

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Monday, November 9, 1981 2:30 p.m.**

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

**PRAYERS**

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS**

**Bill 95**  
**Landlord and Tenant**  
**Amendment Act, 1981**

MR. KOZIAK: Mr. Speaker, I beg leave to introduce Bill 95, the Landlord and Tenant Amendment Act, 1981. The Bill recognizes the general increase in interest rates that has taken place since the original Act was passed in 1979, by doubling from 6 per cent to 12 per cent the interest required to be paid on security deposits.

[Leave granted; Bill 95 read a first time]

**Bill 89**  
**Solicitor General Statutes**  
**Amendment Act, 1981**

MR. HARLE: Mr. Speaker, I beg leave to introduce Bill 89, the Solicitor General Statutes Amendment Act, 1981.

The purpose of the Bill is to amend three statutes. The first is The Motor Vehicle Accident Claims Act, to provide for a deductible of \$200 for all property damage claims, thereby eliminating the principle of full recovery when a claim exceeds the amount now specified in the Bill.

The amendment to The Motor Vehicle Administration Act is to ensure an automatic six-month suspension of a licence following a conviction for driving while suspended. That of course has been affected by the decision in the Supreme Court of Canada, which ruled that Section 238 of the Criminal Code was beyond the legislative capacity of Parliament.

There's an amendment to raise the level of reportable accidents to \$500 from the present \$350. That same purpose is also contained in an amendment to The Off-highway Vehicle Act.

[Leave granted; Bill 89 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. LEITCH: Mr. Speaker, I would like to table the annual report of the Alberta Oil Sands Technology and Research Authority for the period ended March 31, 1981.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. BRADLEY: Mr. Speaker, it is my distinct pleasure today to introduce two visitors from the municipality of Crowsnest Pass. As hon. members will recollect, the

municipality of Crowsnest Pass was a creation of this Legislature. It came into effect on January 1, 1979, when the former towns of Blairmore and Coleman, the villages of Bellevue and Frank, and an area of ID No. 5 which contains nine hamlets, were brought together to form this exciting municipality. In area, it is the third largest urban municipality in the province, and the 14th largest by population.

Seated in the members gallery are His Worship Dr. John Irwin, the mayor of the municipality of Crowsnest Pass, and Councillor Geoff Peter. They are in the city today to meet with members of the government to discuss the exciting challenges which face that municipality. I ask them to rise and receive the welcome of the Assembly.

MRS. FYFE: Mr. Speaker, this afternoon I would like to introduce to you and to other members of the Assembly 55 grade 5 students from the Wild Rose elementary school in the city of St. Albert. Accompanied by their teacher Mr. David Rush, they are seated in the members gallery. I'd ask them to stand and be recognized by the Assembly.

head: **ORAL QUESTION PERIOD****Heritage Trust Fund Auditing**

MR. R. SPEAKER: Mr. Speaker, my question to the Provincial Treasurer is with regard to the \$60 million loss of the Heritage Savings Trust Fund. As we've clarified in this Legislature, management letters are not included in audit working papers. Over the past week or few days, I wonder if the minister has had the opportunity of reviewing his earlier decision not to provide us with management documents in this Legislature. Would the Provincial Treasurer consider doing that today?

MR. HYNDMAN: Mr. Speaker, as I've indicated before, I think the law is clear as to the definition of that section of the Act, and that the Act is very clear in stating that those documents cannot be tabled. I guess the best evidence of that is the fact that the hon. opposition leader has brought in a private member's Bill of purporting to change the law to something else.

MR. R. SPEAKER: Mr. Speaker, the Provincial Treasurer is again making inaccurate statements. My supplementary question: why does the Provincial Treasurer not make every attempt to present those documents to this Legislature, so that we can see what is going on behind the scenes? At the present time, we don't know why the \$60 million was lost. Has the Provincial Treasurer attempted to pursue every avenue that could make those documents available to this Legislature?

MR. HYNDMAN: Mr. Speaker, again the hon. Leader of the Opposition is distorting the entire subject of the suggested \$60 million. As I pointed out before, over three years there were profits of approximately \$1.6 billion of the fund, and losses of some \$60 million, which related to investment decisions deliberately taken. As I've indicated in the past, every managed bond portfolio in this country and on this continent has deliberately made decisions which would result in realized losses of that kind, during a time when there is a volatile interest rate situation such as we've seen over the past two to three years.

As well, when he talks about losses, he should bear in

mind the fact that the independent Auditor General has reviewed in very great depth the total operation of the heritage fund and has confirmed that not one dollar has been misappropriated, not accounted for, or mislaid, and that there is no fraud or collusion. So the suggestion that there is a loss, in the meaning of the hon. gentleman's terms, is completely wrong.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. The Provincial Treasurer can say there may not have been a loss. Let's class it as mismanagement. There has been mismanagement of this fund. [interjections] The fund lost money for three years, to an accumulated total of \$60 million. Could the Provincial Treasurer account for the realized losses for the first two years, and what documents will the Provincial Treasurer make available?

MR. HYNDMAN: Mr. Speaker, the Auditor General has reviewed the heritage fund in total. He has reviewed the losses, and he has said there is no mismanagement. This government stands by the Auditor General's recommendations, approvals, and suggestions for change. So again, I'm puzzled as to why the opposition leader insists on attacking the credibility of the Auditor General.

MR. R. SPEAKER: Mr. Speaker, that's distortion and untrue. [interjections] Both. I'm not talking about the Auditor General. I'm talking about management documents sent to the Provincial Treasurer and the Deputy Provincial Treasurer for their use to straighten out the mess they had created.

Mr. Speaker, to the Provincial Treasurer. There are three of those documents. Will the Provincial Treasurer consider tabling all three that are within the law to be tabled? There is no law prohibiting their being tabled.

MR. HYNDMAN: Mr. Speaker, I'm really at a loss to understand why the hon. member then brings in a Bill saying that the law should be changed so we can do what he's suggesting. By bringing in that Bill — and that Bill can be debated in the future — he has admitted that he may not be happy with the existing law, but he concedes that the existing law of this province is that those letters should not be made public and should not be tabled.

MR. NOTLEY: A supplementary question to the hon. minister. We have the Auditor General's report indicating concern. My question to the minister, though: were any management letters received prior to the letter that was disclosed indicating concern about the management procedures in the operation of the heritage trust fund?

MR. HYNDMAN: Mr. Speaker, as I think is indicated in the Auditor General's reports — it could be the first report — a continuous number of management letters, audit advice letters, are being prepared by the Auditor in his functions in proceeding with his obligations under the Act, wherein he indicates suggestions for improvement, change, and tightening up. As we all know, only those items which are substantial or significant and that have not been cleared up appear in the Auditor General's annual report. So the annual report of the Auditor General is the important document, because items which are not in that annual report have automatically been cleared up to the satisfaction of the Auditor General. I would imagine there have been letters with regard to most departments, and certainly other years of the heritage fund.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister for clarification. In February, we have the Auditor General expressing the concern that all members are aware of. However, my question to the minister: were letters sent to either the minister or the Deputy Provincial Treasurer with respect to procedures, the operation of the fund, expressing concern about those procedures, prior to the memo which was leaked and is now available for public information?

MR. HYNDMAN: To my knowledge, Mr. Speaker, no there were none.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Provincial Treasurer with regard to the question I raised a few moments ago about three years going by and a realized loss of \$60 million accumulating. Could the minister indicate what steps were taken in years one and two to deal with these realized losses during those times? Why were the losses allowed to go on for a three-year period?

MR. HYNDMAN: Mr. Speaker, I spoke about that at some considerable length in the heritage fund committee. I indicated the background policies which related to investments made when the fund began and as that proceeded down the years. I indicated the situations in which there were unrealized and realized losses, what those were, why they were taken, the fact that those kinds of decisions were taken by any and every managed bond portfolio, and that they were valid and proper investment decisions for the purpose of maximizing the returns on the heritage fund.

MR. R. SPEAKER: Mr. Speaker, the minister can make all the statements he wants. But the question to the Provincial Treasurer: does the Provincial Treasurer agree that working papers of the Auditor General include copies of letters that have been directed to the minister and deputy minister but do not include the actual letters the minister or the deputy minister of his department receive?

MR. HYNDMAN: Mr. Speaker, in my view the definition is crystal clear. The Act, passed by this Assembly, very clearly indicates that those letters had ordered to — and I've indicated the two basic reasons. Firstly, in making public all the audit advice, the reasons and suggested improvements an Auditor General may make — in this case back in '79, of course; that's the time period we're talking about — you are therefore certainly not helping, and probably opening to a weakening of the control systems. Secondly, you do not have the necessary candor and frankness you want, and which we are lucky to have the benefit of from the Auditor General, with respect to various operations of government. This is the kind of advice every Auditor General in every government in this country gives to government from time to time for the improvement of systems. That's the very appropriate part of the audit system.

MR. R. SPEAKER: Mr. Speaker, I believe public business should be done in public. For the information of the Assembly, I'd like to table a copy of pages from the manual of the Canadian Institute of Chartered Accountants, which points out that only the copies kept in the Auditor General's reports are working documents, but those sent to ministers are not. I don't see how the

minister can make a case today to keep them and not provide them for this Legislature.

MR. HYNDMAN: Mr. Speaker, to argue that a copy of something is proper to table when the original is not seems to me to be almost Alice in Wonderland.. [interjections]

MR. R. SPEAKER: Get a legal opinion. Get a good lawyer.

MR. NOTLEY: Mr. Speaker, a supplementary to the minister. We have the Auditor General indicating serious concern about the operation, the procedures. [interjection] Yes, there's no question about that in the document. Whether or not the money was lost is aside from the fact that concern was expressed about the procedures.

My question to the minister: on what basis were changes not made by the government in the ongoing review of the operations of the heritage trust fund? Why did they have to wait for the report by the Auditor General before making some fairly simple, elementary reforms and changes to protect public dollars?

MR. HYNDMAN: Mr. Speaker, changes were made and have been made continuously ever since the fund was devised. As a result of discussions with and the audit advice letters of the Auditor General, a series of changes is constantly being made to update and improve the system. I think in the committee on the Heritage Savings Trust Fund, about four weeks ago, a number of questions were posed as to what changes were made in the system and what the system was. I indicated that in committee study of the Bill on the Order Paper today, I would be prepared and happy to indicate what the system was, how the systems worked, and how they had evolved over the years. So I'm certainly prepared to do that.

The suggestion of serious concern, though, by the hon. member is incorrect. Serious concerns of the Auditor General, if they are serious, appear only in the annual reports. Those which are not in the annual reports are not significant or material, as the law says.

MR. NOTLEY: Mr. Speaker, that certainly does become a matter of opinion, in view of the fact that the Auditor General said there's a possibility of collusion, and that certainly is serious to some of us. Perhaps that is a matter of opinion, but not to most Albertans.

However, my question to the minister: with particular respect to the reservations expressed by the Auditor General about the procedures for investing money, why were no changes made before? This government is continually reviewing that. Why were no changes made until we got the management letter?

MR. HYNDMAN: Mr. Speaker, I'm not sure of the time line the hon. member is talking about. But if the Auditor General finds or suggests improvements or changes, and if they are agreed to by the government — as they are in most cases — they're put into effect as soon as reasonably possible. So to suggest that the changes and improvements recommended are not put into effect is wrong.

You know, the hon. member is talking about suggestions with regard to fraud and collusion. In doing that, he is putting a cloud over very loyal employees and hard-working people in the government, also the private sector investment industry. So if he's going to talk about fraud

or collusion, I suggest he come up with evidence, and either put up or be quiet on that topic.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Once again, the minister is dragging a blue herring across the road. [interjections]

The issue is very clear: surely this government is not just going to . . .

MR. SPEAKER: Order please. Has the hon. member a question different from one he's asked before?

MR. NOTLEY: Yes, Mr. Speaker. My question to the minister is that surely any government is going to be reviewing procedures [interjections] and improving them on their own, not . . .

MR. SPEAKER: Order please. If the hon. member wishes to ask a question, fine. If he doesn't, would he please retain his seat.

MR. NOTLEY: Well, Mr. Speaker, to the minister. Why was no change made in the procedures before the management letter was received by the Auditor General?

MR. SPEAKER: With great respect, that's the same question that's been asked twice.

#### Land Tenure Program

MR. R. SPEAKER: Mr. Speaker, my second question was to the Minister of Federal and Intergovernmental Affairs, relative to aboriginal rights and the reason Alberta and British Columbia didn't agree with them. I'll hold that question until the minister returns.

In line with that, I'd like to ask the Minister of Municipal Affairs whether he has reconsidered the approach the department is using with regard to land rights in terms of the Lubicon Lake Band, in light of the discussion going on at the present time in terms of aboriginal rights and the constitution.

MR. MOORE: Mr. Speaker, my office has very little to do with any particular claims by the Lubicon Lake Band that might now be in process. My responsibility has been to carry out, through the land tenure program, the mandate to provide titled land to native people for residential purposes throughout northern Alberta where there no reservations were in place. That is proceeding in Little Buffalo, as it is in a number of other communities.

MR. R. SPEAKER: Mr. Speaker, has the minister had any requests from the chiefs of those respective areas to hold or delay the land tenure program?

MR. MOORE: Yes we have, Mr. Speaker. At the same time, we've had requests from Metis people in those communities to continue the land tenure program. As I have explained in this Legislature on other occasions, it is not my intention to alter or cancel a program designed for the benefit of all the peoples of that particular area only to please a few. So as I said earlier, Mr. Speaker, we will be continuing with the land tenure program in the Little Buffalo community. However, we have advised that those persons who do not wish to take advantage of such a program at this time have no requirement to do so. But to deny the legitimate aspirations of some who want title to their land, at the request of those who are following up

on a land claim which may or may not be successful and may or may not apply to the entire community, in my view would not be filling the mandate we have a responsibility for.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. Since aboriginal rights were left out of the agreement relative to the constitution, has the minister planned any series of meetings with the various bands and Metis groups to assure himself of their present positions?

MR. MOORE: No, Mr. Speaker.

#### **Constitution — Aboriginal Rights**

MR. PAHL: Mr. Speaker, a supplementary question to the Minister responsible for Native Affairs. Could the minister advise the Assembly as to whether he's had any representations from native Albertans to involve himself in the process of constitutional debate with respect to the natives' concerns?

DR. McCRIMMON: Mr. Speaker, I think it's a little premature for that. As I understand it, the native chiefs from the Indian Association of Alberta are meeting this week. They will probably be in touch with the province to have meetings at a future date. A meeting has been set up next week with the president of the Metis Association of Alberta and the government of Alberta. Initial discussions will probably be taking place at that time. As there is a year within which these discussions can take place before decisions have to be taken and representation made at the federal level, I am sure future meetings will take place with both the Metis Association and the Indian Association of Alberta.

MR. L. CLARK: Mr. Speaker, a supplementary question. Could the minister inform the Assembly whether individual bands as well as the associations will be able to make representation to the government in regard to constitutional changes?

DR. McCRIMMON: Mr. Speaker, this government has been very open to listening to all representations from any and all native people with respect to their problems. I'm sure this will be no exception.

MR. NOTLEY: Mr. Speaker, in the absence of the Premier and the Minister of Federal and Intergovernmental Affairs, I'd like to direct this question to the Attorney General. It deals with the aboriginal rights question. I know that the Attorney General is very close to the negotiations.

As background, Mr. Speaker, just a few minutes ago the Premier of Saskatchewan indicated that the province of Saskatchewan would have no objection should the federal government decide to reinstate the aboriginal and treaty Indian sections of the constitution's charter of rights, particularly with respect to Section 34 of the proposed charter of rights. Mr. Speaker, my question — and I think it would be helpful for the debate tomorrow — is: is the Attorney General in a position to advise the House that Alberta would in the same instance have no objection should the federal government reinstate Section 34 of the charter of rights?

MR. CRAWFORD: Mr. Speaker, I don't feel I am in a position to answer for the Minister of Federal and Intergovernmental Affairs in regard to a policy matter relative to the accord signed last week. On that basis, I would defer it until he's able to be here.

My only observation, however, is that the hon. member is presenting a report of something that is said to have happened. I could only note that if the position the Saskatchewan government is taking according to the report is in fact their position, it does not seem to me to be consistent with what was agreed to last week.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Attorney General. Given that historical and constitutional responsibility for Indians rests with the federal government — the Supreme Court has confirmed this many times — and given the spirited defence of constitutional convention by this government, especially since the Supreme Court decision on the federal resolution, would the government of Alberta support or accept the non-applicability of the notwithstanding clause to those sections dealing with aboriginal treaty provisions still within the charter? In this case, this clause would have the effect of giving provinces jurisdiction with regard to Indians, contrary to constitutional convention.

MR. CRAWFORD: I think I can be more brief this time, but begin my answer in a similar way, Mr. Speaker. The hon. member is asking in respect of a major policy matter. In the absence of the Minister of Federal and Intergovernmental Affairs, I can only take such a question as notice.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister responsible for Native Affairs. Is the minister in a position to advise the Assembly today — and again it would be useful before the debate tomorrow — whether any agreement coming out of the proposed conference on native and aboriginal rights to be held within a year, would in fact be subject to the rules for amending the constitution laid out in the accord of last week, including the opting-out provision?

MR. SPEAKER: The hon. member seems to be asking a question of opinion and interpretation concerning a document which is public, and the hon. member is entitled to have an opinion the same as anyone else.

MR. NOTLEY: Mr. Speaker, because of uncertainty over the matter, is the hon. minister in a position to clarify for the Assembly what information he has received in terms of this proposed conference at this stage?

DR. McCRIMMON: Mr. Speaker, quite frankly I still only have a draft copy; I don't have a final copy. So I would probably like to get some constitutional legal advice and discussion with the native people in the province before I'd answer a question of that calibre.

#### **Extended Flat Rate Calling**

DR. BUCK: Mr. Speaker, my question to the Associate Minister of Telephones is a follow-up to the question I asked on extended flat rate dialing. Is the minister in a position to indicate if consideration is being given to changing the policy on extended flat rate dialing?

