the proxies", which are votes, to vote for the Assembly. Then and there I ask the question: who are these persons, and who are they that they should all of a sudden know all the activities of the Alberta Energy Company?

Then (b) suggests that we "propose directions to be given to the person or persons nominated as to the manner in which the voting rights shall be exercised". Mr. Speaker, I have great difficulty with that. I'm sure all the hon. members here who have participated in company, activities, who go to companies, may have a direction in their minds, may be given a direction by their colleagues or associates. Yet when they get to the company, the new knowledge that comes forward, the information that's revealed, may alter that direction and vote completely. So I see an inherent danger in that.

With those very brief comments, Mr. Speaker, I don't feel that the amendments are essential, and it doesn't do what it proposes to do. If a need were demonstrated, laid out as an example by the hon. Member for Olds-Didsbury, I might be turned on to go in a direction of more accountability in some manner, but certainly not the manner proposed here.

Mr. Speaker, because the time is up, I beg leave to adjourn debate.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. HORSMAN: Mr. Speaker, this evening it is proposed to deal with the estimates of the capital projects division of the Heritage Savings Trust Fund. I would therefore move that when the House reassembles at 8, it do so in Committee of Supply.

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

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

head: COMMITTEE OF SUPPLY

[Mr. Purdy in the Chair]

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

ALBERTA HERITAGE SAVINGS TRUST FUND CAPITAL PROJECTS DIVISION 1982-83 ESTIMATES OF PROPOSED INVESTMENTS

Department of Environment

5 — Lesser Slave Lake Outlet

MR. SINDLINGER: Mr. Chairman, to the minister. The last item we were discussing before adjournment was the subject of manpower on this vote. For the 1982-83 estimates under the summary by object of expenditure, the observation was made that there was no allocation or appropriation for manpower. However, for the comparable 1981-82 estimates there was an appropriation for \$40,000. The minister was addressing the question of project supervision by departmental officials, but he had not yet gotten to the point where he could determine whether people from the department were seconded to look after the project. Perhaps the minister might pick up on that point, and we could go from there.

MR. COOKSON: Mr. Chairman, I think the latter part of the discussion had to do with fish. I hope I was able to satisfy the Member for Clover Bar that we weren't going to interfere any more than we could help it with normal fish production in the area. In terms of the study mentioned as part of the future cost on the project at Lesser Slave Lake, I might add that the study may actually result in enhancement of the fisheries in the lake. Studies have been done before. Our present knowledge is that while expending these funds from the heritage trust fund as part of our heritage, we should use some small portion for an opportunity to review whether we could actually improve the fishery in the area. So that's the projection on that cost.

In terms of the manpower costs, the '81-82 year reflects \$40,000 for manpower, and we don't estimate anything for '82-83. In these different projects — and the same would apply in the case of the Paddle River dam construction — we do as much as we can internally, and that comes out of the general revenue of the budget of

Environment. I don't think there's any hard and fast rule as to where that cuts off and manpower is charged against the Heritage Savings Trust Fund.

So I suppose it's a judgment on the part of our department as to whether it should be allocated towards capital cost of the project and come out of the heritage savings trust, or whether it should be funded out of the general revenue of the Department of Environment. I couldn't say precisely whether the \$40,000 in the 1981-82 estimate would be a supervision requirement during that particular year in which we were cutting through the meanderings of the river, whether it's a portion of supervision, or whether it represents the salary of one person. That's the question the member is asking. As one can see, in the '82-83 estimate there will be no charge to the Heritage Savings Trust Fund for manpower as such. So that would indicate that if there is any cost in terms of supervision, that would come out of the revenue of the Department of Environment.

MR. NOTLEY: Mr. Chairman, is the minister not in a position to advise the Assembly what the proposals are this year? Will there be supervision, and what will the supervision be? We had a figure of \$40,000, which apparently was charged to the heritage trust fund last year. Presumably that deals with supervision. I can't imagine that we would be looking at an investment of a little over \$1 million without some kind of supervision by the department. Perhaps the minister could be a little more explicit in just what will be charged against the general operating expenses of the Department of Environment.

MR. COOKSON: Of course, the budget we're approving does not deal with what comes out of the budget of Environment in terms of manpower. I may be able to get some communication as to what is estimated out of the Department of Environment this year, projected for '82-83. We'll see if we can get some information for the member. Certainly there is supervision in one way or another. I guess the question is the amount which would be allocated for '82-83, in terms of work yet to be done. I'll see if I can possibly get some kind of figure.

One has to remember, Mr. Chairman, that whatever comes out of the general revenue of Environment really doesn't bear on the approval of the budget from the heritage trust fund. The expenditure that comes out of the Department of Environment for this kind of work is really a part of our projected costs, which are approved in the Legislature in the spring of the year and are perhaps set by guidelines of 10 or 11 per cent total expenditure for the ensuing year. We take into consideration all the projects we're doing, including projects that may be from the Heritage Savings Trust Fund. If we're confident that that total expenditure can be handled within the general revenue budget of the Department of Environment, that's where we would probably keep it. So increases in costs with regard to manpower would show up and be included in the spring session of the Legislature in terms of our department. Now it might not be easily broken down, because it's total expenditure for all the projects. I'm not sure it could easily be broken down.

I think the important thing is that the projects are supervised carefully and must meet engineering standards. I don't think the public would be concerned so much as to whether the costs came out of the general revenue of Environment or whether they came out of the Heritage Savings Trust Fund. The significant thing is that

the projects are safe and properly supervised, properly completed, and have a normal expected life of operation.

MR. NOTLEY: Mr. Chairman, I don't think there's any question that we're all concerned that the projects be properly supervised and built according to standards. The reason I raise these questions, in any event, is in terms of getting some handle on the costs of capital projects funded by the heritage trust fund. It seems to me that we have to have a breakdown, where possible at least, of the manpower costs.

If we have people seconded to projects or people working in large part on heritage trust fund projects, that's part of the cost of the project. Whether it's the Lesser Slave Lake outlet appropriation we're looking at, land reclamation, any of the projects we're going to come to shortly with respect to the Department of Hospitals and Medical Care, or any other investments we make from the capital works division, Mr. Chairman and Mr. Minister, it raises the question of how we allocate manpower costs. That's a major factor in the costs of these projects.

We're now in a position where apparently the costs for 1982-83 are going to be borne by the General Revenue Fund of the province, but we're not sure what the manpower costs will be. Last year we had a figure of \$40,000, but we're not sure whether that was all or part of the manpower; probably a small part of it, I would judge, if we're looking at almost \$2 million that was invested in 1981-82. I would simply make the point — and I think it's worth underlining — that in terms of the accounting of our heritage trust fund investments as far as the capital works division is concerned, unless there are overwhelming obstacles to inserting the accurate assessment of manpower costs, it should be a normal accounting practice in every department. Where a project funded from the heritage trust fund goes ahead if it merits funding from the heritage trust fund, all the costs attributable to that project should be charged to the heritage trust fund, so we know in fact the cost of a given project to the trust fund.

Mr. Minister, your personnel have only so much time and, as you well know, we have other projects all over the province, but especially in northern Alberta where there are engineering proposals for water resource projects of one kind or another. If you have projects held in abeyance because people are being assigned to something like this, fair enough. But I think we have to know the cost of that assignment. And unless there is a very overwhelming reason to the contrary, it seems to me it should be assigned to the trust fund budget.

MR. COOKSON: Well, Mr. Chairman, I guess that's a problem I have been concerned with, with all Heritage Savings Trust Fund projects. The broader question is: since this particular expenditure of the trust fund is for capital projects of lasting social and economic benefit, as you follow this down the road, at some point in the future when these projects are completed, there is going to have to be an increase in the operational costs — in this case, to Environment, and I'm sure it reflects in other departments as well — to cover the additional operational costs of these projects. For example, I'm thinking of the huge construction project going on in the city of Edmonton with the Health Sciences Centre. Another one is the Paddle River project, which will require operational costs once it's completed.

One can go on and cite many other projects around the

province that are going to require operational costs once they're completed. So I perceive that in the future, we are going to have to increase our allocations to the general revenues of each department required to operate these facilities. That has to be very carefully thought out. It may be very difficult for the province to maintain constraints on general budgets because of these increased operational costs over and above, as the member suggested, the regular projects we undertake — in this particular case, in Environment.

I'm certainly very cognizant of the problems we face as we get further into capital projects of this nature. I guess a classic was in '81-82, when we estimated \$40,000 which we'd take out of the trust fund. Now we have to keep in mind that this is primarily in the construction stage. What I'm talking about is what happens after it's completed, and how we're going to control our budgets and keep them from causing inflationary problems, if we then have to take over these major capital projects.

Again, it's an internal judgment. If we feel we have sufficient personnel within the department and can still carry out our regular projects, and it's much easier to manage that within a department that has control over the people within it, we would attempt to do it primarily out of the revenue of the department, without causing any disruption to work going on. The member probably knows that many Environment projects are seasonal, subject to the whims of nature. We employ people all year round, with good salaries in the main. However, I think there are times of the year when their work is pretty strenuous and other times when it eases off.

