

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: Monday, November 2, 1981 2:30 p.m.

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

PRAYERS

[Mr. Speaker in the Chair]

head: INTRODUCTION OF BILLS

Bill 86

Employment Standards
Amendment Act, 1981 (No. 2)

MR. WEISS: I request leave to introduce Bill No. 86, the Employment Standards Amendment Act, 1981 (No. 2).

Mr. Speaker, Bill 86 enables officers of the Department of Labour to assist in the collection of wages, and vacation and holiday pay, to the full amount of the agreement between the employee and employer, rather than just the minimum standards. It also enables reciprocating agreements with other provinces in the cases of non-payment of wages and benefits if employers locate outside the province in which the unpaid wages were earned.

[Leave granted; Bill 86 read a first time]

MR. CRAWFORD: Mr. Speaker, I move, that Bill No. 86 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

Bill 258

An Act to Amend
The Auditor General Act

MR. R. SPEAKER: Mr. Speaker, I'm sorry the hon. minister acted so quickly. I had one that I'd like to introduce and would like the same consideration.

Mr. Speaker, I'd like to request leave to introduce a Bill, being An Act to Amend The Auditor General Act. But at the same time, I'd like to request unanimous consent of the Legislature to allow the hon. Member for Calgary Buffalo and the hon. Member for Spirit River-Fairview to have their names on the Bill as sponsors of the Bill.

Mr. Speaker, I know that by our *Standing Orders*, normally only one person of the Legislature sponsors it. But under a situation where all three parties support the Bill, I feel that would be acceptable. I have the consent of the other hon. members to do this and would appreciate your response.

MR. SPEAKER: I'm just not sure how I could contrive to bring that within the scope of any existing standing order. What the hon. member has just said is in *Hansard*. That certainly is a degree of recognition. The ordinary additional way of recognition would be if and when those hon. members' names appear in *Hansard* as debating in support of the Bill.

MR. NOTLEY: Mr. Speaker, on a point of order. In speaking to this question, I think the hon. Leader of the Opposition has requested unanimous consent. I think that is the crucial point. Citation 21 says:

It follows, therefore, that the House may dispense with the application of any of these rules by unanimous consent on any occasion, or, by motion, may suspend their operation for a specified length of time.

Citation 13 also deals with this question of unanimous consent:

Within the ambit of its own rules, the House itself may proceed as it chooses; it is a common practice for the House to ignore its own rules by unanimous consent. Thus, bills may be passed through all their stages in one day, or the House may decide to alter its normal order of business or its adjournment hour as it sees fit

with unanimous consent.

It seems to me that the point here is the request by the hon. Leader of the Opposition for unanimous consent. We have an established approach, which is that one member introduces a Bill. But in my assessment and submission, in any event, we also have citations which clearly point out that if there is unanimous consent of the House to change the order or the approach in any way, should that unanimous consent be obtained, then the Speaker would allow the matter to go in that direction.

Coming back to the hon. Leader of the Opposition, I think that in the rather unusual circumstance where three groups have a strong view, the request is for unanimous consent that there be three people sponsoring this Bill.

MR. CRAWFORD: Mr. Speaker, in a way I regret not being able to offer the hon. members unanimous consent, because seeing such a development is of course of some considerable interest. It calls to mind Bob Edwards' reference that politics makes strange bedfellows. He went on to say: at least they often share the same bunk, if you know what I mean. [laughter]

MR. SPEAKER: With great respect to the hon. leader, I'm not sure what he wants unanimous consent for. Does he wish to have the Votes and Proceedings show that two other hon. members are in there as seconders, or just what is it he wants to do?

MR. R. SPEAKER: Mr. Speaker, to clarify my request to the Legislature in asking for unanimous consent. First of all, I wish to move a Bill to amend The Auditor General Act. The Bill has my name as sponsor, as a member of the Legislature, so I could bring it to the Legislature. The two seconders or supporting sponsors would be the hon. Member for Spirit River-Fairview and the hon. Member for Calgary Buffalo. I'd like their names placed on the Bill as such, as co-sponsors in the Legislature. That is my request to the Assembly at this time.

MR. SPEAKER: In other words, when the Bill is printed.

MR. R. SPEAKER: Yes.

MR. CRAWFORD: Mr. Speaker, if I might just add to what has been said so far. I would have to say that such a proposal would call forward the desire of other hon. members to be treated the same way. Government mem-

bers would have every right to have all 72 names on the same Bill; as by implication they are. I notice the hon. Member for Spirit River-Fairview was not referring to our *Standing Orders*; he was referring to *Beauchesne* and does not have, I believe, a citation within our *Standing Orders*, other than the well-accepted principle that virtually anything can be done by unanimous consent.

But, Mr. Speaker, I've indicated that there would not be unanimous consent, because I don't propose to agree to it for the reason given. It's an unnecessary embellishment to a well-recognized and well-established procedure, and does not merit support.

MR. KOZIAK: Mr. Speaker, I might add my comments to those expressed by my colleague. A concern I would have is that if we moved with unanimous consent in this particular instance, we might in fact be jeopardizing the role of the individual member in this Assembly. There's an old adage that hard cases make bad law. And if on this occasion we were to indicate that three members holding hands were required for the introduction of a Bill, at some future occasion we would look back on this precedent and say, well, what was significant that three members holding hands were required on this particular Bill and only one member on a Bill in the future? At that point, some would argue that perhaps three members holding hands should have their Bill placed higher on the Order Paper for debate. Then we would have a run for members.

Mr. Speaker, I think we should hold true to the *Standing Orders*, the rules that govern the operation of the business of this Assembly. They have been tried; they are true; they have served us well. And it would probably jeopardize the position of the individual member in this Assembly, were we to accede to such a request on this occasion.

MR. NOTLEY: Mr. Speaker, on point of order. No precedent is established if we follow the rule of unanimous consent. This Legislature makes decisions on the basis of unanimous consent on one occasion, and a totally different decision on another set of circumstances on another occasion. Unanimous consent simply means the agreement of everyone in the House to suspend the rules for a particular proposal. No precedent is set. We're not going to have to worry.

I'm pleased to see that the hon. Minister of Consumer and Corporate Affairs has suddenly found this interest in the individual member. As an individual member, I'm particularly pleased with that new-found interest. But, Mr. Speaker, I would just point out to the minister that unanimous consent does not set any precedent at all, except on this occasion alone.

MR. R. SPEAKER: Mr. Speaker, speaking to our point of order. I can only reiterate the comment that no precedent is being set. We're trying to indicate to this Assembly that three parties on this side of the House have reached an agreement and, rather than placing three Bills before the Legislature, are using the more expedient process of one Bill to focus the discussion. We thought that would be a better way to handle the matter. Mr. Speaker, at this time I'd appreciate the ruling on the matter.

MR. THOMPSON: On a point of order, Mr. Speaker. I've heard the Leader of the Opposition mention at least

twice that there are three parties over there. Would he name the three parties he's referring to.

MR. R. SPEAKER: Mr. Speaker, most certainly. For the primary education of the hon. member, my colleague from the south, we have this hon. group here, the Social Credit members; we have the leader of the New Democratic Party; and we have the very important leader of the independent party of Alberta. [laughter] The hon. Member for Calgary Buffalo.

DR. BUCK: Who couldn't stomach the Tories, John.

MR. R. CLARK: He wasn't quite as docile.

MR. R. SPEAKER: Mr. Speaker, I'd like to point out that the party is registered in the hon. member's name. He has endorsed his own party, and is alive and threatening in this province.

MR. SPEAKER: Is there unanimous consent for the three-leader proposal?

SOME HON. MEMBERS: No.

MR. SPEAKER: There is not unanimous consent. Has the motion been made? I thought it had been.

MR. R. SPEAKER: Mr. Speaker, making a comment on the Bill, I would like to indicate that the purpose of the Bill is to have the government or the Provincial Treasurer make available to the Legislature, a copy of any management letters from the Auditor General that have been forwarded to the Provincial Treasurer or any other minister or department of government.

[Leave granted; Bill 258 read a first time]

Bill 249 The Children's Rights Act

MR. NOTLEY: Mr. Speaker, I request leave to introduce Bill No. 249, The Children's Rights Act.

Mr. Speaker, the Bill expresses a child's right to the basic necessities of life, education, parental support, and representation at legal proceedings. It's modeled on the recommendations of the 1979 commission on family and children's law, chaired by the Honourable Mr. Justice Thomas Berger.

[Leave granted: Bill 249 read a first time]

head: INTRODUCTION OF SPECIAL GUESTS

MRS. CRIPPS: Mr. Speaker, it gives me a great deal of pleasure this afternoon to introduce 42 grades 5 and 6 students from Breton; Since the introduction of government as part of the new social studies curriculum, these visits to the Legislative Assembly are much more meaningful. They are accompanied by their principal Mr. Landgraf, teachers Mr. Poholka and Mr. Gray, parent Mrs. Elaine Adair, and bus driver Mr. Ted Grzyb. Would they please rise and receive the welcome of the House.

MR. R. CLARK: Mr. Speaker, it's my privilege to introduce to you, and through you to the members of the Assembly, a group of 50 grade 10 students from the

constituencies of Olds-Didsbury and Three Hills. They attend the Hugh Sutherland high school in Carstairs. They are accompanied by their teachers Mr. Weiss and Miss Richardson, and two parents, Mrs. Bazinet and Mrs. Van Tetering. They are sitting in the gallery. Before asking the group to rise, Mr. Speaker, I might say that included in that group is a group of young midget hockey players who are finding that midget hockey isn't all they thought it was, and their coach is finding that a lot has happened in coaching in 16 years. I ask the members of the Hugh Sutherland grade 10 class to rise and receive, hopefully, the enthusiastic welcome of members of the Assembly.

head: ORAL QUESTION PERIOD

Heritage Trust Fund Auditing

MR. R. SPEAKER: Mr. Speaker, my question is to the Provincial Treasurer. It's with regard to the management letters that have moved between the Provincial Treasurer's department and the Auditor General. I was wondering if the Provincial Treasurer is prepared at this time to give a commitment to table those documents in the Legislature, not only for the members of the Legislature, but as well for the use of the select committee studying the estimates of the Heritage Savings Trust Fund:

MR. HYNDMAN: Mr. Speaker, the fact is I would be breaking the law of this Assembly if I took that step. Members of the Assembly will recall that in 1976, when The Auditor General Act was passed, a specific section — I think it's Section 27 of that Act — says that audit papers, of which management letters are a part, shall not be tabled in the Legislative Assembly and shall not be made available to the committee.

The reasons for that move, as explained at that time by my predecessor the Provincial Treasurer, are essentially two in number, and they make a great deal of sense. Firstly, management letters, being for the purpose of providing advice to ensure there are controls which reduce to the smallest possible percentage the likelihood of a defalcation or fraud — realizing that there's always some possibility — because they deal with that issue, if those on the outside who might wish to get by the system know of the details of the management control system in place, they will be able to defeat the system. Therefore, any call for the tabling or making public of management letters weakens the management control system of the government over the various moneys which are in circulation.

Secondly, of course, the reason for the Legislature having that section in the Act is to ensure complete and total candor and frankness by the independent Auditor General in his advice to senior management, so that there will be very frank and candid review of what the processes are. For those two very good reasons, and the fact that that's what the law says, it would certainly be wholly improper for me to table it.

MR. SINDLINGER: On a point of order, please, Mr. Speaker. In regard to Section 27 of The Auditor General Act, that the Provincial Treasurer has just referred to, reference is made to:

Audit working papers of the Office of the Auditor General shall not be tabled in the Legislative Assembly or before a Committee of the Legislative

Assembly.

Clearly, The Auditor General Act deals with the audit working papers of the office of the Auditor General, and not the management letters requested by the Leader of the Opposition. Perhaps the Provincial Treasurer might refer again to the question and to the management report.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Provincial Treasurer. When \$62 million slips away from the fingers of Albertans. [interjections] I think we have to have all the control items in public, not behind closed doors. I think \$62 million is a matter of concern.

Could the Provincial Treasurer indicate to this Assembly that on behalf of the select committee and members of the Legislature, he is prepared to go to the Auditor General and request that all those management letters be presented to this Legislature, if that invitation or request is necessary by the Provincial Treasurer to the Auditor General. The Auditor General can then, in turn, release them, so we in this Legislature know, and Albertans know, that everything that was done was proper and aboveboard. [interjections]

MR. HYNDMAN: Mr. Speaker, I would just reiterate what the independent Auditor General of this province has said, and it's totally in opposition to the implication of the Leader of the Opposition. Every single dollar of the heritage fund in every year of its existence has been accounted for. Not one dime has ever been mislaid. That's what the Auditor General says. He says there is no evidence of mismanagement with respect to investment policy, there is no evidence of collusion, there is no evidence of fraud, and there is no loss whatever with respect to any management decisions taken.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. The Provincial Treasurer is basing his case on the fact that the Provincial Treasurer is indicating that to us, the Auditor General . . . My question is: is the Provincial Treasurer willing to take every step necessary in presenting documents to this Legislature that can be used by the select committee as a watchdog committee, so that they can make their judgment and take their real responsibility in this Legislature and on behalf of Albertans? That's what we want: not your judgment but our judgment, because we were elected and requested by this Legislature to do a job. We need the papers.

MR. HYNDMAN: Mr. Speaker, as I indicated before, I have taken every step to file every document required by the law of this Assembly, by the regulations of this Assembly. We are prepared to stand by the independent advice and counsel and the objective statements of the Auditor General of this province, and I am puzzled why the Leader of the Opposition and his new-found friends would want to question the credibility of the Auditor General of this province.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. It's time that people understand, and that's why we're able to work in a non-partisan way on an issue that's real to the people of Alberta. [interjections] Mr. Speaker, that's the most ridiculous comment I've ever heard. Sixty-two million dollars have been . . . [interjections]

MR. SPEAKER: Order please. Could we go from the \$62 million to the \$64 question.

MR. R. SPEAKER: Mr. Speaker, I hope that comment wasn't to make this debate — and it is partly a debate — but question period, a light matter. Because it is not a light matter.

My question is very straightforward. If legislation prohibits the tabling of documents, is the Provincial Treasurer, on behalf of his government, prepared to consider amendments to The Auditor General Act that will enable the Provincial Treasurer to table all management letters in this Legislature? Will the government be that open?

MR. HYNDMAN: Mr. Speaker, I am prepared, as this government has always been, to take every step necessary that will ensure that we have and continue to have one of the best, and always improving, management control systems with respect to the dollars under our administration.

MR. R. SPEAKER: How?

MR. HYNDMAN: The suggestion the hon. member makes would destroy and weaken the management control system of this government. Therefore, we would not be following that route, and we would follow the statute and law of this province and, I might add, of all other provinces which have auditor general statutes. [interjections]

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. I would point out that the comments the Auditor General made with respect to this question were related to 78 per cent of the review, as opposed to 100 per cent. So before we make categorical statements, let's keep that in mind, too, so that we're fair to the Auditor General.

AN HON. MEMBER: Question.

MR. NOTLEY: My question to the hon. Provincial Treasurer, in light of his comments about the so-called management system and the problems he sees: what assessment has been made by the Provincial Treasurer's department of other provinces, including the province of Ontario, where upon request these management letters can in fact be tabled before Public Accounts?

MR. HYNDMAN: Mr. Speaker, in this province we make laws for the benefit of Albertans by Albertans in this Assembly. That's what we did in 1976, and we will follow those laws.

MR. NOTLEY: Mr. Speaker, a supplementary question. Is the Provincial Treasurer saying there has been no assessment of other provinces where this procedure is followed, where management letters in fact can be tabled before a public accounts committee? Is the Provincial Treasurer telling the Assembly that there has been no review by his department? Because if in fact there has been a review, he would have to tell this Assembly that that is a possible option.

MR. HYNDMAN: I'm just suggesting, Mr. Speaker, that when the independent accounting and auditing authorities in this country have met, they have made it very clear that the auditing and control systems in the province of

Alberta are among the very best in Canada, if not North America.

MR. NOTLEY: Mr. Speaker, a supplementary question. The issue is whether or not the Provincial Treasurer has reviewed the procedures used in other provinces, which are not upsetting the system of management control, where upon request by their public accounts committees, the kind of information the Leader of the Opposition asked for today can be made public and available to the public accounts committees.

MR. HYNDMAN: Mr. Speaker, I've reviewed the various systems in the other provinces and, again, I indicate that the steps which have been suggested, and which in some cases have been taken by members of the opposition, have moved to weaken the management control system in this province. I think we do not want to be moving in that direction but rather to control and ensure that every dime and every dollar is properly accounted for. That is our duty, and that is our obligation. We will continue to carry it out.

MR. NOTLEY: Mr. Speaker, a supplementary question. Will the Provincial Treasurer advise the Assembly why the proposal made by the Leader of the Opposition, also by the hon. Member for Calgary Buffalo and me, will so weaken the management system in Alberta, when it doesn't weaken the management system in other provinces? Will the Provincial Treasurer clearly outline the reasons why it will work in other provinces but not in Alberta?

MR. HYNDMAN: I've indicated very clearly, Mr. Speaker, that the purpose of the management control system and the kind of frank and candid management letters, are to make sure that systems are set up internally which will avoid problems of fraud. If they are made public, you are therefore weakening and lowering the efficiency of that kind of system.

MR. NOTLEY: Mr. Speaker, a supplementary question . . .

MR. SPEAKER: Followed by a supplementary by the hon. Member for Calgary Buffalo.

MR. NOTLEY: In view of the fact that other provincial public accounts committees can, by request, insist that this information be made public, how can it work in other provinces if it will not work in Alberta? What is the difference? Why is the Alberta system so open to fraud if it isn't in other provinces?

SOME HON. MEMBERS: Oh.

MR. SPEAKER: Order please. With great respect to the hon. member, that's the same question, and not really well disguised.

MR. SINDLINGER: Mr. Speaker, the Provincial Treasurer has indicated several times this afternoon that the Auditor General provides independent advice and counsel. My question to the Provincial Treasurer is: if the Auditor General provides that, why is it that only the government gets to have that independent advice and counsel?

MR. HYNDMAN: Mr. Speaker, I'm not going to repeat it a third time. There are two very valid reasons for the section in The Auditor General Act which, as I recall, was debated in this Assembly and passed by most of the members of the opposition in 1976, and why the information is presented to the government. The hon. member will also recall that when the Auditor General makes recommendations, only those recommendations that are subsequently not acted upon to the satisfaction of the Auditor General appear in the annual report. There were 11 recommendations. Two of them appeared in the annual report, and the balance of nine have therefore been dealt with to the satisfaction of the Auditor General.

MR. SINDLINGER: Mr. Speaker, a supplementary question to the Provincial Treasurer, I have in my hands the Alberta Heritage Savings Trust Fund annual report for 1980-81. On page 36, it shows a net loss of \$13.7 million on sale of marketable securities in the year 1981; in 1980, a net loss of \$43.6 million on sale of marketable securities; and for 1977, a net loss of \$2.9 million on marketable securities, for a total of approximately \$60 million. My question is whether or not these numbers are indeed accurate, and if he or the Auditor General bears a responsibility for them.

MR. HYNDMAN: Well, as far as the government, the numbers are accurate. The fact that those numbers have been endorsed by the statement of the Auditor General would make them doubly accurate. That means that over the course of three years, in respect of which profits of approximately \$1.6 billion were earned by the heritage fund, there were deliberate decisions to sell, which resulted in losses of \$60 million. Of course, hon. members well know that with the erratic interest rates, every managed portfolio in North America has deliberately taken decisions to sell bonds with those kinds of losses. In fact, it would be very poor management of an investment fund not to have made sales and incurred losses of that kind over the last two years, on a properly managed bond portfolio.

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

MR. SINDLINGER: Mr. Speaker, the comments just made by the Provincial Treasurer might be appropriate, given the circumstances. But I might ask him as a supplementary, if I could, please, whether or not the government would consider it desirable to know the precise reason for the sales that resulted in a loss on those bonds and investments.

MR. HYNDMAN: Yes, Mr. Speaker, they were within the appropriate policy that's been in place for a number of years in the department.

MR. SPEAKER: We've had a great number of supplementaries on this, and the time for the question period is elapsing rapidly.

The hon. Leader of the Opposition, if he has a second question.

MR. R. SPEAKER: Mr. Speaker, I'd be prepared to forego my second question if my colleagues here wish to ask further questions. I think this matter is very, very important and significant at this time.

MR. SPEAKER: I don't think we should attach any degree of assignability to this custom. I would propose to go on with the other members who wish to still ask their first questions. Then, if there is time, we can come back to the topic.

DR. BUCK: Mr. Speaker, on a point of clarification. If another hon. member wished to pursue that same question, sir, does that mean that you've said the question we have been pursuing cannot be asked again today?

MR. SPEAKER: I didn't say that.

DR. BUCK: Mr. Speaker, in that case, one of the other hon. members or the Leader of the Opposition can use as his second question the first question we've already been asking. Is that what you're saying, sir?

MR. SPEAKER: Surely each hon. member chooses the topic of his own question.

Sewer Explosion

DR. PAPROSKI: Mr. Speaker, a question to the Minister responsible for Workers' Health, Safety and Compensation. It's regarding the explosion of October 22, 1981, in deep sewer tunnelling in Edmonton. Would the minister indicate what action has been taken, and if the minister has established the cause of that particular explosion, which fortunately didn't cause any fatalities.

MR. DIACHUK: Mr. Speaker, the cause has been established. It was as a result of methane gas, which is found so often wherever there are coal seams. In place now is an established procedure before all tunnelling proceeds in the city, that monitoring of the air take place before work crews enter, on a regular basis, as often as every four hours.

DR. PAPROSKI: A supplementary, Mr. Speaker. I wonder if the minister would add further to that, and clarify to the members of the Assembly whether safety and rescue procedures are established by the government. Were they in place with the city of Edmonton at that time?

MR. DIACHUK: Mr. Speaker, safety and rescue procedures were not in place as accepted in the mining industry or some others, even in the sporting industry, the skiing setting. However, as early as August this year, several months before the incident, my department had corresponded with the city asking that an emergency rescue system be in place. As a result of the accident or explosion, this has now been placed at a high priority. I hope that very soon a rescue procedure and properly trained team will be in every urban setting where deep tunnelling and sewer construction are undertaken.

DR. PAPROSKI: Mr. Speaker, a supplementary. It's a pleasure to hear that, in view of the seriousness of it and in view of the fact that there is so much deep sewer tunnelling, and especially tunnelling with respect to the LRT.

Would the minister indicate further to the House whether a procedure or policy is now established regarding training of staff for safety and rescue in these types of possible accidents?