DR. WEBBER: Mr. Speaker, a number of exchanges will be coming into the extended flat rate calling program in Alberta in the next year. Whether the mileage limit, which is 34 miles, will be extended is under consideration at the present time.

With respect to the concern the hon. member raised several weeks ago, however, Lamont would not qualify even with the extension of the mileage. The town of Lamont has Fort Saskatchewan as its closest market centre, and the policy was not to by-pass the nearest market centre to go to another market centre.

DR. BUCK: Mr. Speaker, can the minister indicate what consideration has been given so that people who ballot have more of a choice than yes or yes, as in the Soviet Union, where you can just vote one way? My question is: if the people want a choice, is the minister considering giving them a choice by asking, on the ballot, if would they like to call the neighboring town or the city of Edmonton? Mr. Speaker, that is the question I'm asking: is there going to be a change in policy?

DR. WEBBER: Mr. Speaker, a number of criteria are outlined with regard to having standard flat rate calling apply to a particular community. I just outlined one of the criteria: that a market centre not be by-passed. That is considered to be the market centre for the town of Lamont, so it will not be by-passed.

In terms of the flat rate calling program, certainly hon. members of the Legislature have brought to my attention boundary problems and problems related to approaching a market centre beyond the 34-mile limit in a number of communities in the province. The experimental program we are initiating next summer will hopefully be a positive one, and we'll see whether or not some of these problems can be resolved by a different approach.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. In the minister's review of this program, can he indicate how many community areas across the province of Alberta are unable to telephone their marketing centre directly, without charge?

MR. SPEAKER: Unless the minister is possessed of a phenomenal expanse of knowledge, this would appear to be the kind of question that should be on the Order Paper.

MR. R. SPEAKER: Mr. Speaker, the minister has taken a year to review the matter and, I understand, has the figure available to him.

DR. WEBBER: Mr. Speaker, I don't recall the exact number. If I'm not mistaken, some 250 to 270 exchanges in the province have flat rate calling, and I think 40 to 50 don't.

DR. BUCK: Mr. Speaker, a supplementary question. In light of the fact that people in Bruderheim and Lamont will not have the option of voting on where they would like to have extended flat rate calling, can the minister indicate the situation in the Redwater area where people apparently have been promised extended flat rate calling but, as far as I can understand, will not have the problem of going through a market centre?

DR. WEBBER: Mr. Speaker, as I have mentioned, some 250 to 270 in the province have flat rate calling. I don't

remember the details of the Redwater case. I would follow it up for the hon. member and find out for him.

MRS. CRIPPS: A supplementary, Mr. Speaker. Can the minister assure that the 40 or 50 places which do not now have access to extended flat rate calling will be given consideration before changing the boundaries of places that already have that service?

DR. WEBBER: Mr. Speaker, there are no plans for changing the boundaries of the exchanges in the province of Alberta. As I mentioned, A G T is looking at the possibility of extending the mileage limit. However, if the program I've indicated to a number of members and announced in the House earlier proves successful, it will resolve a lot of the boundary problems.

MR. L. CLARK: A supplementary, Mr. Speaker. Could the minister inform the Assembly whether or not the 34-mile limit will be fully carried out through all the province before he starts extending districts beyond 34 miles?

DR. WEBBER: Yes, Mr. Speaker, that's the plan.

#### **Tuition Fees**

MR. R. CLARK: Mr. Speaker, I'd like to direct a question to the Minister of Advanced Education and Manpower. It's a result of the visits made to a number of MLAs this morning by representatives of the Federation of Alberta Students. Having regard to the fact that the federal budget is coming down this Thursday — unless it's put off once again — what contingency plans does the province of Alberta, especially the minister's department, have in place to guarantee that Alberta students will not have to pick up increases in tuition fees as a result of anticipated federal government cutbacks to postsecondary education financing?

MR. HORSMAN: Mr. Speaker, I appreciate the question the hon. member has asked, but I find it somewhat puzzling. As I understand it, this year's money from the federal government — in the case of Alberta, \$142 million by way of cash payments — has been received and is part of this year's budget. Of course, any action on the part of the federal government which might relate to a future year's budget would not impact upon Alberta or other provinces until next year's budget on April 1, 1982. So while I appreciate the concern expressed and, I think, inherent in the hon. member's question, I don't think there is any necessity to have a contingency plan for the current budget which, as all members know, is well known to all institutions and students in this province.

MR. R. CLARK: Mr. Speaker, a supplementary question to the minister. Having regard for the recommendations of the Foster report, which says that in the next 15 years there will be a need for one million highly skilled professional, management, technical, and trade personnel in the province, and going to the nub of the question, which is basically this question of tuition fees, and regarding the fact that students now pay in the vicinity of 10 per cent of the cost of instruction in tuition fees, is the minister in a position to give a commitment to the Assembly that there will be no increase in tuition fees greater than the 10 per cent students now pay, using 10 per cent as a ballpark

figure for most faculties? Is it possible for the minister to make that sort of commitment?

MR. HORSMAN: Mr. Speaker, on the subject of tuition fees, several months ago I met with student presidents from all institutions in this province and, subsequent to that, circulated to all boards of governors of institutions seven options for the development of a long-term tuition fee policy for Alberta. I had asked that all responses from each group be received by my office by the first of this month. I think most have now complied with my request, and we are in the process of reviewing a long-term tuition fee policy.

I must say that trying to use 10 per cent as a global percentage is somewhat difficult, because in fact the figures go from anywhere between 3 per cent in some institutions to as high as 17 to 18 per cent in others in Alberta. But, of course, the policy of this government has been to review very carefully the impact of tuition fees on students and on institutions. We have not agreed to increasing tuition fees in the current school year, as has been requested by some boards of governors, pending this long-term review I alluded to. So I can't give an undertaking with respect to a fixed percentage of tuition fees relating to the total costs of operating the various institutions, because it would be very difficult to apply on a uniform basis, even within our system in this province.

MR. R. CLARK: Mr. Speaker, now that the minister has the information from the various institutions with regard to this whole question of student fees and the options the minister put out, could the minister indicate to the Assembly the procedure he will use? What steps will the minister now be following, and what's the anticipated time of a decision with regard to the future of tuition fees?

MR. HORSMAN: Mr. Speaker, I hope to have a review, a precis or analysis of the various views of the institutions. I might say that in addition to having just requested the information, a team from my department met with each institution and the various components, including students, over the last several months. I will now review with that departmental team what they have learned and what has come forward. I then propose to take that information to my colleagues in the caucus committee on education and, from there, hopefully review it within the committee system of the government and have a decision made by our government caucus, so it will be announced well in advance of the time universities, colleges, and technical institutions have to announce to their students tuition fee levels for 1982, which would be towards the end of January 1982.

#### **Student Assistance**

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. The minister has mentioned tuition fees. What specific review is being made of the question of student assistance in general, at this stage?

MR. HORSMAN: Mr. Speaker, I thank the hon. member for asking that question. As hon. members know, we have been conducting a joint review with the federal officials, through a task force, over the last two years. The task force has now reported to the public and had responses to their original recommendations. The council of ministers considered those recommendations at their

most recent meeting in September in St. John's, Newfoundland.

Within the month, I hope to meet with the new federal minister responsible, Mr. Regan. Having just assumed that responsibility, I understand he has put off meeting with us until the federal budget has been announced. I'm not certain what implications that may have. But in any event, from very recent information, I understand that the meeting with the federal officials will take place within a month, at which time we'll hopefully be able to make a full decision with respect to the whole question related to the task force on student assistance.

MR. NOTLEY: Mr. Speaker, a supplementary question for clarification. I thought I heard the minister say the final report of the task force has been made public. I was under the impression it had not and was not going to be. I wonder if the minister could clarify that. Once receiving the final report, is it the intention of the government to table it in the Legislature?

MR. HORSMAN: Mr. Speaker, I should clarify that. The original recommendations of the task force were made public. Then, at the request of the then Secretary of State, the Hon. Francis Fox, there was further review, by participants, of the task force suggestions. They weren't recommendations; they were suggestions as to alternatives: I guess that's the best way to put it. A review of the analysis of the responses to the task force has been made public.

The final recommendations of the task force have not been made public and will not be made public, if they are, until after the meeting between federal and provincial officials which I've indicated will take place within the month, I hope. Then, of course, if a common position is in fact arrived at between federal and provincial officials, certainly the ultimate decision will be made public because public policy will flow from that decision.

MR. NOTLEY: Mr. Speaker, a supplementary question. Given the widespread interest in the matter, will the minister assure the House that he will recommend to his colleagues that the final report — the report, as opposed to the action — be made public, so not just the ministers but other stakeholder groups can have access to this information?

MR. HORSMAN: That decision will have to await the meeting I've indicated between federal and provincial officials.

#### **Tuition Fees** (continued)

MR. R. CLARK: Mr. Speaker, to the minister. What's the present status of the request made by a number of groups to the minister for an accessibility survey which would deal with an attempt to find out the effects of increased tuition fees on accessibility to postsecondary institutions?

MR. HORSMAN: That request was made by the Federation of Alberta Students. I'll be meeting with their executive later on today and discussing that with them further. At the present time, we have not made a final decision. In my mind, there are several concerns I want to raise with them as to how such a study might be carried out. I'll be

doing that later on today. At the present time, we have not made the determination on the request.

### **Nursing Shortage**

MR. MANDEVILLE: Mr. Speaker, my question, also to the hon. Minister of Advanced Education and Manpower, is with regard to the shortage of nurses we're facing in the province of Alberta and the problem of getting nurses into the profession. What steps is the Department of Advanced Education and Manpower taking to encourage students to take nursing training in the province of Alberta?

MR. HORSMAN: Mr. Speaker, I think a number of questions relating to the subject of nursing were raised in the last couple of weeks. Those were responded to in part by my colleague the hon. Minister of Hospitals and Medical Care. I should indicate that as hon. members are aware, we have introduced a new committee, called an implementation committee, to deal with many of the recommendations government has received over the past several years with respect to nursing.

At the present time, 11 basic nursing education programs are in existence. We are now involved in instituting new nursing programs at Grande Prairie Regional College and at Keyano College. As a matter of fact, a special warrant was passed just before the session to permit the Grande Prairie program to start its intake of nursing students in 1982, rather than the earlier estimate of 1983. We're bringing that particular program forward.

In a general way, though, I can indicate that quota changes in basic nursing education programs in Alberta have shown an increase over the last year: 8.8 per cent in the degree program, 14.5 per cent in the colleges' program, and 10.5 per cent in the hospitals' program, for an increase in quotas of almost 12 per cent in one year, which is a very significant number; along with the increase in refresher programs which, I can indicate to the House, now have attracted 536 students through additional funding this year. That is a very significant step forward and, I might add, at much less cost, in terms of students, than training new nurses. In all, we are attracting more students into our nursing programs, and we are attracting back many more through refresher nursing programs. Furthermore, we are proceeding with the implementation of two new schools of nursing for the province of Alberta.

MR. MANDEVILLE: A supplementary question. Could the hon. Minister of Hospitals and Medical Care indicate if he has discussed with the committee studying them, the proposals sent in by the Alberta Hospital Association in 1980? I think some 40 recommendations and proposals on solving the shortage of nurses in the province were sent in to the department in that year. Has the committee made any recommendations on these proposals?

MR. RUSSELL: Mr. Speaker, we have department representation on that committee, and there is ongoing discussion with the AHA. I don't have the list of recommendations in front of me, but I can assure the hon. member that a lot of them were implemented, or will be implemented. As you know, some of those are the responsibility of the AHA and came about as a matter of the last contract signed with the United Nurses of Alberta.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. The minister indicated that to solve some of the shortage in the province of Alberta, they were getting nurses from other provinces. What is the method of preventing our nurses from going to other provinces like B.C., where the salaries are higher?

MR. RUSSELL: Mr. Speaker, it's, part of the normal movement within the country. People are always moving from province to province. As you know, there's a high immigration rate into Alberta at the present time; married couples or single people coming here for a variety of reasons. Many of those people are nurses, and every attempt is made to attract them to the work force. The other method by which out-of-province nurses are given job opportunities here is by direct recruitment of individual hospital boards, either by way of advertising or personal visits by teams of recruiters to other parts of the country.

MR. MANDEVILLE: A further supplementary question, Mr. Speaker. The minister indicated that over \$1 billion is going to be spent on new hospitals in the province over the next short period of time. Does the minister anticipate there will be enough nurses to staff these hospitals when they're completed?

MR. RUSSELL: Mr. Speaker, we're certainly doing everything we can to ensure that the staff is there. I mentioned before in the House that supply of nurses seems to be a cyclical thing in North America. Right now, we're in a cycle of short supply. I don't mean to underestimate the severity of the problem by mentioning that. We're going on with construction of these new facilities with some confidence that the staff will be there, because of the steps we're taking and because of things that will naturally occur.

### **Tuition Fees**

*(continued)*

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Advanced Education and Manpower. It deals with the follow-up question raised by the Member for Olds-Didsbury, with respect to university accessibility. What position has the government of Alberta taken and, beyond that, what assessment has the federal/provincial task force given to the proposal of the National Union of Students for an all-grants system of student assistance?

MR. HORSMAN: Mr. Speaker, that matter is being considered as part of the task force mandate. But until such time as I've concluded my discussions with my colleagues in other provinces and the federal government, I'm afraid I just can't answer the question posed by the hon. Member for Spirit River-Fairview.

### **Tuition Fees**

*(continued)*

MR. HORSMAN: While I'm on my feet, perhaps I could supplement part of my answer to an earlier question with respect to tuition fee policy. I didn't want to leave the impression that the matter of tuition fees, as part of the overall policy of the government, would not come before the members of this Assembly. Indeed, it will, if it requires amendments to the present legislation which, for

example, presently has approval of tuition fees in the hands of the Minister of Advanced Education and Manpower as part of the final decision-making process. If amendments to the legislation are required, of course they would be introduced for the Assembly to consider. Furthermore, any budgetary implications for a tuition fee policy would also have to be considered as part of the budgetary considerations when the next budget comes before the Assembly. I didn't want to leave the impression that the final decision is made by caucus. Of course it isn't; it's made by this entire Assembly.

MR. SPEAKER: The time for the question period has elapsed. But if the House agrees, possibly the hon. Associate Minister of Telephones could supplement an answer given earlier in the question period.

**Extended Flat Rate Calling**  
(continued)

DR. WEBBER: Mr. Speaker, I'd like to indicate that of 339 telephone exchanges in Alberta, 262 have the extended flat rate calling program; 77 do not. However, 21 of those are scheduled for it within the next year and a half, and 56 others will not be getting it.

As for the Redwater case, they do get the program to Edmonton because it is the nearest market centre and falls within the distance of 34 miles, being 33 miles from Edmonton.

DR. BUCK: Mr. Speaker, is the minister aware that Fort Saskatchewan is between Redwater and Edmonton?

DR. WEBBER: Mr. Speaker, I would indicate that I am well aware of where Redwater is.

DR. BUCK: Mr. Speaker, then a supplementary question. Will the minister be able to indicate that at this fall sitting of the Legislature, there will be some change in the ground rules established by AGT, to give the people an opportunity to indicate where they would like to have their extended flat rate dialing calls go?

DR. WEBBER: Mr. Speaker, I indicated earlier that AGT was considering extension of the 34-mile limit. However, no consideration is being given to by-passing market centres.

## ORDERS OF THE DAY

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

#### Bill 78 Petroleum Incentives Program Act

MR. LEITCH: Mr. Speaker, I move second reading of Bill No. 78, the Petroleum Incentives Program Act.

The prime principle of this Bill is to establish a fund out of which the petroleum incentives program payments will be made to the explorers and developers of conventional oil and natural gas. The need for the fund arises from the September 1, 1981, energy agreement between Alberta and the federal government. Under the terms of that agreement, the province of Alberta agreed to administer and pay the petroleum incentives program and

payments.

Mr. Speaker, there needs to be significant melding of provincial legislation with federal legislation and program in this particular instance, because the federal government will determine the Canadian content ratings and control status of each participant or applicant for a payment and, in addition, will determine the size of the payments, but no change can be made in the existing payment determination without the agreement of the province of Alberta, at least insofar as it affects activity on Alberta lands. The money will be transferred from the General Revenue Fund to the fund created by this Bill, upon the request of the Minister of Energy and Natural Resources, which would contain a forecast of the anticipated payments that would need to be made from the fund. I should point out that the legislation is so constructed that those payments will be made from the General Revenue Fund before there is a calculation of the 30 per cent non-renewable resource revenue which is transferred to the Alberta Heritage Savings Trust Fund.

Provisions are in the Bill with respect to the obtaining of information, because it will be necessary for the provincial government to obtain a good deal of technical information as well as information regarding contractual arrangements between the applicants for payments from the fund. The technical information will be needed to determine whether the particular well for which reimbursement in part is being requested is an exploratory or development well. That will involve an assessment of the geology applicable to that well. In addition, there are rules relating to the contracts and the interest that farm-ees may be getting as a result of drilling wells that would qualify for an incentive payment. A judgment has to be made as to whether those contracts are of the usual type within the industry. So a good deal of information would be required from the applicant to enable us to reach decisions on those two critical questions. Thus, there are provisions in the Bill enabling those administering the fund to get all the necessary information.

Mr. Speaker, a good deal of that information would be regarded by industry participants as being confidential, and it's important to their activity in the exploration development field that that information be retained as confidential by those who need it for purposes of administering this fund. For that reason, we have provisions in the Bill protecting and ensuring that confidentiality.

After the Bill was introduced, I noticed some comment outside the House which indicated that those making it felt that that confidentiality related to the payments being made out of the fund. That, of course, is not the case. I do not think there's anything confidential about the payments being made from the fund, either as to the amount or the recipient, although the information we need to determine the amount of the payment would be retained confidentially, subject to review by the Auditor General and for certain other purposes which are provided for in the Bill.