I think it's good budgeting and good management if we can internally use the qualified expertise of our people within the department to manage some of these projects without acquiring additional positions. For example, in this project we could employ two or three people permanently in the Slave Lake area to supervise the work going on day by day, every day, 24 hours a day. But I think that would be unnecessary and simply add to the total cost of the project. I don't think the public would want us to do that if we can operate within our department, again without interfering with the regular projects.

In '82-83 we have projected that we will require some work from the staff within the department. One can project as closely as possible what that will involve in terms of dollars which will come out of our budget. We estimate that in '82-83 we will need one inspector for about six months, possibly one part-time engineer, and our survey crew for about three months, doing survey work on the cutoffs. We estimate the costs, which will come out of the general revenue of the province, in this order: \$9,000, \$5,000, and \$12,000, for a total of approximately \$26,000.

MR. NOTLEY: Mr. Chairman, I'd like to follow that along for a moment, if I may. I certainly think we should be making use of departmental personnel. I don't want anyone to misunderstand that at all. However, when we have departmental personnel assigned to supervision work — whether it's engineering, survey work, or what have you — dealing with a Heritage Trust Fund project, they're not available for other projects. As the minister points out, from time to time it may not be the case of additional work; it may be that it's a slow time and people can be shifted over. But that's not always the case.

It seems to me the minister also makes a good point that all these projects are going to have operational costs involved. Those operational costs are going to be charges

against the budget of this province in the future. For that reason, Mr. Minister, it seems to me there is a good deal of merit in the accounting procedure in the first place, when it comes to the heritage trust fund capital budget, that we assign the manpower cost to the project.

As I look through the estimates, I notice we seem to be doing that in some cases; in other cases, we aren't. For example, we don't seem to be doing that for the university health centre, surprisingly enough. But enormous manpower costs are in fact being assumed by general revenue in the case of that project. We seem to be assigning manpower costs in other cases.

But the point is that because all these capital projects, however worthy they may be, are in one way or another going to be a draw on future revenue, as a vantage point once the project is completed it seems to me we should have an assessment of all the costs, including manpower. For that reason, unless there are almost insurmountable problems in terms of departmental accounting, these manpower costs should be assigned in the project where possible. Then the public has an idea of what the actual costs of these projects may be, and they can judge them accordingly; not just the capital aspects but the manpower costs as well, because that's an important part of most of them.

Over the long run, the fact that we're going to have to assume some degree of operational costs in the future, Mr. Chairman — I guess this is a more general debating point that I don't want to throw at just this minister, but that I think we have to consider as we discuss the estimates in total. Because these capital projects in the main have operational costs down the road, we do have to consider carefully the Auditor General's recommendation a year back that in fact we really can't consider the capital works projects, however worthy they may be, as assets in the heritage trust fund in the same sense as debentures, equity investments, or what have you, because there are ongoing operational costs that are going to be there for future generations. Rather than something which will provide funds — and there's no doubt that most of these projects are worthy — there are definite costs down the road that are going to have to come from future general revenues of the province of Alberta.

MR. SHABEN: Mr. Chairman, I'd like to make a few comments on this particular vote, particularly in view of the discussion as it relates to the financial implications of the project and the management of the finances.

The history of requests for some work to be done on stabilizing Lesser Slave Lake goes back to 1915, when the first request from the region for some sort of action went to the then federal government. The requests continued, depending on the level of the lake. If the level was low, the requests would sort of fade away and the activity for some sort of action would fade away. When water levels became high, the activity and lobbying to government would increase. Since being involved as the MLA for the Lesser Slave Lake region, this has been a very important project for the region and has involved farmers, businessmen, fishermen, old-timers — and some remember the earlier requests.

One aspect that's really important, in terms of the philosophy of the heritage fund and the use of the capital projects division for something like this, is that this project ties directly to the purposes outlined in the Heritage Savings Trust Fund Act. The exploration in the Swan Hills that began in the '50s, and the development of oil and natural gas, caused the stripping away of 18 to 20 per

cent of the surface timber, which increased the rate of flow into the lake and in fact resulted in prolonged higher lake levels and siltation. So the project fits very well, and I support the government on using heritage fund capital projects division funds for something like this.

One important aspect — and this gets into financial control — is that I would like to commend the minister and officials in the Department of Environment for their control and management of this project and the process of decision-making. Because the decision-making has involved citizens of the region who have worked for three years on an advisory committee, appointed by the previous minister, known as the Lesser Slave Lake basin advisory committee. In reaching a decision as to the kind of project and the kind of work that should be undertaken, the local citizenry were closely involved in that decision-making and continue to be involved as the work proceeds.

This leads me to the cost and management of the project. Initially, the recommendation was to construct a brand-new channel, the cost of which would have been three to four times the cost of the ultimate design chosen by the minister and the department, which demonstrates to me the kind of conscious attention to the economies, the economics, and the costs being adhered to by the minister. The minister chose a lower cost option that was acceptable and agreed to by the local citizens, farmers, fishermen, business people, and the M.L.A. as well. This demonstrates to me, Mr. Chairman, the kind of cost control that this government is well known for.

I'd like to conclude by saying that the project is welcomed. But we would like the minister to accelerate activities in the necessary land purchase to complete the three cutoffs and the weir that will complete the project at about a third of the initial cost that was estimated for it.

MR. SINDLINGER: Mr. Chairman, to the minister. I'd like to make two remarks about the comments we've just heard, if I could, please. I was pleased to hear that farmers, old-timers, fishermen, and businessmen were all involved in the initial decision-making process, in the planning decision. I hadn't heard before from the minister the particular reason for the project: the Swan Hills oil and gas development, resulting in an 18 to 20 per cent stripping off of the area's timber, therefore more run-off into the lake and higher water levels.

The hon. member just concluded that because of that, this project fell into the purview of the Heritage Savings Trust Fund. I would like to differ with that a little bit. I think this is a good project, as are most of these projects. They all have value and merit. However, I would suggest that it falls under the criteria of the Act in that it provides long-term social/economic benefits for the people of the area. It's not just that the water level rose that the government undertook the project.

In regard to the process of decision-making, it was interesting to hear that it involved the citizens of the region, the Lesser Slave Lake basin advisory committee. And that led the hon. member into a discussion of costs. The hon. member indicated that the advisory committee originally felt the government should construct the new channel, which would be three to four times the cost of the plan approved by the minister. Mr. Chairman, from the testimony provided by the minister on this project the other day, it was indicated that the initial cost of the project was to be about \$8.8 million. However, after further questioning and more testimony provided by the minister, it was revealed to the Assembly that the original

cost for the project had been changed. No longer was it \$8.8 million; it had now been dropped to \$4.4 million.

Now, in my mind that raises a question about the ability, the expertise of the department, that the minister referred to earlier. Certainly we can understand that the Lesser Slave Lake basin advisory committee, not having that type of expertise, would not know what type of plan to recommend, and we can see the cost being three or four times that approved by the minister. But when the minister approves a plan for \$8.8 million and then, as things develop, the cost ultimately becomes \$4.4 million, or one-half the original cost, one has to raise the question about the quality or competence of that in-house expertise which originally came up with the \$8.8 million.

That wouldn't be so bad if it was just an isolated incident. But we have learned by scrutinizing the minister's estimates in the previous vote on land reclamation that the department has consistently overestimated the cost of projects. In the first year of the land reclamation project, in the first year of the heritage savings fund, more than half of the appropriation approved by the Legislature for that program was allowed to lapse. That wasn't isolated either, Mr. Chairman: not only in the second, third, fourth, and fifth years, but in all the years. So over the first five years of that program, less than half of the appropriation was expended. It was allowed to lapse. And here we have it again.

Perhaps the minister or the member from the area who just spoke could elaborate on that. Was it the expertise in the department that came up with the \$8.8 million original cost estimate? Or was it the citizens involved in the Lesser Slave Lake basin advisory committee — the farmers, old-timers, fishermen, and businessmen?

MR. SHABEN: Do you want me to answer, Jack?

Unaccustomed as I am to responding for the Minister of Environment, I'm happy to help out the Member for Calgary Buffalo.

AN HON. MEMBER: He's often been buffaloes.

MR. SHABEN: Maybe I wasn't clear in describing some of the history, and maybe I could go into a bit more detail of the history . . .

MR. NOTLEY: Oh, please do.

MR. SHABEN: . . . to help hon. members in highlighting the importance of this project, the procedure that was followed, and the involvement of the local citizenry in co-operation with Department of Environment officials. That process took a number of years, as I indicated earlier.

I believe the first study was done when a couple of members were sitting over on those benches in 1967. A study was undertaken by Montreal Engineering to determine the cost of resolving the problems the citizens there had faced for 50 or 60 years. The study was completed in 1967 by Montreal Engineering. It called for a direct channel about 12 or 13 kilometres in length, replacing the present river channel at significant cost. At that time, the government decided that the area didn't warrant the expenditure and said the reclamation of 30,000 acres of agricultural land did not warrant the expenditure.