MR. DIACHUK: Mr. Speaker, yes. My officials are working with city personnel in training their staff to be able to use the equipment to assess and monitor the gases found so often in different parts of tunnels. We're quite hopeful that the city will very soon have a good complement of workers and crews who will be able to do their own. In the meantime, my officials are carrying out some of the inspections and monitoring.

DR. PAPROSKI: A final supplementary, Mr. Speaker. In this particular explosion, I understand that the ventilation system did not work, with respect to that particular sewer tunnelling. Would the minister indicate whether, he has established why it did not work, because it is so significant and consequential; and secondly, whether he'll report to the House or follow up very carefully that safety and rescue procedures for the city of Edmonton — and, as a matter of fact, in urban areas across this province — will be completed.

MR. DIACHUK: Mr. Speaker, to the second part, yes. To the first part, it is still a theory that the ventilation system wasn't in place. As hon. members will appreciate, a lot of that ventilation system was destroyed in the explosion. It is only a theory that there may not have been a proper ventilation shaft in the area where the explosion took place. But it hasn't been concluded as of today.

DR. PAPROSKI: Mr. Speaker, it's very satisfying to see that the minister is doing his job.

Marginal Wells

MRS. CRIPPS: Mr. Speaker, my question is to the Minister of Energy and Natural Resources. With the signing of the Saskatchewan/federal oil pricing agreement, it has been indicated that these two governments have agreed to reduce the incremental oil revenue on low-productivity wells. Is it now the intention of the government to reopen negotiations on these low-production wells in Alberta?

MR. LEITCH: Yes, Mr. Speaker. At the time of completing the agreement between Alberta and the federal government on September 1, 1981, we had contemplated further discussions with the federal government relating to the taxation of production from marginal or low-producing wells. But that discussion had to await the completion of an agreement between the province of Saskatchewan and the federal government. Now that that has been completed, we will work toward discussions with the federal government regarding a change in the taxation system applicable to marginal wells in Alberta.

MRS. CRIPPS: A supplementary, Mr. Speaker. Has the minister had any indication whether there have been shut-ins or a reduction of servicing on low-production wells, due to fiscal burdens placed on these particular wells by the PGR tax?

MR. LEITCH: Mr. Speaker, I have no specific information in the sense of well counts or things of that nature. But certainly the various taxes do reduce the return to the producer; and unquestionably there would be occasions when the reduction created by taxes would make it uneconomic to produce a well that would otherwise be economic.

MRS. CRIPPS: Mr. Speaker, a supplementary. With regard to the price for tertiary recovery, would the ordinary fractionization jobs or well stimulation be considered tertiary recovery with regard to pricing, if it increases the productivity of wells?

MR. LEITCH: Mr. Speaker, not under the terms of the existing agreement.

Emission Standards

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Environment. On October 23 last year, the minister is quoted in *Hansard* as saying:

If technology has reached the point where it can be deemed practical to upgrade and improve the facility to reduce the [number] of emissions, then at the time of issuing the new licence we would take those facts into consideration.

Mr. Speaker, with respect to the sour gas emissions at the modernization of the Shell Resources Jumping Pound plant, what assessment has the Department of Environment made of the Jumping Pound modernization proposal, particularly with respect to the refusal of Shell Resources to install the best possible technology?

MR. COOKSON: Mr. Speaker, there have been recent hearings with regard to expansion in this area, and subsequent public hearings held by the ERCB. Of course we are part of the presentation to the public and intervening in the subsequent hearings. We will be involved with negotiations, whatever required, to require a minimum sulphur emission in terms of expansion of any new facilities. If facilities are already in existence, we would not necessarily require any plant to shut down and redesign because of the different standards used at the time of construction.

MR. NOTLEY: Mr. Speaker, a supplementary question. Given the information that has come out so far, that the net income Shell predicts on this venture over the next couple of decades will be \$1.5 billion and the estimates from Shell Explorer of installing the best possible technology are \$65 million — that would be technology which would upgrade the Jumping Pound expansion to the approximate level of the Waterton plant — with respect to the modernization, is the government prepared to make clear at this stage that the \$65 million would be considered a reasonable investment, and that the government will insist upon the same standards being applied to the Jumping Pound plant as Shell has applied to their Waterton plant?

MR. COOKSON: Mr. Speaker, I hope the Member for Spirit River-Fairview is not objecting to companies making a profit. It's the very basis of the industry in this province. In our judgment, as far as Environment is concerned, we do not take into consideration the profit picture when we determine how or what standards will be established for sulphur emissions. So relating it to the profit picture is, I think, sort of dragging a red herring into the real issue; that is, to make sure we minimize the impact on the environment. If the plant is in an area where the environmental impact would be very minimal, if at all, that would be one situation; if it's in an area where the air is already considerably loaded, that's another matter. All those things are taken into consideration when we establish the emission rates for the plant.

MR. NOTLEY: Mr. Speaker, I just point out that a \$65 million investment, when one is looking at a \$1.5 billion profit — certainly we can be assured the plant is not going to close down. But I'm delighted to learn that the profit picture is no longer going to be a major factor the department takes into consideration — maybe looking at other projects as a follow-up on that basis.

Pipeline Crossings

MR. NOTLEY: In view of the fact that in 1974 the Department of Environment opposed a pipeline crossing of the Elbow River, which is the city of Calgary's main water source, what is the position of the government with regard to Shell Resources' application to run its proposed Moose Mountain sour gas pipeline south under the Elbow River and through the Kananaskis recreation area to its Quirk Creek plant?

MR. COOKSON: Well again, Mr. Speaker, the member is asking questions which will be taken into consideration during the public hearing process. During that process, we either have someone who sits on the panel to question or we act as interveners to question before a panel. So any issues of that nature are questioned very closely.

It's our responsibility to provide an environmental impact assessment at some stage of the application. We do that very carefully and thoroughly. We have to satisfy the public and ourselves that if such a route is selected, it will cause the least environmental damage and minimize as much as possible the social impact with regard to the area. So at this time I couldn't say what the final outcome will be, of something that's in the hearing process.

MR. NOTLEY: A supplementary question. I remind the minister that in 1974, the department did have a policy. It opposed any pipeline crossing of the Elbow River. In view of the option that Moose Mountain gas could be processed at Jumping Pound, which wouldn't necessitate the crossing of the Elbow River, could the minister outline specifically to the Assembly what type of research is now being conducted on the possible effects on the city of Calgary's water supply system, bearing in mind that there is always a possibility of a pipeline rupture and that the gas will have a 60 percent to 80 per cent sulphur content?

MR. COOKSON: Well, Mr. Speaker, it would be normal procedure at any time to minimize pipeline crossings on river systems if that can be avoided at all, in particular with regard to pipelines carrying condensates that may be of a poisonous nature. However, if this becomes unavoidable, the standards established both by ourselves in Environment and by the Energy Resources Conservation Board would be set so stringently that there would be practically no possibility of a rupture.

For example, the Mill Woods pipeline, which could have been a major disaster in Edmonton — the recent hearings resulted in recommendations from the ERCB as to how further and future pipelines should be designed with built-in safety procedures. Normally, as a result of submissions and deliberations through the ERCB process, they request or recommend to government that certain things be done to minimize the danger. That relates to many, many things: shut-off valves, depth of burying, the way, it's buried into the base of the river, that sort of thing.

MR. NOTLEY: Mr. Speaker, a supplementary question. Quite apart from the hearings, which we know are taking place, my question is with respect to the type of research now being undertaken. The minister seemed to imply that information will come forward in public hearings, and a decision will be made. Fair enough. But does that information involve an in-depth study by the Department of Environment on the impact, including emergency procedures if necessary, should a rupture occur when you've got a pipeline carrying gas with 60 percent to 80 per cent sulphur content? What specific type of study has been commissioned by the Department of Environment which would be independent of any other proposals or submissions made by those other companies, groups, or individuals appearing before the ERCB?

MR. COOKSON: I could take the question as notice, Mr. Speaker, and check to see what research — I'm sure lots of research is being done that the member might be interested in. I'll take notice of the question and report back on the research we have.

MR. BRADLEY: A supplementary question to the Minister of Environment along the line of questioning of the Member for Spirit River-Fairview. Could the hon. minister advise the House as to how many other gas pipeline crossings there are in the province, and that the same consideration is being given to this gas pipeline crossing as is given to those thousands of other gas pipelines in the province.

DR. BUCK: Put it on the Order Paper, Fred.

MR. COOKSON: Well, there are many, many pipelines, Mr. Speaker. In fact, members might be interested to know that when we attempted to establish a sewage lagoon in the area of Devon, we couldn't find sufficient area to even construct a normal type of sewage lagoon. The area of the Member for Drayton Valley is classic, where pipelines cross at every quarter within the constituency.

The answer to the last question is yes.

Cultural/Recreation Facility Grants

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Recreation and Parks. In light that some of our small communities like Brooks have used up all their major facility grant, is the minister considering reviewing the program before it expires in 1984?

MR. TRYNCHY: Yes, Mr. Speaker.

DR. BUCK: It depends on when the election is.

MR. MANDEVILLE: Could the minister indicate if changes are also going to be made in the program so that it would be more streamlined and more acceptable to some of our smaller centres in the province?

MR. TRYNCHY: Mr. Speaker, we're always interested in making our programs available to Albertans. I don't know if we'll streamline it or not, but we hope to make the program such that it will be acceptable to all Albertans in small or large centres.

MR. MANDEVILLE: Mr. Speaker, the hon. minister indicated they will be reviewing the program before it

expires in '84. Could the minister indicate if they'll be putting in some funds from the heritage trust fund to facilitate this program?

MR. TRYNCHY: Mr. Speaker, I wonder if the member would have some patience and wait until we have a program.

MR. SPEAKER: The hon. Member for Clover Bar, followed by the hon. Member for Olds-Didsbury.

DR. BUCK: Mr. Speaker, I'll hold my question over.

Municipal Affairs Legislation

MR. R. CLARK: Mr. Speaker, my question was to the Minister of Education, but I notice the minister isn't here.

I'd like to direct a question to the Minister of Municipal Affairs. It deals with Bill 79 on the Order Paper, the Regional Municipal Services Act. Is it the government's intention to move ahead with this Bill during this fall session? I ask the question in light of some representation I've received from my constituency, expressing concern about various aspects of the Bill as it applies to the regional waterline that serves that area.

MR. MOORE: Mr. Speaker, it is our intention to move forward to third reading and Royal Assent this session and to proceed, probably this week, with second reading of the Bill.

MR. R. CLARK: Mr. Speaker, I ask the Minister of Municipal Affairs the same question about Bill 25, The County Amendment Act, dealing with that very thorny question of school representation by urban municipalities on county school committees.

MR. MOORE: Mr. Speaker, Bill 25 falls into an entirely different category than Bill 79. It is not our intention to proceed with the amendments to The County Act as outlined in Bill 25, but rather to let the Bill die on the Order Paper and to continue to take representations from persons who are interested in resolving the problem. I can't tell when it might reappear in some other form.

Mobile Emissions Monitor

DR. CARTER: Mr. Speaker, my question is to the Minister of Environment. I understand that during the past number of months, the department had a special mobile unit in place to monitor various pollutants. Did the unit perform adequately in the Waterton area, and is the unit still being used?

MR. COOKSON: Mr. Speaker, we had the opportunity of making use under loan of a unit known as TAGA, referring to trace atmospheric gas [analyser]. This unit is extremely sensitive. It can detect emissions at a very minimal level. While we chased it around the province, and in fact used it on occasion in my own constituency as well in the south and the north, we are at the present time evaluating the piece of equipment, primarily in terms of the cost and as to whether we couldn't in fact accomplish the same thing with equipment of our own here in Alberta.

MR. SPEAKER: The hon. Member for Clover Bar said he wanted his question held. Was that to the end of the

question period, or for another day?

The hon. Minister responsible for Workers' Health, Safety and Compensation wishes to deal further with a matter that was dealt with in an earlier question period.

MR. DIACHUK: Thank you, Mr. Speaker. I just want to correct what I may have stated incorrectly in Friday's *Hansard*. In the third paragraph on page 1363, I referred to "Executive Council". I intended to say Legislative Council. I wish *Hansard* would correct that.

ORDERS OF THE DAY

MR. SPEAKER: May the hon. Minister of Environment revert to Introduction of Special Guests; also the hon. Leader of the Opposition?

HON. MEMBERS: Agreed.

head: INTRODUCTION OF SPECIAL GUESTS (reversion)

MR. COOKSON: I'm perhaps taking a long shot here, but I'd like to introduce to you and to members of the Assembly 10 very interesting young people and their principal, Mr. Scarlett, from the Bentley high school in my constituency. If they're in the public gallery, I'd ask that they rise and receive the warm welcome of the Assembly.

MR. R. SPEAKER: Mr. Speaker, I'd like to rise on a point of order to seek unanimous agreement of the Legislature to send a message to the hon. Premier, whom we all recognize is in Ottawa today attending the first ministers' meeting with regard to the constitution. The message — and I have copies here, which I would like to have distributed by the pages — reads as follows:

Extend your best efforts to bargain in good faith in the interest of all Canadians and Albertans on the patriation of the constitution.

Signed:

The Legislative Assembly of Alberta

Mr. Speaker, as Canadians, and certainly as Albertans, I think we all feel a desire to resolve the issue at hand before the 11 first ministers today in Ottawa. Such resolution can only be accomplished when the will and co-operation exists. Our unanimous decision here today to forward this message will demonstrate our will to achieve agreement and our desire, from this Legislature, to truly have a Canadian constitution.

MR. CRAWFORD: Mr. Speaker, once again the hon. leader is asking for unanimous consent in order to take a step which is really just an embellishment to today's proceedings, consequent no doubt upon the serious deliberations he shared with his colleagues over the weekend.

I should say to him that over the weekend our caucus members also shared very serious deliberations with the Premier and with representatives of constituencies, all 79 of them, from all over the province, including a unique and special student representation from every constituency. Some — whatever that comes to — 400 Albertans gave up much of their Sunday along with all day Satur-

day through to the evening to discuss policy matters in order to aid the government caucus and discuss with them as Albertans and as supporters of this government. The Premier stayed throughout and was obliged to postpone his departure for an hour or so because of the weight and importance of the discussion that took place.

Mr. Speaker, I would not do anything other than say that the importance of the negotiations in Ottawa is unquestioned. However, given the background I have described to the hon. member or, indeed, under other circumstances, I do not concur in having the Legislative Assembly give unanimous consent to a motion of which no notice whatever was given and can only be looked upon as ...

MR. R. SPEAKER: Mr. Speaker, on a point of order. In terms of the hon. minister's comment, the presentation I made to the Legislature at this point is not a motion. It is a request for unanimous agreement to send a telegram, not a motion in that sense according to the rules. I was careful to do that. So the rules of motions do not apply.

MR. CRAWFORD: Mr. Speaker, I'm glad the hon. leader is aspiring to be careful in what he does. No doubt it will assist us all.

The message the hon. member proposes to send is one that perhaps all Canadians, and certainly the first ministers, have an interest in. I don't know what the hon. leader thinks those people are doing in Ottawa — I speak of the heads of 11 governments — if it isn't extending their best efforts. I do not at any time want to try to reflect upon the motives that may be involved in what an hon. member would bring forward, and perhaps because of that will not lengthen the few remarks I'm making at this time in regard to this proposed message. But if it's merely a way of having the opposition once again reported in their new light as a party that has not after all run out of all ideas and thought, despite evidence to the contrary, and therefore is just a way of gaining a little bit of publicity for the hon. leader and his cause, then in my view the message does not express the importance and gravity of that conference which is taking place, and in a sense is just a way of gaining attention for the hon. member.

In conclusion, I just say that I've given a full expression of the way the Premier has been encouraged by many, many Albertans, including the conference this past weekend that I mentioned, which gave deliberate attention to these issues, and see no need to forward a message of this type, although I would like formally to thank the hon. Leader of the Opposition for thinking in terms of his hopes for progress at that important meeting.

DR. BUCK: Mr. Speaker, I'd just like to make one or two comments to the question before us. I'd like to say to the hon. Government House Leader that what has been done at a government caucus is of no concern to this Legislature. We have no idea of knowing or we're not interested in knowing what went on in that caucus. What we are interested in is saying that this entire Legislature is behind the Premier in the negotiations going on there, and this is basically what the telegram says. So we are trying to say that the Legislature would like to endorse the negotiations down there.

MR. D. ANDERSON: Mr. Speaker, speaking on the point of order, I certainly agree with the intent the telegram suggests with regard to extending the best efforts to

bargain in good faith, though the very statement the Premier made at the opening of the session this morning and the fact that he's there would imply that. My problem with this particular telegram is that it does not include any other aspects of the discussions now taking place or indeed reaffirm what we have affirmed in this House several times in terms of the position of Albertans by both the opposition and the government. I think it would take a prolonged debate to bring forth a telegram that we would all feel comfortable supporting.

I'm also somewhat surprised at the timing the hon. Leader of the Opposition has on this telegram. The discussion in Ottawa has now been going on for some hours; first, in public and, now, amongst the 11 heads of government. Surely if the telegram was to have any effect on those deliberations, it should have been sent by the hon. leader yesterday, before the premiers and the Prime Minister began discussing this very crucial topic. So I would have difficulty supporting at this time this move by the Legislature, given the time in those discussions and the other aspects that are not in this particular telegram.

Again, though, with the Government House leader, I respect the move on this behalf. I'm glad to hear the Member for Clover Bar indicate that it's merely our full support behind the Premier. I'm glad it's on record that indeed this House does support those efforts today and that we look forward to what, hopefully, will be a successful conclusion in that regard.

MR. COOK: Mr. Speaker, on the point of order. I too would like to make one brief observation; that is, I'm probably not as charitable as the Government House Leader and the Member for Calgary Currie in describing the motivation of the members of the opposition as simply sincere interest. I think it goes back to the point I made earlier this afternoon that it's grandstanding. It's an attempt by the hon. leader to simply beat his breast and get a little attention.

I echo the sentiment of the Member for Calgary Currie that the timing is hollow. It shows that the effort is not sincere ...

MR. SPEAKER: Order please. We're discussing a motion for unanimous consent. I rather question whether the hon. member's remarks are relevant to the substance of the motion.

MR. R. SPEAKER: Mr. Speaker, in terms of the point of order, the request for unanimous consent was done in terms of a sincere effort to show unanimous support for an effort by the Premier to bring about some type of settlement relative to the constitution in the next three days. I understand the negotiations are not only today but tomorrow and, potentially, the next day, and on that basis suggested the telegram that is before us.

Mr. Speaker, the government may feel that just because it was motivated from this side of the House, the words are unacceptable. But when one of their colleagues goes to a meeting somewhere, I certainly hope that kind of support is there. Let's just take it into the sporting field. Any time a sporting team goes somewhere, people back home send a telegram to indicate support.

Mr. Speaker, the suggestion has been made to send the telegram. It's certainly the intent of the Social Credit Party to forward that telegram to the Premier as of today, with the intent of giving him incentive and encouragement to settle the matter with regard to the constitution. If the others wish to remain silent and hope their

great leader who calls all the shots does it by himself, let the government do as they wish.

MR. SPEAKER: Is there unanimous . . .

[Mr. Crawford rose]

Does the hon. leader wish to raise something that hasn't been mentioned?

MR. CRAWFORD: Mr. Speaker, it's only by way of further comment, simply to say that the Legislative Assembly itself has debated questions of the constitution and adopted certain motions in respect thereto. All hon. members either spoke or had the opportunity to speak on those occasions.

In making that brief observation, Mr. Speaker, I just want to note for the hon. leader that it's not necessary to conceive telegrams in respect of matters the Legislature has already debated and dealt with.

MR. SPEAKER: Is there unanimous consent?

SOME HON. MEMBERS: No.

head: COMMITTEE OF SUPPLY

[Mr. Appleby in the Chair]

MR. CHAIRMAN: Will the Committee of Supply please 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, we've already had quite a lengthy debate on the Lesser Slave Lake outlet, but during that debate several questions were posed and responses haven't been received. So I'd just like to review the outstanding ones and perhaps ask the minister to address himself to those questions.

Five are outstanding at this time. The first deals with the increase in operational and maintenance costs associated with the project. The question asked was: would additional maintenance or operational costs be associated with the project once it was completed? The supplementary question to that was: who would bear those costs?

The second question was in regard to subproject No. 1 on the Lesser Slave Lake outlet, the design and construction. The question was in regard to not only the 1982-83 estimates but the comparable 1981-82 estimates, the question being: how much of that subproject was for design and how much for construction?

The third question dealt with the number of people who would benefit from the Lesser Slave Lake outlet project. It was noted that about 30,000 acres would be reclaimed, but the question that wasn't addressed was how many landowners were involved in that 30,000 acres.

The fourth question dealt with impact studies, and several questions were associated with that. The major question was why impact studies were being conducted

after the fact rather than prior to the fact. That led to a debate or discussion on the relative merits of cost/benefit analyses. The minister pointed out that when the present government took over consideration of the project, it didn't feel it was important to do that; nevertheless, some studies had been done. Perhaps the minister might indicate what specific impact studies were done.

Those were the first four of the five I see as still outstanding. Perhaps I could just pose each to the minister, Mr. Chairman. The first question is: what increase will there be in the operational or maintenance costs of the project once it has been completed, and who will be responsible for bearing those costs?

MR. COOKSON: Mr. Chairman, perhaps I can include in my response some of the other questions the Member for Calgary Buffalo asked earlier. It may help to answer some of the detailed questions that have been asked in the past.

Briefly, I spoke about the future problems of operational costs earlier in discussions about all our capital projects under the Heritage Savings Trust Fund. As the member knows, proposals come to us from throughout the province and are channelled through the system by the MLAs concerned. Of course when the proposals are approved, one has an opportunity in committee to raise as many of these questions as one wishes, and to vote. Many of the proposals that come before the trust fund committee fall by the wayside before they get approved by government.

One of the problems we will face down the road is the operational costs of these various projects. I think I spoke at some length on some of the present projects in the mill: the massive expenditure of over \$334 million committed until 1985 on irrigation in southern Alberta, which is a joint expenditure on behalf of Agriculture and Environment. In the case of Environment, much of this work is designed to improve up to the headworks, and then Agriculture takes over from there. The allocation from the Heritage Savings Trust Fund is primarily for the capital construction. So down the road sometime, we will face an assessment as to how the operational costs will be carried.

At present, as I understand the trust fund, there are not necessarily any terms of reference for the actual operation. Therefore, when it comes to operation, those costs will come out of the general revenue of the province. Over 70 per cent of the oil and gas and other resource revenue now goes into the general revenue of the province and 30 per cent into the heritage trust fund, of which a portion goes for capital works of a lasting social and economic benefit. When one becomes concerned about the operational costs of these capital works, it doesn't necessarily mean that operation will come out of that particular vote of the trust fund. Likely it will come out of the general revenue, but one has to remember that 70 per cent of the resource revenue is going into the general revenue of the province.