Mr. Speaker, I don't know that there are any other principles of the Bill that I need cover on the motion for second reading. Of course, there are provisions for penalties in the event of false information being given by an applicant, and there are extensive provisions in the Bill enabling the Alberta government to recover from applicants any overpayments that might have been paid. For example, that could occur if an application were made for an exploratory well which receives a higher PIP grant than an development well and, on the initial review of that application, it was treated as an exploratory well, but



subsequent review led to a change in that conclusion and it was then treated as a development well. There would be a need to recover from the applicant any overpayment that may have been made. There are provisions in the Bill whereby the provincial government could make those recoveries, take action against the property involved, and things of that nature.

Mr. Speaker, I believe I've covered all the main principles in the Bill, and simply conclude by saying that this does arise from our energy agreement of September 1, 1981, and we are moving forward as rapidly as possible. It is my hope that we would have the fund in place early in the new year and be able to begin making payments out of it. I think it is important from the industry's cash flow position that we get to industry as quickly as possible those funds to which they are entitled.

MR. R. SPEAKER: Mr. Speaker, with regard to this Bill, I'd like to speak first of all in terms of the principle of the energy agreement. The Premier of this province, along with the Minister of Energy and Natural Resources, came back from Ottawa and said what a great agreement we have between Ottawa and Alberta, and that all is well and all is good. But after we examined that agreement, we found that all was not well and all was not good. We had small oil companies in this province in a very difficult position.

What we see here today is a Bill that is an attempt to put a band-aid or some kind of safety or preventative position that prevents loss or disaster in the companies that do remain in Alberta. We don't know if the Bill really will give incentive to oil companies to come and stay in Alberta or, secondly, to bring back into Alberta all those companies that have gone to the United States. In question period in this Legislature, the Minister of Energy and Natural Resources has admitted there is no guarantee that they will come, or if they do come, the return will be slow.

Well, Mr. Speaker, I think that in itself talks about how this government is administering affairs for the people of Alberta. They really didn't have a look at the consequences when they reached that agreement. Now we're trying to patch it up, trying to keep the oil people here, trying to say this is a good deal; some \$150 million dollars is going to be available to you. Millions of dollars will be available over the next five years on the basis that they pay a tax. On that basis they can claim, up to a maximum, a certain amount that will supposedly help them stabilize their cash flow in the province of Alberta.

Mr. Speaker, there is no guarantee in the Bill before us that that kind of thing is going to happen, no guarantee at all. I think it's more incumbent upon the minister, when bringing such a piece of legislation in, to justify that kind of thing, to say that the Bill will be effective. We don't know. How do we pass the Bill when we really don't know? Is it adequate? That's the question that's raised with me. Does the minister consider other moves that will have to be made by government to assure ourselves that in this province eventually we will become energy self-sufficient, that we will be able to reach a goal not only for Alberta but all Canada in our responsibility here in Alberta.

That question isn't answered. It's a request saying, here's something we're going to do. We maintain confidentiality, and I guess that sounds fair enough. But we're not sure about accountability, Mr. Speaker. That's one of the concerns we have in terms of the Heritage Savings Trust Fund. As a member of the Legislature, how can I

determine whether there's real accountability when all the things are kept behind closed doors, as they are with this government? The more and more they get involved in determining where funds should go, the more and more the doors are closed. It's nice to have confidentiality to protect the companies, but what about us in the Legislature? What about the average citizen who is held accountable for these kinds of expenditures? That's not really talked about in the Bill.

I think it's incumbent upon the minister to say, one, what else can be done; two, how can he assure us of accountability? What kind of management documents are in place — we don't know — to assure us that every dollar that goes out into the industry is accounted for? If this government ever came forward with a program to support the cattlemen of this province, I'm sure their documents, their records, would all be public, available to us in this Legislature. Why not in this situation? Maybe it does do something in terms of the competitive edge. But the more and more we deal with programs of this government, the more and more things we find that are done in secret. How can that be accountable?

I think we have to talk about the theme of public business being done in the public so that we really know there is total accountability. Somewhere in our public system in Alberta there is a weakness that I keep putting my finger on, and the government keeps saying the information is not available. Mr. Speaker, I think that should be of concern here as well.

The support for this Bill comes from us on the basis that a bad job was done in the energy agreement; we have to fix it up. We have to try to keep an industry in Alberta, and we're coming in this manner to do it. Certainly, Mr. Speaker, there could be a more positive way to run government.

MR. PAHL: Mr. Speaker, I would like to rise in support of Bill 78. I'm somewhat surprised that the hon. Leader of the Opposition has, I think, totally misunderstood the intent of Bill 78 as being an integral part of the oil agreement with Ottawa. I'm sure the hon. minister will clarify that for him in more detail. But I think members of the Assembly should consider that the option to having the Department of Energy and Natural Resources administer the petroleum incentives program here in Alberta, is to have the federal government do it from Ottawa. If the hon. Leader of the Opposition thought about that a little, I'm sure he would prefer that it be administered here in Alberta rather than in Ottawa. In my view — and I'm sure the minister will clarify — it has nothing to do with the other adjustments that were going to happen as a matter of course in terms of royalty and incentive arrangements, but is an integral part of the agreement between the federal and provincial governments.

Mr. Speaker, when the minister makes his summary comments, I wonder if he might indicate to the Assembly just what level of funding would be applied to this program in its first year. I understand there is a retroactive element to January 1, 1981. In answering that, perhaps he might also indicate whether this would involve an RFD to transfer the funds. In supporting the Bill, I also request some clarification as to whether there is with these dealings a mechanism for confidentiality of competitive information, as there is in the bid system and in the announcement of drilling results. I wonder if he could assure the Assembly that it isn't beyond the capability of the present system to administer this Act without adding

a lot of staff and a lot of procedures that would prove troublesome.

In conclusion, I hope that in the final explanation the hon. Leader of the Opposition will understand more fully the purpose of Bill 78. I urge other members of the Assembly to support Bill 78.

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

HON. MEMBERS: Agreed.

MR. LEITCH: Thank you, Mr. Speaker. I really don't know how to begin to respond to the matters raised by the hon. Leader of the Opposition. It's almost laughable. I guess I could ask this question: I don't know whether he was arguing that we would have been better off under the national energy program or under the agreement. If he would like to make the argument that we should have continued under the national energy program, I'd be very interested to hear that.

I say it's a little laughable, Mr. Speaker, because we in this House all remember the position the Leader of the Opposition and his party took on the very things we needed to do to bring about a negotiated agreement. The thing that was really effective was the production reduction, and we all know the position of the Leader of the Opposition on that. It's very easy for him to say, oh, it's a bad agreement; I could have done better. Well, the only pieces of evidence we have in this Assembly as to how he would have done it lead to no other conclusion but the fact that we wouldn't have had one. We would have been operating under the national energy program.

He asks for a guarantee that this program is going to restore the industry to the level it was before the national energy program. We said very clearly that the energy agreement was not going to solve all the problems. After it was executed, we said very clearly that we didn't anticipate it would bring back from the United States those companies, funds, people, and equipment driven there as a result of the national energy program. If he's asking us to put in place a program that guarantees they would come back, I'd like him to describe it. I'd then like him to justify the expenditure that might be required to bring that about. These are pretty hollow words. It's very easy to stand up and say, it's a bad agreement and I'd like some guarantees from the minister on this, that, and the other thing. Let's just be realistic. This is not a patch-up of anything, Mr. Speaker. It's a program introduced by the national government and, as part of the energy agreement, we agreed to administer it and pay for it in Alberta. It has no elements of patch-up to it at all.

On his comments about accountability, it was this administration that introduced an Auditor General and made him totally independent of government and answerable to and reporting to the Legislative Assembly. The Auditor General has full access, will check all these things, and make his report to the Assembly. If the hon. Leader of the Opposition wants to say — and I think he should make this speech public. He should say that if you want to apply for a grant, you shall put on the table and make available to him and the Members of the Legislative Assembly all the information you regard as confidential. If he wants to take that position, I'd be delighted to debate that with him in public forums, which we will no doubt have the chance to do rather shortly. I'd be delighted to carry that debate publicly, Mr. Speaker, because it's clear in my mind that the majority of the public

understands that certain pieces of information should be kept confidential. It's done all the time in the Income Tax Act. We have the same question in the Income Tax Act. It's a question of how much money you collect. That judgment is made by people administering that legislation, and checked by the federal Auditor General.

With respect to the comments about the level of funding for the upcoming year, that's difficult to estimate at this time. At the moment, we don't have from the federal government an estimate of what expenditures they will have incurred during the year 1980-81. Under the energy agreement, we have agreed to reimburse the federal government for those expenditures. Again, until we've had a little more experience with this program, there's some difficulty in estimating the amount of work that might be done in this particular year. The total estimated funding from January 1, 1981, until the termination of the agreement is \$4.3 billion.

Finally, Mr. Speaker, in respect of the number of staff required to administer the program, I think it's going to be very significant. The federal government was thinking in terms of 300 or so people in Calgary to administer the program. We are hopeful it can be done with significantly fewer than that. We are currently endeavoring to do by contract much of the legal and geological work that will need to be done in assessing these projects, as opposed to increasing the number of permanent positions.

Mr. Speaker, I think I have dealt with all the questions raised during the debate on second reading, and urge the Assembly to support the Bill.

[Motion carried; Bill 78 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

#### 1 — Alberta Oil Sands Technology and Research Authority

MR. SINDLINGER: Mr. Chairman, last week when we were discussing this vote, some pretty responsible questions were asked about the Alberta Oil Sands Technology and Research Authority. More specifically, questions were asked about contracts. Recognizing the importance of the questions, the minister undertook the responsibility and obligation to demonstrate to us that in fact contracts were in place covering the questions we posed on that particular day. To do so, the minister started to go over the AOSTRA-Shell Peace River In-Situ Project Agreement, and spent a considerable amount of time on that particular item, demonstrating to us that he, as well, regarded these as important questions and would like to answer them in the most thorough way possible.

However, Mr. Chairman, I note that the minister was unable to conclude that contract and did not get all the way through it. So I would suspect the minister, realizing

how important a matter it is, would wish to continue and give us the rest of that contract. The question I now put to the minister is that he now conclude the consideration of the AOSTRA-Shell Peace River In-Situ Project Agreement.

MR. LEITCH: Mr. Chairman, I'll consider that invitation, but I think I might deal with some other matters that were raised when this vote was first called. One of those was a question asked by the hon. Member for Spirit River-Fairview regarding the division of costs in three-way contracts to which AOSTRA, the Research Council, and members of industry might have been parties. I think I said at the time that I didn't believe there were any such three-way contracts but that I would check. I have now been able to do that, and there are no such three-way contracts. The industry has contacts with the Research Council directly, and AOSTRA has contacts directly with the Research Council. But so far as I have been able to ascertain, there are no contracts to which AOSTRA, the Research Council, and industry participants would all be parties.

The hon. member also asked about the contracts or arrangements between university and industry, which I believe are referred to on page 57 of AOSTRA's five-year report, and asked what share of the costs of those projects was paid by the universities. The universities really do not pay any share of the costs. The arrangement is that AOSTRA pays the salary costs, plus 20 per cent for overhead charges. I think there's some discussion between the university and AOSTRA as to whether that 20 per cent pays the overhead charges. But apart from that difference of opinion, the arrangement would be that AOSTRA is paying the university costs.

With respect to industry participation, AOSTRA proposed that industry participants pay 5 per cent of the costs. The response from industry was somewhat larger than anticipated. I believe there were 23 participants from industry and, at 5 per cent of the cost, it would lead to an overpayment of the cost by industry. Subsequent to that participation by industry, I understand it's AOSTRA's intention to have each industry participant pay one twenty-fourth of the cost; AOSTRA would pay one twenty-fourth; and, as I've said, the university, because of that salary and allowance for overhead provision, would not pay any of those costs.

There was also the question raised by the ...

MR. NOTLEY: Mr. Chairman, a supplementary question to get this clear, so we don't ...

MR. CHAIRMAN: If it's a supplementary question, perhaps it should await the completion of this answer.

MR. NOTLEY: I believe the minister is going on to another question, Mr. Chairman. I can certainly save it, but I think it might be simpler if we dealt with it question by question and got the supplementaries out of the way, rather than bobbing back and forth.

MR. CHAIRMAN: If it's a point of clarification, it would be quite permissible. But if it's another question, I think we have to ...

MR. NOTLEY: No, it has nothing to do with another question. It's a clarification of the minister's response, Mr. Chairman. The minister indicated that the participation in these university projects ... I just want to make

sure I have clear in my mind that AOSTRA pays the salary costs and 20 per cent for overhead costs; industry participants, 5 per cent. Is that 5 per cent each, or 5 per cent of the total given project? Now we're talking about one twenty-fourth of the costs. Perhaps the minister could be a little more specific. Let's take an example of a particular project with a given company. Then I'd like to know how that will be broken down.

MR. LEITCH: Mr. Chairman, the reason it was one twenty-fourth is that there were 23 industry participants in the project. They will share the costs equally; they will each pay the same. AOSTRA will pay a share identical to the share paid by one of the industry participants. So they divide the total costs into 24. The 23 industry participants would pay twenty-three twenty-fourths of the total cost; AOSTRA would pay the other twenty-fourth.

MR. NOTLEY: Mr. Minister, would that twenty-three twenty-fourths plus the one twenty-fourth then account for the salary costs plus the 20 per cent overhead you've mentioned, or are we talking about different things?

MR. LEITCH: Yes, it would pay that, Mr. Chairman. Of course, there may be additional costs in the project, and they would be divided the same way.

The hon. Member for Spirit River-Fairview also asked about an opting-out provision, expressing the concern that a participant in one of the major projects — as I recall, the question referred to major projects such as Peace River. There is a lengthy and complex technology agreement which deals with that matter. I haven't and wouldn't want to express a legal opinion on the provisions of the agreement. But as I understand them, if they opt out either voluntarily or involuntarily as a result of becoming bankrupt, or for some other reason are unable to continue with the project, they are really entitled to the technology that's been developed to that date. But of course that's no different from the conclusion of the project. At the conclusion of the project, in accordance with the agreement — and I've outlined earlier the basis on which that is done — the participants are entitled to use the technology that has been developed.

So I don't regard it as taking the knowledge and running, as expressed by the hon. Member for Spirit River-Fairview. What we really have is the development of technology either through to the completion of the project or throughout the course of the project. Under the terms and conditions I described earlier, they are free to use that when they leave the project. It doesn't matter at what stage they might leave the project, but obligations are undertaken in the agreements with respect to participating in the project and provisions as to when they might leave it.

MR. NOTLEY: Mr. Chairman, I might ask for a little clarification. The minister says there are obligations within the contract, including provisions as to when they might leave it. As I understood his answer, they would obtain the information at whatever stage they left it. Are there minimum periods of time, more or less coinciding with budget years? Let's take the example. We won't use a given company, but company X has a cost-shared agreement. After six months, they decide to cease their participation in the project and do something else. Would they get the information they've obtained jointly with AOSTRA up to that point, or is there some minimum period of time they must be in a project before they are

eligible to obtain use of whatever information has been developed?

MR. LEITCH: Mr. Chairman, I don't recall whether there is a minimum time. In my response, I should have added that there is also provision for the participants to use the technology they brought to the project. There are provisions in the agreement as to how that technology is to be dealt with during the course of the project. Upon a participant leaving the project, they are free to use that technology. I don't recall whether there is a minimum time. My memory is that they commit to proceed through the project, but there are a variety of reasons why they might leave the project. One of them is going bankrupt or something of that nature. There are extensive provisions dealing with the right to use the technology in that event. As I said, the agreements are lengthy and complex, and I wouldn't want to be in the position of putting legal interpretations on them.

MR. NOTLEY: Mr. Chairman, I appreciate that, but I want to know what protection there would be for the public in terms of projects which are quite costly. As we look at some of these projects, we're talking about many, many millions of dollars. My concern is that we have provisions within the agreement to complete whatever the project may be.

I could understand the project being stopped as a result of mutual agreement between AOSTRA and a participating company. But suppose, for example, that after three years of a five-year project a company just decides to invest its dollars elsewhere. As I understand the explanation of the minister, it seems to me that we have then just put three years of investment into research which can be used anywhere in the world without any guarantee of completion of the project as far as we're concerned. Again, I can understand there may well be appropriate times when the agreement would have to cease, but surely that would be upon mutual agreement between AOSTRA and the company as opposed to the company choosing not to carry on. I guess that is basically what I was trying to get at in my first question. What protection do we have so that our public dollars lead both to the beginning and the completion of a project unless there is agreement on the part of AOSTRA?

MR. LEITCH: Mr. Chairman, I think the hon. member should appreciate that it's not a one-way street. AOSTRA has the right to use the information or the technology being developed even part way through, that it has to use the technology upon completion of a project; that is, to license it throughout the world to everyone except the participant. The participant is free to use that anywhere in the world without paying a licence or royalty fee. The participant may leave with the right to use it, but only that participant can use it. If it is a good technology and marketable, AOSTRA has the right to market it throughout the world. So it is not a one-way thing. A participant may leave with something of value that it can use, but AOSTRA has the thing of equal value which it can license throughout the world.

MR. NOTLEY: Mr. Chairman, the problem is that when you get into a project — and the Shell project is a case in point. I don't raise that because we have any doubts about Shell completing it; I don't think there is any doubt that they will complete it. It seems to me that to safeguard our public dollars, we don't want to end up with a

partially completed project. We put money into something, and it's of marginal value to AOSTRA if a company simply decides to move elsewhere after two or three years. We're dealing with large, international companies that have superb research capacity themselves, and it may very well be in their interest to take what they've obtained in a given period of time and transfer it to their centralized research capacity; take what they've got, use that as a base, and then have a procedure or something developed and patented to sell around the world.

In the meantime, we are left with whatever period of time we've got in the agreement, but it is left there unless we can find somebody else to take over where that company left off when they decided to cease. Again, I don't think there's any problem if it's a case of mutual agreement. If after two years of a five-year project, AOSTRA and company X decide that you want to go your way and we go our way, fine. I don't have any quarrel with that at all. It's when the company itself chooses to go elsewhere and take what they have as a base. Sure, we share that base, but we don't share anything else added to it. We just have the base, and we have to go scouting around to find some other company to complete the project, do we not?