But our government began to re-examine the issue in the '70s, took a different view, and decided it was worth while to reclaim 30,000 acres of agricultural land. Initially, the project design followed the design suggested in the

Montreal Engineering study; that is, a brand-new channel. That's what I was referring to, so hon. members are clear: the original design was a brand-new channel replacing the existing river channel. The ultimate choice of design was a system of river cutoffs. The shift in design was as a result of discussions.

The hon. member made the suggestion that citizens in the area were not knowledgeable about matters related to water management. I think they would take exception to that comment. Because farmers and people who live close to bodies of water and, over years and years, experience the action of streams, water flow, and so on, often have an excellent idea of the course of action that can be taken. That's what led to the co-operative effort between officials in the department and the basin advisory committee to change the design of the project. The point I made in my earlier remarks, that that sort of attention to the proper sort of project and cost consciousness, and effective use of government funds, led to a project that is being well managed and brought in at far below the original estimate.

MR. R. SPEAKER: Mr. Chairman, to the minister or to the acting minister. I feel it's fine that the minister certainly participates in the debate. I was a little worried earlier in the debate that we had gone a day and were into the second day, and the MLA for that area wasn't going to get involved in the discussion. So, we appreciate that very, very much.

The focus of the last remarks was with regard to the citizens' advisory committee. I wonder if the minister could indicate who those people are, what communities they represent, and the kind of responsibility they are given in the ongoing decision-making with regard to development of this project.

MR. SHABEN: I had the opportunity to work closely with the citizens' advisory committee and attend many of the meetings, particularly in the early stages. The membership changed over the years, but representation was drawn from Slave Lake, the Faust-Kinuso area, High Prairie, and the Indian reserves that benefit from reclamation of land. The chairperson of the committee is Jeni Nash, from Slave Lake. Farmer members, a lawyer, long-term residents, and a variety of members make up the committee. The committee worked closely with the district agriculturist, who attended all the meetings, as well as officials from the Department of Environment who were always there. From time to time, the assistant deputy minister or the deputy minister would be involved in meetings over the years.

The basin advisory committee still works, is still involved. It is involved in other matters related to water management. As a matter of fact, they're working with the Associate Minister of Public Lands in the Frost Hill land-use management team, that is planning land use for the south shore of Lesser Slave Lake.

MR. R. SPEAKER: Mr. Chairman, to the minister. With regard to the advisory committee, the minister indicated that they're still involved in the process as it's going along. One concern we have is with regard to the accountability for funds. The minister explained that the cost of the project has been reduced because of recommendations from this experienced committee. In terms of tendered contracts that are let by the department, I wonder whether those contracts are somewhat monitored by the committee, and whether there's an ongoing con-

sistent reporting system to those committees so they're able to judge and control the expenditures of this fund.

MR. COOKSON: Mr. Chairman, just to add to what the Member for Lesser Slave Lake has said, one of the policies in most of our projects in Environment has been to incorporate local citizenry and involve them in the communication process with the department. We have a lot of reclamation work going on throughout the province. We have the coal mine developments, which we supervise. We have a lot of drainage projects throughout the province. We have dam construction going on now in at least two different points. We are actively working in the department on problems of hazardous chemicals dealing with siting.

I've found it extremely helpful, in terms of dialogue, to get this kind of input from the area in question. These people have been close to the problem for many, many years. It's a personal concern with them. In many cases it deals with their livelihood. I'm always amazed, and even our most qualified engineers, when I talk to some old-timers in the areas concerned, about their ability — without the use of any fancy equipment, slide rules, computers, or all the modern conveniences of engineers today — to be able to tell the experts which way the water runs. So we draw on their ability in this area. Many times, not only are they helpful in their advice but they can actually save a lot of costs and time.

In the case of the outlets from Lesser Slave Lake and the tendering process, I think we covered the cutoffs last day, which were eventually determined would accomplish the same effect and reduce the total cost. The Member for Lesser Slave Lake has very capably outlined the prelude to some of that decision-making process. The procedure on this particular project within the department was to tender, then process through the normal procedure, and take the best tender on the project. I think I said in former discussions that we were even concerned about the very tight tender we accepted, because we don't want anyone to go bankrupt on an operation of this nature or, for that matter, any operation. So we have tendered, and practically all the cutoffs will be completed in the '82-83 year.

As far as supervision is concerned, as you can see, we have no allocation for manpower. But along with the group in the area, that is in an advisory capacity, we will provide inspection work with our own expertise with the engineer in the area and with the work of a survey crew for about three months to survey the lines. We also have our own people working out of the Peace River area, generally in pretty close touch with everything that goes on. So it is very closely supervised. As the Member for Lesser Slave Lake has said, it's going to be an extremely important project when it's completed.

MR. R. SPEAKER: Mr. Chairman, the question I had directed to the minister was whether the advisory committee was used on a regular basis. Do officials of the department meet with the advisory committee once a month, every two weeks, and present to them a financial statement indicating where the project is, where the costs are; possibly the advisory committee giving some of this good advice they have learned by experience in fishing on the lake, living on the lake? Is that type of thing done, or are they just called in on an irregular basis as the process is proceeding?

MR. COOKSON: Mr. Chairman, I wouldn't think it's any kind of formal, structured, once-a-month sort of thing. If the chairman has some concerns, she simply calls a meeting. The member concerned and my officials are always close at hand.

I was at — I guess we could call it a ribbon-cutting ceremony . . .

AN HON. MEMBER: Sod turning.

MR. COOKSON: . . . sod turning when the first cutoffs were made and observed the commencement of the operation first-hand. I then had the pleasure of meeting the members the Member for Lesser Slave Lake has mentioned: extremely interested and capable people. If there's any question or concern, our people are prepared at any time to meet with them and, as I say, the member is available. It's not a formal structured type of meeting that has to be regular, once a month, or whatever. But they're always there, and they're looking at other concerns in the general area as well, that deal with further implications of the drainage system.

MR. NOTLEY: A supplementary. It's obvious that this committee has done a fair amount of good work that has saved the taxpayers of Alberta considerable money and given prudent advice to the department. Could either the Member for Lesser Slave Lake or the minister outline the composition, the basis, on which the committee is selected? Is there a definite position for each community along the lake? What role does the improvement district have in the selection? When were they chosen and on what basis? What was the term of their membership? And what remuneration, if any, have we made available to them?

MR. SHABEN: Mr. Chairman, I'm sure the minister would comment on remuneration. I believe it is out-of-pocket expenses for members for the meetings.

Establishing the Lesser Slave Lake basin advisory committee was an interesting process. In my earlier remarks, I indicated that from time to time the citizens of the area had just voluntarily come together to talk to government, whether it was the previous administration or the government in Ottawa in 1915. They'd almost pull together in a natural sort of way, representing the entire constituency. During the '60s, a group of individuals was very active.

I noted that Mrs. Jeni Nash is the present chairperson. That's an interesting name in an historical sense, because her mother was one of the very earliest persons to ask for some work to be done in the early '20s. So the citizens virtually come forward. But an effort was made by the present minister's predecessor to choose representation on a geographic basis so the entire area was represented, so interests were represented; that is, the treaty Indians who live on the reserves at Grouard, Driftpile, Sucker Creek, Swan River, Sawridge, and so on. Suggestions for that representative were sought through the Indian regional council. Suggestions were received from the agricultural development committee, the local ADC committee, the ag. service board, and the DA. As far back as 20 years, people had been interested in the issue.

From that wide-ranging background of individuals, the choice was made by Mr. Russell; who was then minister, and the names have changed from time to time. I recall that a recent appointment was a lawyer who had expressed criticism of the project in a number of areas. The

predecessor to the present minister suggested that he be appointed to the committee so his input would also be there. So there was that kind of historical pattern to the naming of the members, and also geographic, occupational, and other interests.

MR. R. SPEAKER: Mr. Chairman, to the minister. Over the years, as the member of the Legislature from that area has indicated, I had the opportunity of walking the shores of that lake, meeting many of the people, and talking to many friends in the different communities and also, I'm sure, most likely meeting Mrs. Nash's mother on the east shores, looking at the potential of doing what we're doing at this point in time. That's why I'm very supportive of this program and very interested in its progress.

I recall, though, at that time having some discussions along the lake and visiting the various small communities. The people there were always very open to having a discussion and sitting down in the community hall or wherever we met, and we could talk about their problems, what they were doing, the impact, the lake level and its effect on fishing. They were always concerned that whenever something like this happened, their interest was taken to heart.

I recall the hon. Provincial Treasurer, the Premier, and some ministers who have left the cabinet at this point in time, standing on this side of the House fighting for what was called at that time cost/benefit studies; sometimes they're called impact studies. I wonder if the minister could indicate whether any types of formal or informal discussion went on with the community of Faust. They have some small industry there, a community that's rather stable and very concerned about their livelihood from the lake. Prior to finalizing the approval of this program, did this committee or the government go to the community and say: now, look, we're going to do this; give us your advice. What about the community of Faust?