When we go through our votes and proceedings each spring in the Legislature, each of the 28 cabinet ministers has his own budget. Those budgets are now in the mill for the 1982-83 fiscal year. As we go through the system, before Treasury and through our internal checking system within the financial operation of the province, first of all Treasury lays out some pretty specific guidelines based on the projection of operational costs. Those guidelines say, for example, that Environment may be permitted to increase its expenditure by, say, 10 or 15 per cent, based

on the inflation factor. Also, we may be able to increase our expenditure by a percentage to deal with the growth of the province. In a rapidly growing province such as Alberta, we do have some problems. The result is that occasionally we have to come in for special warrants. As the member knows, Environment has had to do this on occasion with regard to water and sewer programs across Alberta.

In the approval process, we have to take into consideration how we're going to handle operational costs in our regular budgets. They all differ in different degrees between these 28-odd departments. Going back to the headworks, in the case of irrigation in southern Alberta coming out of the trust fund, we will have to make sure we provide sufficient funds in our general budget to carry on the operation of that capital project. That could be large or small, depending on the actual construction. For example, in the area of reclamation, where we have asked for substantial funds from the trust fund, the operational costs afterwards are minimal if at all. We make joint agreements with the municipalities which say that within a 10-year period, if the municipality wishes, it is permitted to dispose of the reclaimed land. But in disposing of the property, it is required to refund to the general revenue of the province the costs that were incurred in the reclamation. So when you make a generalization, you have to be careful that you take into consideration the individual differences in our different votes.

The Paddle River project is one of the highly praised projects in the north. Certainly the constituencies of Whitecourt, Barrhead, and others will derive tremendous benefit from the control of the Paddle River and its subsidiaries. When that construction is completed with funds from the Heritage Savings Trust Fund, the operation of the unit will still be retained, perhaps in Environment or some other department, and we will still have to take the operational costs out of the general revenue of my budget. They may not be major costs. Depending on the complexity of the operation, that project could conceivably be serviced from our head offices through our present staff; that is, the operation. If it comes to maintenance, we have to look either at another allocation from the heritage trust fund at some point in time, or it has to come out of general revenue of the province.

Now we'll go to the project that the member's most interested in, where we've been able to save the province well over \$4 million, essentially because of further detailed study and redesign of the cutoffs on the Slave River. Once that's . . .

MR. SINDLINGER: Mr. Chairman, I believe the minister is going on to the second question now. Prior to doing that, I'd like to ask a supplementary in regard to the first question, please. The first question was what the increase in operational and maintenance costs would be after the project was completed. The minister has responded that the Heritage Savings Trust Fund would not be responsible for expenditures for operation and maintenance, and that they would most likely come out of the General Revenue Fund. I could understand that as being a normal operating procedure. However, on the other hand, what we must bear in mind when we approve these projects is not only the relative merit or value of the project, but the liability it imposes on the Legislature in years to come. One might think of an extreme example where we would approve a project from the heritage fund for \$10 million today, but had we known that perhaps, just to make a point, the operation or maintenance costs would have

been \$100 million per year in perpetuity, we might not have approved the project for \$10 million. That's why the question of continuing operational or maintenance costs is quite important.

It's not a question of whether or not the project has merit or value, because certainly it does. It is a good project, and I believe most members of the Legislature concur in that. However, before we make a judgment on this and approve it or not, I believe we ought to have access to all the information and know what the future burden will be on the General Revenue Fund, what the liability is to the Legislature in the future in terms of expenditures for operation and maintenance.

MR. CHAIRMAN: The Chair is not fully aware of the purpose of listing a whole group of questions if there are to be supplementary questions to single questions. Perhaps it would be better to ask one question at a time if there are going to be supplementary questions with them. Having asked that now, you can proceed in that manner if you are agreeable.

DR. BUCK: Mr. Chairman, on a point of order. There are many times when we give the minister the opportunity of listing the questions, and then some of his people may be able to give him some of the answers. I'm sure that would be of help to the minister and to the committee. So I think there is some merit in listing those questions that way, Mr. Chairman.

MR. CHAIRMAN: I agree with that. I think that's a good procedure if some indication is given that there will be supplementaries to each question.

MR. SINDLINGER: Mr. Chairman, when I originally rose, my intention was to identify subject areas debated or discussed on previous days on this vote, the objective being to let the minister know I would be asking questions within those areas so he could get the information. After having reviewed those questions, I came back to a specific question. That's where we are now: addressing the first specific question. I concur in your ruling that members have the opportunity to jump in with supplementaries as he addresses each specific question.

MRS. CRIPPS: Mr. Chairman, in direct relation to the question of the hon. Member for Calgary Buffalo, are there operational budgets or expenditures which are now charged against the project because of problems of the water level or fluctuation of that water level? Is there liable to be an increase or decrease of those present expenditures?

MR. COOKSON: Mr. Chairman, I guess the question that's asked by the Member for Drayton Valley is: if, for example, we didn't proceed with the construction, what would be the cost to society or the communities on the basis of the status quo? I touched on some of those questions in earlier questions about the Lesser Slave Lake project. Perhaps it's in line, too, with earlier questions that dealt with benefits, that were asked by one of the members of the opposition. It goes into the cost/benefit ratio the Member for Calgary Buffalo refers to.

I think members might be interested in statistics which indicate part of the cost/benefit ratio — or the benefit to people, as the member suggested — that will result from the stabilization which should be completed next year. In doing this, Mr. Chairman, I think it's important that I go

back briefly to the history of the Lesser Slave Lake level. It was covered to some degree by the Member for Lesser Slave Lake in one of the earlier question periods, but just to give a little bit more detail on the seriousness of the situation in the area.

Of course, it goes way back to about 1920 or so, when the area first started to settle. History has recorded Lesser Slave Lake levels from 1914 to 1977, a period of 63 years, to show that the lake itself has fluctuated in a range of 11.5 feet. That is an extremely large lake. It stretches across about 14 ranges. If one wants to transpose that into mileage, at 6 miles between the ranges, you're looking at a lake 70 to 80 miles long and on average about 6 miles in width for the total length of the lake. So it is a major lake. As I said, over that period it has fluctuated 11.5 feet. It ranges from an elevation of 1,887 feet to 1,898 feet. I can give the metric figures if anyone wishes to play around with them. I don't understand them. I guess I'm in that age bracket where you don't worry much about the metric system.

The project is designed to control fluctuations between 1,895 feet and 1,888 feet. Our engineers have determined that flooding of private land occurs above the 1,895-foot elevation. The document I have before me indicates that the land above 1,897 feet will be almost totally protected from flooding once we have stabilized it, and will be exceeded only perhaps once in 100 years. So it's primarily designed to deal with a 100-year period. You might be interested to know that in 1935, flood levels reached 1,898.9 feet.

Soil saturation in these higher altitudes increases the effects of flooding. In doing our survey of this huge lake, some 70 to 80 miles long, we took into consideration two areas. One area was below the 1,896.5-foot level. This would be subject to flooding on occasion. The other area above that point, to 1,902 feet, which in the past has been flooded, would now be flooded perhaps only once in 100 years.

If we split the two zones down to indicate the cutoff — and I think these figures were perhaps not given in this detail earlier. The question was asked as to the split between Crown, private, and Indian reserve, and the total. If one keeps in mind the area that will be only partially protected, below the 1,897-foot level, the Crown should protect about 6,221 acres of Crown land, about 15,955 acres of private land, and 8,713 acres of Indian reserve land. A total of 30,889 acres will be partially protected. We went into this in our cost/benefit study for the area, and it's really basically the benefit to people.

The breakdown for total flood protection above the 1,897 level, to 1,902, is as follows: the Crown will have 8,402 acres protected, the private landowner will have over 15,987 acres, and the Indian reserve will have 6,920 acres protected, for a total of 31,309 acres. The total of those two figures, Mr. Chairman, is 62,198 acres either totally or partially protected by the stabilization of the lake through the control system at the east end. The source of this information is a report through Hu Harries.

So when the member talks about the benefit to people, and the impact studies, I think it gives you a pretty good idea of the massive value of the project in future years. One has to keep in mind that once the project is completed for approximately \$4.3 million, the operational costs will be very minimal because it just involves a cutoff of the meanders of the river on the east end, plus a weir across the outlet to make sure the lake does not drop below what are considered good, safe levels.

The map is very interesting. The question was asked as to how the land was distributed around the province. I think the Member for Spirit River-Fairview, who isn't here right now, asked . . .

MR. NOTLEY: Yes I am, Jack.

MR. COOKSON: Oh, he has changed — well, now they're holding hands; they're all sitting together. [interjections]

AN HON. MEMBER: Father and son.

MR. COOKSON: It's not hard to tell which one's the father, either, is it? Mind you, Walter, you can't measure a man by the hair on his head.

DR. BUCK: Some of us have to hide it under hair, Jack.

MR. COOKSON: Quality goes with it.

Mr. Chairman, it's an excellent opportunity for me to have the right to show the Assembly the tremendous benefits that will be incurred. The breakdown is primarily in the Buffalo Bay area, which was the original objective of this tremendous area that is subject to these 10- and 11-foot fluctuations. It then extends around mostly on the south side of Lesser Slave Lake.

The question, how would they impact on areas such as Faust, Driftpile, and Kinuso, was asked. Faust, for example, will receive very considerable benefit from the lake stabilization. There is a very distinct area along the beach which will not be subject to major fluctuations. Also Kinuso, which is quite a way back from the lake — it is anticipated that by stabilizing the lake level, we can partially protect the one in 100 flood area which backs up the Swan River for possibly 10 miles past Kinuso as the crow flies. So that would be minimized in the operation. I think these various areas in the area of Slave Lake are interesting because of the future of tourism. It will be stabilized in that area, too. Perhaps that gives a little more knowledge of the benefits that will be derived from the stabilization.

The Member for Calgary Buffalo and others asked whether any impact studies were done. The document I have in front of me is volume one, main report.

MR. SINDLINGER: Mr. Chairman . . .

MR. CHAIRMAN: Does the hon. member have a point of order?

MR. SINDLINGER: I want to ask a supplementary question, please, Mr. Chairman.

MR. CHAIRMAN: I don't believe the minister has completed his answer on the last question.

MR. SINDLINGER: Well, he's sitting down now. The reason was, too, that we agreed earlier that as we went on, we'd address supplementary questions to the question at hand rather than going on to another question, so we could clear it all up at one time. If you'd like to stick to that, I'd like to ask a supplementary question.

MR. CHAIRMAN: My understanding was that the minister was replying to a question from the Member for Drayton Valley.

MR. SINDLINGER: I'm sorry. I thought he referred to the Member for Calgary Buffalo.

MR. CHAIRMAN: However, if you have a supplementary now, and if the minister wishes, you could proceed with that one.

MR. SINDLINGER: Mr. Chairman, I just want to ask the minister, before he goes on to another subject area, in regard to the figures he's just given us on the total protection and partial flood protection plan whereby Crown, private, and Indian land, amounting to 62,198 acres, is protected. The question that was raised several times last week, and again today, is: of those private land holdings — we have 15,000 acres under total protection, and 15,000 under partial field protection — how many people would benefit from that? That is, how many private landowners are in that area? Is there one private landowner who owns all 32,000 acres, or are there 32,000 landowners?

MR. COOKSON: You don't want the first and last names?

MR. CHAIRMAN: The hon. Member for Drayton Valley will have a supplementary after this one, I guess.

MR. NOTLEY: We want the land descriptions, Jack.

MR. CHAIRMAN: A supplementary to follow the question the hon. Member for Calgary Buffalo has.

MRS. CRIPPS: Thank you, Mr. Chairman. My supplementary is still in relation to that of the Member for Calgary Buffalo. If 62,198 acres are reclaimed or protected, does that work out to approximately \$7 an acre? Or did I miss something in the figures? Going back to Kinuso, is that the area in which the department had to build protection dikes just recently, in the last few years, because of major flooding of water coming up the river?

MR. COOKSON: Mr. Chairman, the answer to that is yes in both cases. I think we worked out the cost. I'm not that quick on mathematics, but I think it did work out to something like \$7 an acre. Maybe the Member for Calgary Buffalo has his computer with him and could do that calculation. On the other question, Mr. Chairman, it's correct that some work is being done to minimize the problem at Kinuso.

Perhaps while I'm on my feet, the Member for Calgary Buffalo is interested in figures — by the way, a lot of this calculation and so on was actually done at the time the project was proposed. On the original \$8.8 million project design, it was estimated that the average cost for operation and maintenance would be about \$250,000 per year. That was based on the original \$8.8 million. One perhaps can relate the new cost figure pretty well to the new capital cost figure. Again, just to reaffirm: the operation and maintenance costs will be borne by the province under general revenue.

The question was asked about the distribution between design and construction.

MR. SINDLINGER: Mr. Chairman, a supplementary, please. The minister is going on to another subject area now. The minister asked me if I would like to comment on the cost per acre. The calculations I've done indicate that the cost per acre would be in the order of \$71 per

acre, as opposed to the \$7 per acre indicated by the Member for Drayton Valley.

In addition, on Thursday the Member for Drumheller indicated the cost per acre would be in the order of magnitude of \$15. That calculation was based on an original cost estimate of \$8.8 million, which of course has been reduced to \$4.4 million. So in the first instance, it wasn't \$15; it was around \$150 per acre.

MR. CHAIRMAN: The Chair probably has been somewhat lax in trying to sort out whether these are supplementary questions or supplementaries to supplementaries. At the present time, my understanding is that the minister is still answering the supplementary question by the Member for Drayton Valley. When he completes his answer, perhaps we can go on to another supplementary.

At this time, I might also try to check out the Member for Grande Prairie. Would that be a supplementary question you wish to ask or a separate question?

MR. BORSTAD: I don't have a question.

MR. CHAIRMAN: Oh. Then perhaps the minister would complete his answer to the question he was answering.

MR. COOKSON: I've forgotten now, Mr. Chairman, what the question was. I don't mind answering it anyway, seeing as how we have ... When the Member for Calgary Buffalo rattled off the questions, I think one had to do with a split in design and construction. Maybe I had better go on with the first question.

Again, the benefit to people, and we've dealt pretty well with the future operational costs and the impact studies. This document here — and I think there are four volumes — was completed in April 1980. Construction began subsequently. Normally, in most projects Environment undertakes, we do a detailed environmental impact assessment. A lot of the questions the Member for Calgary Buffalo has been asking have been addressed in the original EIA, as we call it.

DR. BUCK: What's EIA?

MR. COOKSON: That's environmental impact assessment; sorry about that. The environmental impact assessment is presented in five volumes. This is volume one, or the main report.

DR. BUCK: Can we get copies?

MR. COOKSON: Yes, this is public information. It was public in 1980. No problems; it's all here. I'd be happy to get copies for the members who wish them. This main report summarizes the project description and the descriptions of the existing environment in the study area. It contains a detailed description of the potential impacts that have been identified, and a program that will be followed in order to mitigate undesirable impacts and monitor environmental changes that may occur in subsequent years. It also summarizes the most significant observations and conclusions of the study.

In going through the document it was rather interesting, again dealing with the people problems, to review which people were involved in the environmental impact assessment. These are very thorough, researched studies. We set down the details for the hearings, and they then become public hearings in the area. We require anyone.

consultants or so on, making proposals on the project to answer detailed questions as to how they propose to do the project, and so on and so forth.

In Lesser Slave River, Co-West Associates were retained to carry out a study of the impacts of the projects on the Lesser Slave Lake region. Their complete report is in volume six of this environmental impact assessment. During the study, rural residents and residents of 10 communities and five Indian reserves were contacted. In all, approximately 100 people residing near Lesser Slave Lake and in the project area were interviewed. Responses were divided by region and residence. Profiles of the communities in the Lesser Slave Lake area are contained in tables three and four.

To give members a little idea of the kind of detail we went into before commencing this project, in the Lesser Slave River project area we had six respondents. Their general concern was loss of agricultural land, difficulty in obtaining hay, difficulty in obtaining access to lands, the extra work involved in attending herds, heavy insect infestations, heavy silting in the Lesser Slave River, poor harvests of muskrat and beaver, and the poor quality of pelts, as major results of current high water levels in Lesser Slave Lake and the accompanying flooding from the river. Now, that was just one area, at the east end of the lake, that was submitted.

In the Slave Lake-Marten River area, we recorded correspondence from 32 respondents. These residents cited loss of hay lands, increased work time, herd reductions, and other annoyances such as roads washed out, and gardens and water spoiled as a result of flooding. In the recreation area, stress due to uncertainty, gardens and sewer systems spoiled, delayed plans, and — believe it or not — spoiled vacations, were noted, along with loss of beaches, cabins under water, and loss of income. For a few of the 32, there was no effect.

In trapping, they noted the problem of reduction of muskrats. When you go through this document, it's rather interesting that most of us in the province are really not much concerned about muskrat hunting. But it's pretty important to these folk in the Lesser Slave Lake area and a good many parts of northern Alberta.

On the south shore, there were 40 respondents. Again, they saw flooding as a major problem, resulting in serious agricultural losses for the Indian reserve and non-reserve farmland, serious damage to beaches, related facilities and recreation areas, reduced tourism, some fish and muskrat damage, cottage damage, and general economic decline.

In the area at the west end of the lake, where the huge delta area is, the West Prairie and the East Prairie rivers flow in together, pass through, and then on to the Buffalo Bay area, which is the larger area. There were 17 respondents. Again, flooding has caused agricultural losses and cutbacks, poorer muskrat trapping, and lakeshore deterioration. There have been increased costs for all people involved with the lake, and serious economic losses in the area.

Mr. Chairman, that gives members some idea of the kinds of review done, based on people and concerns. Interesting tables here give the community profiles of the various people who took part in the environmental impact assessment. For example, it ranged all the way from the people of the Drift Pile Indian Reserve, chief and band council, and the Sawridge chief and band council. There were just any number of presentations on the part of both native Canadians and white people who reside and depend on the area for economic return. I think that

gives the member some idea of the kind of detail gone into in the review of the project.

MR. L. CLARK: A supplementary, Mr. Chairman. I apologize to the minister for giving him the figure of \$15. Being a farmer, I'm not used to working with such big figures. I left off the zero. For 30,000 acres, it would be \$150 an acre, and for 60,000, it's down to \$71, as the Member for Calgary Buffalo indicated. In my estimation, Mr. Chairman, when the input cost of farming these days is around \$75 an acre to even seed a crop, I would think this has to be a tremendous use of our heritage trust fund when we can get 60,000 acres of land for \$17 an acre in output costs. You can't buy land for that anywhere in the province that I know of, and you certainly can't irrigate land in the southern part of our province for that type of cost. I think it's a tremendous way to use the Heritage Savings Trust Fund, when we can that kind of cash benefit.

I would like to ask one question of the minister, Mr. Chairman. Quite a bit has been said about the increased maintenance costs of this lake because of the new construction. Was any cost connected to this lake and the lakeshore from damage done by flooding that your department or the government had to pick up before this project was in? At present, are there any costs that have to be picked up?

MR. COOKSON: If there were any costs prior to this project, it would be out of the general revenue of the province. But if I go into the history of the total area, it dates back to 1920. Our files in Environment go back to 1920 and record complaints from area farmers that high water levels in that year prevented cutting of hay in the lowlands surrounding the lake. That's 60 years ago. There was also mention of the problem extending back to 1913, and a recommendation that the Lesser Slave River be channelized in order to increase the outflow from the lake. Since that time, we've gone through a lot of members of the Legislature and a lot of governments, without any specific action being taken.

There was a major flood in 1965. That's when we initiated a further study to see if something practical could be done. It's hard to visualize that for 60 years, someone has been looking at this problem without resources from the trust fund. I suppose we could have gone into revenue, but 70 per cent of that is resource revenue. Without that, this project would not have been possible. It's involving only some \$4 million over a two- to three-year period. For that, we are now able to do what was asked for 60 years ago.

As I said, any costs that would be incurred prior to the start of the project would be out of the general revenue of the province. I don't know how much untold misery and personal loss has been incurred over that long period of time because of uncontrollable lake levels, but it would have to be a really substantial amount.

MR. R. SPEAKER: Mr. Chairman, to the minister. We have spent hours and hours and hours talking about the Lesser Slave Lake project. I agree with that; it's a good project. But I think we have to bring the debate down to the question at hand, with regard to the accountability of the minister and this government for the projects under the Heritage Savings Trust Fund. There are two ways of accountability: one, through departmental personnel; secondly, by the check of the Auditor General on what is being done and the expenditures made by the Heritage

Savings Trust Fund in that respective department.

The Provincial Treasurer said today that we could not have any management documents. But I want to raise with the Minister of Environment — and I think it's very timely to do that, so we don't lose focus on the debate and the reason we're so concerned with accountability in the Heritage Savings Trust Fund. Has the minister received any management papers or letters from the Auditor General indicating what should or should not be done relative to certain programs? I feel that is the key question at this point in time. We can talk about the needs and the number of years that people have looked at Lesser Slave Lake, and the contemplated moneys that had to be spent thereon.

I agree that the project had to be done. I agree that we now have the opportunity under the Heritage Savings Trust Fund. What I don't quite agree with is how we assess the accountability. The minister has indicated they're trying to account through the department; the personnel are doing certain things. But when I examine the two budgets, the budget of the minister's department is \$285 million, and the projects before us in the Department of Environment are \$83 million. That means that nearly 25 per cent is Heritage Savings Trust Fund dollars. Who in the department is showing accountability for the department? Are there specific people? At the same time, it is my understanding that the Auditor General has forwarded management letters to the department — deputy ministers and other officials — that I'm sure have been brought to the attention of the minister. Would the minister comment on whether those documents are available? If they exist, will the minister, to show total accountability, table those documents in this Legislature?

MR. COOKSON: Mr. Chairman, to my knowledge there have been no management documents with regard to this project. That would be subject to checking, but I don't think there have been.

I think the Provincial Treasurer very clearly and succinctly outlined the importance of a dialogue between the Auditor General and our department or me, insofar as any problem with regard to auditing. We have some six projects. As far as I know, there's probably been only one letter of correspondence from the Auditor General. I think it speaks well for the check-stop work our department does in this area. Obviously, from the very minimal correspondence, we have very few problems if any.

As the member knows, the dialogue between the Auditor General — and of course you have the Auditor General here to question on matters of auditing and so on. It's a very public exercise, and the Auditor General files his annual report. There are all these check stops. He has his terms of reference clearly spelled out.