MR. LEITCH: Not necessarily, Mr. Chairman, because we could complete it ourselves. If we're in the position where there is something valuable to the company in the sense of using it in its own operations, it is presumably valuable to AOSTRA in the sense of being able to market it to others.

Perhaps the hon. member misunderstood me. There are commitments to certain stages in the agreements, and they vary. If they don't perform up to that stage, they're in breach of the contract. I was really talking about various provisions where there are checkpoints, if you like, going to the second or third phases of projects, where participants can make a decision whether to go on. In addition to that, they always have to make provision for the circumstance where one of the participants becomes bankrupt or for other reasons is unable to proceed. They each take what they have at that moment, including AOSTRA. AOSTRA has the choice of continuing on its own, if it wishes, or finding other participants.

MR. NOTLEY: In most cases, I think this won't be a problem. In most of the cases the minister has identified, I can't see that there is a likelihood of difficulty. I can't imagine that Shell, for example, would attempt to rebuild a plant down in Colorado somewhat modelled on the lines of the one adjacent to Peace River. But it seems to me that perhaps in some of the smaller projects, there is a possibility of that research being centralized.

The minister has indicated there are checkpoints, and as we reach each of those thresholds the company has either performed or not. But as I understand the explanation by the minister, there is a point where it's possible for AOSTRA and the company to go their separate ways without the agreement of AOSTRA. Suppose we are getting into some new procedure that would be extremely useful, that would unlock literally hundreds of millions of barrels of oil, and the company decides to leave after working with AOSTRA for three years of a five-year program. We have the rights to those three years; the company has the rights to those three years. But in the remaining two years, while we're scouting around for someone to take up the rights — we're not going to be able to do that overnight; we're going to have to bring in

another company that won't have the expertise — the company that has developed the expertise, partially with our dollars, goes on to complete the project. Who has the ultimate right to the patent on the completed project? We would have the rights up to a stage, but that would be of little value in marketing around the world. It would be the completed patent that would be useful in the market place, would it not?

MR. LEITCH: Mr. Chairman, I think the answer to that would depend in part on when the process becomes patentable and whether the key features that made it patentable were done in the joint project, if I may describe it that way, between the industry participant and AOSTRA or at some other time. I suppose in these cases it's always difficult to determine on what piece of information one builds in order to arrive at the result that is patentable. I'm sure all research builds on some knowledge. Hardly any of it, particularly in this area, would be starting from scratch. But if a patentable process is developed during the course of the work with AOSTRA, the company would have the right to patent it perhaps if it carried on some additional research. But under the agreement, as I follow it, it would then be entitled to use that patented process, but we'd be entitled to market it.

Now you may be into litigation or issues where the company left the project, sometime later developed a patented process, and took the position that the key thing that made it patentable was developed on its own initiative, whereas the argument AOSTRA might well want to make is that the key thing that made it patentable was developed during the joint operation. There you would simply be into a factual and legal argument as to who did the work, or where the work was done that led to the patentable process.

Mr. Chairman, if we've concluded on that item, I would move on to make some further comments in respect of. . .

MR. CHAIRMAN: Does the hon. Member for Calgary Buffalo have a point for clarification?

MR. SINDLINGER: Yes I do, Mr. Chairman. Thank you.

Mr. Chairman, I believe that's the most important point in dealing with this vote, and that's what the Act is set up to do; that is, the research in regard to oil sands technology and enhanced oil recovery. I have The Oil Sands Technology and Research Authority Act in my hands. Under the purpose of the Act, it's stated that:

The purposes of this Act are to provide means whereby

- (a) research into the technological methods required for . . .

and there are three subheadings, but essentially they deal with

the efficient and economic recovery and processing of crude bitumen and other oil sands products from oil sands deposits,

It also goes into

research into the technological methods required to ensure an acceptable quality of the environment

. . .

There are three other subheadings. Essentially, they all deal with research and the knowledge gained from that research, so the question of how that is handled is very crucial to this vote. All the expenditures we're making here are to acquire more knowledge and information on

the tar sands.

Another question was asked on this subject three days ago. In my judgment, it raised another point relative to this. The question dealt with the Peace River project, but went on to ask about the reporting mechanism. This is from Shell to AOSTRA during the five-year program. The question was:

What is the reporting mechanism for AOSTRA to yourself, sir, as the 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.

And that's what we're dealing with here: the information developed from these projects.

The person posing the question went on to say that the reason the question was being raised was

. . . 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.

In response to that, the minister went on to say:

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 the economic planning and resource development committee of cabinet.

Mr. Chairman, I'm not too sure that's a satisfactory process for monitoring the information we're getting from these expenditures. It's not inconceivable that the present minister might just say, well, I've had enough of this government business, and decide to resign. If the minister were to do that, where does that leave the government and the Legislative Assembly in regard to the information that's already been developed? I think there ought to be something more substantial than just verbal reports on the technical information that's been developed to date.

In discussing this, I think that the arrangement in regard to technical information developed is a schedule to the AOSTRA Peace River contract the minister got into earlier, and he has indicated that he'll continue to give us that information after he deals with some of these other questions. So perhaps when we get into that area, when the minister does deal with the technical arrangements on information that's developed, we'll get more insight. But at this point in time, in response to the questions that have just been posed, perhaps the minister might give us more insight in regard to the verbal reporting he gets from the chairman of AOSTRA. Just what is the monitoring and control procedure for information developed, and how are records of these informal reporting sessions kept? Are there minutes to file, memoranda to file, or things of that nature? What is there to ensure there's continuity once the people in place today have left and new people are here tomorrow? I'm sure AOSTRA will be here tomorrow, but I'm not too sure that all of us as individuals will be here. It would be a shame if those who will replace us at that particular time have to start and develop the wheel all over again by going back to AOSTRA and saying, well, what have you reported to the minister prior to our now coming into place?

[Mr. Purdy in the Chair]

MR. LEITCH: Mr. Chairman, I think I can deal with those comments and the question raised earlier, which was really this: we want to know how the project is going so that we can make some assessment as to whether a commercial-sized plant is likely to be built there. Mr. Chairman, that will become known only when one of the industry participants decides to proceed with a plant, at which time they will file an application with the Energy Resources Conservation Board to build the plant. Our experience has been that when that application is made, we have ample lead time to do the planning and put in place the things the government needs to put in place to facilitate the building and operating of one of these projects. I don't know how, from a report on the progress, one could make a conclusion as to the likelihood of a plant being built, because there are all kinds of other issues that bear on whether a commercial plant will be built, even if the process proves very, very successful.

Mr. Chairman, some of the other questions raised earlier dealt with whether any major changes had been made in the scope or the costs of the various projects AOSTRA is funding that we've already reviewed. My information is that that is not so. Of course, I have given the committee the information as to the projected costs, the amount that had been expended to the fiscal year ended March 31, 1980, and . . .

MR. SINDLINGER: On a point of order. I think we already established this afternoon the precedent whereby we would ask supplementary questions to the question being dealt with before going onto another subject. That's what I wanted to do: ask a supplementary. I believe the minister was going on to another subject. Could we check with him, please?

MR. DEPUTY CHAIRMAN: If that decision was made in committee before I took the Chair, we'll continue that way.

MR. SINDLINGER: I believe the minister was going on to another subject area. Is that correct?

MR. LEITCH: Yes, Mr. Chairman.

MR. DEPUTY CHAIRMAN: If the hon. Member for Calgary Buffalo has a supplementary, go ahead and pose the supplementary.

MR. SINDLINGER: Thank you, Mr. Chairman. The supplementary is in regard to the handling of the information developed as a project goes on. I wasn't asking about the completion date for this Peace River one, which is a subject the minister addressed. The question we've been discussing most recently is how we handle the information that's developed as the project goes on. Perhaps the minister might address that subject.

From what I can gather from the transcripts, the minister indicated that he receives verbal reports from Dr. Bowman from AOSTRA. The point I made was that it's difficult for the people who follow him to have a record of those things if these are just verbal reports. I do understand that the minister will address that in more detail when he reads us the report later on, especially the schedule dealing with technical information. But at this particular point, the supplementary I am posing is in regard to the monitoring of technological development

between the point when the project starts and when it becomes something other than a pilot project.

MR. LEITCH: Mr. Chairman, there's a report on each of the projects by AOSTRA in its annual report, which is filed with this Assembly. If the hon. member is saying, do I get detailed technical reports and make a judgment on whether they should continue with the research or not, the answer is, I don't. The kind of reporting I get is essentially contained in the annual reports filed with the Assembly, which give the status of the project, the work done, and some outline of the work anticipated to be done in the immediate future. Those things are contained in the annual report. In essence, the reports we get are that the projects are proceeding, they are going according to what we contemplated, according to plan, and there is no reason to make any significant changes. Certainly, the annual report contains a good deal of information about the various projects.

Now, if we're talking about getting a technical report and all the assessments made by the researchers, I certainly don't get them. If I did, I wouldn't feel qualified to make a judgment on whether the research project should or shouldn't continue. Clearly, one is going to rely upon the judgment of the people put in place to administer the program.

Mr. Chairman, it's probably appropriate for me to make some general comments about research of this nature. There is always a question that governments, industry, universities, and everyone else who is funding research, face: what level of funding should be provided for research? That is a general policy question that this government faces from time to time. AOSTRA is only one area in which we have to deal with that question. I'd simply point out here that we're talking about a very minute fraction of the total value of the asset that may be producible as a result of this research. You count in the hundreds of billions the revenue flow that may be generated by successful research. The sum we're talking of here is a minute percentage of that potential revenue flow. Most of the increased revenue flow that may come from successful research would go to the province. If we develop processes that make these plants more economical, our general policy has been to have in place a royalty regime, a taxation regime, that enables the projects to proceed. Anything over and above that remains to be divided between the provincial and federal governments. The provincial government has a royalty; the federal government has taxation. Any improvement in the economics here will virtually all show up on the bottom line of government.

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

MR. LEITCH: I'm not finished in this area, Mr. Chairman.

Comments were made earlier, Mr. Chairman — incidentally, I should make one comment in response to the remarks the hon. Member for Calgary Buffalo made on Friday. He's quoted in *Hansard* as saying that when the minister was asked what the \$54 million in this vote was for, his response was, I don't know.

Mr. Chairman, I think a great deal of latitude needs to be given to members of the opposition to put the best possible light they can, from an opposition point of view, on words spoken in or outside the House by members of government. But even giving the hon. Member for Cal-

gary Buffalo all that latitude and more, I don't know how he could come to that conclusion from what I said when I was asked about the \$54 million. I said I didn't have the detailed breakdown. How the hon. member takes sufficient licence to take that answer and translate it into "I don't know" . . .

DR. BUCK: You're getting a little paranoid, Merv.

MR. LEITCH: . . . exceeds my capacity, Mr. Chairman, if I were in opposition and taking all the licence that might be afforded to an opposition member to put the best case, from the opposition point of view, on a statement made by someone speaking on behalf of the government. I think that simply exceeded the bounds.

But at the same time, they did raise the question about the commitment . . .

MR. R. SPEAKER: Mr. Chairman, on a point of order. The minister may feel a little sensitive about our saying the minister said, I don't know. In *Hansard*, November 4, 1981, page 1453, the minister had time to consider what the \$54 million was. We have a two-paragraph answer with a number of figures but very little detail about what they are. When I add these figures up — and possibly there's overlap in the numbers — I come up with a number something like \$66 million. The minister says, "I'm now able to give that breakdown in round numbers to members of the committee". I'm not sure whether it's not clear in the answer, but I see \$66 million, not \$54 million. Later on, we got a more detailed answer, but that was after encouragement to the minister.

Our point from this side of the Legislature is that when \$54 million is to be invested by this government from the Heritage Savings Trust Fund, then a minister should be right on top of it. The obvious question is: what is the breakdown of the \$54 million? That should have been right on the tip of the minister's tongue and presented to us. A document later became available. I asked the minister to table the document. In one instance — and I don't recall if this is the same one; I stand to be corrected — the minister had only one. Excellent presentation to the Legislature would have been a copy of all those figures so we'd have had two or three days to look at it. An excellent presentation would have been tabling that document.

Mr. Chairman, when the minister is attempting to downgrade the type of questions we are asking, I think it is incumbent upon the minister to remember that the first responsibility lies with the minister to have the answers at his fingertips, on the tip of his tongue, and to be enthusiastic about telling us the breakdown. We had to kind of drag it out, and the numbers were not there in the first instance.

MR. LEITCH: Mr. Chairman, I don't know what point of order the hon. Leader of the Opposition was speaking about, but let's be clear about this. I'll give the members of the opposition credit for saying, we're going to filibuster on an issue not relevant to the \$54 million. A filibuster is frankly frustrating the normal business of the House. So would they please not go on with this: look what I'm doing, which is perfectly normal, and the minister should have the answers. I've gone through AOSTRA estimates in this House on a number of occasions. At no time was that detail asked for. I can say to the hon. Leader of the Opposition that if he wanted that kind of detail, all he needed to do was ask for it and it would have been provided.

But to now make a speech along those lines, Mr. Chairman, in addition to not being a point of order, is quite out of order. To suggest that the minister should have come here with the answers to the kinds of questions that were asked on the opening of this vote is preposterous. [interjections] For example, I was asked to tell how many of the university contracts were with students and staff.

I have no objection to the hon. Leader of the Opposition or anyone else saying, give me the detailed breakdown. The detailed breakdown is given historically in the annual reports. We could have given an anticipated breakdown of the \$54 million for this year. If that's requested, that's no difficulty. We can give that detail, and that's what I said when the question first came up: I didn't have it here; I'd get it. But to translate that into "he doesn't know" seems to me a distortion of very simple, plain, English language.

Now, if we've dealt with the point of order, Mr. Chairman, I might get on with comments I was making when I was interrupted.

MR. NOTLEY: If we're going to have a point of order, let's have the point of order. [interjections]

MR. DEPUTY CHAIRMAN: Order please.

MR. NOTLEY: Just calm down there. The minister has taken the last few minutes and has given us a little diatribe on his interpretation of the role of a supply committee. I think it's the only interpretation we'd get in any parliament in the British Commonwealth. If the minister came before a supply committee anywhere else and made the statements we got a moment ago, that when a request is made to break down the \$54 million, somehow that is an offensive thing to ask for on this side of the House, it's just absolutely incredible.

MR. LEITCH: Mr. Chairman, I never at any time said that was an offensive thing to ask for. I'll ask the hon. member to check *Hansard* and find where anything was said in my earlier remarks that suggested that was offensive. I said it was a perfectly appropriate question and, when it was first asked, indicated that we'd get the information.

MR. SINDLINGER: Mr. Chairman, I'd like to get up an original point of order. But before I do that, I'm just wondering why, when one member is speaking, another can jump up and interrupt him like that. It seems to me . . .

MR. DEPUTY CHAIRMAN: Order please. I think we've dwelt on this subject long enough. The Minister of Energy and Natural Resources was responding to a comment made by the Member for Calgary Buffalo on Friday afternoon about 12:30, when he stated that the minister did not know. The Minister of Energy and Natural Resources has now outlined to the House that at a later date he outlined the various expenditures for AOSTRA. I think that question has been answered in the House, and we should move on to another subject.

MR. NOTLEY: Mr. Chairman, on a point of order. The minister can very well make that comment, but the minister should well know that when he is asking for supply, any comment he makes is debatable. You cannot simply say: this is the answer; I've given the answer and that's it;

the rest of you sit down and shut up. The minister has made a statement, and we have every right to raise our concerns about that statement if we disagree with it.

The minister says he didn't make the observation "offensive", and that's true. I am willing to say that. But if a minister is coming to this committee and asking for supply, the very first question he should expect — and this is the point the Leader of the Opposition made — is to have that broken down. In my judgment, to suggest in any way, shape, or form that that kind of question is untoward or inconsistent with our system is just totally wrong.

MR. SINDLINGER: On a point of order, Mr. Chairman. [interjections]

MR. DEPUTY CHAIRMAN: Order please. Has the Member for Calgary Buffalo a point of order?

MR. SINDLINGER: Mr. Chairman, the minister has just referred to some remarks I made last Friday, and I would like to have the opportunity to respond to those, if I can have the indulgence of these kind gentlemen here.

Mr. Chairman, the minister has indicated that last Friday when we were discussing this particular vote, I made some comments he doesn't agree with. The comments I was responding to were those in *Hansard*. The minister was asked essentially what this Alberta Oil Sands Technology and Research Authority vote of \$54 million is for; I'm paraphrasing again, and I hope I can take that licence. The minister's response was, "I don't have that breakdown with me". Subsequent to that, at another point in the debate the same question was asked, and the minister's response was, "I don't have that ... with me". If "I don't have that breakdown with me", and "I don't have [that] with me tonight" are not an indication that the minister doesn't know, I don't know what they do mean. [interjections]

It's a very logical question, Mr. Chairman. We're given this estimate, the 1982-83 estimates of proposed investments. When a minister comes before us and says, we want \$54 million, it is very reasonable to ask the minister what it is for. We don't just give out \$54 million for nothing; at least I hope we don't do that in this Legislature.

In describing the project, it's very clear. It says right at the top that this money supports

field work to test in-situ recovery processes, provides financial assistance to Canadian universities for research conducted by students and staff, and finances a number of oil sands programmes at the Alberta Research Council.

Now, that's pretty straightforward. I don't think it's unreasonable for the opposition to ask how much of that \$54 million will go to support field work, how much will go to provide financial assistance to Canadian universities, and how much will finance the number of oil sands programs at the Alberta Research Council.