MR. SHABEN: The minister has offered me the opportunity to make some comments, and I wouldn't refuse the opportunity.

Yes, Faust was involved. As a matter of fact, the advisory committee made a point of holding information meetings in all the communities along the south shore — Jousard, Faust, Kinuso, Slave Lake, High Prairie, and Grouard — and, along with the department, developed information brochures that were circulated to every household, prior to the work commencing. That was an important aspect, because it was important that the citizens knew that whenever you make adjustments to natural watercourses, it's important that the citizens are supportive. In terms of the specific community of Faust, there is recognition of the commercial fishing potential in the lake, and that wasn't at all discounted, because it was an important aspect of the healthy spawning grounds at the west end of Buffalo Bay.

Earlier, I referred to siltation of the lake, and that's part of the concern of the fishermen. Because of quick run-offs, increased siltation, and high lake levels, there had been some damage to the traditional spawning grounds. So when the work was completed, it was important that the lake remain healthy; in other words, one that moves vertically so the shores wash and there are opportunities for the fishing industry to develop.

So yes, there was consultation with the citizens of Faust and throughout. I wouldn't for a minute say that every citizen was supportive of the project, because that just doesn't happen. But I would say that 95 per cent of

the citizenry in the area are highly supportive of the project.

The member mentioned cost benefit. I think that's a really important issue, because the study I referred to, that was undertaken by the previous administration in the late '60s, said that the cost benefit didn't warrant doing the work. Our government looked at it, and the cost benefit was still questionable. But I think we had an attitude toward people that ranged far over cost benefit. So a decision was made by the government, not on the basis of cost benefit but on the basis of people and what they wanted in the area. I'm pleased that that decision was made.

MR. R. SPEAKER: Mr. Chairman, the minister indicated that it was a daring and risky type of decision that this government is acquainted and familiar with. The only reason I raised the cost/benefit procedure was that members prior to 1971 raised such a fuss that if any project proceeded, there must be a cost/benefit study. I think we recall the Bighorn debate in this Legislature, day in and day out and late into the evenings, where cost benefit was the great word of the time. So I want to check to see that the persons who brought about the birth of this Conservative Party are following through on the promises, commitments, and procedures they outlined before becoming government.

The minister indicated that an informal type of petition was submitted to all residents. Could the minister indicate the results of that petition or informal information brochure and questionnaire that went to the citizens? Was there a good response from all the returned questionnaires, a bad response, an adequate response?

MR. SHABEN: Mr. Chairman, I didn't intend to leave the impression that it was a petition. It was information developed by the basin advisory committee along with the department; prepared, printed, and circulated with invitations to citizens to attend meetings. Dates were established, and citizens were invited to come in to examine the proposed project. Along the south shore of the lake, the turnout and attendance at these information meetings were excellent. When the individuals at those meetings were questioned as to their attitude, the response was very positive, and that's what I referred to.

[Mr. Appleby in the Chair]

MR. R. SPEAKER: Mr. Chairman, to the minister or the MLA for the area. One concern I've had for a number of years is with regard to employment opportunity for persons in the communities located along the lake. I recall a number of submissions from residents and from organized groups in the area and the town saying, we do need to put some industry into the area in terms of forestry and other kinds of work programs. I see this development as the kind of opportunity, where local people, persons born in the area could obtain skills and play a very important role in terms of the work being done. I was wondering if any special consideration was given to persons from the Lesser Slave Lake area, and certainly with respect to outlying communities along the lake.

MR. SHABEN: I don't know whether the question is directly related to the vote, except to say that the key to this project is the reclamation of 30,000 acres of land that will be suitable for agricultural production, as well as the

enhancement and improvement of another 30,000. So, clearly, the objective was economic in the sense of the potential for agricultural development, particularly in the raising of beef cattle along the south shore and the fantastic hay lands potential.

But the economic spinoffs of this project, in addition to the direct benefit from the improvement of agriculture, relate not so much to this as to another Heritage Savings Trust Fund project, the reforestation within the region. I believe it's a \$25 million total project to reforest those areas where there was no plan for reforestation or that were burned over. A good portion of that activity is taking place along the north slopes of the Swan Hills, and individuals in the area are playing a part and have opportunities to participate in that reforestation project. Also, I'm not sure who the successful tenderer was on the actual construction work, but I believe a local contractor who supplied local material and local men benefited from the contract through the open tendering competitive bidding process. So that that was a positive benefit.

Another benefit that will accrue to the citizens is the potential for recreation along the east shore, along the park which is absolutely fantastic. All members should visit, if they have an opportunity. This is a great opportunity to talk about the wide, sandy beaches and the gorgeous opportunities for summer recreation for 20 or 30 miles. This project has also permitted the Minister of Recreation and Parks to develop a 6,400-acre provincial park at the west end near Grouard, that's going to supply job opportunities and recreational and tourism potential. So in response to the Leader of the Opposition: yes, the project is and will supply tremendous economic benefits to the people of the area.

MR. R. SPEAKER: Mr. Chairman, I appreciate the answer of the hon. member. But to the minister: in terms of policy in areas such as this, has any consideration been given to deliberately, or with a type of positive discrimination, allowing greater possibility for local residents to take advantage of the employment opportunity that is created? Is that one of the factors the minister considers in the early stages of planning projects such as this with regard to the project's proceeding, or the extent of the kind of project that would proceed?

MR. COOKSON: Mr. Chairman, we are extremely interested in local employment for any projects we undertake through Environment and through Heritage Savings Trust Fund moneys. Mind you, when it comes to major contracts, we have to accept a low tender, and they're perhaps much more efficient and have greater expertise, and are able to bid closer. We have a local contractor who received a low tender on one portion of the Paddle River project, which we recently tendered. As a result, it has created additional employment and opportunity for those in the smaller communities.

Again, when we do contract work — that is, without tendering — we encourage local participation as much as possible. I never fail to be reminded, pretty continuously by the MLAs concerned, in terms of projects out there, to employ small local contractors, cat operators, and so on, as much as possible. We follow that policy as consistently as we can. However, one has to keep in mind that the ultimate objective is to complete a job as efficiently as possible at a minimal cost to taxpayers. It doesn't necessarily protect an individual who may be a local resident doing work from being relieved of his responsibility if he doesn't put out according to what we consider good

workmanship standards, but it is a general policy to employ as many local residents as possible.

MR. L. CLARK: Mr. Chairman, I would just like to say I had the privilege of going up to this project before it was started, and I was really impressed with the way they were going to cut across these areas in this environmentally fragile valley. I understand tonight that that has saved quite a bit of money. I would like to compliment the Department of Environment on coming up with that solution, because I think there are two advantages: it has preserved a very beautiful area that I noticed when I was up there, and it is also economically sound.

Mr. Minister, I understood tonight that some 30,000 acres, if I'm not mistaken, are going to be reclaimed at a cost of some \$4.5 million or so. That seems to me a very reasonable way to bring good farmland into production, and I would just like to take this opportunity to compliment you on the program. If that's the figure we're coming up to, it comes to about \$15 an acre. I wish we could do that in other places in Alberta.

MR. BORSTAD: The Northern Alberta Development Council has received a number of briefs from the High Prairie region about the flooding of land on the west side of the lake. I guess my first question is: is all the 30,000 acres that will be returned to farming, or could be farmed once it's drained, totally on the west side of the lake or are there other portions?

While I'm on my feet, maybe I might make some other comments and questions. The land purchased for the diversion on the east side of the lake, where you're doing the straightening — will those necks, where they've been cut off, be filled and restored and grassed back to normal conditions? I understand from what I heard that the land purchased there was somewhere in the neighborhood of 640 acres. Will that remain Crown land? And will the stabilization project have any effect on those farmers on the south side of the lake? I guess I'm going to go right around the lake and talk about all of them while I'm on my feet.

It's my understanding that the forestry harvesting and the seismic lines on the south side of the lake have had a great impact on the levels of that lake at run-off time in the spring. I'd like your comments as to what will be done to alleviate that problem. Is reforestation going on at this time on some of those old seismic lines, which are causing siltation on the south side of the lake? If not, will reforestation be done?

MR. COOKSON: A number of questions were asked, Mr. Chairman. I would like to comment on the figures of the Member for Drumheller. Insofar as the figures mentioned before, his are correct. I agree with the member that it is a tremendous plus benefit for the area of Lesser Slave Lake, in terms of the potential freeing up of land for agricultural production.

I agree with the member when he uses the figure of the low cost per acre and the benefit that can be derived from it. I know in my own constituency our land is now running in the area of \$1,000 to \$1,500 an acre, which really makes it almost impossible, if not impossible, to pay for in terms of production on the land. It's one of the problems we face. A lot of our young people are going to have to find other areas of the province to locate, where they can economically pay for land. Maybe this will be a positive thing for other parts of the province.