It's a position we also take with regard to communication within our department or between departments. For example, if we were required to table publicly all the intra- and inter-departmental documents, it would soon totally stifle operations of government. Very confidential information is disclosed in those documents, memos, and so on, about issues, et cetera. I'm sure it would almost stifle government to have to do this. It's only with the concurrence of the parties involved — if it's communication between us and the federal government, and so on — that we make the documents public. I don't have any problem with this.

Personally, I think the Auditor General does an outstanding job of auditing with minimal staff. If he detects a weakness in our system in any way — and his people

are very regularly reviewing department procedure — I would be the first to know. We're then the first ones to rectify any deficiencies. That's an ongoing, continuous process.

MR. R. SPEAKER: Mr. Chairman, the minister has indicated there may be one document or one letter. That is the focus of the discussion. One letter that the minister is not sure about indicates to me the tenderness in this process, where the minister is not sure whether the Auditor General has asked for accountability in some area. How then can we approve some \$83 million for the minister, when the minister isn't sure the document is available? An Auditor General's letter requesting the minister do something should be a matter at the top of the minister's agenda, not one that he's not sure about. I think it's the responsibility of the minister, one, to be sure of it and, two, to table that in this Legislature.

The minister talked about working papers, memos between departments. Those are something different that we are not asking for. We are talking about a document that says: there is a major, significant problem in your department; I'm bringing it to your attention, and I ask you to take some action. That is the responsibility of this Legislature and of the select committee, and the only way we can assess that matter is if the document is brought into this public arena. If the minister, like the Provincial Treasurer, takes the same point of view — that we're going to hide it, that we can be trusted, that there's nothing wrong — then no longer does that sacred principle of public business being done in public live in this province of Alberta. It lives only in the back rooms of the caucus of the Conservative Party, of government and of ministers in their offices, not out in public. We're asking for management documents presented in this Legislature, so we can assess as members of the Legislature and as members of the watchdog select committee on the Heritage Savings Trust Fund.

I think the minister, in his responsibility, should take a stand. We're going to ask other ministers along this front row to do exactly the same. The minister may talk about the goodness of the project. We agree with all these projects that are here. We want to know the details. But the details do not point out all the procedures for financial accountability. That's what we're concerned about right now.

The only way I can judge whether something has been looked after financially, has been accounted correctly, is if I have every document that's available. One of the documents that is key to this assessment and final judgment is management papers. The reasons given by the minister do not uphold themselves at all as good arguments here in this Legislature. I'd like the minister to reconsider that position he's taken: one, to check to see what management documents are available; two, to disclose that to us in the Legislature; three, to be prepared to defend why they cannot be made available to us here today or in the near few days ahead.

MR. COOKSON: The member misinterprets the comments I made when I said I wasn't sure. What I intended to say, if I didn't communicate it, was that I wasn't sure on which of the estimates we received a management comment from the Auditor General. The second question as to tabling, I reject. I think I've outlined the reasons for that.

Mr. Chairman, I think it's important to again go through the exercise we're going through now. In terms

of accountability, I'm prepared to spend any amount of time, which I have done. I think this is the fourth session we've spent on the estimates for Environment. I think it's quite well within the prerogative of the Member for Little Bow to examine the procedure, the tendering process if you wish, the history behind the project, the cost benefits, and the breakdown as to operational maintenance. I have no quarrel with that. I'm happy to provide all the information that is at my disposal. I simply would leave it at that.

We're here in the Legislature. The comments I make are public. People across Alberta have an opportunity to see that it's the prerogative of members of opposition — in fact, it's their duty — to question the procedures we go through here. But it still goes back to the comment that both the Provincial Treasurer and I have made, that when it comes to internal, confidential documentation, that has to remain as such. The member can question the Auditor General any time he comes before the committee, and spend any amount of time. He'll provide the member with any additional information that's required. He also tables his annual report here. It's all public, and it's important it be kept that way.

In the member's own business at home, I'm sure there are some things that are public and some that are not public. I don't think the member should object to that position on the part of government, because I'm sure the member would arrive at the same conclusions — government as opposed to the private individual. The reasons have been outlined, that there is what we call classified information, for lack of a better term, that should be treated as confidential.

It must be made clear that the fact that that information is not made public does not imply in any way that action is not taken. As the member knows, in a number of instances in general revenue expenditure, the Auditor General has raised matters with my department. If it's not dealt with in one way or another, it's generally raised again the following year. It's not a problem that goes away and you choose to ignore it just because it's commented on by the Auditor General. You certainly move on it; otherwise you have a follow-up the following year. In his reports, he follows through in his own auditing the comments and so on that he's made with regard to improvement of procedure in the ensuing year, which is only correct.

MR. R. SPEAKER: Mr. Chairman, to the minister. The principle that public business is done in public is the one that's being violated here. It's incumbent upon the minister to indicate, first of all, what vote or estimate received a notification from the Auditor General that there was some concern, what that concern was, and what steps were taken. That's the question I want to ask at this moment. What was it that went wrong? The hon. minister says that some things must not be made public. I do not accept that principle when there was a realized loss from the Heritage Savings Trust Fund of some \$62 million.

SOME HON. MEMBERS: Oh, oh.

MR. R. SPEAKER: Look in the report yourselves. [interjections] That's what it is, \$62 million realized. Bonds purchased and bonds sold realized some \$60 million lost.

Mr. Chairman, that's why I ask the question at this point in time. Is money being lost on projects of the Department of Environment in the very same way in these capital estimates? Have contracts gone out that

have not been handled correctly, procedures mishandled that cause loss to the Heritage Savings Trust Fund, in terms of good investment? We have to ask that question. That is our responsibility on this side of the Legislature. When we have found that there is a loss in one area, it can happen in other areas. That's why we have to be assured that the minister looks at all management procedures, reveals all management procedures in this Legislature, so we know what they are; that all documents come forward, so we can examine them and, in the final analysis, make our judgment of right and wrong as to what is happening.

The minister must assure us at this time that he will reveal the management letter he has received, in what area he received it, what it said, and what he did. That's incumbent upon the minister in his public responsibility, not upon anyone else.

MR. CHAIRMAN: I believe the Minister of Hospitals and Medical Care wishes to make a comment.

MR. RUSSELL: Thank you, Mr. Chairman, I do. I've been listening with a great deal of interest to the direction of this exchange and discussion. I think my memory is fairly clear on the pre-1971 days, when the Leader of the Opposition was a member of the Executive Council of the then government. Before his indignation rises to too high a level, I want to compare the procedures in those days to what they are now. In those days, surplus funds were just squirreled away. Nobody knew where they were or who was managing them. There was no account of them to the Legislative Assembly.

MR. R. SPEAKER: Mr. Chairman, that is totally wrong.

MR. CHAIRMAN: Order please. [interjections] Order please. Will the Leader of the Opposition please take his seat and let the minister complete his statement.

MR. RUSSELL: You'll have every opportunity during the rest of today or the following weeks to refute this. Go back to your office and get your executive assistants and researchers to dig out those early statements, pre-1971, as to how surplus funds of the government were accounted for in those days. There was no accounting.

MR. R. SPEAKER: Mr. Chairman, on a point of order. The statements being made by the Minister of Hospitals and Medical Care are inaccurate and false. This Conservative Party, prior to coming in in 1971, campaigned on that kind of garbage. [interjections] They came into power and appointed some Conservative appointees, Touche Ross and company, which has got unlimited business with this government. They pointed out very clearly that the surplus of money in this province was over \$300 million. The minister should read that report, which shows the money was documented very clearly and was at hand ...

MR. CHAIRMAN: Would the hon. leader please state his point of order? The hon. Leader of the Opposition is entering into debate. He'll have an opportunity to reply when the minister completes his statement.

MR. R. SPEAKER: Mr. Chairman, my point of order is that I wish to correct inaccurate statements that were made.

MR. RUSSELL: Mr. Chairman, I realize I'm touching a raw nerve over there. He'll get a chance to rebut if he'll just keep his patience. I simply want to compare the pre-1971 system to the 1981 system, and see what's bothering them so much over there. There were general revenue surplus funds in those pre-1971 days that nobody in the Legislature really knew much about. They certainly weren't reported or accounted for, other than in the annual financial statement to the Legislature. There was none of this kind of exchange in committee. That didn't occur.

MR. R. SPEAKER: Mr. Chairman . . .

MR. RUSSELL: Mr. Chairman, he'll have his chance. Just hold on there, Vulcan, you'll get your chance.

Now, what have we got today? We have an Act of the Legislature, the Heritage Savings Trust Fund Act, that deals with surplus funds. We have appropriations that come in front of the Legislature. Those are examined, reported and commented upon by a select standing committee of the Legislature. Along with all the other accounts of the government, they're examined and audited by the Auditor General. All the proceedings are reported in *Hansard*, and all this happens under the public eye — the live TV and radio reporting that's carried out by the members of the press gallery here in the Legislature. None of those things happened prior to 1971.

I suppose that in their indignation, the members opposite can stand and find some faults, and wax indignant because a certain internal document isn't being tabled. But I'm just pointing out the very substantial, meaningful improvements in the system compared to pre-1971. I wouldn't feel so strongly about it, other than that the present indignant leader was a member of the Executive Council of the government that supported that old system.

MR. R. SPEAKER: Mr. Chairman, the only comment I can make to the hon. minister is that when we come to the estimates relative to his responsibility, I hope he will produce all documents we request. Secondly, if the hon. minister, when sitting over in the opposition, didn't have the awareness, the nerve, the capability of asking questions about surplus funds, you tell me how he can stand in his place and talk about . . . [interjections] I wouldn't want to say incompetence, just neglect at that point in time. Really, he had so much trust in the government that he didn't worry about the funds. We haven't got that trust today. That's the difference, Mr. Chairman.

Back to our question to the hon. minister. Will the minister tell us what that management document is, what area it's in, and what steps will be taken to give us adequate information about it?

MR. CHAIRMAN: I believe the hon. Minister of Labour wishes to make a comment.

MR. YOUNG: Well, Mr. Chairman, in view of the comments my colleague has made, I don't think it's as necessary now. I was simply going to take the opportunity to point out once more that to attribute to a trading loss some element of malfeasance, misdemeanor, or improper business approach is, as the Treasurer suggested during question period, inappropriate. Any portfolio manager, anyone even vaguely familiar with portfolio and bond management, will understand that in times of rapid-

ly changing interest rates there are bound to be changes in the asset values of bonds, and that there are times to buy and times to sell. It's a simple, businesslike procedure which, it seems to me, the hon. member was trying to express in a way which connoted some element of failure to properly manage, or malfeasance, which is absolutely and ludicrously wrong.

MR. NOTLEY: Mr. Chairman, it's interesting to hear some of the observations of the ministers. First of all, let us start with the Minister of Labour and his observations. The question really comes right back to the Auditor General, who, in his memo which was leaked to the people of Alberta — not presented as it appropriately should have been — makes some pretty telling comments about the management system. At the very least, those comments relate to the competence of this government in handling the heritage trust fund; not what happened to the \$60 million, but the competence of the process. There is no question; all one has to do is read that memo. It's too bad we couldn't have read it collectively as members of the Legislature because this government had been forthcoming enough to present it to us. But because it's leaked, we have access to it and can read it. It's a fairly telling comment; I don't think there's any doubt about that.

Mr. Chairman, I don't want to dwell on this matter, but I think that while it's fair to say that the heritage trust fund represents a slight improvement in terms of legislative accountability, we have to remember it is a slight improvement and only a slight improvement. Measuring ourselves against the government in the past is not the way to answer concerns raised in the present. The fact of the matter is that only 12 per cent of this heritage trust fund is being voted as a result of prior debate in the Legislature. This government has slammed shut any effort on the part of the people of Alberta to be able to have consideration of the estimates before investments are made by the trust fund as a consequence of debate in this Legislature.

So we've slammed the door shut on all but 12 per cent of it. That 12 per cent is an improvement, but it's inaccurate to say that there was no accounting between the years past. In years past, the accounting was, in a sense, the way the 88 per cent is accounted now. The accumulated cash surplus of the province was carried in the public accounts of the province, and there was a public accounts committee. Members such as the hon. Minister of Hospitals and Medical Care, who was on the Public Accounts Committee, could raise the issue in the same way that members can raise it now, dealing with the accumulated cash surplus of the province now. I don't think that was good enough then, and it's not good enough now, dealing with the surplus of the province. But let's compare apples and apples, not apples and buttercups, or apples and elephants, or whatever the case may be. That's exactly what the Minister of Hospitals and Medical Care is doing.

I would say to the Minister of Environment that we in this committee are being asked to vote on your estimates from the capital works division of the heritage trust fund. We've been told by the minister that apparently there is one management report presented by the Auditor General to him as Minister of Environment, but he wasn't sure which vote it was. As a member of this committee, it amazes me that members can rise in indignation and say that it is unreasonable for the Leader of the Opposition to request this information when we have the Minister of

Environment getting up and saying, I'm not sure which vote it was. You've got to be kidding. This is a government composed of people who carry these nice little satchels, businesslike people, the now team of 1971, and we have a minister coming in and saying, yes, I think I got a management letter from the Auditor General; I'm not sure which vote it was. So we don't have a brisk reply from the minister to the reasonable request from the Leader of the Opposition: which vote is it, what concerns were expressed, and what did you do to deal with those concerns?

Frankly, as members of the committee — we've got everybody sitting back and saying, everything's fine; just trust the minister. Well, so far in this debate, we've heard a little bit of good news. We have heard that the initial estimate of \$8.8 million was less, and that's good. I applaud the minister for that. But other ministers will be coming up a little later on where the original estimate wasn't quite what it turned out to be. It was somewhat greater down the pipe than it was initially. We'll have an opportunity, and the Minister of Hospitals and Medical Care will have an opportunity to discuss what happened to the estimates in his department. Unlike the Minister of Environment, where the original estimate was higher than the final cost, things were a little different in the Department of Hospitals and Medical Care. Perhaps the Minister of Hospitals and Medical Care could borrow some of the senior management people, or perhaps we should switch ministers.

In any event, at this stage we have a request for a management letter. I think there's a difference between a management letter from the Auditor General and an internal, interdepartmental working document. The management letter the Auditor General sent to the Provincial Treasurer, which I'm sure all of us read, does not in any way, shape, or form jeopardize anything other than the political polish of the Tory government. That's what it does. It's politically embarrassing, but in no way, shape, or form do I see any evidence in Mr. Rogers' management letter that was leaked to Mr. Sindlinger that would jeopardize the management of the Heritage Savings Trust Fund one iota. What it does do is rip the veneer of competence away from the way this government is presumably handling our Heritage Savings Trust Fund.

Mr. Chairman, I think we can get into a long debate on every single one of these estimates in terms of management letters, and properly we should. But I think the request from the Leader of the Opposition is appropriate. I don't see how we can possibly vote for a single one of these proposals, however merited they may be, unless we know in which area that management letter from the Auditor General was directed and what the major concerns were. If the minister isn't prepared to table the letter, at the very least he should summarize before the committee the concerns the Auditor General expressed and point out clearly what steps the department has taken to rectify them.

In the absence of that kind of information, I really don't see how this committee can authorize a single dime to the government, however merited the projects may be. As the Leader of the Opposition has pointed out, this is fundamental not only to the public's right to know, but my heavens, we're in the process of appropriating funds, millions and millions of public dollars, and we apparently have a management letter from the Auditor General that indicates some concern. Unless we're satisfied that that concern has been properly rectified, I think it would be

the height of irresponsibility for any member to rush into a vote on this question.

MR. R. CLARK: Mr. Chairman, I hadn't planned to get involved in the debate, but I'd like to make just three points very quickly. I enjoyed the outburst by the Minister of Hospitals and Medical Care. While we're going back and reminiscing about ancient history, I should remind the hon. minister that he was then the chairman of the Public Accounts Committee. The Auditor at that time, Mr. Huckvale, was very, very approachable, very open by the government. In fact, I recall one particular occasion when the opposition of that time spent the best portion of two days dealing with where that \$300 million in accumulated surpluses was.

I also recall rather clearly the very same year, 1970 if my memory is accurate — if it wasn't '70, it was certainly '69 — that the Public Accounts Committee adjourned its discussion because the opposition had no further matters it wanted to bring before it in that particular year. If the hon. member would like to check the Legislature Library, I think that fact would be borne out.

Mr. Chairman, getting away from ancient history and back to 1981, I'd just make one other comment. From my vantage point, I think that when we look at the Auditor General's letter, which has now become public, and couple that with the Heritage Savings Trust Fund annual report, where in fact we do see the \$60 million having been lost — not lost in not knowing where it is, but lost from the point of view of a loss in selling those bonds — the very major difference is that members on this side of the House would be shirking their responsibilities if they didn't follow up the letter the Auditor General has sent forward, and did not satisfy themselves that adequate safeguards are in place. It seems to me there are two questions: one is the \$60 million and the getting rid of those bonds; the other and perhaps even more important question is that the safeguards which are in position in fact guarantee there will be no problems in the future. It seems to me that's what my colleagues are zeroing in on.

MR. D. ANDERSON: Mr. Chairman, as a member of the Heritage Savings Trust Fund committee of this Legislature, I have to rise and indicate that I am quite surprised at the allegations with respect to the management of this particular fund. I sat through the committee's hearings and testimony from the Auditor General, and gleaned entirely different perceptions of his statements than hon. members opposite obviously have.

If I might clarify, though, the statement has been made that the Auditor General made comments that there were severe deficiencies, that those deficiencies might have led to the loss in the bond market, and that those are connected. Might I refer hon. members opposite to the unofficial transcripts of the Heritage Savings Trust Fund hearings before the Auditor General. On page 492, the question was asked:

I heard the Auditor General say in an earlier comment — and perhaps he could clarify if that was in fact the case — that these aspects were not necessary for the reporting year. In other words, they did not affect the decision-making for that reporting year. But because of the projections of the fund and the fact that it was growing that these were thought to be safeguards required in the future. Perhaps I could let the Auditor General clarify that ... before I [move on to the next] question.

Then Mr. Rogers, the Auditor General:

Mr. Chairman, in the course of our auditing in the case of management letters, we make many recommendations that are prospective in nature. Because in the course of an audit, you're able to see developing trends, if you will. And this was such a case that we felt there was a need for greater documentation, better organization. These changes have taken place in 1981. This 1980 report was issued early in 1981. So the response was very rapid. In fact, a number of the recommendations had already been complied with, because they had been discussed with management in exit conferences in the latter part of 1980.

Question:

Just so it's perfectly clear: is the Auditor General saying in fact that the performance of the fund was not affected by the lack of a management investment plan or the reporting procedures at the time those recommendations were made, but that in fact those were recommendations for the future?

Mr. Rogers:

That has no connection in my opinion with the results, if you will, of the transactions in the audit period.

The Auditor General has clearly stated that in his opinion, after doing more tests in this area than have taken place . . .

MR. CHAIRMAN: I wonder if we might have order, please.

MR. D. ANDERSON: . . . at any other time with other similar projects, there is no connection between improvements that he suggested for the future of the plan, not present deficiencies that harmed the decision-making process and the loss in the bond market — as has already been pointed out, they were sold at the top of that time period, and any responsible manager would have done that. So this ruse that has been directed at the minister in this particular committee hearing is totally not in keeping with the Auditor General's statements. In fact, I find the distortion most amazing.

MR. R. SPEAKER: Mr. Chairman, when the Minister of Government Services applauds something, you know there's something wrong. That's why I stand in my place. If the hon. Member for Calgary Currie will check in *Beauchesne*, the word "distortion" is not allowed in the Legislative Assembly. I'd ask the hon. member to withdraw that comment, if the hon. member wishes, and prove that there was a distortion. But if you wish to let that go, Mr. Chairman . . .

The point of the matter is that we in this Legislature are accountable and must have all the details. I think the hon. Member for Calgary Currie should realize that. That's what we're asking for: material.

We cannot have blind faith. I've learned in this Legislature, even when you sit on the back benches of government, that you just had better not come in with a mind-set of blind faith. Ministers haven't all the knowledge in the world, or all the wisdom or all the answers, even though when you become a minister sometimes you think you have great capability that really isn't there. You think you've been blessed with knowledge, blessed with God-given ability that just makes you a number one, different person from anyone else. You don't. If ministers don't realize that, I think it's unfortunate for the rest of us in this Legislature. Backbenchers on the Conservative side of the House have an extra responsibility to realize

that and, secondly, to hold them accountable and ask questions without any kind of hesitation.

The hon. minister from Calgary feels that we're taking a lot of time, and that everything is great and accountable. I know some examples of accountability from that department that'll catch up to the hon. minister as well. But our subject at hand is the Minister of Environment: management papers, what they are, what the content is, and will the minister make them available to us.

MR. D. ANDERSON: Mr. Chairman, might I just comment on the remarks of the hon. Leader of the Opposition. I certainly agree with the hon. leader that governments must be accountable, that it is a responsibility of this Legislature and, indeed, the select committee on the Heritage Savings Trust Fund to make sure that mismanagement is not taking place, that there is no wrongdoing on the part of the government, and that the money of the people of Alberta is being invested properly. But I say again, and refer the hon. leader to the transcript remarks, that the Auditor General, appointed by this Assembly, who has audited governments for some time, has clearly stated that in his opinion that is not the case. We have his report each year for that particular purpose, suggestions he makes during the year for future improvements to the fund, which is clearly what has taken place.

Really, it would serve us no purpose except to waste more time in this Legislative Assembly. I think that has taken place perhaps to a greater extent than necessary at this point in time. But I agree with the hon. leader's comments regarding accountability, and I think we have to continue to be accountable. I'm sure no one in this House would ever suggest that the Auditor General's report should not be there, or that if at any point in time the Auditor General says mismanagement is taking place, or that indeed the government has not listened to recommendations we've made, we'd have a responsibility to question that. Clearly, that has not taken place to date in these reports that are being discussed.

I quite welcome the comments of the Minister of Environment with respect to management papers, but to me they would apply the same as anywhere else. We are here to make sure that the right things have happened. The Auditor General has stated that that is the case. He is an independent individual with an office independent of the influence of this government, and responsible to this Legislature as a whole. I feel that should be adequate for the members opposite as well as the members on this side of the Legislature.

With respect to the hon. leader's exception to the word "distortion", I wouldn't want to upset the hon. leader. I would be glad to use "misunderstanding" if that's more appropriate. I can understand how in his zeal to speak out on this particular matter, he may have missed certain parts of the transcript, and am happy to draw those to his attention.

MR. CHAIRMAN: The hon. Member for Clover Bar has been on my list for some time. Did you wish to make a comment?

DR. BUCK: No. It's okay.

MR. SINDLINGER: Just a quick comment in regard to what's being discussed here. I understand we got on this subject through a point of order. I never heard any ruling or anything of that nature.