Just a few moments ago, the minister said he has come before this Legislature before in regard to AOSTRA and hasn't been asked that kind of detailed question in past years. But I've gone over the AOSTRA things and some of the other transcripts from prior years, and I've looked at the questions that were asked when this group that is over here was over here as well. When the minister got up and read that AOSTRA Peace River contract, I thought he was having a good time over there. It was a kind of cute thing to do. But I thought he was having a good time

because it probably reminded him of the time when he and the others were over here asking the same sort of questions — reasonable, responsible questions. It's not unreasonable to get a response. I do acknowledge that the minister has come back at a subsequent date and said, here are some of these numbers. And they were very worth-while responses.

I just wanted to get up on that point of order, Mr. Chairman, in regard to my saying the minister didn't know. When on two occasions the minister says, I don't have that breakdown with me, and it's a simple straightforward question ... There are not a lot of things in here like there were with the Kananaskis project, where there were several votes and subprogram breakdowns. Just one number here: give us \$54 million. Well, the obvious question is, what for?

MR. R. SPEAKER: Mr. Chairman, on this point of privilege being discussed, I'd just like to raise another item.

MR. DEPUTY CHAIRMAN: There is no point of privilege.

MR. R. SPEAKER: Point of order. I'd like to quote from the November 2, 1981, *Hansard*. Mr. Notley says:

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?

That's the question at hand. Mr. Leitch says:

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

If that doesn't mean I don't know, I don't know what else it means. Maybe the minister is just a little sensitive about not having his homework done. [interjections]

MR. LEITCH: Mr. Chairman, I guess all that fell into what I described as opposition licence. We should be clear on one thing. I think asking for the breakdown is a perfectly appropriate question. I never made any objection to it at all, and simply said: I don't have it with me tonight; I'll get it for you when we next come to consider the vote. At the same time that was going on, I did have with me all the numbers about the expenditures that had in fact occurred for each project, all the anticipated costs for each project. That included anticipated costs for a variety of projects for which no commitment has yet been made. Members will recall that that information was given in considerable detail on the occasion the vote was first called.

Mr. Chairman, to suggest that one should have in one's head or in one's pocket on all occasions the numerical breakdown of all these things, when it gets down to dollars and cents, just isn't realistic. I have no difficulty at all about the question and providing the answer. I think it's a perfectly appropriate question.

Mr. Chairman, I think I'll go on and respond to some of the comments made about the fact that initially the legislation provided for a \$100 million fund and that we were now in ...

MR. NOTLEY: On a point of clarification. Before we get into a new area, I want to follow up the question the hon. Member for Calgary Buffalo brought forward with respect to the method by which the government appraises the projects. The minister pointed out that he gets verbal reports from Dr. Bowman. Obviously, we're not expect-



ing the minister to be in a position to determine whether or not a given project is making progress; it has to be left up to the scientists. But in terms of that process of evaluation, what is the role of the full-time staff of the appraisal panels? Let's use some of these larger projects, for example. When we make that evaluation year by year, it's obviously not Dr. Bowman. He's no more able to make the evaluation on a project as large as the Shell project than the minister is. What is the process used by AOSTRA? Obviously, it has to be some kind of blending of appraisal panels and full-time staff.

MR. LEITCH: Mr. Chairman, I'm not sure I can give from memory the exact processes AOSTRA goes through with respect to all these projects. There are technical advisers to the staff, project technical representatives, and members of the authority, and there are a variety of projects. I would want to check with Dr. Bowman and get a detailed answer to that question. I can't respond to it in detail from memory.

MR. NOTLEY: Mr. Chairman, it would be useful, because it gets right to the heart of the question the Member for Calgary Buffalo raised. Obviously, we're laymen. We're not in a position to make any judgments, but we have to assure ourselves that we have in place the kind of process that ensures these projects are properly monitored. However, there is provision for appraisal panels, and I notice that there is a heavy reliance on people from the university. I think that makes a good deal of sense. But in terms of the private sector, what emphasis is placed on supplementing the heavy reliance on university, on the appraisal panels with people from the private sector?

MR. LEITCH: Mr. Chairman, I think that's set out in the annual report. On page 16, the membership of the appraisal panels is given. With respect to the university oil sands research evaluation panel, there's Dr. Hepler, from the University of Lethbridge, who is chairman; Dr. Bennion, a petroleum engineer from the University of Calgary; Dr. Krouse, from the University of Calgary; Dr. Montgomery, a petroleum engineer from the University of Alberta; and Dr. Morgenstern, a petroleum engineer from the University of Alberta. I don't know about the others, but I know that Dr. Morgenstern does a good deal of work outside the university, so his activity is not restricted solely to university activity.

On the water treatment panel is Mr. Turner, a petroleum engineer from Alberta Oil Sands Technology and Research Authority; Mr. Desborough, a petroleum engineer from Alberta Syncrude Equity; and Dr. Cyr, from the Alberta Oil Sands Technology and Research Authority. The scholarship and fellowship selection committee: Dr. Woods, chairman, from the University of Alberta; Dr. Otto, who is a petroleum engineer from the University of Alberta; Dr. Berg, from the University of Calgary; Dr. Hyne, from the University of Calgary; Dr. McCurdy, from the University of Lethbridge; Dr. Wiggins, from the Alberta Oil Sands Technology and Research Authority; and Dr. Gunning, from the Alberta Oil Sands Technology and Research Authority.

On the patent committee is Dr. Luhning, chairman, a petroleum engineer from the Alberta Oil Sands Technology and Research Authority; Ms. Spady, who's from the Alberta Oil Sands Technology and Research Authority and is their counsel; Mr. Nicholls, also from the Alberta Oil Sands Technology and Research Authority; Mr.

Turner and Mr. Carrigy, who are also from the Alberta Oil Sands Technology and Research Authority. On the microbiology evaluation panel is Dr. Cook, who is chairman, from the University of Alberta; Dr. Kaneda, who's from the Alberta Research Council; and Dr. Jobson, from the Alberta Research Council.

On enhanced oil recovery, there is Mr. Benn, who is the director of the Petroleum Recovery Institute; Mr. Hewitt, from Energy Projects International; Mr. Purvis, from the Energy Resources Conservation Board; and Dr. Sigmund, from BRTR Petroleum Consultants Ltd. In addition to that, on page 15 you'll find a list of the consultants to AOSTRA, and the technical advisers to the staff. So, Mr. Chairman, the information that's contained in the annual report indicates the technical advisers to the staff, the project technical representatives, and the members of the appraisal panels.

MR. R. SPEAKER: Mr. Chairman, to the minister. In terms of the members of the appraisal panels, is there any reason why there are no personnel from the private sector areas on any of these panels? I see Dr. Sigmund might be one from the private sector. Is there a reason for none being listed here, or are the people here more accessible to the panel?

MR. LEITCH: Well, Mr. Chairman, there are some representatives, as is obvious from the membership on the appraisal panels. There are also some industry/university assessments or panels each year. Certainly my information is that the private sector provides a good deal of information to AOSTRA. I suppose there's always an open question as to who you should have on these appraisal panels and on the board of AOSTRA. My judgment is that they have had a very well-qualified group and have gotten important information and input from the private sector, the university community, and various governments, such as the Alberta Oil Sands Equity.

MR. DEPUTY CHAIRMAN: Alberta Oil Sands Technology and Research Authority . . .

MR. R. SPEAKER: Mr. Chairman, I thought the minister had some other questions he was responding to. Has the minister completed his list at this point?

MR. LEITCH: No, Mr. Chairman, but I had sort of given up. I've been interrupted on so many occasions, I wasn't sure the members wanted to hear any further comment on this.

I was addressing the question of the level of funding, and pointing out that the Act had initially contemplated a fund of \$100 million. I was in the Assembly at the time that legislation was put through. I don't think anyone, certainly for my part, felt that was a final figure. We were embarking on something new, something on which you could make no realistic judgment at that time as to how large might be appropriate for that research activity to grow.

In my comments when this vote was first called, I pointed out there were commitments to that extent in the sense that Executive Council had said to AOSTRA, we were in favor of their making commitments to that total. But that was always subject to the caveat that the funds had to be voted annually by the Legislative Assembly, that we were in no position to make a final commitment on behalf of the Assembly. The votes had to be dealt with

by the Assembly. The annual report of AOSTRA for the year ended last March 31, comments on that dedication or commitment as being by the Executive Council.

The other item I thought I should point out is that at the time this legislation was first put in place, it did not include enhanced recovery projects. Recently, an amendment to the legislation was approved by this Assembly authorizing AOSTRA to go into enhanced recovery. At that time, we had committed a total fund of \$75 million. Again, I don't think there's any way one can tell whether that is an appropriate sum until we get into that activity, examine the projects that come forward, and make an assessment on whether it is worth carrying out that research. But I'd simply stress that the amount involved there, \$75 million, is a minute percentage of the potential revenue flow that would come to the province as a result of a successful breakthrough in technology on enhanced recovery.

As I mentioned earlier, there is always the difficult question of how much funding should be allocated to research. In my judgment, AOSTRA is a particularly well-constructed vehicle for this kind of research. Obviously, when one gets into funding this research — whether it be in universities, government, or otherwise — you have to put in place people who advise you on what research should be done. In my experience with AOSTRA, I think we and the people of Alberta have been extremely well served by the quality of advisers who make up the board of AOSTRA and supply information to them.

Unlike most research carried on by governments, we have here an added protection or safeguard, if you like, as to the validity of the research, in that the vast bulk of funds is matched by industry. That is, we're not relying solely on advice from the Alberta Oil Sands Technology and Research Authority as to what research project should be carried on, because the vast bulk of the research projects are funded 50 per cent by industry. So we have a group out there, the whole of the industry, making decisions about what research is worth pursuing and, having made that decision, putting in their funds to pursue it. Now that is not unique, but it doesn't occur very often in government. Generally in government, the decisions on what research should be undertaken are determined by a government on the basis of advice from experts in the area to the effect that this research is worth while. And you have to cover the whole gamut of issues as to whether it's a duplication of research elsewhere and things of that nature. Frankly, if I were asked today what total level of funding in this area I would recommend, I don't think one can give an answer to that. In order to reach a reasonable and appropriate decision on that, you're going to have to let matters unfold, follow the development and technology, and examine what's going on in other countries.

In short, when this was first put in place, I think everyone involved in the decision at that time understood it was a preliminary decision, that we would be making decisions about the size of the research component as time went by. But from the point of view of the Legislative Assembly, it is always in the position that no funds flow unless it votes them annually, as is occurring at the moment.

MR. R. SPEAKER: Mr. Chairman, on the point the minister was making. In the forward of the March 31, 1981, annual report, is the comment:

An additional \$318 million has been dedicated by the

Alberta Cabinet to permit the funding of longer term programs extending beyond 1985.

In projecting that investment, could the minister indicate if there was a projection of equal instalments, or would that be on top of the \$100 million, so by 1985 the total moneys available for investment in terms of research would be \$418 million? I think that was the figure the minister gave us last day. Is that estimating so much per year? Could the minister just indicate the breakdown? I'm not asking about projects, just the type of budgeting that would be going on.

MR. LEITCH: Mr. Chairman, I had given that earlier, project by project, totalling \$418 million. I indicated that a very large portion of that was committed to projects that had not yet gotten under way. By that I mean legal agreements had not been entered into or projects had not been selected. For example, no money has been committed or spent under the general heading mining extraction for the dry process scale-up. A sum of \$9.5 million there was uncommitted; none had yet been spent or committed. There were a variety of those in the *in situ* oil sands projects: an advanced steam process, and \$10.1 million was included in that \$418 million but uncommitted as of this time. The same is true for an extension of some *in situ* oil sands projects, because they're contemplating that some of them would involve extensions and had included a \$9 million figure for that. But none of it has yet been committed. Without going through these numbers in some detail, I don't know that I could pick out the total. But a very significant percentage of the \$418 million we're referring to is uncommitted. As a matter of fact, I think it is over half. There was \$72.5 million in respect to enhanced recovery projects which had not been committed.

So I think the short answer to the question of the hon. Leader of the Opposition is that that \$418 million we were talking about is a figure that Executive Council had approved in principle — that might be the best way to describe it — but that AOSTRA had not yet committed a significant portion of those funds by way of contracts or projects.

[Mr. Appleby in the Chair]

MR. SINDLINGER: Mr. Chairman, it has to be acknowledged that it is very difficult to prescribe parameters or boundaries to research. If we knew in advance what the research entailed or what we would get, we more than likely would not be undertaking it in the first place. Nevertheless, it is important to have some boundaries or guidelines for research so those undertaking it will know what those parameters are and how far afield they can go. In my judgment, the government recognized this when it first set up the Act, in which it said that:

The aggregate amount of advances made to the Fund under subsection (3) shall not exceed \$100 000 000.

At the time the project was announced, I think it was dubbed something like "project energy breakthrough", which was a very apt description because certainly if some new research or technology came out of the research, it would be an energy breakthrough. The reason \$100 million was there in the first place was twofold. First of all, it would give those people who were undertaking the research an idea of how far they could go. It's just like each of us as MLAs knows that in one particular year we're going to get \$21,000. When we make decisions each day, we make those decisions bearing in mind that we are going to get only \$21,000 for that year. So we can't make

decisions that would result in an expenditure of \$31,000. Each day of the year, we have a guideline which I could refer to in this particular instance as being a management guideline.

The managers of this fund, knowing they would have only \$100 million, would select among those projects they think would give the most results, given the limit they have. It's a matter of identifying and ranking various alternatives, prioritizing them, and going from there. Admittedly, as time went on, more projects were identified. In the judgment of the experts assessing them, it was desirable to undertake more of them, the cost of which would exceed \$100 million. That's fine; we can't argue with that.

The other aspect of having a guideline of \$100 million is not only that it guides the day to day decision-making, but at the end of the term people can sit down and assess and evaluate the effectiveness and efficiency of the program over that year. After one year of spending \$100 million or, in the case, after spending \$100 million on the five-year projects, how effective was the program? What new technology has been developed from that research? So there's a measure of effectiveness after the five-year program.

The other measure is in terms of efficiency. How efficient was the program in meeting those objectives? The efficiency is tabulated in terms of dollars and cents. If there was an initial guideline of \$100 million, were the objectives accomplished by expending only \$50 million, or were they achieved by expending \$150 million. It's a measure of efficiency, and I think that's what we have here as well.

The second thing that's important about this is the question of what the Legislature is committing itself to. That is, are we voting for only \$54 million here today; are we voting for another \$154 million today? Quite understandably, there could be projects in this that we would look at today and say, this is a good project as it stands; however, if we had additional information that said this appropriation isn't simply for this year, it's for an undertaking which would extend beyond this year as well . . . So there is a hidden factor as well, which should be brought out in the open; that is, the total cost of the project.

In this case, we do know we're not voting on \$54 million, because information given to us by the minister indicates that the total projected costs of the programs to the end of 1985 would be \$418,700,000. That's the information given to us by the minister. So actually we're not voting for just \$54 million; we're voting for something much more than that. If the total projected cost to 1985 is \$418,700,000, and if the expenditures to March 31, 1981, were \$128,949,000, and the estimates that were voted in '81-82 are \$41 million, that's a total of \$169,949,000. For this program, total funds are still required. We're going to come back here next year and the year after and vote for another \$248,751,000 just for this project.

Today we're not being asked to vote on \$54 million. Presumably these projects we're undertaking today are worth while. Once we've undertaken them, we won't stop until they're completed. As far as we can see, this additional \$0.25 billion, almost twice the Energy and Natural Resources total budget on an annual basis, is going to take us to 1985. But we have no assurance that's where it's going to end either. If I remember correctly, the forward of this annual report we just got today, which was referred to just a few moments ago, says:

An additional \$318 million has been dedicated [to

this program] by the Alberta Cabinet to permit the funding of longer term programs extending beyond 1985.

Now if you take the \$318 million which has been committed by the cabinet but not yet authorized by the Legislature, plus the \$100 million they started with on January 14, 1974, that's \$418 million, which is what the minister said. It's fairly close: \$418,700,000. On the other hand, if you go to page 34 of the sixth annual report of the Oil Sands Technology and Research Authority, Table 1, Funding Requests Contained in Applications Received Since Inception of Authority to March 31, 1981, lists the type of application. In Situ (Oil Sands and Heavy Oil) From the Surface, there were 45 requests. From Underground Access there were 5; Underground Mining, 7; Surface Mining and Extraction, 31; Bitumen Upgrading, 16; Universities, 161; Other, 56; for a total of 321.

Also associated with those applications in Table 1 is the project value. The In Situ From the Surface is \$789,147,082. From Underground Access, there is \$30,701,200; Underground Mining, \$9,229,310; Surface Mining and Extraction, \$47,248,000; Bitumen Upgrading, \$5,234,636; Universities, \$23,280,720; Other, \$22,415,411. The total project value is given as \$927,256,451.

The minister has indicated to us that industry pays for 50 per cent of the project costs and AOSTRA the other 50 per cent, which in my judgment is a good arrangement because both parties then have a vested interest. However, getting to the point I'm trying to make on this, the last column deals with AOSTRA funding requested: In Situ (Oil Sands and Heavy Oil) From the Surface is \$340,523,041; From Underground Access, \$16,860,200; Underground Mining, \$9,229,310; Surface Mining and Extraction, \$37,233,092; Bitumen Upgrading, \$5,234,636; Universities, \$23,280,720; and Other, \$21,132,911.

MR. CHAIRMAN: I hesitate to interrupt the hon. member, but he is reading from a report that is available to all members of the committee. If the member wishes to make a specific reference to some item in the report, that would be admissible. But since this report is in the hands of every member, it's no longer necessary to read and reread from the report. Maybe the member would like to make reference to some part of the report.

MR. SINDLINGER: Yes. I was trying to do that, Mr. Chairman. I was trying to make a comparison . . . [interjections]

MR. R. CLARK: This is how a filibuster works.

MR. SINDLINGER: I was trying to make a reference for the members . . . [interjections] Mr. Chairman, I note that the Member for Calgary Mountain View would like to say something. I've never heard him say anything on his feet before. If he'd like the opportunity, I'll sit down and let him. Would you like to say something, Member for Mountain View?

MR. KUSHNER: No, I've said enough. See you on the basketball court.