The Member for Grande Prairie asked a number of

questions about the 30,000 acres. I'm not sure I can give a breakdown on the proportion of acres. Not all of it will be on the west end of course. About 8,000 acres of Indian reserve land in the Kinuso area will benefit from the project. So it is distributed around the lake.

On the cutoffs, it wouldn't be our intention, for example, to backfill the areas that are short-circuited. If they're private, they will likely revert to the property owner. He can use them as he sees fit. Of course before that, the land was under water and of little value. This may enhance its value because it could become productive land. The land we're purchasing will be retained in the name of the Crown and kept that way. I don't know whether or not the member asked some other questions.

MR. GOGO: Mr. Chairman, surely anybody who has any doubt about the accountability of the people responsible for the Heritage Savings Trust Fund should have learned a lesson in the last 20 or 30 hours. People are quite prepared to answer in great detail any concerns others have. Without the heritage fund, I think we'd certainly not have seen things like Lesser Slave or land reclamation. Inasmuch as the opposition appears to be doing a tour of northern Alberta, perhaps the hon. Minister of Tourism and Small Business and the Member for Lesser Slave Lake would like to give us an update on cost studies in his constituency.

MR. CHAIRMAN: The hon. Member for Calgary Buffalo.

MR. SINDLINGER: I'll pass for the hon. minister.

MR. CHAIRMAN: The hon. Leader of the Opposition.

MR. R. SPEAKER: Mr. Chairman, I have more than one question to the minister, but the question at hand is supplementary to the question raised by the Member for Grande Prairie. It's with regard to the ownership of that 30,000 acres of land. Is that Crown land at present, or is that privately owned? In our questions yesterday, part of my feeling was that it was privately owned land and that we had to purchase some of it. I wonder how that reflected on the opportunity for setting up new homesteads or new farmers in that northern area, or whether the area is already taken up by active farmers.

MR. SHABEN: It's an area I'm familiar with. So I'd be pleased to indicate that in the late '60s, when the flooding developed into a major problem with continuous high lake levels, it caused hardship to the farmers. A policy was developed where the farmers had an opportunity to sell the land to the Crown and lease it back, so if water levels were low they could hay it or crop it. Many farmers continued to try to farm the wetland that had been flooded, though it had reverted to the Crown. A lot of the land remains dedeed. And just this past year's activity in the cut-offs, as well as a dry year — I noted in my travels throughout the summer that farmers were working up areas that hadn't been worked for quite a number of years.

So part of the land is Crown and part is dedeed. Obviously, there will be an opportunity for agricultural development, either by way of lease, depending on the level of — there's a policy within the department as to the altitude of the land as to whether it should remain Crown or whether it's available for purchase. Though a lot of the land of necessity will remain Crown, the opportunities for

cattle and hay production are enhanced significantly.

One area of terrific benefit is on the Indian reserves. Part of the 30,000 acres of reclaimed land, plus another 60,000 of improved land — 8,000 acres of that reclaimed land is on Indian reserves, particularly the Driftpile and Sucker Creek reserves. So the opportunities for band members to improve their agricultural production are welcomed by them and is an important aspect of the economic life of the region.

MR. NOTLEY: Mr. Chairman, I'd just like to pursue this question of the land for a moment. Before we finish the vote, I wonder if we could get some breakdown as to the Crown land and the deeded land. The reason I raise this is just to follow from the point the member made — and I think quite properly so — that there was a system of land purchase when we had flooding.

I recall a meeting I had in Kinuso in 1976, if my memory serves me right, and a number of local farmers were present. They gave the chronology of agricultural development in that area. For many, many years, flooding occurred but only infrequently. It was as a consequence of industrial and oil development in the Swan Hills that flooding became a major problem in the '60s. Flooding would occur once every decade or so, so that people weren't able to farm. It became almost a yearly occurrence and led the government, properly, to design, propose, and support this project. And members of the committee support it.

It seems to me, Mr. Chairman, that it is an entirely appropriate commitment of funds. Because when we get into major energy projects, we have to remember that there are costs, and some of the costs affect farmers. This is just a classic case in point. I don't know if we have any figures on the amount of royalty revenue the province of Alberta would have received since the oil development in the Swan Hills, but I expect it is literally hundreds of millions of dollars. I may be wrong on that, but I suspect it would be in that neighborhood. But there was a price to pay for that development, and part of the price was continual flooding of agricultural land.

One reason I have absolutely no qualms about supporting this kind of investment is that it is a small repayment, if you like, to the agricultural economy for one of the natural consequences of major industrial activity. The member from the area indicated that 8,000 of those 30,000 acres were in the Sucker Creek Reserve, but I would ask whether we have any breakdown between deeded and Crown land. I raise that because one of the concerns of farmers in the area was a very definite feeling that they were sort of left out; that as a result of industrial development, farmland which had been farmed for decades really couldn't be farmed any more because of the frequency of flooding. We're rectifying that now. But the point is that for a number of years, people did sell to the Crown. To what extent did that process take place in the Kinuso area?

MR. COOKSON: One of the questions the Member for Grande Prairie raised had to do with forestry work. Perhaps when we get into estimates of Public Lands and Wildlife, that could be dealt with. Just to answer briefly, when I was there I toured a large area on the south side of the lake toward the east end that is now being reforested, a beautiful area for timber growth. I was very interested in the procedures they were going through. When fires go through these areas, they leave a pretty bad mess. It makes it extremely difficult to clean up, and it's

fairly costly to level these areas and put them back into timber. The areas they were picking have been noted in the past for extremely good timber growth. That may give the member an opportunity to have that reviewed by the minister concerned.

I don't know whether I can get the figure on Crown versus deeded land. Perhaps the Member for Lesser Slave Lake might be able to give that figure. The member was referring to the area of cutoff that we would retain as Crown, because it would always be a problem with regard to flooding once the level is stabilized, and suggested that area would be about 1,892 feet or so above sea level. Areas that will always be subject to flooding will be held in the name of the Crown, and farm people in the area will of course have the right to lease.

When I toured the area this fall, I was really impressed with the amount and quality of hay — and this might have been an exceptional year — now harvested in that general area. They do have problems with weather conditions and so on, but it indicates the potential of the area and what we're going to see eventually when the total area is put into production of one type or another.

I'm not sure whether I can get the breakdown. I'll try to dig up some relevant figure as to the Crown versus deeded, unless the Member for Lesser Slave Lake has some information on it.

MR. NOTLEY: I believe it would be useful if we could have that information, Mr. Chairman. I certainly agree with the minister that it's an area of the province that has considerable potential. But it's also an area of the province — and I think it's worth reinforcing what the Member for Lesser Slave Lake indicated — that has a history of agricultural production that dates back many years.

Mr. Minister, what will be the impact of the total program on Lesser Slave Lake on the recurring flooding, that has been a real problem in the village of Kinuso? We had the whole village under water in '71, and we had major floods subsequently. What kind of outlook does that community have as a result of this project, in terms of dealing with the flooding of the river going through it?

MR. SHABEN: Mr. Chairman, maybe I can discuss that, because that's an important area along the central portion of the south shore. The flooding in Kinuso is not primarily caused by high lake levels. It's caused by the quick run-offs and the problems of the Swan River. Working closely with the department over the last six or seven years, some effective diking work has been completed to protect the town. In addition, there is some ongoing work. As a matter of fact, not too many weeks ago I met with the farmers and people of Kinuso to discuss how we might further improve the government policy of improved drainage and water management announced in the throne speech this year. A number of suggestions were received. Those are now with the department. For those who are familiar with the geography, there were suggestions as to how improvements could be made to Strawberry Creek and Eula Creek, in order to enhance agriculture as well as reduce the potential for flooding of the community of Kinuso.

As a result of diking undertaken along the edge of the community — and that required the co-operation of farmers and the people of the Swan River Band — it's less likely Kinuso would receive the kind of floods they had in the past. But there may be unusual levels of rainfall in the Swan Hills. The recent forest fires could

aggravate the situation, because the run-off will be even quicker if there are heavier rains in the spring. So there is always that possibility. The department representatives were at the community meeting, where we discussed four or five options working with the ID advisory board and representatives from the Lesser Slave Lake basin advisory committee and the community, to further improve flood protection for the area.

MR. R. SPEAKER: Mr. Chairman, one concern I have with regard to development projects like this is the impact on communities. So far this evening, we've talked about economic impact, how it can affect the communities economically, what it can do to help them have a better living and to improve the lake's potential. All of that is related to the economic impact. One thing I'm sure the minister has noted, and other ministers as well have noted: when development such as this takes place, supplemented by park development, increased agricultural development, and added construction impact on the area, what occurs at the same time is social impact on these various communities. As I think about the history of Kinuso, Faust, and Jousard, for example, you have long-time communities of residents who have a pattern of life, sometimes casual, I would say a very responsible way of life, a family way of life, very concerned about their future and their own social living.