I'll just pose a question to the minister from Calgary Currie. Before doing that, the Minister of Labour has made some remarks in regard to the sale of bonds. For the most part, I have to agree that he's correct. But when the Provincial Treasurer comes forward with his appropriation Act, I'll deal in more detail with the comments made. Perhaps we can debate it at that time.

The question I would pose to the Member for Calgary Currie is in regard to something he said. He said that none of these things we've been talking about in regard to these management reports occur in them. Since I've never seen all of them, I couldn't say if that's right or wrong. So I presume the hon. member over there has seen them. He might indicate whether he has or has not seen them, or if he would undertake getting a look at them. Since I know the fellow so well, I'd take his word on that. If he actually gets to see them, he could report back to the Legislature on it.

MR. D. ANDERSON: Mr. Chairman, I would like to thank the Member for Calgary Buffalo for elevating the Calgary Currie constituency to a ministry. [interjections]

I clarify that I have not seen any management letters. I'm not sure I fully understood the question of the hon. member. If the question was, have I seen management letters, I have not. My statement was that the Auditor General has forwarded management letters, which we all know to be the case by his testimony before the Heritage Savings Trust Fund committee, and that those letters have been responded to in a positive way by government. Those that have not been, have appeared in the Auditor General's report. That's the statement by the Auditor General, paraphrased by me. I don't know if the member would take exception to that. I was merely stating, as I still believe, that if the Auditor General had said that his letters had not been adhered to, that he had placed that in the Auditor General's report, we would have a responsibility and an obligation to pursue that topic thoroughly. But that has not taken place.

MR. CHAIRMAN: Are there any further questions or comments on Vote 5?

MR. SINDLINGER: I have, please, Mr. Chairman. The minister has indicated this afternoon that continual maintenance and operational costs are associated to projects in the order of magnitude of \$250,000 per year, which by simple division indicates that in fact we have two projects here: the capital project and then an amount equal to the capital project in maintenance and operating costs. That's a point we were trying to make earlier. We in the Legislature could approve a capital project for \$10 million and yet, on the other hand, find there are operational and maintenance costs in the order of — just to use a hypothetical number to illustrate the point — \$100 million. So it creates a liability and burden on the General Revenue Fund that we have to take into account when we approve one of these projects.

The comments made by the Leader of the Opposition in regard to the size of these votes — \$83 million relative to the total departmental budget of \$256 million, I think. That's almost one-third of the annual budget. So what we have here, in fact, is an extension of the annual budget of the department by almost one-third. Therefore, it is incumbent upon the opposition to ask questions in detail about the expenditures and satisfy the role, obligation, and duty that the members of the opposition have. I appreciate the patience and tolerance the minister has had

in responding to these questions, and will continue to fulfil that function, duty, obligation, and responsibility we on this side have to ask those kinds of questions.

The question I would now like to put to the minister is in regard to the design and construction costs. For this vote, design and construction costs are shown in the 1982-83 estimates as \$640,000, and the comparable 1981-82 estimates are \$1,718,000. Of those totals, how much is allocated for design and how much for construction?

MR. COOKSON: Mr. Chairman, I think the relationship between design and construction — and I don't know whether I can spot it here — was a figure tossed out in earlier questions in the House. It might take me a little time to get that breakdown. The figures the member is talking about — there are two in the '82-83 estimates. One is supplies and services of \$930,000 and another of \$130,000 on purchase of fixed assets. That \$130,000 is for land purchases. I guess the question is the breakdown in the supplies and services.

I've got the budget detail on the capital project, but maybe if I run through these figures in front of me, subject perhaps to clarification ... Again, they are the budget detail. On '82-83, we have supplies and services, \$930,000; fixed assets, \$130,000. The \$640,000 in '82-83 is actually for design and construction. It's pretty well broken down. Planning is \$200,000, and land assembly is \$180,000. Whether I can get you any further breakdown on those figures — it's the kind of detail I'm not sure I can get you right now.

For technical services, there's a figure of \$40,000: an estimate of \$20,000 under supplies and services for surveys, and \$20,000 for river engineering. That breaks the \$40,000 down a little finer. But to go to further detail, I don't have that further breakdown. Perhaps I can get it to you before the end of the ... The percentage division between design and construction is 10 per cent for design and 90 per cent for construction. That's for the '82-83 year.

MR. SINDLINGER: Mr. Chairman, I can read the detail the minister has given us right from the 1982-83 estimates of proposed investment. If I just go down the columns, supplies and services is right here, \$930,000; purchase of fixed assets, \$130,000, is here; design and construction, \$640,000, is the first item; planning, \$200,000, is the second item; land assembly, \$180,000, is the third item; and technical services, \$40,000. So all the information the minister has just given is in the document. I've read that.

You've given me a percentage breakdown between design and construction for the '82 estimates. Ten per cent of the \$640,000 — that would be \$64,000 in 1982-83 — was for design. Could the minister also give an indication of the percentage breakdown for the comparable '81-82 estimates of \$1,718,000?

MR. COOKSON: Design and construction for '81-82 is again going back to an estimate we're not dealing with, Mr. Chairman, but the percentage design and construction ratio will be the same. It'll be 10 per cent design, 90 per cent construction. One of the reasons that in most cases the design is as low as it is, is that a fair amount of the design work in this particular project is done internally, with our department expertise. There again, we always have this problem of separating what's done through the general revenue of Environment as opposed to Heritage Savings Trust Fund projects of a capital nature. I think I

alluded to that earlier, in comments I made as to the split. It's generally 10 per cent and 90 per cent in '81-82 also.

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. APPLEBY: Mr. Speaker, I wish to assure the Assembly that the wording of the report I'm going to make has been established by long tradition in the British parliamentary system.

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

DR. BUCK: The Chairman is supposed to be impartial.

MR. SPEAKER: As impartially as I'm able to say it, does the Assembly agree with the report and the request for leave to sit again?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, this evening it is proposed that we return to second reading of Bills on the Order Paper, commencing with Bill No. 75. There wouldn't be any of the ones prior to that called this evening. It will not be our intention to call Bill No. 85 this evening. If there's time following consideration of all or part of the second reading of those Bills, we will return to Committee of Supply. Because of commitments in regard to the Minister of Environment this evening, we would move to the Department of Energy and Natural Resources.

[The House recessed at 5:30 p.m. and resumed at 8 p.m.]

head: **GOVERNMENT BILLS AND ORDERS** (Second Reading)

Bill 75 **Agricultural Service Board** **Amendment Act, 1981**

MR. HYLAND: Mr. Speaker, I'd like to move second reading of Bill No. 75, the Agricultural Service Board Amendment Act, 1981.

One of the main sections of this Bill is that it better defines the appeal mechanism that should be followed when land is to be taken over by a county, MD, or ID because of a weed problem or other severe problems that may be caused by neglect of the soil and of the land. It will define the question of once the government involved makes the step to take over the land, an appeal can be launched within 30 days of that time. Once the appeal is launched, the action must cease until the outcome is decided. But if an appeal isn't launched in 30 days, it allows the municipal body to go ahead with the recovery of the land for a period of time. Formerly, the way the Act was written, it was questionable whether an appeal

could be launched at any time and it made it very difficult in trying to clean up and recover the land. Also, Mr. Speaker, the Act increases the number of agricultural committee members in the various bodies from three to five.

With that, Mr. Speaker, I'd like to move second reading of Bill No. 75.

[Motion carried, Bill 75 read a second time]

Bill 79

Regional Municipal Services Act

MR. MOORE: Mr. Speaker, Bill No. 79, the Regional Municipal Services Act, is a new concept in principle designed to improve the manner in which Alberta municipalities and the government of Alberta assist in providing regional services of water, sanitary sewage and, in some cases, sanitary landfill sites for solid-waste disposal to citizens of municipalities in this province.

Mr. Speaker, it's important at the outset for members to perhaps understand why such legislation is being proposed and how it came about. Members will recall the announcement in June of this year regarding Edmonton annexation, the report we made public at that time and the way in which we dealt with regional services in that report. That report outlines in some detail the manner in which the government would propose to provide for regional delivery of water and sewer services in the Edmonton region. It also went on to say that a new Act would be introduced into the Legislature which would be applicable throughout the entire province where it was needed.

Mr. Speaker, perhaps I could go back at least a few years in explaining the need for this legislation and mention the Edmonton regional utilities study, a study conducted in Edmonton and region at the request of and in co-operation with municipalities throughout the region to identify for the longer term what might best be done with respect to the treatment of and delivery to our municipal governments of good quality water for domestic use, and the treatment and proper disposal of sewage along our river system.

At the same time that study was going on, municipalities in other parts of Alberta were joining together, working in co-operation with our Department of Environment in trying to provide services to themselves, mainly in the area of water. I would mention in that regard that co-operation had been achieved with the city of Calgary and municipalities north of there with a water pipeline running from Calgary through to the Red Deer area serving communities along that line, communities that otherwise would not have been able to provide themselves with water in such a way.

As well, I might mention the variety of schemes which have been developed in the Edmonton region over the years for the provision of joint sewage treatment facilities involving the city of St. Albert, municipalities west of Edmonton, and Spruce Grove and the rural municipality serving that area, in addition to the county of Strathcona and their co-operation with Edmonton city and others to ensure that they were able to provide a supply of water and adequate treatment of sewage for the hamlet of Sherwood Park and other industrial subdivisions within the county. I then briefly come back to the Edmonton regional utilities study which recommended, among other things, that provisions be made for the supply of water by pipeline on a regional basis to communities as far away as Vegreville, which is some 80 miles from Edmonton.

Those are evolutions, if you like, Mr. Speaker, that occur with the growth of this province. They occur partly because it has been consistent with our history that growth takes place along or adjacent to major river systems. If one goes from south to north in Alberta, you'll see major growth occurring along the Oldman River system, north of there in the Calgary area on the Bow River system, on the Red Deer River system, and finally in the Edmonton area on the North Saskatchewan River system; I've missed smaller systems in between, of course. And then even farther north there's a significant degree of the same thing occurring with growth on river systems there, although admittedly it is not nearly as great as in the area of the capital city or south.

All of that has occurred over the years with some concern — in the early years perhaps very little, but in later years considerable concern — about the quality of the water people were utilizing and about the way in which their sewage was disposed of. I guess it could be fairly stated that in the early years there was no need for treatment at all. In fact, many residents of this city drank untreated water from the rivers of the North Saskatchewan in safety for many, many years. Members might be interested to know that that still occurs in many parts of this province. There are river systems with sparser populations where it's completely safe and adequate to utilize the waters as they flow without resorting to treatment. It's becoming less and less commonplace as our municipalities grow and as the need to dispose of sewage into the river systems grows with population growth.

The time has come in Alberta — and it was not just Edmonton annexation or the Edmonton regional utilities study that created that — when the province, which is contributing a significantly greater and greater portion of the cost of treating water and sewage, must consider better and newer ways in which to provide for the needs of all its municipalities along that river system. Quite frankly, the days when it was okay for one municipality to take its water out of one side and dump its sewage in the other are gone. That has shown up both in the Edmonton region in recent years and certainly in the Calgary region with the pollution problems from the Bow River.

The cities of Calgary and Edmonton by themselves, without co-operation of the province and its neighboring municipalities, can no longer afford to treat the sewage which must go into the river system as adequately as would be required if we were to say to that municipality, you can go on your own without regard to other municipal bodies down the river. We would simply have to place the standards for the treatment of sewage so high, it would be unlikely that any of it could be disposed into the river systems. The same would occur very quickly, if not already, in the Red Deer River area and certainly in those municipalities on the Oldman River system. For that reason, it's necessary that the province provide large sums of money to assist in the treatment of water and in the proper treatment of sewage. Mr. Speaker, that results in legislation such as that before the House now, that really is a movement into regional government for one specific purpose: the treatment of water and the delivery of that water to municipal boundaries, and the taking away of sewage at those municipal boundaries and the proper disposal of it.

It has been said to me by some members of municipal government that this Bill strikes at the autonomy of municipal governments in being able to provide their own water and sewage treatment services without regard to

other communities. The answer very definitely is yes, this Bill does that. It does it, Mr. Speaker, because we can no longer afford to be isolated from our neighbors on these two important matters. Without question, water is the most precious commodity in this province. I've said before in this Legislature that it's even more important than topsoil and all the other qualities that go into a good environment. We must treat our water with respect if we want to continue to have populations in the future that can live and prosper along our river systems. That requires co-ordination far beyond municipal boundaries.

I want to quote from the decision concerning the Edmonton annexation application when we talked about the provision of regional services. At that time, I went to some considerable length in discussing the form this legislation might take, but indicated as well that where we are involved in a river system like the North Saskatchewan, no municipality has a right to treat that system for its own purposes as it wants to, without regard for the other municipalities that depend on that system.

Tonight we have a Bill that provides authority to the province to establish regional systems anywhere in the province we believe to be necessary. We intend to proceed along those lines. If I could conclude my remarks on second reading by indicating where we intend to proceed, and to some extent how we intend to proceed in terms of costs and so on, I think it would be helpful to members of the Legislature.

My first objective, shared with me by the Minister of Environment, would be to establish a regional water and sewer authority in the Edmonton region. We would expect to undertake that task shortly after this legislation is approved, by appointing an interim chairman at least to get the system under way in terms of its organization, developing some regulations that might then be put into place with respect to the manner in which members are appointed to such a board, the manner in which it is funded, and so on.

Secondly, either concurrently or one behind the other, we would probably look at the Calgary region and the Cold Lake region, specifically Grand Centre and Cold Lake where regional systems are now in some form of operation. We would likely want to get the Edmonton regional commission established first and have some experience in developing regulations for its operation before we move into the other two areas. They could be a year or more down the road.

In my view, the basis upon which such a commission will operate, Mr. Speaker, will be on a cost-of-service basis, if you like. We don't expect any municipality to make money treating sewage or water for the regional board, if that's what they might be doing. On the other hand, as we move water to a municipality's boundaries or take sewage from its boundaries, the manner in which they continue to operate their own system within those boundaries will not change. If a municipality wants to charge more for its water than it really costs, in terms of delivering it to its citizens, that is a municipality's prerogative within the laws that exist in this province.

In order to ascertain that we won't have a problem with members of the regional services commission continually debating and arguing about what charges might be levied for their services, it's proposed that those charges, as the Bill outlines, be subject to approval or adjudication, if you like, before the Public Utilities Board. That board, an independent authority, has served us well in the past in terms of ensuring there's fairness in whatever costs are arrived at for services in other areas of

this province. I think it's an effective way to make sure the regional services commission puts its mind to the delivery of its services without having to spend a lot of time in debates about the costs of those services.

In arriving at those decisions, I personally travelled to five different major metropolitan centres in this country where regional systems are now in place, and found that the most effective ones that existed had two characteristics. One, an independent chairman was appointed by some other authority, in every case, I believe, by the provincial government. Secondly, there was an independent authority that might have final arbitration of the charges levied on its member municipalities for certain services. This Bill contains both those features, and in my view will assist a great deal in making sure that such a system is workable.

I want to close by saying this, Mr. Speaker. Some have suggested that this Bill is the beginning of some sort of predetermined takeover of municipal telephone systems, natural gas systems, or electric power systems by the province. Such is not the case at all. If it were, in this Bill we would have continued in our definition of things by defining what could be involved in a regional system by regulation. The Bill very definitely limits regional systems to providing water, sewer, and solid-waste disposal services. This Bill isn't here because there's any attempt by the government of Alberta to take over a municipal jurisdiction and responsibility. It's here, Mr. Speaker, as I said earlier in my remarks, simply because it's essential, with the growth of this province, that river systems be managed for the benefit of all the citizens who live on that river system. To do otherwise would be a disservice to the generations to come and to the people who live in this province today. With the assistance of municipal governments throughout the region, which I think we'll get, I believe we will be successful in putting into place a regional system that will be the envy of other provinces and municipalities in Canada and that will serve us well for many years into the future.

Thank you.

MR. NOTLEY: Mr. Speaker, in rising to participate briefly in the debate, at this point I certainly would indicate my support for the Bill in general. I recall the debate that occurred last spring in the Legislature on the Edmonton annexation question. This matter of regional water and sewer facilities and the need for some kind of overall approach for that question in the Edmonton metropolitan region were discussed at that time.

I have three or four questions that I think are important, at least in terms of discussion of the matter. The minister indicated that at this stage the government contemplates the services Act applying to three areas in the province: Edmonton, Calgary, and Cold Lake area. In the minister concluding debate, I think it would be useful if perhaps he was a little more specific in terms of addressing the time frame. The minister said, perhaps in a year we'll be looking at the other facilities coming into play. Is that in fact a practical objective at this stage? Can it be done within a year? What is the time frame for the Edmonton operation?

Mr. Speaker, the second part of that question relates to what financial obligations the government is contemplating at this stage for the province as a whole. If we get into a regional water and sewer system, will there be an additional cost to the province? Obviously, there are certain values, certain self-evident savings, in a co-ordinated approach in a metropolitan region. But to what extent

will new funding be announced — if not immediately, down the road — to construct projects that apply to regional water and sewer services?

The second major question I'd like to address deals with the concern the minister alluded to; that is, obviously this commission is going to override local government. I don't think there's much doubt that inevitably that is going to happen if you're going to have a co-ordinated approach in a metropolitan area. But as I look over the legislation, Mr. Speaker, it seems to me we are vesting a fair amount of power in the provincial government, both to create the commission and determining virtually everything that arises from that creation, including which municipalities come under it and how the commission will discharge its duties. So the second question I would put to the minister relates to the general planning apparatus we have in a given area, in particular the planning commissions. What will be the role of the planning commissions vis-a-vis the regional service commissions? To what extent will the regional service commissions be able to override the decisions of other authorities such as the regional planning commissions? To what extent will there be an integration of the two? To what extent will there be a membership that will be, if not exactly the same, at least on the same basis as we have in the Edmonton regional planning commission, for a start.

The minister has addressed the concern expressed by certain aldermen in the city of Edmonton, with respect to any impact of this Act on city utilities. All I can say is that I appreciate that clarification. That matter disturbed certain people, and I think those concerns clearly can be laid to rest.

Mr. Speaker, the final point is with respect to the kind of input the minister received from the Edmonton area prior to the introduction of this Bill. I'm not talking about the ongoing annexation hearings which we are all aware of and debated in the Legislature last spring. But flowing from the decision on annexation and the announcement in June, to what extent were the AUMA and the rural municipalities association consulted during the drafting of the Bill? Was there any specific consultation with the Edmonton regional planning commissions or the planning commissions in the areas the minister has identified as being prospective targets for a regional service commission?

Mr. Speaker, those are the questions I would raise. I would close by just saying that it seems to me that if we're going to manage properly a number of municipalities in areas of rapid growth, the questions of proper delivery of treated water as well as adequate sewer treatment are going to necessitate some kind of co-ordinated approach. That being the case, it seems to me this Act is necessary. But when he concludes the debate, I would appreciate the minister responding to the questions I raised.

MRS. FYFE: If I could just add a few comments and ask a few questions, Mr. Speaker. First, I believe this move is extremely positive. I would refer most of my comments to the Edmonton region, as it was the minister's comment that that probably would be first area to which the application of this Act would apply.

In the tour we had with the hon. minister, related to the study of regional government, I recall a comment to us in Montreal that they were still pouring raw sewage into the St. Lawrence and, I suppose, wondering what we were trying to determine as our objectives in Alberta, where we have had a much higher level of service than this for a considerable number of years, at least in the

urban municipalities. When compared to the very large number of people on the island of Montreal, the vast amount of effluent that would be pouring into the waterways really boggled my mind.

I would ask that the minister address a number of questions in his comments. One would relate to the membership in the commission itself. Reading the wording, I notice there is some flexibility. I wonder if the membership would be made up on a basis similar to the new regional planning commission which would give the city of Edmonton, for example, a significant percentage of membership but, on the other hand, not allow one municipality to control the services in the region. For example, in the past there has been criticism of water that has been purchased from one municipality, in that there has been a control on growth by the control of water. Obviously, if there isn't a sufficient water supply, this affects the development policies in the region, specifically in the smaller communities around.

Of course, water belongs to all the people of the province. The waterways are not owned by any one community, but the treatment facilities and the structures that distribute the water are owned. That is where the control has come about. I would be concerned that the municipalities that have that structure and treatment facilities be fairly compensated for their equity. No matter how the amortization of the facilities has been structured, whether by the application of off-site costs over a period of years or a direct capital cost to the users within the municipality, I notice that the legislation allows for any disputes to be resolved by the Public Utilities Board. But I would certainly hope the municipalities which have that investment would be fairly compensated for the equity they would provide to this regional system.

The question I would like to ask is related to the provision for water and sewage services within rural municipalities. There have been questions placed to me by rural councillors who are concerned about acreage growth which isn't of the concentrated urban nature but is enough to cause concern within the region. In my maiden speech in this Assembly, one of the concerns I expressed was that we should not allow further acreage development until we resolve the servicing problems to these homes. In the long run we have created some pollution problems that certainly are of great concern. I would like the minister to address how the percentage of costs would apply to the rural municipalities which have a ceiling on their farmland assessments — if they would have to apply their total assessment or simply the areas that might be involved, whether it's a purchase of services from the commission. Perhaps the minister has made some comment about that in his remarks, but I didn't quite understand the specifics of how it would apply to the rural communities.

In summary, I think it's a very positive move forward that allows for differences to be resolved in a fair and open forum. It would be a benefit to this entire region and to the regions where regional service commissions are applied. I certainly support second reading, but would like to see answers to the questions I posed this evening.

Thank you.

MR. MACK: Mr. Speaker, I too appreciate the opportunity of participating in the debate on second reading of Bill 79, the Regional Municipal Services Act. I would commend the minister for bringing forward this Bill so soon, and spending much time on it. I'm sure, as we all have during the annexation debates and considerations of

where the boundaries would be for the city of Edmonton, and its ability to grow and provide growth for its citizens.

I would just briefly reflect on the comments of my colleague from St. Albert on the water belonging to all. I certainly subscribe to that. However, representing one of the oldest established communities in this region, I'm somewhat surprised there should be control of another urban centre because of the lack of treatment facilities by the older regional area the hon. member represents. If a community lacks the initiative of planning and ensuring there is adequate water supply, and if they purchase it from another community, surely there should not be any disconcertion as far as paying for value received. After all, the initial capital investment is undertaken by another community, and that community assumes responsibilities for that capital investment. Therefore, I feel proper value should be received.