MR. SINDLINGER: Mr. Chairman, I'm making reference to page 7 of the sixth annual report of the Oil Sands Technology and Research Authority. If you add the \$100 million in the second line to the 318 million in the penultimate line, you get a total of \$418 million. However, if you go to page 34, Table 1, under AOSTRA

Funding Requested, the total funding requested is \$453,493,910. Taking that number, plus the number from the first page of this — and to cross-check that number, I'll refer to *Hansard* when the minister responded to questions earlier; that is, what's the total cost for this project? The minister indicated it was \$418,700,000. So the \$418,700,000 is consistent in two different places: one reference being the minister, the second being the reference to page 7 of the sixth annual report. However, if you compare the \$418,700,000 total cost of the project given on page 7 and given by the minister, to the \$453,493,910 reported in this annual report, there's a difference of \$34,793,910. That's a substantial sum of money, Mr. Chairman, almost \$35 million. If you compare it to the \$54 million estimate for this year, it's almost 66 per cent of the estimate we're being asked for today.

So there are two things that we as a legislative committee should consider today. One is the difference between the two, the \$34,793,910. And perhaps the more important consideration for the Legislative Assembly is the obligation this gives to us for projects that go beyond 1985. The first issue that was brought up was the \$54 million we're voting for today. We're not voting for \$54 million today; we're voting for \$223 million, or almost \$0.25 billion. So not only are we voting for almost \$0.25 billion dollars, but it appears that we're also voting for something that goes beyond 1985. The penultimate line on page 7 of the sixth annual report refers to:

... \$318 million has been dedicated by the Alberta Cabinet to permit the funding of longer term programs extending beyond 1985.

So we should address ourselves to exactly what extends beyond 1985. What is it that we today, or those who follow us, will commit ourselves to in the years beyond 1985? In the years to come, people will come in here to replace us, and they'll want to know what we were doing in 1981, what commitments we made that went beyond 1985. Perhaps the minister might be able to address that question for us, please.

MR. LEITCH: I'd be delighted to, Mr. Chairman. First of all, the \$453,493,910 referred to on page 34 has absolutely nothing to do with the vote and absolutely nothing to do with the \$418.7 million to which he was comparing it, and talking about a \$35 million number that just isn't here. If the hon. member will look at page 10 of the annual report, he will find those 321 applications that are referred to on page 34, and he will find what's happened to them: 104 have been approved, 187 were rejected, and 30 were under review. So the number the hon. member was reading is the people who've applied. It had nothing to do with a commitment. As I said, if you go to page 10, members of the committee will find that of those 321 applications for funds, 187 have been rejected. Table 1, to which the hon. member referred, is simply an information table. AOSTRA is saying, here are the applications we've gotten; here are the funds that have been requested. But there's nothing in that table that indicates any commitment.

The commitment, totalling the \$418 million, was dealt with in my answer when this vote was first called. I thought I'd made it very clear that a number of those had not been committed in the sense of contracts having been let or anything of that nature at all. They were merely programs that had been proposed by AOSTRA to Executive Council, and Executive Council said, in principle we agree with that. Members will find on page 10 that \$177 million of the \$418 million we've been talking about has

been committed through formal legal arrangements, but the balance has not yet been committed through formal legal arrangements by AOSTRA. The \$418 million was the commitment in the fashion I've earlier described.

MR. SINDLINGER: Mr. Chairman, that's a very important point: the principle of this. I think it's very important that we do know what the total costs of these projects will be. What is the obligation we're undertaking now? I don't feel that just myself. I'd like to refer members' attention to what the Auditor General has written about this; not what I say, but what the Auditor General has written.

Major capital construction or development projects embarked upon by the Province of Alberta usually involve disbursements of funds over a number of fiscal years. Once such projects have commenced, aside from any scope for trimming the project plan, the most practical course of action usually is to continue these projects through to completion.

That's a very practical outlook, because what we've undertaken here — for example, the Peace River project, and all these other research projects have value and merit in their own right or we wouldn't have undertaken them in the first place. Once they're under way, we're certainly not going to stop them.

The Auditor General continues:

In such circumstances, approval of funds for the first full year of a project is tantamount to a commitment to complete the entire project.

Now if that's the case, and I believe it to be, and if the approval of these funds is tantamount to a commitment to complete the entire project, then we should know what the entire cost of that project is:

The Province of Alberta publishes its expenditures estimates annually. These estimates are the basis upon which the Legislative Assembly authorizes annual expenditure appropriations from the General Revenue Fund and the Alberta Heritage Savings Trust Fund.

The Auditor General goes on to say, if these appropriations are to be made from the Heritage Savings Trust Fund, what type of information should be provided. Should the Legislature get something like this: one sheet that says, we want \$54 million? No he doesn't. The Auditor General goes on to say what type of information should be given to the Legislative Assembly:

It would appear appropriate if, in addition to the first year's estimated costs, the estimated total costs to completion of each new capital project (or major phase of a project) were contained in the published Estimates of Expenditure. This practice would provide the Legislative Assembly with information concerning the full extent to which the proposed appropriations would commit the Province, rather than just the amount to be disbursed in the forthcoming fiscal year. In ensuing years, revisions to original project estimates could be disclosed in the estimates together with the accumulated costs incurred on the project and the balance as yet unexpended. A brief description of the scope of the project could be supplied with original project estimates and, thereafter, brief details of changes to the original scope which resulted in such revisions to the original project estimates.

It is believed that increasing the budget information in the manner described above would enhance the suitability of the estimates as a basis for controlling disbursements on major capital projects at both the

legislative and executive levels of Government.  
So the Auditor General recommended:

... that, in the interests of improved accountability to the Legislative Assembly and more effective budgetary control, appropriation bills should be supported by more extensive financial information on major capital expenditure projects. This information should include details of the original estimated costs and scope of each project, cost and scope revisions, costs incurred to the end of the previous fiscal year ... expenditures to be appropriated for the [current year], estimated ... costs to completion and the total estimated cost for each project.

Mr. Chairman, that's a fairly substantial recommendation from the Auditor General. Here's what the government has said in response to that recommendation. Here's correspondence from the Provincial Treasurer to the chairman and members of the Select Standing Committee on Public Accounts. He says: On behalf of the Executive Council, I wish to provide you with the government's report in response to the recommendations of the report of the Auditor General for the year ended March 31, 1980. Yours sincerely, Lou Hyndman, Provincial Treasurer, with carbon copies to all members of the Legislative Assembly. It's dated October 26, 1981.

Here's what the Provincial Treasurer says about that. I quote: It would be contrary to the traditions and customs of the Legislature to include all this information in the printed estimates of expenditure.

First of all, he said it's contrary to traditions and customs. I don't know about that. However, he has a caveat here. He says, during Committee of Supply, review of such information can be elicited from the minister responsible by means of questions.

The Provincial Treasurer's reply on behalf of the Executive Council says that you, Mr. Auditor General, aren't right in saying this, that this is beyond and contrary to the traditions and customs of the Legislature. I guess we have to stop there, except for the point where he says all these questions could be asked during Committee of Supply. Not only can they be asked, but responses will be forthcoming from the minister responsible, to whom the questions are posed. That's what we've been doing here.

MR. PAHL: Mr. Chairman, I'd very much like to comment somewhat on the university research programs. I think the direction of the discussion this afternoon has cast some doubt on what's been accomplished here. I can speak from some experience, because I had the opportunity to attend the evaluation of university projects by industry back in 1975. At that point, a fairly unsophisticated effort was being applied by university researchers, because they really didn't understand the nature of the problem. Yet just last year, as reported in the highlights in the project, an industry/university access program review was in Lake Louise on September 28 and 30. There was one just last week, when members of industry who are participating in the access program sat for over two days listening to the reports of the researchers. Over 200 research projects undertaken by universities have been approved by their research evaluation panel on activities undertaken by university researchers.

Mr. Chairman, it was very interesting to see that this year, the universities are way beyond the level of expertise that has been generated in industry. To give you a specific example, one of the projects was to determine definitively the water interface between the grain of sand and the oil. That sounds like a pretty straightforward thing. In fact,

it's been an article of faith that the hot water process is predicated simply on the fact that there is an envelope of water around the grain of sand. Well, that should be good enough, shouldn't it? We've got two oil sands plants working on that. Yet in the process of trying to define what was suspected, a whole new technology of freeze edging was developed by these university researchers that provided completely new insights into the basic physics of the chemistry of the hot-water process. Similarly, there were research reports on the clay material in oil sands that move way beyond the realm industry would attack this, but in the process we have some very basic research being done that adds to the understanding of the phenomena that have to be dealt with to extract oil from tar sands, carbonate rock, and other deposits.

The important thing about the university research program is that it is funded by industry participants in the amount of 5 per cent of the cost of the program. Of course, if industry participants are paying 5 per cent each, you quickly realize that as soon as there are more than 20, AOSTRA, by putting together this very worth-while effort in terms of encouraging research in universities, is in effect making money. Now, AOSTRA has put that money back in by sponsoring professorships. But the actual research undertaken by university professors, their students, and fellows, is actually fully funded at this point by the contributions of industry, which pays to have access to the findings of these over 200 ongoing research projects in universities across Canada.

I think it's quite appropriate to say that the peer review undertaken by the university oil sands research evaluation panel is the proper function. In effect, it is self-supporting by industry. The framework is being provided. It's excellent return for our money, because there aren't any public funds in that element of it. Of course, there is a cash flow problem, and so there are public funds in it. But it should be pointed out that because more than 20 oil companies or organizations are participating, that element of the program is self-funding.

The second element is that the peer review undertaken is by knowledgeable people in the university communities, because they are in fact beyond the practical interest, if you will, of the company that is looking at a scale-up. In the process of defining research, there is some very basic and fundamental activity going on that extends the frontiers of knowledge at a level that is appropriate to the university researcher but would be inappropriate and very difficult to sustain on a long-term basis by AOSTRA or by the industry participants.

I think the final point to mention is that over the course of AOSTRA's history, the university research effort has moved in its area — mind you, the area is very detailed and specific — but that expertise has moved far beyond the level of research activity that goes on in the industrial setting, where they tend to be more directed at practical problems rather than the theoretical. But I think you can see that there is a worth-while investment by the AOSTRA program in hitting some of the blue sky work at the university level, both with the ongoing research, with the university professorships that are sponsored by AOSTRA, and the research fellowships. If you will, there's the practical research funded by industry and AOSTRA at a more broad scope — field tests, and what not. But there is an element dedicated to expanding the level of knowledge at the basic level. Also, there's a very, very important spinoff in training the numbers of people who are required to undertake this effort over the long term. There's a tremendous spinoff because we're devel-

oping a whole generation of researchers who are knowledgeable and enthused about unlocking the secrets of oil sands production, which for the longer term will be the key to energy self-sufficiency in Canada. Although I guess I have to accept the concerns raised by members in a lot of detail, I think that we shouldn't cloud the very positive aspects of this program by the minute detail and concerns because there's a lot of strength there.

Thank you.

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

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

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, I might just mention that if hon. members agree, the proposal tomorrow is to discuss a resolution with respect to the constitution. I've had the opportunity of discussing that with several members of the opposition outside the Assembly, when they raised the matter. So I think that's simply a matter we'll address tomorrow. We hope to circulate a proposed form of resolution, which will be very general, simply in the sense of endorsing what has been done, but to get that to hon. members before 2:30. Being private members' day, Mr. Speaker, of course concurrence will be required.

For this evening, the proposal is to do committee study of Bills to the extent that that can be accommodated. If there's time after that, Committee of Supply, Department of Energy and Natural Resources.

MR. SPEAKER: Is it proposed that the House go into committee immediately at 8 o'clock?

MR. CRAWFORD: Into Committee of the Whole, for the study of Bills, Mr. Speaker. I make the necessary motion for that.

DR. BUCK: Mr. Speaker, on a point of order. Can the hon. House leader indicate if there will be a night sitting tomorrow as well?

MR. CRAWFORD: Not tomorrow evening, Mr. Speaker.

MR. SPEAKER: Does the Assembly agree that when members convene tonight at 8 o'clock, they will be in Committee of the Whole for study of Bills?

HON. MEMBERS: Agreed.

[The House recessed at 5:34 p.m.]

[The Committee of the Whole met at 8 p.m.]

## GOVERNMENT BILLS AND ORDERS (Committee of the Whole)

[Mr. Purdy in the Chair]

MR. DEPUTY CHAIRMAN: The Committee of the Whole Assembly will please come to order for consideration of various Bills on the Order Paper.

### Bill 93 Energy Resources Conservation Amendment Act, 1981

MR. DEPUTY CHAIRMAN: Are there any questions or amendments to be offered with respect to any section of this Act?

[Title and preamble agreed to]

MR. LEITCH: Mr. Chairman, I move that Bill 93 be reported.

[Motion carried]

### Bill 65 Expropriation Amendment Act, 1981

MR. DEPUTY CHAIRMAN: Bill 65 has an amendment. Are there any questions or comments to be offered with respect to any section of this Act?

[Title and preamble agreed to]

MR. HIEBERT: Mr. Chairman, I move that the Bill be reported as amended.

[Motion carried]

MR. DEPUTY CHAIRMAN: Bill 70, the Mental Health Amendment Act, 1981.

DR. REID: Mr. Chairman, that won't be moving forward tonight, because there is an amendment to be introduced to it. It isn't ready yet.

MR. DEPUTY CHAIRMAN: The Bill should be held, then?

DR. REID: Yes.

### Bill 72 Consumer and Corporate Affairs Statutes Amendment Act, 1981

MR. DEPUTY CHAIRMAN: Are there any questions, comments, or amendments to be offered with respect to any section of this Act?

MR. R. SPEAKER: Mr. Chairman, we're moving along like a hurricane. To the hon. member: in terms of the . . . Wait. I had it here a moment ago. It looks different when you're standing. [laughter]

I wonder if the member could indicate the need for the

change relative to the use of a corporate name. Did some problem originate to bring the Bill forward?

MR. LITTLE: I am informed by the department that several occasions required that change.

MR. R. CLARK: I appreciate the hon. member being informed, but would you now inform us as to the problems?

MR. LITTLE: I take for granted it's the amendment to The Business Corporations Act. Three statutes are being amended: The Business Corporations Act, The Direct Sales Cancellation Act, and The Licensing of Trades and Businesses Act.

As you'll observe, in the future the Lieutenant-Governor will make regulations in order to facilitate the operation of this particular Act. All the amendments in the Act were to facilitate the operation.

MR. R. CLARK: Mr. Chairman, I don't want to be difficult on a Monday evening, but if I understand the thing accurately, we're being asked to approve extending the power of the Lieutenant Governor in Council to make regulations regarding the use of a corporate name. Now, to be quite frank with the hon. member, with great respect, I'm not particularly turned on to voting more power to the Lieutenant Governor in Council unless I have an example of some of the problems that forced this to be brought forward. Would the mover, the minister, or whoever, outline to us some of the kinds of problems we've had?

As I understand it, we're giving the Lieutenant Governor in Council more authority, more wagon room; in fact taking that out of the hands of the Legislature and saying, look, this is an area where the Legislature can't really carry on its responsibilities. Rather than do that, we're going to make the change and say to the Lieutenant Governor in Council, you do this. We're giving the power to the Executive Council, as opposed to the Assembly. In principle, I don't like legislation like that. That's not news to any of the members. But I'm saying to the hon. member or anyone else: give us two or three examples of the kinds of problems we've had; then at least we can make a judgment as to whether we should in fact make this kind of change.

MR. LITTLE: Mr. Chairman, to the member. I cannot give any examples. When I discussed the Bill with the members of the department, I was told that there were several occasions where this was required. But I don't have particular examples.

MR. R. SPEAKER: Mr. Chairman, to the member. In the second part of the Act, The Direct Sales Cancellation Act, I note there are changes. The words "180 days" are inserted for "not later than six months after the date". Is that because of a legal requirement or a better legal definition that has occurred? Has there been some background case where someone has lost his right to rescind an agreement because of the unclear definition of six months rather than 180 days?

MR. LITTLE: Mr. Chairman, there are no changes in these sections from the old section. If you'll read the old section as stated in the Act, there are no changes.

MR. R. CLARK: Then why are we changing it?

MR. LITTLE: There are no changes in that particular section.

MR. R. CLARK: Then why are we putting it through?

MR. LITTLE: Section 5 of the Act has been taken out and included in Sections (d), (e), and (f). But those particular sections referring to the times of rescission have not been changed from the old Act.

MR. R. SPEAKER: Mr. Chairman, to the hon. member. I note that in the old Section 6(1), (c) in particular says: "not later than six months after the date". I notice that in the amendments before us, the words "180 days" are used. I wonder why the change.

MR. LITTLE: I understand the original Act was pretty well copied from the Ontario legislation. But I think it would be reasonable to wait until the minister returns, Mr. Chairman. He would be in a better position to give specific examples of these cases.

MR. DEPUTY CHAIRMAN: Is it agreed that this Bill be held until the Minister of Consumer and Corporate Affairs returns to committee?

HON. MEMBERS: Agreed.

MR. DEPUTY CHAIRMAN: It is so ordered.

#### Bill 75

#### Agricultural Service Board Amendment Act, 1981

MR. DEPUTY CHAIRMAN: Bill No. 75 has an amendment, which has just been distributed. Are there any questions, comments, or further amendments to be offered with respect to any section of this Act?

MR. MANDEVILLE: Mr. Chairman, I would like an explanation from the member piloting this Bill. It's 7, Section 19(1)(a), on page 3. At the present time, Mr. Chairman, a council can take over and control some land that's in a municipality or a county, [depending] on the condition of the land. They can take charge of this land if it's got a weed or an alkali problem, which I think is good. But I think it's of paramount importance that in Section 19(1)(a) they're going to be striking out "owing to the condition of the land". That indicates to me that they can take control of the land and don't have to take into consideration the condition of the land, whether there are weeds on the land or whether there's some reason they need to administer or help control some problem on the land. I would like the member piloting this Bill through the House to explain why this section is in there. What is the reason for it?