As I visit those communities, as recently as just a year ago on the trip of our fishing committee, I observe that these communities are still following some of the same patterns; some of the long-term residents are still inhabiting these various hamlets along the lake shore. When they spend a million dollars in terms of this expenditure — and I'm not sure what the park expenditure would be — one of the responsibilities that goes along with that economic development or physical change in the area, that hopefully allows opportunity not only for recreation but self-support of many families and individuals, is that it does impact social patterns in the area. I think I would be very alarmed if the government really hasn't looked at the next step of what a project like this does. I think that area should be investigated in terms of all these special projects from the Alberta Heritage Savings Trust Fund. I think of the coal development in the area north of Jasper, where a number of social problems have occurred because possibly we as government, and the government following, didn't really have a look at what could happen to a community as it's established. But in this area, we have communities that have been established for many, many years; pioneers of the area, people with wisdom, people who have accepted social patterns in that community that are good ones, believing in family units. We as legislators, governments that have a lot of money to spend, can impact the area in a very negative way.

So my question to the minister is: what is the government doing in that area? Has the minister co-ordinated such a program with the Minister of Social Services and Community Health? Does the minister take a sort of tunnel vision in the development of a project such as this? That was the feeling I got earlier when the minister said, I will start the project and at a certain point, it's finished, and that is where — the minister didn't say, wash his hands of it, but it seemed to be complete — I leave the community and go back to Edmonton with my staff, and it's up to the people living there to absorb whatever is going to happen. I think it is a responsibility of the minister to be aware of that and certainly to have in place some type of follow-up program. I'd like to ask the

minister whether that matter has been considered and whether a more comprehensive approach to projects like this is really in the pattern of this government.

MR. COOKSON: Mr. Chairman, the member raises questions that are rather wide-ranging, and certainly touches an area that our government has been concerned with since 1971 when we were elected. One has to wonder, though, at some of the projects that happened before that. I think of the Grande Cache community, that was built primarily on a coal mine with the Resources Railway, which has been a loser pretty well since it was constructed: the sort of things we had to inherit in '71. So I guess it's fair to say that in the work we're doing, we can learn by mistakes of the former government.

The questions are wide ranging, and perhaps I can review for the member in a general way the work we're doing which impacts on the social situation within communities. I can talk on a number of subjects — they may not all be related to the heritage trust fund estimate we have before us, but they're related in the sense that they are often major projects of a capital nature — and the procedures we go through.

The first one, the one close to my own constituency, is the Dickson dam project, for which there were major hearings prior to the construction of the dam. Going back in history, one remembers there was quite a controversy over not so much the construction of the dam but the siting. Of course, that's always a problem with a lot of things we do. I have that same problem with siting lagoons for municipalities throughout the province and with sanitary landfills. Everyone thinks it's a great idea, but they'd sooner it was somewhere else, sort of thing.

Part of our job is to determine as best we can what we can do to benefit people with minimal social disruption. So we in Environment have what is known as environmental impact assessment. Under the environment Act, we require an environmental impact assessment for most projects of any consequence that are undertaken, in particular surface disturbances. That assessment is a very detailed document that deals not only with the environmental problems in the area of concern, but also fairly substantially with the social implications of the construction, and we require the proponents to answer some pretty tough questions.

As part of the environmental impact assessment, we then require those same proponents to go back into those communities, hold public meetings, and answer and be accountable for concerns expressed by the citizenry who will be affected directly or indirectly by the project. We don't necessarily restrict it — for example, in the case of the Dickson dam, to the people who would be flooded out because of the dam — but under the study, we require accountability as to how we're going to deal with road structure by interference of such a project, and how it impacts on things one would never think of. There could very well be old, abandoned graveyards in the area. We are faced with this kind of problem with our native Canadians in many instances. I think this was one of the concerns expressed when the Bighorn dam was constructed.

So we go through this environmental assessment which, as I say, deals with both the environmental and the social aspect of it. In most industrial siting, we require the Energy Resources Conservation Board to hold public hearings into the construction. That public hearing process is dealt with in a very extensive manner. I think it has done an excellent job of listening to all concerns.

Those hearings sometimes sit for days and weeks to make sure that everyone has an opportunity to express themselves about their concerns. I'm familiar with a lot of them. Probably the most familiar was the one in my own constituency, when Alberta Gas Ethylene was siting a gas plant there, and most recently an application by Union Carbide to locate in the area.

So we require this environmental/social thing, and that becomes part of the total report which is part of the ERCB responsibility. They hold the hearings primarily on the technical aspect of the thing, and their report is subject to approval by Environment. In other words, we have to rule on the kinds of concerns that are being expressed through our EIA studies. I think it's the best process one can devise to deal with the total concerns in the area.

Members are familiar with the problem with regard to irrigation in the south. Here we included the Environment Council of Alberta as part of the public process. That's another direction we can go. If we wish to have a major hearing on a general policy concern, then we call in the Environment Council of Alberta. They have had some very extensive hearings over the years. Of the two I've had the privilege of working on, the earliest one was the forestry report that dealt with the slopes; the broad range of hearings that were a result of that, and the extensive recommendations that came from that.

The most recent hearings: well, we're working on noise problems, and of course we have the hearings on the hazardous special wastes problem that we're trying to deal with now. So, we can also fall back on the Environment Council of Alberta to hold extensive hearings on projects. In the case of the Paddle River project, which we're going to be dealing with here in the estimates, we are following closely the recommendations of the Environment Council, and the recommendations and report based on public hearings in that particular area.

So to answer the member's question: we recognize that the construction of a project does not just have an impact on the specific area concerned, but on the surrounding areas also. For example, because of the economic activity and the growth that's going on, perhaps partly due to the work that's being done on the lake, our department now has, or in the process, water and sewer projects at Jousard, Faust, and Canyon Creek. These are all small communities — there may be others — that are growing because of the positive impact of the project on Lesser Slave Lake.

There are other departments; there is interaction. Someone has mentioned the forestry projects in the area, and they'll be in the estimates. In addition of course, in most cases we have local advisory committees. We have one at the Paddle River and one at Lesser Slave Lake. We have a local advisory committee at the Dickson project. These committees meet from time to time. Some of the committees have MLAs on them, and they make recommendations to my department or to other departments concerned. Actually, I think they work in an excellent way. We have one on Wabamun Lake, which has a lot of environmental problems because the activity in the area creates concerns by the citizenry: the coal projects surrounding the lake, and the problem that was considered to be due to the cooling ponds and the growth of weeds in that particular area.

So, these advisory committees are also set up. As I say, some have MLAs on them. They make recommendations to us. We have a citizens' group now in the Pincher Creek-Crowsnest area, dealing with environmental prob-

lems all through there. Those communities are now all brought together under one municipality, four communities I think. They have the usual problems of growing communities: water problems, lack of water, quality of water, problems of sewage disposal, and in there they have the problems of coal spoils from past years. We're going to try to clean those up. Those advisory committees are helping us.

The Member for Little Bow might be interested to know that one of the members on that committee is one of the former members of the Social Credit party, representing that area. He's keeping very well, too. He hasn't lost his sense of humor. He may have lost a little hair, but he hasn't lost his sense of humor.

So, those are just a few things we do to try to take the total problem into consideration.

MR. R. SPEAKER: I certainly appreciate the answer the minister has given, and the excellent information that was provided. I guess the basic concern I have with projects under the Heritage Savings Trust Fund is that the projects can't be developed in isolation from other types of needs within the community. One of the very simple needs in some of those communities — if I recall correctly, in Faust and Kinuso they certainly needed good sewers and good water. That was necessary for development.

But a number of the people were living on parcels of land they didn't own. Because of the history of that area and because of the history of the development, a number of people — I guess the word could be used — squatted on the property and, because they were there, they had a right to ownership. But in terms of a legal document, it didn't exist in many cases.

Let's say that in the next year or two, because the lake level is stabilized, the beach for 25 miles is beautiful and sandy, the fishing is stabilized, and the river is better controlled, it provides opportunity for more people to come into the area. The commerce of the town will build, and that will bring in more people who will want to build homes and, in a sense, invade these communities that have existed with a very stable social pattern.

Let's just take the one question that I raise, and that's with regard to the ownership of their lots and the property on which their home is. Is there someone who looks at these broader problems, specifically in these communities along the lake? Is there someone from Social Services or Native Affairs or Municipal Affairs who examines that kind of problem, that specific one, that can impact on a family? That's a social concern a person should have. I think that, as a government, we should do that when we build the economy in an area.

I would like to revert very quickly to 1970-71. At that time, we negotiated with the federal government to designate the Lesser Slave Lake area as a special area that would get special consideration, that the departments of the Alberta government would become co-ordinated, and that we would try to have a total, comprehensive development program in that area with the co-operation of the people. As we recall historically, Mr. Lougheed, Mr. Hyndman, and Mr. Getty roared violently on this side of the House and said, how could we ever give special consideration to an area? How could we do such a thing? They didn't recognize at that point in time that there were some special problems in the area, in terms of employment opportunity and in terms of social disaster.