I think it's certainly timely, to establish an adequate facility for water treatment and sewage by the province in a rapidly expanding community such as our particular region. All we have to do is look around us and see many, many acres of land being transferred from agriculture to acreages and homes. Over the years, we have had an abundance of water, both surface and underground streams. Many of those streams are no longer available for drinking water. Part of the reason is that we have established population growth in a concentrated area to a point where the ground can no longer absorb the kind of effluent it's subjected to without it having a very profound deleterious affect in terms of poisoning the water. It becomes non-drinkable. I hope regulations would follow this Bill of the type that all regions within the regional control would at some point, given time, have to tie into the sewer treatment facility established by the region, rather than to continue using septic tank systems for their sewer disposal.

I support the concept and believe the responsibility is ours to protect future growth, protect the environment, and protect the water supply and the water systems. I think we are somewhat late in this area, particularly with the inordinate growth around our region under separate municipalities. It is not too soon to establish a regional board to control effluents and ensure that these are treated, so when they go into our rivers and streams they are of a quality that would not be injurious to the water. And those communities downriver from these major areas would also be able to have the quality of life that each of us are enjoying and would like to enjoy.

I wonder if the minister might respond as to whether because of the growth in this region he would consider, in the not too distant future, public transportation which carries with it a very, very high cost, both in terms of balanced transportation growth and roadways: inner ring roads, outer ring roads of our major centres, and public transportation as well. I believe we should be planning for incorporating public transportation into a regional system, whereby as the communities grow around us, adequate roadway provisions are made for the regional system, planned on a regional basis rather than on the *ad hoc* basis we're experiencing today in some cases. Then we have to remove very costly properties at a very high cost to be able to establish an adequate transportation system. That is an area I would certainly like to see us consider within the ambit of the regional board.

I recall, when we were studying the annexation question, we visited Vancouver and they had just established a regional transit authority which involved some seven municipalities. It came after many years, and the authori-

ty wasn't really quite certain as to what direction they were going, because much of the equipment they inherited required replacement. I believe they bought that entire system for a dollar, if you will. So I would like to see special attention given in this area, a very high-cost area. I think it's timely that the regional authority also addressed the question of a balanced transportation system.

Thank you, Mr. Speaker.

MRS. OSTERMAN: Mr. Speaker, I would just make a couple of comments in support of the Bill. I certainly congratulate the minister for bringing forward a Bill which embodies a concept that will deliver very vitally needed services, I believe, to several regions in the province in a very efficient manner.

I can't comment on the Edmonton area, and certainly those members who have been on their feet are from that area. But I would say that according to the municipalities in the Three Hills constituency, the Calgary region is very much in need of something of this order. The town of Airdrie, for instance, has for some time been in negotiations with the city of Calgary in terms of an additional delivery of water. They have not been able to reach a final contractual arrangement. There is some difficulty to the extent that the town of Airdrie will have to put a hold on any further building. There's certainly been a major commitment by builders to that area, and we all know how vitally housing is needed in this province at this time. Several other smaller urban municipalities will be in that situation within a very short period of time.

I would only ask the minister to comment on what mechanism will be in place for smaller centres to bring their concerns forward, and what process will be used in determining which centres will become part of any commission area. I would just close by saying on behalf of the Three Hills constituency that we certainly think this Bill is timely, and very much needed in the Calgary region also.

MR. MUSGREAVE: Mr. Speaker, perhaps I could say a few words. Unfortunately, I'm not going to be as positive as other members who spoke before me. However, the minister knows my views, and I'd just like to get them on record.

Back in the early '50s, the McNally commission investigated the form of government that should be used in the province, and made a long tour across Canada and studied very carefully the forms of government in other parts of our country. They recommended there should be a unitary system of government for both Calgary and Edmonton. Fortunately or unfortunately, depending on where you live, Calgary followed this advice and luckily escaped many of the problems that have developed in the Edmonton region. However, that's not to say everything is perfect in Calgary. One of the problems we have is that right now over 60 per cent of the people in our city are not on water meters and, as a result, we're using twice as much water per capita as the city of Edmonton. It's nothing we should be proud of. Regrettably, our council, being the politicians they are, have decided they're going to have a plebiscite. I think if you ask any citizen any time if the taxing authority can raise your taxes or make you pay for something you haven't been paying for, the result of that plebiscite should be obvious to the most obtuse person.

On the matter of delivering water to Airdrie, perhaps

the problem is that Airdrie doesn't want to pay our going price.

MRS. OSTERMAN: Or maybe Calgary wants to annex it.

MR. MUSGREAVE: I doubt very much if Calgary wants to annex Airdrie, Mr. Speaker; we have enough problems of our own.

However, when we deliver water to Airdrie and Crossfield and other cities, towns, or municipalities adjacent to us, we also have to take care of their sewage. We put it into our sewage system and then don't get it processed fast enough, and the town of Brooks downstream complains. So you can't have it both ways. While we're talking about Brooks being downstream, I'd like to suggest that some of the pollutants in the river may arise from some of the chemical fertilizers being washed off farm fields in southern Alberta.

I have a few concerns with the minister on the Bill itself, Mr. Speaker. I think generally I have to support the objectives of the Bill, because we found that this very system he's advocating is in effect in England. What does concern me is that we have the government of the province of Alberta designating the municipalities that are to be members of the regional services commission. Obviously, that means to me that you're going to be told that you have to be in it, whether you like it or not. It also says that the Lieutenant Governor in Council is going to govern the fees to be charged. I hope the fees will be based on a user-pay basis, and that they will be of the kind that will not see these regional governments running to Edmonton for more money. The quicker we get more taxpayers in the province of Alberta paying for the services they use, the better it will be for all of us.

I have another concern in Section 2(3), and perhaps the minister can help me on this. It says that he can appoint a governing official "to conduct the affairs of the board of a regional services commission". I assume that's if the commission falls apart or there are some problems in it. I wonder if he could amplify this.

I have some problems with Section 5. Maybe these are minor things, Mr. Speaker, but he's able to appoint the board of directors. However, if there's more than one service, he has to tell the board of directors on which issues they can vote. I can see some problems in the mechanics of this particular part of the Bill.

I have some concern with the appointment of the chairman. The way I read this Bill, it seems that the chairman who is a member of the board is not necessarily a member of any municipality but, as the minister said, an independent person. I can see some problems in that area.

The commission is able to

acquire and finance, construct, operate and dispose of water lines, sanitary or storm sewer lines, and water, waste and sanitary or storm sewerage plants and facilities ...

Mr. Speaker, these are going to cost hundreds of millions of dollars in the future. These are obviously going to be another form of government, and it does disturb me that in a unitary city like Calgary, where we've been able to work out a lot of these agreements, we have another area of government that perhaps we don't deserve.

I have some concerns with 11, Mr. Speaker, where

The Lieutenant Governor in Council may make regulations ... authorizing the Public Utilities Board to determine the amount that a regional services com-

mission must pay ...

Are these regulations going to affect what the board in effect will be making an independent recommendation? I hope not.

In item 12 we're back to the Legislature, where money is voted for the purpose of the board to meet its current and capital expenditures. Again, Mr. Speaker, I realize that in certain areas, particularly in Cold Lake, Fort McMurray, and these kinds of developing regions, there are going to be huge start-up costs, but I would hope that the capital requirements could be met in such a way that as time goes on these costs are reimbursed to the province so that, in effect, that regional service is an independent agency operating on its own.

Finally, Mr. Speaker, I know that some members in the Edmonton region are happy about regional government. I would point out to you that the reason we had the McNally commission back in the early '50s was that a lot of people in Canada, including myself, who have lived in other parts of Canada — I lived in Ottawa; I lived in Nepean when it was annexed by Ottawa. I used to work in Hull. I know the difficulties the city of Winnipeg has. I'm aware that Montreal has the worst housing in Canada. The only time they could build a freeway was when they got federal money to put Expo in. They built the Olympics in the summer, and yet they have the worst housing in Canada. They have circuses for the people, but no housing. It isn't working in Winnipeg because of political jealousies. They have such a huge council nobody could decide what was happening.

In conclusion, Mr. Speaker, while I support the objectives of the minister, I am concerned that it's the heavy hand of government in Edmonton. Speaking as a former alderman, I have some concerns about it. But if he can assure me this is going to be an enterprise that's going to be paid for by the citizens using it, then I would be much more reassured than I am at present.

MR. L. CLARK: Mr. Speaker, I'd just like to make a few brief remarks on the Bill. I would like to compliment the minister for bringing it forward.

In Alberta we now have probably one of the better water and sewer programs anywhere in Canada, with small areas and municipalities getting up to \$3,000 per capita. Mr. Minister, one question I have is whether or not this would be an extension to that program. Or would this program be worked co-operatively with the program we now have? As I said, in centres under 1,500, I believe it's \$3,000 per capita. The importance of water, and especially — the Member for Three Hills mentioned it briefly. In the region north of Drum, in my district and in the Calgary region, around Chestermere Lake, there is a shortage of water. At the present time, of course, they're using the Bow River and the Red Deer River in some of the smaller areas. The Red Deer River, as anybody who lives as close to it as I have over the years has got to believe, is becoming more contaminated each year. I don't believe for a minute that it's all the farm fertilizer running into it. I just had to put that in there for the Member for Calgary McKnight.

However, I do share some of the concerns of the Member for St. Albert. Water is a very vital thing in today's society. If you pinch down the supply of water to any one area or district, then you cut off the growth of that area. If a board, like the regional board, has control over the water and sewer — and I was pleased, Mr. Minister, that you only gave the board power over the water and sewer — even the power over water and the

amount of water for an MD, or any city or area, could be really restrictive in that area's growth. I guess I would hate to see a board set up. I don't know just how you plan to set that up, but smaller areas should have some representation on it so they have some control over the amount of water being allotted to them.

That would be about my only concern. I would like to say that I'm very pleased to see you bring it forward. Thank you.

MRS. EMBURY: Mr. Speaker, I believe most of the comments regarding second reading of this Bill have been stated. I certainly don't profess to have much knowledge on the subject, as the Member for St. Albert mentioned her background in this area. However, as a member for the city of Calgary, I would like to raise a couple of concerns, primarily in the way of questions to the minister. While I believe he did go into a long explanation of the advantages on second reading of the Bill, I have been trying to rationalize in my mind the exact advantages of this commission to the city of Calgary.

I would appreciate it if the minister could address that issue, and if the minister could inform the Assembly if he had any direct input from the city of Calgary, either prior to the writing of this legislation or since it was introduced into the Assembly.

DR. BUCK: Mr. Speaker, I'd like to make one or two comments on Bill 79. First of all, I'd like to say to the members of the Assembly that I certainly support the concept of regional supplying of services, such as the Bill before us presents.

But I have some concerns, Mr. Speaker. I will bring these up as I go along. First of all, in looking at the provision of the major services — water, sewer — I think it only wise that we look at the regional concept. When the Tory backbenchers listen to their ministers say "we invented the regional water pipeline", I would like to remind them that they did not. The first regional water pipeline was built from the city of Edmonton, through the county of Strathcona to Fort Saskatchewan, and on up to Redwater. So just in case you people on the back benches believed all the propaganda your ministers have given you, I'd like you to know that you did not invent the regional water pipeline system.

Mr. Speaker, there is one very major difference, which is exactly what this government is always guilty of. It never wants to give up the strings that pull the mechanism that's in place. The northeast water pipeline was set up in conjunction with the city of Edmonton and the municipalities receiving the water, but with one major difference. The board was set up and the government kept its cotton pickin' little hands off it, whereas this government never likes to do that. They never want to let go of the reins that hand out the money.

Mr. Speaker, I'm concerned about the levels of commissioners. We're going to have so many commissioners in this province, there won't be enough retired Tory cabinet ministers to fill them all. We have the northeast czar. We have one in Fort McMurray, we have one in Cold Lake, and now we're going to have another government-appointed one. I'd just like to know who the water czar is going to be, who's going to be retired. I guess Dallas Schmidt, the hon. Minister of Agriculture. It seems like he's tired of his job. The hon. Member for Edmonton Kingsway has been looking for an appointment. Maybe he wants the job. Many Tories could fill the job if the money was there.

But seriously, the concerns that have been brought to us are: will the government really keep hands on or hands off? Because we hear so much from this government about respecting local autonomy. Well, they certainly don't practise what they preach. Mr. Speaker, the concern is about: will these regional boards really have the power to do the job, or will they have to run up here to the hon. Marvin every time they want to make a decision? I think that point is very, very important. [interjection] The hon. Attorney General says "Captain Marvin". Well, we can call him Captain Marvin or Captain Marvel, whatever you wish, but the point still remains that this government doesn't like to lose control. They don't seem to have any confidence in the local municipalities.

I'd like to say a word or two about the regional water pipeline going to Vegreville. There are some concerns. I'd like to know from the Minister of Municipal Affairs and the Minister of Environment: what will happen to the municipalities that hook up the towns and villages — just using as examples Bruderheim and Lamont, and the ones down the line — where they will be hooking on to the water line? What do we do about the bills about the old water system that have to be paid? And if we extend this to a sewage system, what will happen? Will these small towns and villages have to be paying double? These questions are very, very important to these small towns and villages, because they really can't afford the luxury of having to amortize two systems. So I think this is a very important point, Mr. Minister. These people want to know what will be done about that.

I think the question of supplying of services to acreages is very, very important. As the hon. Member for Calgary McKnight said, if you go through England and Scotland, there are major water and sewage facilities throughout the whole country. I know now that the county of Strathcona, is looking at the provision of water and sewage services to people east of Sherwood Park, some of those acreages. Mr. Speaker, if the heritage fund is ever going to do anything for the people now, we should have a look and start making a move in that direction right now.

Mr. Speaker, we will be discussing the control I have mentioned in committee. The financial arrangements are very, very important, so we have to look at what percentage the province will be putting into these projects, what percentage the municipal people will be putting in. As some members showed their concern about the make-up of the board, I think we have to remember that we must do more than just pay lip service to local autonomy. So, Mr. Speaker, I look forward to the minister's summation, and I certainly will have other points to raise when we look at committee study of the Bill.

MR. BATIUK: Mr. Speaker, I too would like to comment on this important piece of legislation. I'd like to commend the minister for a Bill that would provide regional systems and very essential ones. I must say particularly that the regional water line which is on its way to Vegreville is one of the biggest accomplishments I have seen in the constituency I represent.

We know that natural gas is very good for heating, but if you don't have that, you can get by with propane. If you don't have propane, you can have heating fuel. If you don't have heating fuel, you can use coal and wood; but there is no substitute for water, and as the minister said earlier, we must respect water.

I had hoped that this regional water line would have come on sooner. I remember that the first Minister of Environment of this administration tried to encourage me

that an application should be made because all the communities on that line suffer the shortage of water. But it was difficult to encourage some of the communities to make application. Finally, when they did show interest, the former Minister of Environment, the Hon. Dave Russell, set a study on the feasibility of a water line. I know that when I spoke on that subject just about two and a half years ago, the hon. Member for Clover Bar interjected, what have you been doing up to now?

DR. BUCK: Right.

MR. BATIUK: But I must say that if I had done as much as the hon. Member for Clover Bar, there still would be no water line going that way. At present, construction is under way. The contract award was given this fall, but it was only done because one of the communities in the Clover Bar constituency didn't sign the agreement until this summer. Now I say, if the hon. member had gone out in the constituency, rather than staying here and criticizing, we could have had that water line two years ago.

DR. BUCK: Oh, John.

MR. BATIUK: That's right. Now it's very good for . . .

DR. BUCK: You really have trouble with the truth, John.

MR. BATIUK: That's what I'm doing. When the hon. member mentions that the regional water line is nothing new — and I can agree, Fort Saskatchewan had the regional water line for a while — why does he not tell us how much the previous government contributed to it? The municipalities paid just about every cent of it.

DR. BUCK: There you're stretching the truth a bit, John.

MR. BATIUK: There was very little support for it, but now we're looking at — and no doubt we'll have to have — regional water systems in many areas of the province.

Mr. Speaker, I'm glad this has gone this way. Within a year, I'm sure we'll have the opening of the water line all the way to Vegreville, which is going to mean a lot to these communities. When I think back to 1973 and '74, there was approximately 100 inches of snow that winter. When the snow melted in the spring, the Vermilion River flooded its banks. There was several million dollars property damage to the town of Vegreville, and so forth.

The following year, when there was hardly any snow through the winter, Vegreville had to ration their water — and this year especially, because for any area east of Edmonton to the Saskatchewan border the summer was dry. Vegreville had their water rationing by-law in effect the beginning of June. Just west of that, the town of Mundare had been hauling water for the last few months. In Chipman, a number of homes are not occupied because of lack of water, and Lamont has the same problem. However, they depend on the summer rains, and when that happens they get 'pasturized' water, the one that runs through 40 pastures. So as I say, I think this is going to be a real boost to these communities, and I think our government is going to continue to provide these services.

Thank you.

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

HON. MEMBERS: Agreed.

MR. MOORE: Thanks very much, Mr. Speaker. I'm also tempted to start backwards with my comments in the order that the members spoke. Having had the history lesson from the Member for Clover Bar and not much else, it's useful to be reminded that neither the Member for Clover Bar nor I know the exact year the northeast water line was built or who paid for it. However, we do know that those systems have been put in place over the years by many municipalities working co-operatively. I for one do not suggest that there hasn't been good co-operation over the years, but things are indeed getting more difficult in terms of the numbers of municipalities and the costs involved. The evolution of that is the Bill you see before you.

Mr. Speaker, I was interested in the remarks of the hon. Member for Vegreville. In my remarks, I said at the outset that indeed it was intended that a regional water line be built as far as Vegreville. Times have changed even since the hon. Member for Vegreville was elected to this Assembly. I can remember — I think it was about seven or eight years ago — when the hon. member didn't see the need for a water line at Vegreville at that time.

DR. BUCK: Oh, don't tell that, Marvin.

MR. MOORE: I remember him mentioning in this House that they had 'pasturized' water in Vegreville, that it ran through 13 pastures before it got to town. Times change, even in Vegreville. You need treated water, and it needs to be provided in a way acceptable to people today.

The Member for Spirit River-Fairview asked a number of questions, as did the Member for St. Albert, et cetera. I want to review some of those concerns in my closing remarks, Mr. Speaker; to say first of all, with respect to the time frame, that we expect regional systems to come into operation . . . As I said, the first regional system I intend to pursue in terms of putting a system in place under this legislation is in the Edmonton area. It's hard for me to predict when others might follow, but I just say this: as quickly as possible. I think it's better to start on one front at a time and sort of develop the mechanics of how we put such a system in place; and having done that well, start on a second. If we can do it in six months, so be it, but it will be our objective to move as expeditiously as possible without moving in the wrong direction.

In relation to some other questions about the operations of regional systems, Mr. Speaker, I should say that it will not be the objective of the province to put any additional funds into regional systems over and above the present grants which apply from the Department of Environment. The per capita grants that exist now for individual municipalities will be computed on a regional basis.

The Bill itself has a section in it that allows the advancement of funds to a regional commission. Incidentally, that section was referred to by the hon. Member for Calgary McKnight. Section 12 of the Bill provides that advances and loans may be provided to the regional authority. I believe that section is almost identical to a section in The New Towns Act, put in there many years ago simply to allow the province to be able to get these entities started.

And indeed initially, you need to advance some sums by loan or whatever to set up the regional authority, to pay for the chairman's salary, and other expenses involved. But it's our intention that the regional services

commission's operation would be paid for by way of the normal grants provided by the Department of Environment, without any alterations therein by way of income they receive from charges for services they provide.

A number of members talked about the role of planning commissions. I want to say that it's intended that this authority be a delivery service, if you like. The regional municipal services authority will not be empowered to plan communities by way of its expansion or retraction of water or sewer services. That will continue to be the responsibility of regional and municipal planning authorities. In the Edmonton region in particular, it will be done with due regard for the June 12 annexation application decision. In other words, the growth limits that have been placed on St. Albert, Sherwood Park, and the Edmonton region will be maintained by the planning authorities, and the regional municipal services authority will be required to provide water and sewer within those parameters, but obviously in co-operation with the municipalities involved. It can't be a sort of supply on demand. There has to be adequate planning several years ahead of time so that the regional authority knows what it's about. But there won't be any such thing as the development of population centres being curtailed because the regional planning authority has decided it will not provide water or sewer services. That will be the responsibility of the planning authorities which presently exist.

As well, I might mention transportation, which was raised by some hon. members as being an entity that might come under this kind of legislation. We reviewed that quite extensively. The hon. Minister of Transportation and I, and others, felt there was not a need, at this time at least, to provide for regional transportation services simply because they are being provided for because of the involvement on a financial basis with the province in an adequate way now, by agreement. We didn't see the need to move in to provide regional services in terms of transportation.

I want to mention the input to this kind of legislation that came from municipalities. It came in a variety of ways, probably over many years, but most recently from the Edmonton regional utilities study, which many municipalities participated in, and from the Edmonton annexation hearings. I don't mind saying that a day didn't go by in the Edmonton annexation hearings that there wasn't, in some way or another, mention of the concern that existed for the delivery of water, sewer, and like services in a region where there were a number of municipal governments not operating in tandem. Of course, the arguments you heard for a largely expanded city of Edmonton or for a regional form of government oftentimes related to water and sewer services. There was not any direct contact per se with municipalities about the direct concepts embodied in the decision we made in June, which this Bill flowed from, but certainly my contacts with municipal governments, including some within the city of Edmonton and the city of Calgary since that time, have indicated general acceptance with the principles outlined here.

I should say in relation to a number of other matters raised — I've already touched on this business of advance of funds under Section 12. The hon. Member for Calgary McKnight was concerned about a number of matters. Section 2(3), which provides that the Lieutenant Governor in Council may appoint an official trustee to conduct the affairs of the board or may make regulations requiring and governing the winding-up of a regional services

commission, is just a standard section which would be in any Act of this nature that provides some way to wind down a regional municipalities services authority if need be. It is hoped that's never required. Indeed, those matters are attended to in The Municipal Government Act and other legislation. Where there is an ability by legislation to create something, there also must be an ability to uncreate it, if you like.

The member expressed some concern with respect to the designation of councils and regions, and other members were concerned about the business of the Lieutenant Governor in Council by regulation designating which members could vote for which things, water or sewer. Maybe I can best describe that problem this way. In the Edmonton region, it's envisioned that we would have one regional service commission which would have responsibilities for both the treatment of sewage and the delivery of water. The members who might be a part of the water system would go as far as Vegreville, as I mentioned earlier, but the sewage system would not go that far. So we would develop regulations by which the board could operate, and certain matters of import before the board that involve sewer would be subject to a vote only by those municipalities being serviced by sewage treatment facilities, while on the other hand half a dozen other members might vote on matters that touch upon water. That's the reason for that section.

The hon. Member for Calgary McKnight rather surprised me by his lack of support for the concept here, but I can assure the hon. member that I will take notice of his very well-thought-out alternative if I can read the *Hansard* again and detect it.