MR. HYLAND: Mr. Chairman, do I need my jacket on to speak?

MR. DEPUTY CHAIRMAN: Not in committee.

MR. HYLAND: Okay. To the hon. Member for Bow Valley: to answer your question without going into further detail, I thought the rewording of one section covered the question you're asking, referring to the weeds or

the other problems that may be involved and where that may cause harm to adjacent land. I make that comment on the condition that I have to check further to make sure, but I believe changes in some of the other sections cover your question.

MR. DEPUTY CHAIRMAN: Could the hon. member for Highland use the ordinary common parliamentary language ...

AN HON. MEMBER: Cypress.

MR. DEPUTY CHAIRMAN: Or Cypress, pardon me.

MR. HYLAND: Mr. Chairman, it looks like both of us are having a problem tonight with the ordinary parliamentary language.

MR. DEPUTY CHAIRMAN: Just in constituency names.

MR. HYLAND: Mr. Chairman, to the member. Maybe the minister could add to that. I stand to be corrected, but I believe that's the answer to the member's question.

MR. DEPUTY CHAIRMAN: Is the Minister of Agriculture able to supplement that answer?

MR. SCHMIDT: To the hon. member, Mr. Chairman, in regard to Section 19(1)(a). If you revert to Section 16 under the rewording of the new 19(1) amended as 19.1(1), it reverts to: "If the board finds from investigation and inquiry", and "owing to the condition of the land". It lists those items: "wind or water erosion", "weeds have infested", and "productivity". So it basically states the three areas, and lists them in 16(1), that were covered under the old Section of 19(1)(a), which just stated "owing to conditions of the land".

MR. MANDEVILLE: I appreciate Section 16(1), Mr. Chairman. It does indicate there are special conditions there, but I still can't understand ... The old Section 19(1)(a) reads:

Where the board

(a) is of the opinion that owing to the condition of the land a declaration that the land is subject to supervision under section 16 would be ineffective, or

it may recommend in writing to the council or Minister of Municipal Affairs, as the case may be, that the control of the land be taken from the owner and occupant and that an order of reclamation of the land be issued by the council or Minister of Municipal Affairs, as the case may be.

As I read Section 7, Mr. Chairman, they're taking that part out. Appreciating what is in Section 16, where it says wind, water, or erosion, they can still take over that land without any conditions on it, if I read Section 19(1)(a) as it is, "owing to the condition of the land" is struck out. If this is the case, Mr. Chairman, I wonder if the minister could explain why they're taking out the section "owing to the condition of the land"?

MR. SCHMIDT: Mr. Chairman, if you read down to 19.1, it carries on in the same tone: "The Minister of Municipal Affairs, a council or a board" — which covers both a municipality or a county, as the case may be — shall serve "a certified copy of the declaration". The

condition is spelled out in 16. So it was felt that owing to the condition of the land itself, where covered in Section 16, one could specify those three basic areas, covered in weed infestation and wind or water erosion, as being the concern for the municipality or the minister for taking over the property itself.

MR. R. CLARK: Mr. Chairman, to the minister. If that's the case, then why are we taking out just "owing to the condition of the land" in 19(1)(a)? Why aren't we taking out the whole section, if we're in fact going to rely on 19(1)?

MR. SCHMIDT: Mr. Chairman, if you remove that portion "owing to the condition of the land" and read 19(1) as it existed before — it "is of the opinion that owing to the condition of the land a declaration that the land is subject to supervision under section 16" — striking out 19(1)(a) and presenting 19(1) total as amended, the only difference is that "the condition of the land" is stipulated into the specific area that one were to take over as custodian of the land for that period of time to resolve either one of the three areas that is covered under the Act for taking supervision for reclamation purposes.

MR. R. SPEAKER: Mr. Chairman, to the minister. This legislation has been on the books for some years. Has a different problem arisen at this point in time? Is there more land that has been unattended to, where the local service board hasn't been able to take it into their care and rehabilitate it? Has some serious problem occurred to bring in the legislation, or is it just a cleaning-up Act?

MR. SCHMIDT: Mr. Chairman, the Act was rewritten a year ago. After the opportunity of using the new legislation for a period of one year, we find that the sections covered here from 19 on are used very, very sparingly. I'm sure there are many municipalities which to date have never used it once during the history of their government. But there was one section that became difficult to operate. If a municipality, board, or council — covering all three basic areas — were to take supervision, the old Act stated the period of time and the method one was to notify the owner as it appeared on the land titles. We have strengthened that. The old portion of the new Act stated that all one had to do was to notify the last known address by registered mail, and you could proceed. We found that that caused some difficulty. The greatest difficulty occurred when the individual finally received notice it may have exceeded the 30 days, and at that time had the option of requesting an appeal. No activity could be ongoing while the appeal was being heard. Under the old Act, if work had been commenced on the property before the outcome of the appeal had been heard, there was some difficulty as to who was responsible for the financial cost of the work that had been ongoing. The difficulty was cleared up in this way: we have strengthened the notification to the landowner. It can be done either by individual direct notice and, if that's not available, you can use the registered approach; secondly, no activity for reclamation can be started prior to the 30-day period of appeal. That of course wiped out the opportunity of municipalities being involved in reclamation before the findings of the appeal and, in this case, the appeal has to be heard before the reclamation activity is actually started, hence takes away any of the financial obligation that existed before that was in question.

So after having one full year of operation, we feel the



changes have been, number one, the problem in one case of notification becoming difficult; secondly, the time element that was involved for appeals; and any argument that would develop as to who was responsible financially. It was changed to cover those three basic areas. We feel that it covers the landowner sufficiently to give either him or her the opportunity of notice and appeal, and it also covers the municipality. There's no financial obligation created before the appeals are heard.

MR. MANDEVILLE: Mr. Chairman, the minister has explained it, but I still think we have to have some concern with the title holder in the control of our farmland. It is spelled out in 16(1)(c): "the productivity of land has been or may be seriously affected by any other cause". They can say, okay, I've piled some of my fertilizer out of my corral on a piece of land out there, or I've put some topsoil there. Certainly I've reduced the productivity of that land, but I'm not hurting anyone. I should have full control of that land, and I don't think the productivity of the land should be a concern to the Minister of Municipal Affairs or the Agricultural Service Board, so long as I'm not affecting anyone else.

I could take three acres of land and clean my feedlot and pile my manure up there, and I would think I should have full control of that. Or if I wanted to pile some topsoil — even in your research, they say we should be piling topsoil. You can leave it there, then spread it out. Maybe I want to do this. I still have reservations when they take "owing to the condition of the land" out of the Act. It gives me some concern, Mr. Chairman.

MR. HYLAND: Mr. Chairman, I think there is little difference between "productivity of the land has been seriously affected" and the phrase "owing to the condition of the land". Maybe the hon. Member for Bow Valley was watching me Saturday and Sunday, because I was doing exactly what he suggested.

MRS. CRIPPS: You're still doing it.

MR. HYLAND: Somebody says I'm still spreading it here. But I think the difference between the two phrases would not be that great, in that the newer phrase under 16(1)(c) would be a little more easily defined. I can easily understand the hon. member's concern.

In the county I live in, to the best of my knowledge in all the years it has been a county — and it was one of the first counties started — I believe they've only used this Act one time. We have to leave responsibility with the locally elected officials, and they take that responsibility very seriously. As I've said, that county, just the one example I know of, has used it only once in all the years they have been a county. So they take their responsibility related to this Act very seriously.

MR. THOMPSON: Mr. Chairman, I'd like to speak on this too. The way the Act is being amended, I think the landowner has greater protection than before, because Section 16 specifies under what conditions they can take over the land for reclamation. If you leave "owing to the condition of the land", it opens it up far wider than it does with the amendment coming in, because that allows them to take it over for any reason. It's a matter of judgment.

MR. R. SPEAKER: Mr. Chairman, I agree with the hon. member that it's a judgment that something negative is

happening to the land or the land is causing negative effects on a neighbor or someone else. I think that's certainly the intent here. If we look at the old section 16(1)(a), we see: "is impoverished or in the process of becoming impoverished". It describes that negative condition that's occurring. Then it says: "through . . . any other cause that has seriously affected or that may seriously affect the productivity of the land or the welfare of the owner or occupant of the land".

I think maybe my hon. colleague is making this point in terms of the new 16(1)(c): "If the board finds from investigation and inquiry that . . . the productivity of land has been or may be seriously affected by any other cause". I think the intent is that some negative effect has taken place on the land that may be destroying the quality of the land or may be affecting the neighbor. But if we analyse that sentence outside the definition thought to be there, even if the land potential was increased, that means the productivity of the land has been or may be seriously affected. That could be in a positive way. I think that's what my hon. colleague was saying. The sentence there is not really descriptive of what we're talking about. We're talking about a negative effect upon which a judgment is being made. That's how I see the sentence. We know the intent is to have someone make a judgment on some negative impact, but if someone wanted to read the law differently, they could possibly do that.

MR. DEPUTY CHAIRMAN: Are there any further comments on this Bill?

MR. R. CLARK: Mr. Chairman, I think it would be helpful to have the hon. sponsor of the Bill indicate the purpose of the amendment just passed out a few minutes ago.

MR. HYLAND: Mr. Chairman, the purpose of amendment (a) is to clarify the period of 30 days. As I remember it, if somebody appealed it on the 30th day, for example, as it read before, there was a question if you appealed it on the 30th day. That is clarified here.

Under (b), if the land is taken over, instead of three full crop years whereas you may take it over part way through a crop year, with this change where it says "it shall lapse on . . . January 1", it would be brought to an end so that the owner would have the chance to take over operation of the land before a crop year and properly look after it that way. I think that answers the question.

MR. R. SPEAKER: Mr. Chairman, to the hon. member. Is there then allowance in the Act where, if the land is rehabilitated after a period of one year, it could be returned to the farmer at that point? Is that in the Act at the present time?

MR. HYLAND: Mr. Chairman, because of the seriousness of this Act, I believe that once the land is taken over, it goes that period of time to rehabilitate it. I'll ask the minister to clarify, but once the land is taken over it takes some time to rehabilitate it.

MR. SCHMIDT: Mr. Chairman, to the hon. member. Once the rehabilitation is completed, it reverts to the owner. But if a council inadvertently does not return the property at the end of a three-year period from the time that the order is started, it automatically returns to the hands of the owner on the third crop year.

MR. R. SPEAKER: Mr. Chairman, does that mean that it could go back after one year of rehabilitation. Is that right?

MR. SCHMIDT: But never go longer than a three-year period without reverting.

[Motion on amendment carried]

[Title and preamble agreed to]

MR. HYLAND: Mr. Chairman, I move that Bill No. 75, the Agricultural Service Board Amendment Act, 1981, be reported as amended.

[Motion carried]

**Bill 76  
Interpretation Amendment Act, 1981**

MR. DEPUTY CHAIRMAN: Bill 76, has an amendment. Are there any comments, questions, or amendments to be offered with respect to any section of this Act?

MR. R. CLARK: Mr. Chairman, the reason for the amendment?

MR. DEPUTY CHAIRMAN: Could the Member for St. Albert give the committee the reason for the amendment.

MRS. FYFE: The amendment simply amends Section 2(a) by striking out "acting for the deputy" and substituting "appointed as acting deputy". This is to clarify the actual intent of that section. In clause (b), "acting for his deputy" is struck out and "appointed as his deputy" is substituted. Section 3 is amended by striking out the proposed section and substituting a section which would then read: subject to Clause (a), 14 days from the date of mailing if the document is mailed in Canada to an address in Canada. Once again, that just clarifies the section.

MR. R. SPEAKER: Mr. Chairman, to the hon. member. Over the years, as I recall, a number of pieces of legislation allow for the delegation of authority and, as I read this Act, it's the very same type of thing. Is there some good reason for the Act to be introduced at this time? Was there some authority that could not be delegated, and this gives new authority to some person in government? If so, who is it?

MRS. FYFE: The Bill itself simply covers amendments that would empower a deputy minister to act for the minister of the Crown. It also covers persons acting for persons other than ministers. The amendment would empower a person who is acting for the deputy, and this is simply to allow what actually happens now when the minister is away from his office or when the deputy is away from his office. The person could be appointed to act in the place of the deputy. It also includes a section that was overlooked in the original Act introduced in 1980.

MR. R. SPEAKER: Mr. Chairman, that isn't quite the answer. I recall being a minister of government and delegating authority to my deputy minister through legislation as well as regulation and memo and, secondly,

delegating my responsibilities as minister to officials in the department in terms of certain signing authority, because that was just good administrative practice. I recall other officials such as deputy ministers, senior directors, doing the same thing to facilitate their responsibilities. I fail to see why the Act is here, unless it gives authority without some kind of signed document, some kind of direction being given. I just don't quite understand what new thing we're doing and whether it is necessary at this point in time. I'd appreciate it very much if somebody can explain that.

MR. CRAWFORD: I'd like to, Mr. Chairman. The point is actually quite an intricate one, and the hon. leader is quite correct in saying that all manner of statutes say that persons empowered by those statutes may delegate certain powers. As to ministers and deputies, that power has always been in The Interpretation Act. As the hon. leader has said, when he was a minister he would have had cases where people were delegated to do certain things because the statute said that could be done. But the delegation through a deputy minister is of a unique character. In other words, the minister's powers are then being exercised on his behalf by a deputy.

The hon. leader would probably also recall the orders he signed saying who the acting deputies were in the absence of a deputy. For one reason or another, more and more of these people are in government these days. The departments are larger. Speaking for myself, I think I've something like three acting deputies behind the deputy, as distinct from the assistant deputy. These are the acting ones; those who are entitled to act in the place of the deputy.

Although I think practice allowed for the fact that it was done prior to this, the proposal in Bill 76 is to make it abundantly clear. A new Interpretation Act was passed last year, and one of the few observations made was as to how it might be made more explicit. So to make it explicitly clear, when a person may be acting for the minister or the deputy in some way or another, carrying out some of the various duties in the department, at that point he is not necessarily acting in his capacity as an acting deputy where his powers are really those of the minister passed through the deputy to him, because of the many, many other things departments do and the many, many other people who do things on behalf of a minister or a deputy.

You might say that the chain of authority passes from the statutory power the minister has to the deputy, but in his absence to the acting deputy. This was specifically addressed to relate only to those powers he exercises in that capacity. After certain observations made by the Law Clerk, an amendment was proposed, having concluded that it was a proper clarification to bring the acting deputy in as the deputy is, in the full sense. If you are merely acting for the deputy but not as acting deputy, in order that that question wouldn't come up, the change proposed by the amendment which has been circulated is that he be appointed as acting deputy so we know that the characteristic of the duty he's performing at that time relates to the duties of a deputy and not some other. Those reasons explain both the proposed amendment and the committee stage amendment circulated.

[Motion on amendment carried]

[Title and preamble agreed to]

MRS. FYFE: I move that Bill 76 be reported as amended.

[Motion carried]

**Bill 55**  
**The Wilderness Areas**  
**Amendment Act, 1981**

MR. DEPUTY CHAIRMAN: Are there any comments, further amendments, or questions to be offered with respect to any section of this Act?

MR. R. CLARK: Mr. Chairman, perhaps we might continue the discussion we had at second reading of the Bill. I think I asked the hon. member to check into two areas. One was the question of the future of recommendations from the advisory committee. This legislation basically wipes out that portion of the work of the advisory committee, primarily the old section that took the recommendations of the advisory committee to Executive Council. By legislation, the Executive Council was obliged to look at those recommendations and give an indication of their action to the Assembly — table it during the next session. That section is out.

Secondly, I'd like to ask the hon. member to enlighten me if he would, perhaps to some extent, as to how this legislation is going to work when in fact we're going to continue to have the drilling rights. We could establish one of these areas and yet before long have an oil well or a gas well right in the area. The legislation does not, as I recall, make it mandatory that the government take steps to buy back the Crown rights.

MR. STROMBERG: Mr. Chairman, in regard to the first question raised by the Member for Olds-Didsbury, the Act in operation before, The Wilderness Area Amendment Act, had the clause that Executive Council could request the environment authority to hold public meetings, and the word "shall" was there. If the member would recall, the Bill, as it was introduced in the spring of the year, excluded the Environment Council of Alberta altogether. It just read that the minister "may" hold public meetings. This amendment has added that the minister may ask the Environment Council of Alberta to hold meetings.

I think the Member for Olds-Didsbury will realize that with the number of ecological reserves currently proposed — some 70 — the Environment Council could be completely bogged down in hearings. With the protection that the minister may ask the Environment Council about perhaps a sensitive area or where there is public opinion as to the benefits, the Environment Council will bring in good recommendations. But they don't have to hold hearings for every place. And the Environment Council has indicated to us that they don't want to get bogged down either.

Now in regard to the second question, some of the proposed ecological reserves could be in the area of a wild prairie, a portion of prairie that's really never been disturbed, but you can still have cattle on it. If there are dispositions on that land, surely we should recognize until the dispositions run out. In other cases, suppose we were to set up an ecological reserve on the west slopes of the Swan Hills, an example of a unique area of Alberta that has quite a variation in vegetation. If there is a disposition on that for a timber right or timber berth, I think that can be recognized until the timber berth expires.

These are long-term things. Where there are no mineral rights taken up, or lumbering or other activities, there is the added protection that none will be allowed.

MR. R. CLARK: Mr. Chairman, it's with great respect I say this to the hon. member, but having noticed that respect, the mere fact of adding the Environment Council doesn't change a darn thing. The legislation that came in in the spring said that the minister may ask for a review. All this does is say that he may ask the Environment Council. Well, with the legislation in the spring he could have asked anyone he wanted to. With great respect, it may be nice to see the Environment Council's name in legislation, but that's all this does.

If the government really wants to be meaningful about it, they'd best say "shall". To simply add that the government may ask the Environment Council to look at a particular proposed area, with due respect, I think that's a play on semantics and nothing else. Under the legislation that came in in the spring, the minister had that kind of authority. The member himself indicated that the minister could ask for advice, and he could have asked the Environment Council or any other group.