I recall very clearly a meeting that Mr. Strom, the Premier at that time, and I had with some 25 young

people, aged 13 to 15. They said very clearly to us: we have not got a future in that area unless employment opportunity is developed; what is going to happen to us? The historical records show that most of the young girls in the group were married by the time they were 15 or 16. If they weren't married, a number of them were with child. There were education facilities; most of them dropped out of school at an early age. There were all kinds of social problems like that, not being looked at, that needed a concerted, co-ordinated effort of government, not only the Department of Environment, that could look after lake level or this diversion, or park or farm or town development, but someone to look at the broader aspects of the social needs. I'm not sure those social needs have been met yet. In my recent visit, I observed that some of the same people were there and maybe still weren't fully and gainfully employed or self-supporting.

One concern, and this is a very simple one, was property rights in the area. Has the minister looked at how this kind of development affects a family who may not own their property, and someone comes in and says, look, we're going to buy the property out from under you because you don't own it, or government may make some regulation that they can't live on that property. What assurances have been given to family units in areas like that?

I think the minister has to address the real problem of the area. I appreciate the broad, general look the minister has given, but the human resource development program at that time did have as its concept overall co-ordination of departments in the area. When you do economic development, along with it you must do social development. And the people must be in place to recognize all the needs of the broad spectrum. As I've listened to the explanation this evening, I don't think that that kind of program is in place. It's a good program, but attacked on a piecemeal basis.

The Minister of Recreation and Parks putting money into the area: it's a piecemeal park program isolated unto itself. The town development program: sewer and water, isolated unto themselves. But who looks at the broad perspective in developing those communities and co-ordinating what actually goes on? We can say, leave it to them and the thing will work out. I think that when we come in with huge sums of money and change the course of economic and social life, then we do have some responsibility as government.

MR. SINDLINGER: Mr. Chairman, to the minister. In response to the earlier question and the reply the minister has given, the minister referred to the Dickson dam and the things undertaken prior to that project being initiated. Three meetings were referred to. One was a public meeting in which some very tough questions were asked. The minister didn't elaborate on what the tough questions were, who they were directed to, whether they were put to the people attending the meeting, or the people at the meeting put those to whoever was holding the public meeting. Perhaps the minister might elaborate on that a little and, for this particular project, indicate who sponsored the public meetings, where they were held, and what questions were put to those attending, or the attending people put to the people holding the public meeting.

Also perhaps the minister might indicate what the attendance was at those meetings. Earlier it was stated that informational meetings were held by the Lesser Slave Lake advisory committee, and it was said that the atten-

dance was excellent. Perhaps the minister could tell us in general terms what the attendance was, in terms of excellence. Was it 10 people or 10,000 people — just how many, to give us a rough idea of how many people did participate in what the minister has described as the local decision-making process. [interjections]

MR. COOKSON: Do you want the first and last names? You don't need the middle names do you? Just the initial?

Mr. Chairman, perhaps the best way to answer that for the member is to indicate that in the project in question, an environmental impact assessment was carried out by the department. As I said earlier, that assessment takes into consideration not only the environmental concerns of the general area but also the social concerns. It is a fairly comprehensive document. It requires that as many meetings be held as required to respond to concerns of individuals. The environmental impact assessment is available. I don't have it here, but I could get that for the member. That document will pretty well review the total process that went through on the hearings.

In response to the comments of the Member for Little Bow, I was at High Prairie during the time of the fires in the north. I just happened to land at the airport when the firefighters were coming in. Most of the crew, a very efficient group, were native Canadians from the general area of Lesser Slave Lake. When one talks about what we as government generally are doing to deal with social problems, that just came to mind about the things being done in providing jobs. Native Canadians are particularly good at this kind of work. They're used to working in tough conditions — accommodation and weather conditions — and have a particular skill at working in the bush because of their backgrounds.

The project, which will eventually stabilize the lake, will also stabilize the beach area. In that respect, it will probably tend to stabilize a lot of properties that, until this time, will have been of questionable value because of the fluctuating water level. All the departments in government work in varying degrees in terms of requests from the different communities. If they're municipalities and organized communities, those requests normally flow through the municipal process by way of personal requests to the member in the area, requests through their own association and resolution. They're dealt with accordingly, depending on the budgets of the province.

Our major responsibility through Environment is the water and sewer programs. We have the breakdown on expenditures. I listed three communities that have very recently benefited from our water and sewer programs. Of course, we are involved in the problems of sanitary landfills and do what we can in that area. I suppose one could argue that this is piecemeal, but I don't agree with that concern. Within our own organization, interdepartmental committees are always considering the overlapping responsibilities of departments. If an MLA has had concerns expressed to him about a water or sewer problem, they do an excellent job of submitting their concerns to me. They also have the process of the caucus and interdepartmental committees within cabinet.

Within my own department, I have very little indication that the communities the member is concerned about feel they are not a part of the total process of the province. The Member for Lesser Slave Lake does an excellent job of reminding me of issues we should deal with. I have made several trips into the area to look at concerns he has. That's really an important responsibility of the MLA concerned. So I think we're doing a pretty

good job in the total area of the lake. We're looking at the fishery thing, and perhaps could improve that. We have native Canadians in the area training in firefighting and other work. Any projects we do there, we employ local citizenry as much as possible. As I say, I have very little indication that we're not meeting the needs.

MR. NOTLEY: Mr. Chairman, if I may, I'd like to go back to several comments the Leader of the Opposition made. It really relates to the whole approach to the Lesser Slave Lake area. I recall some of the debates that took place in this House in 1971 and 1972 when we still had the ARDA arrangement, the special area, and negotiations were taking place with the DREE people in the government of Canada at the time. I have some comments but, very specifically, my question to the minister is: what data base was the government able to use from the work which had been done previously as a result of the DREE agreement?

As the Member for Little Bow pointed out, part of that DREE agreement was to have a co-ordinated approach. You had the co-operation of both levels of government; the identification of economic prospects — and inventory, if you like, of what was possible in the area; assessment of the social needs of people. I think it would be useful to know if that data base was there and if it was helpful in the process.

The minister has talked about the sort of informal process that has occurred and also the environmental impact studies. But it would be useful, in my mind in any event, to look back to that period of time when there was an agreement for the Lesser Slave Lake special area.

There were problems with the special areas. I don't think there's any question about that. In '71-72, I recall raising some of those problems in the Legislature myself. And certainly in the several years before the now government took over, matters were raised about some of the deficiencies in the program. But even admitting some of those deficiencies, Mr. Minister, in my judgment at least there was a certain amount of basic logic in taking a total approach to planning the social, environmental, and economic development of an area. It struck me that there was at least evidence of co-operation between two levels of government. An effort was made to involve the communities along the south side of Lesser Slave Lake. It seems to me that that sort of approach is going to lead us to a more balanced development of a region, keeping in mind all the factors, than looking at these things project by project.

So my first question would be: what information did we obtain from the data base developed as a result of the special areas programs? My second question is a little more specific. This year the estimates talk about the agricultural value of the area. There's no question that that has to be the paramount issue. The minister talked about fisheries, and that's important too. Certainly it's traditionally been a important industry in the Lesser Slave Lake region of the province. But you know, Mr. Minister, the mention you made of the new park — the existing park on the east side of the lake and the new park that's been opened up on the west side — in my mind, underscores the tremendous value of Lesser Slave Lake as a tourist attraction in this province. To what extent is the Department of Tourism and Small Business looking at this Lesser Slave Lake project as an area where, in my judgment, we have a bonanza, a tremendous opportunity in tourism? We always think of Banff and Jasper. But let me tell you, in my view at any rate, the

recreational potential of Lesser Slave Lake is second to none.

Part of the value of the old special areas program was that when we planned the development of an area, we were able to look at something like tourism along with fisheries, agriculture, roads, schools, and everything else. What specific discussions have taken place between the Department of Tourism and Small Business and the Department of Environment with respect to the impact of this project on tourism in the area? The reason I raise it, Mr. Minister, is that last year in the '81-82 estimates, we mentioned tourism. This year, we seem to have dropped it in the explanation. To what extent have there been discussions? Perhaps the minister could elaborate.

MR. COOKSON: I notice the Minister of Tourism and Small Business is in his place and may want to talk about and elaborate on the merits of potential tourism that the Member for Spirit River-Fairview is inquiring about. I'll leave it to his prerogative to do that.

I think it's been said before that when we did our initial study work of the area, we did a cost/benefit analysis to see what the cost benefits were. The Member for Lesser Slave Lake said it was sort of 'iffy'. It's rather interesting that our department seems to be blessed with the responsibility of having to do cost/benefit analyses more than any other department. I'm not sure why that is. I guess it's because it's easier to measure cost benefits when it comes to the work we're doing in the area of irrigation, dam construction, water drainage: all these sorts of things. Perhaps they're easier to measure. But I can assure the member it is difficult to measure cost benefits. I suppose if we had done that in the early days, there wouldn't be any irrigation in the south. On the basis of the information we had, it didn't seem it was going to be a worth-while project. One can say that about a lot of projects because of the difficulty of measuring benefits, because there are so many spinoffs and ramifications.