I want to close by saying that the benefits for a city like Calgary are not easy to determine if one suggests that that city would always have the luxury of being able to take clean water out of one side of the river and dump sewage into the other side. The benefits might much more easily be detected if one were to suggest that this province would do away with any controls whatsoever that we might want to place on the new town of Canmore, the town of Cochrane, and their disposal of sewage into that river system. If we did that, the benefits of this particular legislation for Calgary and the controls that might be imposed by it become very obvious. It would not require that city to haul its water from the North Saskatchewan River. Mr. Speaker, in my view, that is not an oversimplification of the facts. As I said in introducing the Bill, in this province there is not a river system that exists for the sole benefit of one municipality that happens to exist along its boundaries. Those river systems are there for the support and enjoyment of all people of Alberta, indeed beyond our boundaries. I think it's essential that this legislation be put in place to ensure that we have the best systems possible.

Mr. Speaker, I appreciate the support received from members of the Assembly on second reading of this Bill, and would hope there is good support for the Bill at committee stage as well. It's our objective to make sure we have a system that's workable and of benefit to all the people of Alberta. In no way is there an intention by this government or by my office of taking away from some people or some municipality benefits they now enjoy, but simply to make sure they can continue to enjoy the benefits of an adequate supply of potable water and proper sewage treatment disposal for many generations to come.

DR. BUCK: Mr. Speaker, just before you call the question, would the minister permit a question?

MR. MOORE: Sure.

DR. BUCK: Mr. Speaker, to the hon. minister. I raised a point on what studies have been done towards looking at a regional system for the acreage areas. And what will you be able to tell the small communities that already have their own water and sewage systems in place about assistance for them? What assistance will the minister's department be giving communities that will have to join, as the hon. Member for Vegreville said, say, the Vegreville water pipeline, because they will have to be amortizing the old system and helping pay for the new one? Has the minister given consideration to this area?

MR. MOORE: Mr. Speaker, those are technical matters. They are important. They'll have to be worked out as the system comes into place. The only thing I can say about the acreage owner situation is that it's expected that a good many rural municipalities — i.e., the county of Strathcona, Sturgeon, et cetera — will be members of the regional authority. It will then be their responsibility to ensure that adequate provisions are made for acreage owners, if that be their desire.

With regard to the municipalities — and that doesn't just include the small ones, but maybe the very large ones, like Edmonton city, who have invested sums of money in their own systems now — whatever is developed by way of financial arrangements for the additional costs of the regional system must be fair to everyone. We obviously have to consider the extent to which municipalities have paid for services in the past. There may be different burdens on different municipalities, depending on what they've done in past years, in terms of encumbering themselves with debts and so on. I couldn't begin to answer that now, Mr. Speaker, except to say that we expect to be able to work it out so it's fair to everyone.

[Motion carried; Bill 79 read a second time]

Bill 81
Alberta Income Tax
Amendment Act, 1981

MR. HYNDMAN: Mr. Speaker, I move second reading of Bill No. 81, the Alberta Income Tax Amendment Act, 1981.

This Bill essentially adopts administrative changes, provides clarifications, and simplified procedures. The only policy or program change in it, Mr. Speaker, is contained in Section 4(c). That extends the existing renter assistance credit to those people who own their own mobile home, but are situated and have the mobile home on rented or leased land.

[Motion carried; Bill 81 read a second time]

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

MR. LEITCH: Mr. Speaker, I move second reading of Bill No. 87, the Mines and Minerals Amendment Act, 1981 (No. 2).

The principle involved in this Bill is related to the financial transactions provisions of the existing legisla-

tion, which was passed by the Assembly recently. Members may recall that prior to the recent changes in the legislation, only chartered banks could register instruments representing a security of loans or advances they had made against the mineral titles. At the request of the industry and the financial institutions, we have broadened that to enable other financial institutions, such as mortgage and trust companies and so on, to make loans and have the same secured position as had formerly been the preserve of the chartered banks only.

After making those amendments, Mr. Speaker, we found there was some concern on the part of the financial institutions and industry that we had created a priority system by registration and, within the legislation, had not all the required related provisions. Therefore we didn't implement that legislation, although it was proclaimed, because by regulation we made it applicable only to the chartered banks. Since doing that, Mr. Speaker, we've had a number of discussions with representatives of the industry and the financial institutions, and they are agreed that the provisions in the proposed Bill would meet the needs of the financial institutions and the industry.

The principle is already in the legislation. This is really some amendments that will ensure it works in the way we had intended.

[Motion carried; Bill 87 read a second time]

Bill 88
Natural Gas Pricing Agreement
Amendment Act, 1981

MR. LEITCH: Mr. Speaker, I move second reading of Bill No. 88, the Natural Gas Pricing Agreement Amendment Act, 1981.

The principle of this Bill is to authorize the Alberta Petroleum Marketing Commission to make the payments to the federal government which we agreed to make by way of market development incentive payments in the recently completed energy agreement with the federal government. As members of the Assembly would know, the Alberta Petroleum Marketing Commission has a fund which really is the difference between the Alberta border price and the export price. That fund is distributed to all producers in the province, in accordance with their production. It is contemplated that these market development incentive payments be made from that fund.

MR. NOTLEY: Mr. Speaker, speaking to Bill No. 88, I would raise this now during second reading so that hopefully when the minister concludes, we can have this information for committee stage. With respect to the market development incentive payments, I'm looking at the Memorandum of Agreement between the Government of Canada and the Government of Alberta. I would ask the minister if, in concluding debate, he could advise the Assembly what we're looking at in total cost for these market incentive payments. We're talking in percentage terms here, but I've not seen any indication as to what the cost will be, what the projection is.

Also, with respect to this Bill, on page 22 of the Memorandum of Agreement between Alberta and the federal government, we have the breakdown in the pot, if you like: \$212 billion, \$54 billion to the government of Canada, \$64 billion to the government of Alberta, \$94 billion to the industry. I have a couple of questions on the breakdown, Mr. Speaker, that I'd direct to the minister

now and ask him to respond. First of all, with respect to the figures themselves, in the news media we've been given to understand that there's some uncertainty as to those figures, that that's come from federal officials. In the minister's judgment, to what extent are these figures still a reliable indication of revenues over the next five and a half years? Secondly, what percentage of this \$212 billion would be coming from the sale of natural gas? What is the breakdown between oil and natural gas in the \$212 billion?

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

HON. MEMBERS: Agreed.

MR. LEITCH: Mr. Speaker, in response to the comments of the hon. Member for Spirit River-Fairview, I think we ought to wait until committee study of the Bill for the total cost number. I don't have it in my head at the moment. Also, for a breakdown of the revenue forecast attached to the energy agreement of September 1, 1981, between oil and gas, I will endeavor to have those figures when the Bill reaches committee stage.

As to the validity of the figures, Mr. Speaker, I hold the same view today as I held at the time the agreement was signed: I believe those are a reasonable estimate, a reasonable forecast, of what's likely to occur over the term of the agreement. All members of the Assembly would appreciate that they are a forecast, and in fact we make reference to that in the agreement. The one thing everyone can be sure about a forecast is that the fact are going to turn out different from the forecast. None the less, Mr. Speaker, one is required to make these estimates in order to complete the kind of arrangement contained within the agreement. In our judgment, it's a realistic estimate, and since September 1, 1981, nothing has occurred that would alter my view of the validity of those forecasts.

[Motion carried; Bill 88 read a second time]

head: **COMMITTEE OF SUPPLY**

[Mr. Appleby in the Chair]

MR. CHAIRMAN: Will the Committee of Supply please come to order.

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

Department of
Energy and Natural Resources

MR. CHAIRMAN: Does the minister wish to make any preliminary remarks?

MR. LEITCH: No, Mr. Chairman.

1 — Alberta Oil Sands Technology and Research Authority

MR. SINDLINGER: Mr. Chairman, I wonder if we might ask the minister if the Auditor General does an

annual audit of expenditures on the Alberta Oil Sands Technology and Research Authority.

MR. LEITCH: Yes, Mr. Chairman.

MR. SINDLINGER: A supplementary to the minister, Mr. Chairman. In regard to each of those annual audits the Auditor General does on AOSTRA, is a management report presented to the department?

MR. LEITCH: Mr. Chairman, I don't recall receiving any management letters from the Auditor General that related to the Alberta Oil Sands Technology and Research Authority.

MR. SINDLINGER: Mr. Chairman, a supplementary. Over the five years of AOSTRA, have any management letters in regard to AOSTRA been received by the department? If so, could the minister give an indication of the contents?

MR. LEITCH: Mr. Chairman, I'm not aware of any management letters that came to the department from the Auditor General in respect of the Alberta Oil Sands Technology and Research Authority. I would have to make inquiries of the department or the Authority to ascertain whether any such letters were received.

MR. SINDLINGER: I wasn't quite clear on the minister's response, but I'll just ask him if he would undertake to determine whether any management letters had been sent to the department.

In regard to this vote, I wonder if the minister would please tell us what projects will be done with the '82-83 estimates in the three areas outlined in the implementation; that is, the field work to test *in situ* recovery processes, the projects under the Canadian universities for research conducted by students and staff, and the oil sands programs at the Alberta Research Council.

MR. LEITCH: Mr. Chairman, I wonder if the hon. member would list those again. I didn't catch them all.

MR. SINDLINGER: Mr. Chairman, first, in regard to the field work to test *in situ* recovery processes, could the minister indicate what projects are intended to be undertaken with the \$54 million in the '82-83 estimates?

MR. LEITCH: Mr. Chairman, if we're referring to the *in situ* oil sands projects, there is a project in the Peace River area with Shell Oil Company that has been ongoing for some time and would continue during the coming fiscal year. In the Athabasca area, there is a project with Amoco, one with Numac/Gulf, one with Hudson's Bay, and another one with Gulf. Those projects would continue during the coming year. In the Cold Lake area, there is a project with British Petroleum. In addition, we have consultants and other projects related to the *in situ* oil sands. I have referred to the pilot projects, but we have a number of other areas in which AOSTRA would be expending funds related to research in the *in situ* oil sands.

MR. SINDLINGER: Mr. Chairman, in regard to the *in situ* projects just identified — the Peace River one with Shell, Athabasca with Amoco and Numac/Gulf, and Cold Lake with British Petroleum — could the minister

please indicate the estimated original cost and the scope for each of those projects?

MR. LEITCH: Mr. Chairman, the funds committed with respect to those projects — and that would be a commitment on the part of AOSTRA — are as follows: the Shell project in the Peace River area was \$62,964,351; the Amoco project was \$26,947,108; the Numac/Gulf project was \$1,650,661; the Hudson's Bay project was \$100,000; and the Gulf project was \$4,852,644. Those were committed funds, Mr. Chairman.

If the hon. member wants those, the disbursements to March 31, 1981, are: in respect of the Shell project, \$6,510,798; the Amoco project, \$4,241,687; the Hudson's Bay project, \$3,199; and the Gulf project, \$3,101,732.

MR. SINDLINGER: Mr. Chairman, I got those figures, but I didn't get those for the Cold Lake BP project.

MR. LEITCH: Mr. Chairman, the committed funds for the Cold Lake BP project were \$21,951,500; the expended funds to last March 31 were \$991,585.

MR. NOTLEY: Mr. Chairman, could we get the projections, then, for the current year out of the \$54 million? What will be the projections for each of these projects this coming year?

MR. LEITCH: Mr. Chairman, I don't have that breakdown with me. I'll be able to get it.

MR. NOTLEY: Mr. Chairman, I have several questions on the operation of AOSTRA in general terms. Perhaps we can get into more specific questions later. I note, for example, that the annual report of AOSTRA outlines various projects including the university projects. That is noted in the implementation part of the appropriation: financial assistance to Canadian universities for research conducted by students and staff. The first general question I would put to you, Mr. Minister, is with respect to the operating agreements between the Alberta Research Council, AOSTRA, and the oil industry. Is there a general prototype agreement used across the board? What is the relationship with the Alberta Research Council? Presumably when the Research Council is involved there would have to be some kind of contract with AOSTRA. And undoubtedly, if you are involving the private sector, there has to be a contractual arrangement with the private sector. Is there a standard type of agreement, or are all these agreements different?

MR. LEITCH: Mr. Chairman, with respect to the agreements with industry there is — I wouldn't call it a prototype — a commonly used agreement. It involves these features: the industry puts up half of the funds, AOSTRA puts up the other half; if they are patentable AOSTRA acquires the marketing right for the processes throughout the world. But the industry participant acquires the right to use, without paying a royalty, the patented process throughout the world. That is the most common form of agreement entered into between AOSTRA and industry participants. There are some variations on that to meet unusual circumstances, but that's the normal practice for AOSTRA and the industry.

With respect to the Research Council, AOSTRA has a variety of arrangements with them in the sense that they're doing a number of experimental projects for AOSTRA. That is done on a project by project basis,

because some of them are research and others are not. Essentially, AOSTRA pays the Research Council's costs.

MR. NOTLEY: Mr. Chairman, I just want to follow along on the question of the contracts. Surely there would be some contracts, would there not, involving the Research Council, AOSTRA, and the private sector? To the extent those contracts exist — I can't imagine they wouldn't, because so much of the Alberta Research Council's work is with the private sector in any event — what would be the standard contract, and what would be the division between the amounts AOSTRA, the Research Council, and the private sector pay? Is there any standard amount the private sector pays for this type of basic research largely done as a result of the three groups working together?

MR. LEITCH: Mr. Chairman, I'm not sure there are any three-way contracts, which is what the hon. member is asking. I can check on that. I'm not aware of any where AOSTRA, the Research Council, and industry are all parties to one contract.

MR. NOTLEY: Mr. Chairman, I want to deal with the question of university projects here in the annual report:

AOSTRA will promote the involvement of industry as *Consultive Participants*.

This is under Handling of University Projects, which is one of the aspects of our vote.

Each . . . participant will pay a specified percentage of the cost of the Project and will obtain full use rights to the technology developed.

This is page 57 of the Fifth Annual Report of the Oil Sands Technology and Research Authority.

Now I am aware of the division the minister talked about on the larger projects. I think most of us are familiar with the fifty-fifty arrangement, but this is dealing with the university projects. What is the breakdown there?

MR. LEITCH: Mr. Chairman, I would have to check on that. That doesn't alter my earlier answer. I'm not sure it is a three-way contract. There are certainly three parties involved in those projects, but I'm not sure they're all parties to one contract. So I'll just have to check on that, Mr. Chairman.

MR. NOTLEY: Mr. Chairman, to follow that up, it does say:

Each such participant will pay a specified percentage of the cost of the Project and will obtain full use rights to the technology developed.

As I read that, obviously there has to be some kind of arrangement with the private sector. That raises the question of who gets access to this information. The minister has indicated, for example, in the case of the Peace River and the Shell project, that the information obtained as a consequence partly of AOSTRA money and partly of Shell money, Shell can use anywhere in the world. The problem I would put to you, Mr. Minister: what guarantee is there in the arrangements with AOSTRA, or for that matter any of the arrangements with the Alberta Research Council and the private sector as a third party, that at some point the company will [not] simply take the information they have obtained to develop their research elsewhere? We're dealing with international companies; they have largely centralized R and D. What protection is there that at some point in a project a worldwide

company wouldn't just say, all right, it's better to take what we've got from X, Y, or Z project in Alberta and continue the further development of that research in the centralized research facility of the company? Is there any guarantee at all that a company would not, to put it as simply as possible, learn and run?

MR. LEITCH: Mr. Chairman it's been some time since I discussed the details of one of these contracts, but my memory is that there was a commitment to do the work and a commitment to co-operate in the application for patents and things of that nature. My memory is that that type of thing would be covered in the standard contractual form. I suppose one could always conjure up some situation which wouldn't be covered by the contract, but my memory of a review of the details of these contracts is that that kind of thing would be a breach of the contract.

MR. NOTLEY: Mr. Chairman, the reason I raise this, and I could be wrong, is that I understand there is an opt-out provision for the companies in these contracts, particularly with respect to the ARC, AOSTRA, and the companies. Now if I'm wrong on that I certainly stand to be corrected, but that's my understanding in any event. The reason I raise it — I certainly intend to vote for this appropriation; I want to make that clear — is because it seems to me we're talking about very substantial amounts of public funds. It is important that as much as possible we develop an indigenous research and development industry in the province, and that there would be adequate guarantees that in fact all the research and the development, not just the initial stages, takes place in Alberta, because that's a potential industry for this province as the years go by. One of the strongest arguments for this kind of investment today, whether it's in oil sands research development as such, heavy oil, or what have you, is that we're developing an expertise and a research capacity which in itself would provide jobs for people.

So I think it would be useful if we could just check what the arrangement is, because it's my understanding that there is an opt-out clause. While I don't want to be a prophet of doom, the fact of the matter is that if we're talking about substantial amounts of public funds, I think we have to be assured that those public funds are going to be used in Canada to provide jobs in this country.

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

MR. R. SPEAKER: Mr. Chairman, to the minister. One of the areas the minister didn't mention in terms of projects with AOSTRA, was the . . . I note in the 1979-80 annual report there is a contract with Petro-Canada. One of them is on page 28. Page 7 shows Petro-Canada in the Lloydminster area. My question is: does a program with Petro-Canada still exist, and will part of the \$54 million voted go towards their research project? The Viking-Kinsella pilot project is with Petro-Canada, and I wonder what its present status is.

MR. LEITCH: Mr. Chairman, I didn't refer to that one in response to the earlier questions, because as I understood them, the earlier questions related to *in situ* oil sands projects. The project with Petro-Canada in the Viking-Kinsella area is not in oil sands. That is a project about 80 kilometres southwest of Lloydminster, and it's a steam and combustion technique. The object of the project was to evaluate and compare the performance of

steamflood and fireflood in thin Lloydminster types of reservoirs. They usually have a pay zone of about 16 feet and are only marginally economic under primary production. But I didn't regard that as an *in situ* oil sands project. Mr. Chairman, part of this appropriation would go to fund the continuance of that project.

MR. R. SPEAKER: Mr. Chairman, has the minister any indication of what that amount would be? Is it significant or not?

MR. LEITCH: Mr. Chairman, I believe the committed funds for the Petro-Canada project were \$9,458,046. The disbursements in the years prior to April 1, 1980, were \$6,090,818, and the disbursements from April 1, 1980, to March 31, '81, were \$1,135,972.

Incidentally, Mr. Chairman, I think I made an error in giving the disbursements on the earlier projects, because I was giving the total committed funds and the disbursements for the year ended March 31, 1981. I should also have given the prior year's disbursements. In the case of the Peace River project, that was \$42,826,780; in the case of Amoco, it was \$18,464,793; the Numac/Gulf project, \$1,470,345; Hudson's Bay, \$33,644; for Gulf, \$366,965; and for British Petroleum, \$8,304,365.

MR. R. SPEAKER: Mr. Chairman, in terms of reporting to the minister, the AOSTRA board's composition is set out in the legislation. Also, the accounting is done by the Auditor General and, two, funds are allocated by the Provincial Treasurer as requested by this committee or by the Legislature through general revenue towards the AOSTRA board. I wonder if the minister could give an account as to how the board is held accountable in terms of the funds expended. What procedures are in place? What checks does the minister make in terms of assuring himself that funds have been directed to the right purpose that we've talked about?

MR. LEITCH: Mr. Chairman, we're dealing here with a research entity and, as members would appreciate, there's a substantial difference between a research entity and a normal department expenditure. But essentially, the way it is operated is to have the AOSTRA board, or at least representatives from the board — and normally that would be Dr. Bowman — appear from time to time. I review it with them from time to time, but in addition they would appear before the cabinet committee on economic planning and resource development and review the contemplated research projects and programs, because as members will note from reading the annual reports, there are various programs with the universities, with other countries, and things of that nature.

We would review those contemplated projects — certainly the major ones — with the board and then settle on the projects we thought ought to proceed on the recommendation of the board. At that time we would review the anticipated costs of those projects. In a sense that is a commitment by the Executive Council, because the matter would then go from the committee on economic planning and resource development to Executive Council. [interjection]

Yes, it's a cabinet committee. It would go to Executive Council and there would be approval in principle for AOSTRA to commit to those expenditures. They would then do that by agreements with industry, of course, and other participants in the program. The funds available to pay those commitments are voted annually by the Legis-

lative Assembly through this appropriation, but we would review the programs and recommendations and approve their making commitments, on the understanding, of course, that the Legislative Assembly has to vote the funds and that no funds are available until the Assembly has approved them.

MR. NOTLEY: Mr. Chairman, since the minister has outlined that process, I would now ask him if he could take the \$54 million that we're being asked to vote under this appropriation and specify what the proposals are.

MR. LEITCH: Mr. Chairman, I ran through a number of them. If the hon. member wants the anticipated expenditure for each one, I don't have that with me tonight. I think that's something I offered to obtain in answer to an earlier question. I'm happy to obtain that information and go through all that detail. Essentially, the projects referred to in the earlier annual reports are ongoing ones. The funds will be primarily to continue to fund those projects. But I don't have a breakdown between the different projects with me tonight.

MR. NOTLEY: Mr. Chairman, the minister has offered to provide that before we pass the appropriation. Obviously, we'll have to have it.

However, so we can evaluate the \$54 million proposed, could the minister break down the \$54 million between the three major areas identified here: the *in situ* recovery process, the financial assistance to Canadian universities for research conducted by students and staff, and financing a number of oil sands programs at the Alberta Research Council. There are three major areas there. If the minister has that information on the \$54 million, perhaps we could have that.

MR. LEITCH: I will provide that, Mr. Chairman.

MR. SINDLINGER: I wonder, Mr. Chairman, if the minister would undertake to give us a geographical breakdown of those expenditures as well. By reading the AOSTRA annual report, I note that preference is given to Alberta projects, then Canadian, and then worldwide, whenever possible. Perhaps the minister might also indicate, when he gives us a breakdown on this \$54 million vote, how much money will be in Alberta and how much in Canada, not only for the *in situ* recovery process and the Alberta Research Council, but also for the projects that will be undertaken by Canadian universities; also a breakdown between students and staff, how much money will go to each case. Once we're on that, I wonder if the minister might go even further and not only give us that information in regard to the '82-83 estimates but also give us some breakdown of the total expended to date of approximately \$223 million, as I can see it here.

MR. LEITCH: It may take a few weeks, Mr. Chairman, but I'm happy to get it.

MR. SINDLINGER: Mr. Chairman, I would appreciate it if the minister would do that prior to our voting on this appropriation or estimate. Because that's what we're here for, to go through these things in detail. As the Minister of Environment pointed out this afternoon, he's glad to see us in the opposition doing these things and fulfilling our obligation.

Going on to another subject, I wonder if the minister might be able to comment in regard to some of the

technology that has been developed so far through the expenditure of \$223 million, if that in fact is the sum. Have there been any new breakthroughs or new developments, new patents undertaken or held by AOSTRA?

MR. LEITCH: Yes, Mr. Chairman, a number of processes have been patented. AOSTRA has obtained some funds by the sale of technology. I can't recall the total number, but it seems to me it's in the order of \$2.5 million. Most of that was obtained very recently, within the last year or so. That's to be expected, because AOSTRA has only been in existence for five years or so.

MR. SINDLINGER: Mr. Chairman, I wonder if the minister might indicate where this \$2.5 million was obtained or for what particular patent, and whether or not that new technology is now being commercially applied.

MR. LEITCH: Yes, Mr. Chairman.

MR. SINDLINGER: Would the minister mind elaborating a little bit, saying what that new breakthrough was and where the new technology is being applied?

MR. LEITCH: Oh, I'll get that information for the hon. member, Mr. Chairman.

MR. NOTLEY: I wonder if we could look at the largest of the projects, which I understand is the Shell project. Is the minister in a position to advise the committee what progress has been made as a result of the plant that we have invested quite heavily in adjacent to Peace River? Is the government of the view that as a result of that investment, a major project in the Peace River oil sands is viable? Are we looking at any kind of target date at this stage when a decision would be made, as a consequence of the investment that has been put forward to date from AOSTRA and presumably, at some point, is going to pay dividends in the form of a major venture? At what point are we now on that question?

MR. LEITCH: Mr. Chairman, the Shell project in the Peace River area is a large pilot project in terms of both facilities and engineering effort. It was designed as a prototype installation which hopefully will lead to a commercial-scale operation. Amoco Canada Petroleum Company Ltd. is also a participant in that project, although it's commonly known as the AOSTRA/Shell project. The test is to evaluate cyclical pressurization and de-pressurization of the reservoir, using steam. The oil there is in a deposit of about 10 ... There's an interval of a high water saturation, about 10 feet beneath the sand. That's expected to provide an initial path for the steam movement under the reservoir.

The construction was completed and the operating phase began in 1979. The construction cost was approximately \$70 million. The annual operating costs are approximately \$15 million. It was estimated that it would take a minimum of five years to collect sufficient pilot performance data. That of course would bring us to 1984. I really can't give any accurate estimate as to the results. It was contemplated that it would be a five-year project, and I'm sure it won't be until we near the end of that term that one can make any accurate forecasts as to the outcome.

MR. NOTLEY: Presumably, though, there would be ongoing monitoring and some initial results. It's been in

operation now for several years. First of all, in terms of the operating cost, is that shared on a fifty-fifty basis? Secondly, what is the reporting mechanism from Shell to AOSTRA during this five-year period? What is the reporting mechanism from AOSTRA to yourself, sir, as minister of the department? Obviously, at some point you have to get back to the economic planning and resource committee, because this committee would have made the recommendation in the first place. At some point you have to report to us. While it's a five-year project, I can't imagine that there won't be a good deal of preliminary information.

The reason I raise this is that there is widespread speculation in the area at the moment, because of conflicting statements that have been made, about whether Shell intends to go beyond the prototype plant and undertake a major project. I think that in terms of planning in the Peace River area, just to underscore the need, we have to have some information as soon as possible. I'm not saying you're in a position to do that today. But I think if we have some initial information on what has happened in the last months it has been operating, that would be useful for the committee.

MR. LEITCH: Mr. Chairman, it may be the committee is able to make those kinds of judgments. I'm advised by AOSTRA that they aren't. I'm happy to get such information as the committee wants, and perhaps the committee is able to make those judgments. As to the mechanism for reporting, Mr. Chairman, normally the reports are verbal and involve verbal reports by Dr. Bowman, or others from AOSTRA, to me or to the economic planning and resource development committee of cabinet. On this particular one, my memory is that there were nothing more than reports that the project is going ahead. I think it was only recently that they actually began to put steam into the formation, although I can't recall the exact date that occurred.

Certainly, Mr. Chairman, I will get such information as there is — and there may be documents and things of that nature — but any discussions I've had with AOSTRA have been to the effect that the project is proceeding and no conclusions can yet be drawn.

MR. NOTLEY: May I ask another question on a supplementary basis, Mr. Chairman. I asked the question about the operating costs. I presume the operating costs are also shared on a fifty-fifty basis. If that's true, how does one determine how we deal with it, everything from the wages people are paid, the working conditions, and what have you? Do we just automatically take the word of the participating company and say, all right, this is what the costs will be. We will pick up half of it. Is there some negotiation?

I'm not talking about the costs of the project, the capital costs which are more identifiable, but the operating costs when we get the thing into operation for this five years — what are we going to be picking up? What negotiation does Dr. Bowman or people representing him have with Shell Explorer and Amoco on what constitutes an operating cost and what doesn't?

MR. LEITCH: Mr. Chairman, I have discussed with members of AOSTRA the fact that they have a system for calculating and agreeing upon the operating costs. I don't recall the details of it, and I certainly don't recall the details of how, in this particular project, they decide

on whether the operating charges are appropriately charged to the project, but I can get that information.

DR. BUCK: Mr. Chairman, I'd just like to know if the minister is in a position to indicate what discussion AOSTRA has had with other similar projects. When we look at the map, similar deposits are scattered throughout the world, some in North America and some in other parts of the world. Is there any liaison, or are any studies being done jointly with other projects? Or is AOSTRA going on all the projects on their own? I wonder if the minister has that information as to what is going on with other jurisdictions.

MR. LEITCH: Mr. Chairman, AOSTRA maintains contacts throughout the world as to other research carried on in oil sands. I think it's accurate to say that AOSTRA is the leading research vehicle in oil sands in the world.

We do have a number of agreements with other countries, which include Venezuela, the United States, Madagascar, Romania, Turkey, Brazil, and Japan. Those are information-exchange agreements. In other cases, we're carrying on joint projects or negotiating agreements to carry on joint projects. I think the short answer to the question is that AOSTRA keeps in touch with the research going on in the world and, in a number of instances, is entering into information exchange agreements and joint research projects.

In fact, AOSTRA is sponsoring the establishment of an information centre for heavy crude and tar sands in New York and, as I recall, the other sponsors of that program were Venezuela and the United States department of energy. So certainly in my judgment, Mr. Chairman, AOSTRA is in the forefront of gathering and disseminating information on research into oil sands and heavy oil.

MR. R. SPEAKER: Mr. Chairman, within that \$54 million, I wonder if the minister could indicate whether there are new contracts to be assigned in the fiscal year '82-83. If so, what would the contracts be for in terms of new research or new programs?

MR. LEITCH: Well, Mr. Chairman, there are new contracts. They would cover a wide range, because they involve contracts with members of the university staff and so on. I'd have to get the details of those contracts.

MR. SINDLINGER: Mr. Chairman, I note from the annual report, page 5, the message from the hon. Minister of Energy and Natural Resources, that the

Alberta Oil Sands Technology and Research Authority ... was established in February, 1975, with research funds of \$100 million for its first 5-year program. Additional money has since been committed by the Alberta government for the 1980-1985 period, bringing AOSTRA's current total funding since its inception to approximately one-quarter billion dollars.

Mr. Chairman, I wonder if the minister might give us an idea of what the total commitment from the Alberta government to AOSTRA is for the period 1975-85?

MR. LEITCH: Mr. Chairman, my memory is that it's over \$400 million committed in the sense I earlier described, in that we've reviewed with AOSTRA various projects and approved them in the sense that, from our point of view, they were free to make commitments to those amounts, but of course always on the understand-

ing that the funds would have to be appropriated by the Legislature year by year.

MR. SINDLINGER: Mr. Chairman, a supplementary on that for greater understanding. When the minister gave us the details of the original estimated costs of the Peace River project, the Athabasca one, and Cold Lake, these were the *in situ* projects. Are the committed funds the minister was talking about part of this \$400 million? The problem I'm having is putting those numbers together with the expenditures that have already made to come up with the \$400 million. The bottom line of the question is: how much money have we really committed over the 10 years? The minister has indicated somewhere in the order of \$400 million, but I would suspect that when the minister originally came before the Legislature in regard to these projects or estimates for AOSTRA, there must have been some idea in regard to the total cost of the project over 10 years. Perhaps the minister might be a little more definite or specific in regard to what this project will cost us.

MR. LEITCH: Well, I'm not sure what the member is asking, Mr. Chairman. Is he asking for a list of the projects that we contemplate over that 10-year period will total the more than \$400 million I referred to?

MR. SINDLINGER: Mr. Chairman, I would like to get a list of all the projects being undertaken through AOSTRA, with details of original costs and the change in scope of the project, if there was any. Perhaps in doing that, we might have some indication of the expenditures to date. Again the question has already been asked: how much of this \$54 million will be expended for each one of the projects? We could have that as well. Perhaps the two final ones would be the estimate of future year costs for each project and the total estimated costs for each project.

MR. LEITCH: Mr. Chairman, I may have most of that information with me, if I may just have a moment to locate it.

Starting with the information centre, the funds committed to March 31, 1980, were \$3.1 million. In the year April 1, 1980, to March 31, 1981, the expenditures were \$313,017 and the total expenditures to that period were \$1,313,017. The unexpended portion of the total commitment is \$1,786,983, so it's anticipated the total cost to 1985 will be \$3.1 million.

With respect to the oil sands research centre ...

MR. SINDLINGER: Mr. Chairman, on a point of order. Just for clarification, please, Mr. Minister, you started out by saying \$3.18 million was committed in regard to the membership in the world information centre. You've just concluded by saying that the total cost of that project will be only \$3 million by 1985, so there's a difference of \$180,000. There's \$180,000 committed already, yet the minister is saying that when the project is over there will be even less than that by \$180,000. The numbers don't add up.

MR. LEITCH: I'd suggest the hon. member try another pencil. I started by saying the total committed — and that commitment had occurred prior to March 31, 1980 — was \$3.1 million and the total anticipated commitment over the 10-year period was \$3.1 million; that is, they didn't anticipate making any further commitments. The

total expended for the year — and I then referred to the year ending March 31, 1981 — was \$313,017, and there was a million that had been spent prior to that year end, bringing the total expenditures to 41,313,017 up to March 31, 1981. The unexpended portion of the commitment was \$1,786,983. Mr. Chairman, I believe that adds up to the \$3.1 million I began with.

With respect to the oil sands research centre, the commitments to March 31, 1980, were \$7,348,292. In the financial year ending March 31, 1981, there was an approval of \$2,019,735. The expenditures in that year were \$2,508,783, and expenditures up to that year were \$6,353,830, for a total of \$8,862,613. There was an unexpended portion, because a further approval of \$505,414 had been added to the original commitment prior to March 31, 1980. As part of the 10-year plan, \$8,631,973 was uncommitted, with an estimated total cost of the program to be \$18 million to the end of the 10-year period, that is the end of 1985.

With respect to the sample bank, \$365,188 committed to March 31, 1980. There were no commitments prior to that year. In the year ending March 31, 1981, there was an expenditure of \$218,361, and \$146,827 prior to that, for a total of \$365,188. In the 10-year plan \$634,812 was uncommitted, with a total anticipated cost of \$1 million at the end of 1985.

With the geological program, the commitment to March 31, 1980, was \$1,915,009. There had been no prior approvals. The expenditures in the year ending March 31, 1981, were \$353,952. There was \$67,842 to the prior year end, for a total of \$421,794. The uncommitted portion is \$684,991, and the total anticipated cost of the program would be \$2.6 million to the end of the 1985 year.

With respect to the program involving the Ontario Research Foundation, there was an approval of \$10,700 in the year ending March 31, 1981, and an expenditure during that year of \$4,477, leaving an unexpended portion of \$6,223. The total cost of that program to the end of 1985 is anticipated to be \$10,700.

The university research agreements were \$4,498,056 committed up to March 31, 1980. During that year another \$1,831,176 was approved, for a total of \$6,329,232. The expenditures were \$1,975,243 during the year ending March 31, 1981, and \$3,538,042 prior to that, for a total of \$5,513,285. The uncommitted funds are \$3,870,768, making a total projected cost of \$10.2 million to the end of 1985.

The university access program: \$100,000 was committed in the year ending March 31, 1980; \$26,882 expended during the year ending March 31, 1981. The unexpended portion is \$73,118. The total anticipated commitment over the 10-year period would be \$100,000.

With respect to the professorships program, \$603,006 was committed to March 31, 1980; a commitment during that year of an additional \$804,146, making a total commitment to the end of that period of \$1,407,152. Expenditures were \$353,814 during the year ending March 31, 1981, and \$530,230 prior to that, making a total expenditure of \$884,044 to that date. It's anticipated that \$2.6 million would be the total cost of the program for the 10-year period ending in '85, leaving an uncommitted fund of \$1,192,848.

With respect to the scholarships and fellowships program, \$700,000 was committed to March 31, 1980. There were no additional commitments during that year. Expenditures were \$85,131 for the year ending March 31, 1981, and \$415,507 prior to that, making a total expenditure of \$5,638 to that date. It's anticipated the program

would cost \$1,300,000 over a 10-year period, leaving an uncommitted fund of \$520,000.

The PRI program is not yet in place. It's expected it will cost \$2.5 million, and as yet no funds have been committed; the same with the CMG program of \$700,000 in each case, and the HRC program of \$1.3 million in each case.

Moving to the other areas, Mr. Chairman, which I have here under the heading Mining and Extraction. These really are broken down by processes, as opposed to particular projects. The Umatac process: committed to March 31, 1980, was \$3.9 million dollars. The approval during that year was \$1,991,000, for a total of \$5 million. Expenditures for the fiscal year ended March 31, 1981, were \$812,709; prior to that, \$2,285,423, for a total expenditure of \$3,098,213. The anticipated cost of that program would be \$6 million.

The Lurgi process, committed to March 31, 1980, was \$662,220. No additional funds were committed during that year. Expenditures during the year ended March 31, 1981, were \$239,075. Prior to that, \$382,090 was expended on that process, making a total of \$621,165. I don't have a number there for the anticipated cost at the end of 1985.

With the Retco process, \$438,600 was committed to March 31, 1980. During that year, there were approvals of an additional \$591,279, for a total \$1,029,879. In the year ended March 31, 1981, \$333,242 was expended, and prior to that, \$409,096, for a total expenditure of \$742,338.

The ecoplastics: \$45,119 was committed to March 31, 1980, with additional approval of \$18,119 during that year, for a total commitment of \$63,318. The expenditures during the year ended March 31, 1980, were \$16,830, and prior to that, \$43,088, making a total of \$59,918. Mr. Chairman, I believe the anticipated costs of those projects total \$11.4 million over the 10-year period, with the difference between the numbers I've given and that figure being uncommitted funds.

There's a tunnelling program: \$205,033 was committed prior to March 31, 1980. During that year, there was a net gain of \$27,643, which I assume is a payment from the participants, making a total of \$177,390. That's the sum that had been expended up to and including March 31, 1981. That was the anticipated total cost of the program.

Dredging: \$27,658 committed to March 31, 1980, and that number is the same throughout the whole period. It was expended in the year ended March 31, '81, and that was the anticipated total cost of the program. The dravo solvent program was \$26,343 and, again, was expended in the fiscal year ended March 31, 1981, and was the total cost of that program.

The oil sands demonstration centre, Mr. Chairman: during the year ended March 31, 1980, a \$75,000 expenditure was approved. During the year ended March 31, 1981, \$23,068 of that was expended. No moneys have been committed in respect to the dry process scale-up program, nor obviously have there been any expenditures made. There is a current forecast that there will be \$9.5 million expenditure on that program by the end of 1985. The same is true of the water dilutant process, although the number there is \$5 million. Surface mining is in the same category; the number is \$833,627.

The *in situ* oil sands projects — and we now come to the projects that have been under discussion. The Shell project: \$62,964,351 was committed to March 31, 1980, with no further commitments in that year. Expenditures

during the year ended March 31, 1981, were \$6,510,798; expenditures prior to that were \$42,826,780, with the total expenditure \$49,337,578. The projected cost was \$68.8 million.

The Amoco project, Mr. Chairman: \$25,169,608 was committed to March 31, 1980. In that year, \$1,777,500 was approved. Expenditures in the year ended March 31, 1981, were \$4,221,607. Expenditures prior to that were \$18,464,793. The total anticipated cost at the end of 1985 was \$27 million.

The British Petroleum project, committed to March 31, 1980, was \$11,016,300. A further \$10,935,200 was approved in that year. The expenditures for the year ended March 31, 1981, were \$991,585, with prior expenditures being \$8,304,365. The total anticipated cost of that project to 1985 would be \$28 million.

With respect to the Numac/Gulf project, the amount committed to March 31, 1980, was \$1,650,661, with a recovery of \$20,846 during the year ended March 31, 1981. Prior to that, \$1,470,345 had been expended. The total cost to the end of 1985 for that project is anticipated to be \$1.7 million. In respect of the Hudson's Bay project: prior to March 31, 1980, a commitment of \$100,000; in the year ended March 31, 1981, an expenditure of \$3,199; and for the preceding period, \$33,644. The anticipated cost to the end of 1985 for that project would be \$100,000.

For the Gulf Surmont project: committed prior to March 31, 1980, \$4,825,000; the approval in that year, \$27,643; the expenditures in the year ended March 31, 1981, \$3,101,732; prior to that, \$366,965. The total anticipated cost to the end of 1985 would be \$45.7 million. The Walden project was approved during the year ended March 31, 1980, in the sum of \$96,500; \$87,268 was expended during the year ended March 31, 1981; and the total anticipated cost to the end of 1985 would be \$96,500. The Geochem program was approved during the year ended March 31, 1981, for \$99,487. That sum was expended during that year, and that is the total cost of that program.

The advanced steam process is not yet committed or any funds expended on it. It's anticipated that would cost \$10.1 million. It is estimated that the extension of some of the above pilot projects which have not been committed as yet would involve an expenditure of \$5.1 million. It's estimated that new processes, which again have not been approved or any commitments made, would cost a total of \$17 million.

Mr. Chairman, the project with Union Oil in the carbonate trend: committed to March 31, 1980, \$7,287,150; approved during that year, an additional \$1,986,000; the expenditures for the year ended March 31, 1981, \$2,111,852; prior to that, \$5,293,165. The total anticipated cost of that program was \$27.2 million. In the bitumen upgrading programs, the first is flexicoking, for which \$500,000 was committed to March 31, 1981, and \$353,829 expended prior to that year. It's expected that the total cost will be \$500,000. The hydrocracking program: committed to March 31, 1980, \$214,520. That sum was expended prior to the year ended March 31, 1981, and is the total cost of that program. The UOP program: \$176,183 committed prior to March 31, 1980. It was expended prior to the fiscal year ended March 31, 1981, and that is the total cost of that program.

The petrochemicals and Mitsubishi program: committed to March 31, 1980, \$679,500; expended during the year ended March 31, 1981, \$2,877; and prior to that, \$670,124. The total anticipated cost of that program was

\$700,000. The Catalytic program: \$135,000 committed to March 31, 1980; approved during the year ended March 31, 1981, \$33,000; and expended during that year, \$144,685. That is the total expended on that program. It's expected that the total cost will be \$168,000. The heavy oil upgrading study: \$100,000 committed during the year ended March 31, 1981, and \$65,158 expended during that year. The total anticipated cost of that program to 1985 will be \$2 million. And again, Mr. Chairman, we're contemplating some new processes that over the 10-year period ending in 1985 will cost \$7,741,297, but none of those have been committed or approved as yet.

In respect of the heavy oil projects, Mr. Chairman, the Petro-Canada project: committed to March 31, 1980, \$9,430,546; and approved during the year ended March 31, 1981, \$27,500; bringing the total to \$9,458,046. Expenditures during the year ended March 31, 1981, were \$1,135,972; and prior to that year, \$6,090,818. The total anticipated cost to the end of 1985 will be \$10.7 million. The program with the Alberta Energy Company in the Suffield Block: committed to March 31, 1980, \$4,975,000. No additional commitments during the year ended March 31, 1981, but expenditures during that year were \$2,747,632; and prior to that year, \$58,696. The anticipated cost of the program to the end of 1985 is \$5 million. The Pengalta project: committed to March 31, 1980, \$18,000; expended during the year ended March 31, 1981, \$417; prior expenditures, \$17,570; for a total cost of \$18,000. We have included in the contemplated programs to the end of 1985 for new pilots in the heavy oil area, \$13,582,000.

Mr. Chairman, under the heading of technology handling: \$353,495 committed to March 31, 1980; approval during the year ended March 31, 1981, \$334,600; expended during that year, \$116,073; and in years prior to that, \$319,844. The total anticipated cost to the end of 1985 was \$1.5 million. In enhanced recovery: committed to March 31, 1980, \$100,000; expended during the year ended March 31, 1981, \$20,669; prior to that, \$14,888. There is an anticipated expenditure to the end of 1985 of \$72.5 million. With respect to patents: committed to March 31, 1980, \$500,000; expended during the year ended March 31, 1981, \$66,184; in prior years, \$78,623. It's anticipated that the total cost of that will be \$500,000.

Training activities: \$20,000 committed to March 31, 1980; \$515,000 committed during the year ended March 31, 1981. In that year \$200,440 was expended, and the projected cost to the end of 1985 would be \$1.2 million. Then international activities, Mr. Chairman: \$55,000 was committed to March 31, 1980; and in the year ended March 31, 1981, there was a further commitment of \$290,000. The expenditures to March 31, 1981, were \$177,004, and the projected cost over that 10-year period would be \$500,000; making totals committed to March 31, 1981, of \$153,230,268; approved during the year ended March 31, 1981, \$23,727,887; and expended during the year ended March 31, 1981, \$29,160,407; in prior years \$100,189,117 had been expended for a total of \$129,349,520.

Of that \$128.9 million had been provided from heritage trust fund appropriations. The balance, I believe, Mr. Chairman, came from the revenues earned by the sale of technology by AO STRA. So the total projected cost of the programs I just reviewed to the end of 1985 would be \$418,700,000.

MR. CRAWFORD: Mr. Chairman, I move the committee rise, report progress, and ask 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 on same, 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 to tomorrow's business, it may be that several Bills will be ready for

second reading, certainly Bill No. 82. I haven't had a request to hold any particular Bill, but some will not be proceeded with at once in any event. The most likely ones which might also be ready, given the availability of the sponsors of those Bills, would be Bills 66 and 85, in addition to the one mentioned. Other than that, Mr. Speaker, we would propose to do committee study of Bills tomorrow and, if there's time after some of those have been dealt with, Committee of Supply.

[At 10:55 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]