I used to think it was a very simple matter — it is in my own operation — to determine the benefits of doing a specific thing. That's fine on a very small scale, where you have total control and it doesn't involve large numbers of people and all the other implications. But in large-scale projects and work we as a government do, it is difficult to measure cost benefits.

As has been said, as long ago as 1920 we had petitions to do something about the water problem in the area. The continual cyclical effects of water levels from 60 years ago no doubt indicated to past governments, and eventually to our own, that something should be done to improve the situation. Of course, it was as a result of resolutions within the Legislature and eventual approval by the Heritage Savings Trust Fund committee that the province initiated the Lesser Slave Lake drainage project. We did it knowing that the cost benefit was very close, and also recognizing the fact that this area wasn't necessarily blessed with all the resources that other parts of the province have. In my own area, we are fortunate to have some of the better agricultural land. We have a good growing season, close markets, an abundance of oil and gas, coal, and lakes that are extremely attractive for tourism. The one lake in my constituency has the second-highest attendance of any in the province. So we have a lot of things going for us that some other areas in the province do not have, and we're darned fortunate that we have a heritage savings trust fund we can tap to give special consideration to these areas. So it was a judgment decision here.

I don't know any particulars about former DREE programs, except to know that in our own area we had a bad experience with DREE programs when the former Premier of the province, I think, suggested that we shouldn't qualify for them because we were on one side of the highway or the other, and they were reserved for other parts of the province. You'll remember the history on that one. When we took office, we determined that DREE programs were going to be available for all Albertans, and we followed through on that.

The member touched on the resources program that was operational prior to our taking government. I think we laid the thing to rest, and I don't think any harm was done by its being laid to rest. Based on the work we do through our environmental impact assessments and the advisory groups in the area, I think there's no question that it's been a positive move on the part of our government. The benefits will come, in terms of lake stabilization and freeing these large acreages of potential agricultural land. We've stabilized the beach areas by lake stabilization. Someone suggested 25 miles of beach area: tremendous tourist potential. That falls in the parameters of Tourism and Small Business. I think we have not only stabilized the fishing but may be able to improve on it. Through our water and sewer programs, we've improved the quality of life. I'm speaking just for our own department expenditures, and reference can be made to all the others. So I don't know whether there's much point in rehashing what I would consider a tremendous, positive thing for the area.

MR. NOTLEY: I'm going to ask the Minister of Tourism and Small Business to supplement in a moment, but I wonder if the minister could advise the committee whether there was any possibility of cost sharing even a portion of this project with the federal government through the Alberta North Agreement or whether, had we maintained the DREE agreement, there could have been any cost sharing of it. I raise that, Mr. Chairman and Mr. Minister, because I know agreements under DREE in other parts of the country have involved various capital projects of one kind or another, as well as incentives to businesses. As we consider the estimates of this project, worthy though they may be, I wonder whether there was any possibility of even a portion of it being cost-shared with the federal government.

MR. COOKSON: Mr. Chairman, my experience with working with the federal government has not been totally positive. In fact, it hasn't been too positive at all. Let me elaborate. When I took office as Minister of Environment, we had a program known as AOSERP, the Alberta oil sands environmental research project in the north, and we had an agreement with the Canadian government to share half the total cost of the environmental work in the area. In other words, we had an agreement till '83 that they would contribute \$2 million along with our \$2 million to study the environmental impact of the oil sands. We were only two years into the agreement, and they pulled out. They had no money. If that's the kind of agreement we devise with Ottawa, I'm not very much interested in them.

We have the community services water programs. These deal with a lot of small communities in the north — a great thing. They would contribute and we would contribute, and we'd help out the northern areas of the province and expand their facilities. That's all gone by the bye. They've pulled out: no money. I want to leave my

options open on PFRA, but the sad experience in many of the projects we've attempted to undertake with PFRA is that by the time we get through all the red tape and the whereas's and possibly's and maybe's and everything deferred until the next federal election, we have built the project; it's going. But I keep my options open because we do have one or two projects that perhaps the feds can turn around and do in a positive manner with shared cost. They have done good work in the past, but we've had some pretty poor experiences.

To answer the member's question: at the present time, the DREE program apparently is working. I'm not sure it could have participated at the time this project was proposed. The fact of the matter is that the government of the day saw fit that we would take the money from the heritage trust fund and do the project. We're doing it, and it's going to be completed within a year or two at the most. I don't know whether we could have accomplished it by negotiating with the federal government on a joint project.

MR. NOTLEY: Well, Mr. Chairman, I'm sure there's no question that there's frustration working with the federal government. Of course some would even be so bold, so rash as to say there's frustration in dealing with the provincial government, although that would be a terribly unreasonable thing to say. [interjections] But I don't think too many of the committee members would worry a great deal if the hon. minister gets a few grey hairs, provided we get some of the money. The issue is the money in this case.

Now we'll turn to the hon. minister to whom I want to direct a question — and without any reference to hair. Would he advise the committee what specific role the Department of Tourism and Small Business has had with respect to planning the project, and also follow up its impact in terms of tourism development? I think this is one of the exciting aspects about the program, and one of the reasons we should support it. In my view there's no question that Lesser Slave Lake does have enormous tourist potential, and I think we have to trumpet that far and wide.

MR. ADAIR: Well, Mr. Chairman, the question was in part answered by the fact that there are quite a number of opportunities in that particular area. I might take a moment to talk about them. I understand part of the question was, what role did the department have to play? The major part was played through the northern development branch of the Department of Tourism and Small Business on behalf of that area that lies north of the 50th. Of course, a significant part was played in there. And after that particular person sits on there, we have management meetings where that is carried back to the small business sector and the tourism sector.

In addition to that, when you look at the kind of project the Department of Environment has undertaken in the stabilization of that particular lake, and the size of that lake and its location in that particular part of the Peace River country, I think it's significant from the standpoint of tourism and the opportunities available. Now, two things can happen. You can exploit the tremendous fishing opportunities there now, that were having some difficulties because of the problems, related by my colleague the MLA for the Lesser Slave Lake area and by the minister, relative to siltation and fluctuation of the lake level, and those problems. Part of that appears to be coming back, from the standpoint of the increased

opportunities for pickerel fishing particularly. But there is pike — locally known as jackfish or northern pike — and whitefish in that particular lake.

When you look at the entire region the opportunities to use the provincial park and the white sand beaches on the eastern shores of the lake, there's a tremendous opportunity for the metropolitan area, particularly Edmonton, to move to that area to experience what it's like to live in the rural part of the province and enjoy basically a tourism holiday.

You can go from there and move around the lake to Spruce Point park, a local park that I believe was constructed by local people about 1968, somewhere in there. I'm not just sure what the exact date was. I happened to be there for the official opening, but it was some time ago when I was still involved in radio and not as actively involved in politics at that particular time. But that again provides you with a good beach opportunity and, in essence, a launching pad for fishing.

You come around to the west end of the lake and the opportunities for pickerel and pike in the area by the Hilliard's Bay Provincial Park site. Again, the Buffalo Bay area provides an excellent opportunity. So when you talk about opportunities, I think they are endless. But some things basically had to be done, and we commend very highly the work being done by the Department of Environment in that particular area. Over the next decade, we see some major opportunities for benefiting the area, not only from a tourism point of view — I should add in there of course the work done by the Department of Transportation in getting access to the area on paved routes and eventually the closing of the north industrial road that travels through the constituency of the hon. Member for Lesser Slave Lake and ends up in my constituency at the high end, and will offer an opportunity for those from the north end to come down and use those areas.

So from a tourism point of view, and through our representative on the northern development branch, we watch with a great deal of interest the activities going on in that area for that particular program, and how it does relate to the tourism opportunities not only of Lesser

Slave Lake but the impact and effect on the Wabasca area, the lakes and the excellent pickerel fishing over there. Utikuma is a tremendous whitefish lake. It has lake trout, pike. And you can go up to the Graham lakes area. Again, it's boundless, endless.

It's a tremendous opportunity; I don't think there's any question. I can stand in my place in this Legislature and expound upon the opportunities to develop tourism in the north. One of the key things we have to do, though, and I think it's incumbent on us not only as a department but as a government as well, is plan accordingly the kind of developments we would like to see that would provide the maximum opportunity for the residents of the area and the incoming tourists, whoever they may be.

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. APPLEBY: Mr. Speaker, the Committee of Supply has 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, as I indicated a day or so ago, the proposal for business tomorrow would be to deal with second readings of Bills on the Order Paper. I might indicate that they'll be basically in the order shown, assuming the availability of the sponsor of the Bill in each case. With the exception of Bill 55 and, of course. Bill 69, I believe the others will proceed basically in order.

[At 10:27 p.m., on motion, the House adjourned to Friday at 10 a.m.]