The second point is: when these areas are set up, is it the intention of the government that from then on drilling rights and timber rights would not be offered? Let's assume that XYZ drilling company had the rights in a particular designated area. Is it the intention of the government that through the ERCB they wouldn't be able to get a drilling permit? Is that the proposal before us? If it is, we should be above board and say to the companies that presently have rights: look, we're not going to let drilling take place where we set up these reserves, and we're prepared to enter into a discussion to buy them back from you. That would be a far more honorable way of doing it than simply letting them continue to pay the rentals yearly and at some time down the road, if they want to drill a well, they go to the ERCB for permission to get the drilling permit, the ERCB discovers it's a reserve, and the permit isn't approved. We really would be taking . . . You know, that isn't a very decent way to treat any particular group.

So I'd say to the hon. member that frankly I'd appreciate more convincing on the significance of including the Environment Council of Alberta in this. To me it really adds nothing; the minister could have done that before. Secondly, a bit more detail from either the sponsor or the minister: what are the plans as far as drilling rights are concerned? In fairness to all concerned, if we're to have the kinds of reserves the hon. member is enthused about — and I commend the member for his doggedness in getting this through the government caucus and getting it before the House — we should know where the drilling rights stand.

MR. STROMBERG: Mr. Chairman, in regard to the first question on hearings, I have a file here that goes back about four years, with about 50 letters from different groups in Alberta urging the government to set up a system of ecological reserves. Now, at first reading of the Bill last spring, we set it aside until this fall for second reading, so if any groups were concerned about the writing of the Bill, or had suggestions or concerns, they certainly had ample opportunity to write in. Only four groups wrote. Some of their concerns were that the word "shall" was taken out of the old Act. But that was the request of the ECA; as the present amendment reads, they didn't want the word "shall" in there. Now you say,

sure, the minister "shall" have the ECA, and you mention who he should have. Well gosh, wouldn't it be far better that the minister could have the option to have the ECA instead of the Social Credit caucus to hold these hearings. You know what a commotion that would have been. It kind of reminds me of the hearings your government held on the Bighorn dam. Wasn't it out west by Nordegg there? [interjections] The one out there at Drayton Valley.

The majority of your ecological reserves are going to be very small parcels of land. I can think of an example in the Kootenay Plains. Suppose another Rainbow Lake oil field was discovered under the Kootenay Plains. Directional drilling would take care of that. With a little co-operation from the petroleum company, you can directional drill for quite a distance.

Sure, you can introduce Bills, and you'll always see that maybe they can be improved. But this is a giant step forward. This is the first time we've ever had protection for this type of land in Alberta. Let's go out and pass this. We set up our advisory committee. They will make recommendations to the minister and the government on what ecological reserves and wilderness areas. As we go along in time and see how the thing works, it's still open for amendments.

MR. R. SPEAKER: Mr. Chairman, to the member. The Advisory Committee on Wilderness Areas has been changed in terms of composition. First, I wonder if the member could point out why that was done. Secondly, how often does the committee meet, and where do they usually meet?

MR. STROMBERG: The advisory committee under the proposed Bill hasn't been changed that much. It reads:

- (4) The advisory committee shall consist of
  - (a) 2 employees of the Department of Recreation and Parks,
  - (b) 3 employees of the Department of Energy and Natural Resources,
  - (c) 1 employee of the Department of Culture, and
  - (d) six people who are not employees of the government or a government agency.

When you're handling nominations for wilderness areas or ecological reserves, what better people could you have sitting on a committee than department people who have worked in the field and basically done their field studies, mapping, and homework? They just have to be a plus to any committee.

As to how often the advisory committee sits, I think it's like a considerable amount of committees this government has. I sit on a committee, the Alberta Hail and Crop Insurance Corporation, and we sit at our own pleasure. We make our own guidelines. Do we have to spell it out that thou shalt sit every week, thou shalt sit once a year? I suppose they will sit as the ideas and suggestions come in, and depending on their work load.

MR. R. SPEAKER: Mr. Chairman, I'd like to come back to the second question, but first of all discuss the principle in the first one. The old Act set out that the majority of members of the advisory committee "shall be persons who are not employees of the government". That said that the private citizen who was appointed to that committee would have control of the committee and be able to determine what happens. It took it out of the control of government, out of the influence of persons

hired by the minister. It took it away from the influence of the minister so the minister from within, or because of departmental control, would not have control of the committee. As I see it, what happened here is that again the government, following a pattern as always, has taken back that control. There are six people from the general public, but the fact of life is that they're no longer a majority. The government can control the committee and decide anything they want to, the same as the Environment Council that was established. The government controls it through the minister. They're no longer independent. An advisory committee must be independent. The member may argue that they are, but they aren't. I'd certainly appreciate a comment as to why that very important, basic principle was changed in the Act.

MR. STROMBERG: Mr. Chairman, the Member for Little Bow suggests that this committee be all made up of private citizens. But realize there is also going to be a price tag if we use the educational aspect of ecological reserves. Now when I put a price tag on — for example, I'll use the sand dunes at Fort McMurray, or the ice caves west of High River. If they're going to be on an educational basis, there has to be access to them. How many people can the type of ecological reserve stand? Is it a high density type of country for tourism or school groups, or is it very, very fragile?

I can see somewhere down the road that there are going to be some budgetary requirements for ecological reserves. We could have an ecological reserve here right in the city of Edmonton. A mile or two down the river here you have one of the oldest formerly inhabited sites for toolmaking in all of North America. It's kept as a well-guarded secret now. The archaeologists are there doing quite a dig. But I can see that as perhaps a nominee for an ecological reserve.

With the expenses going into it, you've got to ask department people, the talent and experience in the department, to sit in as only 50 per cent. What better people would there be to go back to their minister and say, look, in next year's budget we're going to need these funds, or next year we want to do this in such an ecological reserve or wilderness area?

MR. R. SPEAKER: Mr. Chairman, the argument really doesn't hold water. One, there is no need for an advisory committee. The member has said the departmental people are there and can go right to the minister and make recommendations. Then you don't need six people from outside government. The cost factor: 12 people will be on the committee. Whether they're civil servants or not, don't they cost money? When they travel or are away from their work, somebody has to act as an acting designate, as pointed out by the Interpretation Act tonight. It's going to cost money when they're away, so this idea of a cost factor just doesn't hold water. I think the member, on behalf of the government, should admit that it's a matter of government trying to control the system. That's what's really happening — controlling the committee.

Anybody who works for the government, if they get out of line or say something that seems to be a little different, are put on suspension. I wouldn't want to raise the case at hand, but I could raise a case where just that type of thing happened: one of the members expressing a point of view to a local newspaper went on suspension. Here, we have people on an advisory committee who are to bring in an attitude from a different direction, and

we're not allowing it. I don't know how the member can stand in his place and put that kind of concept forward.

MR. STROMBERG: Mr. Chairman, I find it strange that the member from Little Bow can even suggest that when, under the former Act, there was no advisory committee taking care of these natural areas. That was Executive Council only. I think we've added a protection the former Act didn't have.

When your government decided to create a natural area — and you had about 700 in the province — your minister went to Executive Council . . .

MR. DEPUTY CHAIRMAN: Would the hon. Member for Camrose please use the parliamentary language.

MR. STROMBERG: Okay, the Member for Little Bow. I think it is just a good added safety feature that you have six private citizens on there. Now, if you've got six private citizens and those six decide they're not exactly satisfied with the six civil servants, don't you think they're going to be talking to the minister, talking to me, talking to members of my caucus? Of course.

MR. R. SPEAKER: Mr. Chairman, it's nice to see a back bench member reveal this government. He has said to us that a private citizen does not have access to the minister. When I travelled around and talked to private businessmen for various purposes — one, to get input; two, to get funds to be prepared for the next election the Minister of Energy and Natural Resources is calling — I found that's one of the biggest criticisms. Here we have a good demonstration of it again, the very, very same thing. [interjection]

The hon. Minister of Economic Development talks about it being absurd.

MR. PLANCHE: I said "nonsense" first.

MR. R. SPEAKER: Well, you should go out and listen to what the man on the street says about being able to get to the Premier and to the ministers.

MR. PLANCHE: On a point of order, Mr. Chairman. Perhaps the hon. member would give us an example of someone who wasn't able to get access to a minister on anything to do with business.

AN HON. MEMBER: I haven't been able to.

MR. R. SPEAKER: There we are, Mr. Chairman. An instant answer.

MR. PLANCHE: I don't have an instant answer. I have an interjection. I was asking that member.

MR. R. SPEAKER: Well, I'd like to relate this back to the hon. minister. People in this province are afraid to donate to parties other than the Conservative Party. [interjections] Now you want me to reveal people who can't get in to talk to government. That's the easiest way to have them condemned forever in this province. [interjections]

MR. DEPUTY CHAIRMAN: Order please.

MR. STROMBERG: On a point of order, Mr. Chairman. We're dealing with Bill 55. Just because the

Member for Little Bow fell out of bed on the wrong side this morning, I don't think this has anything to do with my Bill.

MR. R. SPEAKER: Mr. Chairman, to the hon. member with regard to Bill 55. I wonder if the hon. member could point out how many times since 1971 this Advisory Committee on Wilderness Areas has formally met with and made recommendations to the minister.

MR. STROMBERG: I'm going to have to ask the former minister that. I was not the minister of that department, but I think there was considerable input from that committee in setting up the Willmore wilderness area.

MR. R. SPEAKER: Mr. Chairman, could the hon. member indicate whether he has or has not any examples. From the remarks that were made, as I interpret what he said, the hon. member has no examples. In terms of argument, how can the hon. member stand in his place in this Legislature, condemn a committee that had a majority of private citizens, and recommend this new format when he doesn't even know what the old one did or what kind of recommendations it made? I just don't follow that kind of legislative process.

MR. STROMBERG: I think you improve on an old Act. We had the old wilderness Act. We're improving on that. We've added two major things. We pulled in the natural areas and put in the ecological reserves, and we've combined it into The Wilderness Area Amendment Act. I think it's a very major improvement on an old Bill that your government introduced.

MR. R. SPEAKER: I'm not arguing with that. Maybe those are accurate. I'm just talking about the use of people making recommendations to this government. Something is condemned by the minister, not supported, something new is implemented, and we can't even find whether the committee met, whether the member even knows whether they met, and what kind of work they did, or recommendations. It seems like a sequence of things that have occurred in this Legislature.

I appreciate that ministers give backbenchers a Bill to bring in the House. But what is happening is that there is criticism about opposition, with the 101 things they have to do, not doing all this research. [interjections] Backbenchers in this Conservative Party have one Bill to bring through the House. These are very obvious questions: what happened to the old one; how many times did they meet? That kind of question should have been asked when the member prepared to come into this Assembly. It's not done. It's a joke.

MR. TRYNCHY: Mr. Chairman, maybe I could answer that question. The committee meets on a yearly basis. They have their chairman. Every year we deposit an annual report with the Legislature, and the recommendations are in that report. If the hon. member wants to go back and see last year's and the one the year before — I've tabled two of them, and I'll table another one. They're made on a yearly basis. They make their report, and it's here. It's public knowledge.

MR. R. SPEAKER: Mr. Chairman, to the minister. Thank you.

MR. L. CLARK: Mr. Chairman, after all that, I don't know whether my questions have been answered or not. I wonder if the hon. member who sponsored this Bill could inform the Assembly what effect this amendment would have on wilderness areas and ecological reserves in two areas. One is boundary changes within them, and the limitations; two would be the limitations in regard to activities within the reserves.

MR. STROMBERG: Would you repeat the second part please?

MR. L. CLARK: The limitations of activity within the reserves.

MR. STROMBERG: Both of those are spelled out quite adequately, Mr. Chairman, in the changes in Bill 55. Bear with me just a minute until I find the subsection. Boundary changes reads — basically public hearings would be held. They have to be advertised in a daily and a weekly paper, the weekly paper in the affected district.

There is no doubt that perhaps as time goes on some of these areas will need to be expanded. I believe that the present Act, if the member has read it over closely, has adequate protection that the public will have input at hearings, as to a boundary change or expansion or decrease in area.

MR. TRYNCHY: Mr. Chairman, if I could just add to that. If the member would look under Section 3(2), it spells it out pretty clearly.

MR. SINDLINGER: Mr. Chairman, to the member. After all we've gone through, I'm not quite sure what the rationale was for changing the make-up of the advisory committee. As the Act now reads, it says:

A majority of the members of the Advisory Committee shall be persons who are not employees of the Government or of a government agency.

However, the amendment changes the advisory committee so that the non-members are longer a majority but are equal to those employees of the government. Perhaps the member might just briefly summarize the rationale for eliminating the majority of non-government members.

MR. STROMBERG: I think I answered that before. In dealing with ecological reserves, the expertise within a department have done the baseline studies. They've checked all the potential sites. They know which ones have a priority for protection. Perhaps to a lesser degree they are the experts, along with the advisory committee. Hopefully, the advisory committee will be picked from Albertans who are knowledgeable and interested in ecological reserves and wilderness areas.

MR. SINDLINGER: A supplementary, Mr. Chairman. In response to my question, the member just referred several times to ecological reserves. My understanding of ecology is that it deals with the relationship or interaction of individuals and the environment. So, we're dealing with the environment. As a matter of fact, Section 5(c)(7) says that the advisory committee shall have two areas of responsibility, one in regard to wilderness areas and the other in regard to ecological reserves, ecological reserves again dealing with the environment. And "ecology" is stated quite often in the amendments.

Getting experts in their various areas to appear on the committee and provide the knowledge and understanding

they have of the subject areas can add a great deal and enhance the decision-making and advisory ability of the committee. I agree with that. It's worth while to have on the committee people who know what they're talking about. However, when I look at the make-up of the advisory committee, it says that there shall be representatives from the Department of Recreation and Parks. It's good to have those people there. There should also be representatives from the Department of Energy and Natural Resources. That's good as well. There should also be a representative of the Department of Culture.

Nowhere in there is anyone representative of the Department of Environment. However, the Department of Environment has to be one of the key players when we talk about ecological reserves, the relationship or interaction of human beings with their environment. So if, in changing the majority of non-government members simply to something comparable for the government members, the objective of the member was to bring in added expertise from the departments, I would suggest that they ought to rethink this and consider getting a representative from the Department of Environment on there, inasmuch as 50 per cent of the advisory committee's responsibility is with ecological reserves. Perhaps the member sponsoring the Bill might comment on that, indicate to the Assembly why there wasn't a representative from the Department of Environment, and perhaps give consideration to amending this so there is in fact a representative there.

MR. STROMBERG: That's a good point. I'd like to see an MLA on that advisory committee too, but I couldn't sell it to the minister.

MR. SINDLINGER: Would the member consider introducing an amendment at some time to ensure that there is a representative from the Department of Environment? It seems to me there's been a gross oversight, when the purpose of this is to deal with the ecological reserves, the relationship or interaction of human beings with the environment. We have members from the departments of Recreation and Parks, Energy and Natural Resources, and Culture, but conspicuous by its absence is the Department of Environment. If we might get the attention of the Minister of Environment, we could get his observations in that regard. It would seem to me that the Department of Environment would be most interested in something like this and in ensuring that its expertise is lent to the advisory committee.

MR. TRYNCHY: Mr. Chairman, if I may just comment on why we went to 12 members. We were as low as, say, five members under the old Act. We didn't feel that five people, be they three from the private sector and two from departments of government, were sufficient. So we've changed it to read six from departments of government and six from the private sector. We felt confident that six people from the private sector were as knowledgeable and strong as six people from government. We didn't feel you had to have an overbalance of one or the other. So that was one of the reasons we went to that.

In regard to the Environment member, we discussed that too. We feel that the people on the advisory board from the private sector and the government would be sufficient. If Environment were needed, we would turn the project over to the Environment Council of Alberta which, as the amendment says, shall hold public hearings.

MR. SINDLINGER: Mr. Chairman, would it then be the intention of whoever appoints this advisory committee, the Lieutenant Governor in Council, to ensure that at least one of the six persons not employed by government or a government agency be somebody who has an association with those who have environmental concerns?

MR. TRYNCHY: Mr. Chairman, none of the six people appointed from the private sector will be with government, so certainly we'll look to . . . As a matter of fact, I encourage the hon. member to recommend to me who the six people should be.

MR. SINDLINGER: I would be pleased to do that. At a subsequent date I will recommend someone to the minister, if he still has the interest he's expressed tonight.

The prior response from the Member for Camrose in regard to why somebody from Environment wasn't listed here was that he had difficulty getting it past cabinet members. Perhaps he might elaborate on that and indicate why the cabinet members did not want someone from Environment on here, as opposed to simply Recreation and Parks, Energy and Natural Resources, and Culture.

MR. STROMBERG: You want me to answer that?

MR. SINDLINGER: I would direct that to the member sponsoring the Bill, Mr. Chairman.

MR. STROMBERG: I think if you look at this Act, when it's passed and implemented, there is no question of two employees from the Department of Recreation and Parks. There have to be two members from that department. They're the ones who are going to make the thing work, especially the ecological reserves or the wilderness areas where there's a demand for public use. Three employees of the Department of Energy and Natural Resources: all the wilderness areas and ecological reserves are now on Crown land. Say a wilderness area were set up as the federal government is doing in southern Saskatchewan, making a national park of the wildlife prairie there. Naturally, you have to have these people there. One employee of the Department of Culture: I think if you're bringing in education — university groups, scientists, and school children — what better department could you have to co-ordinate that than the Department of Culture?

All right, you're going to throw in another member from the Department of Environment, which I don't think we need. The minister indicated that we have the ECA, appointed by the Department of Environment. That would mean that we'd have to add one more employee from the government and one more person from the private sector. Where do we stop? Maybe we should have the Department of Education in on it, because they're educational too. Maybe we should have the department of industry, the Department of Hospitals and Medical Care, and on and on.

MR. SINDLINGER: Mr. Chairman, I don't think it's necessary to get a representative from the Department of Hospitals and Medical Care or the department of industry. I won't belabor this any longer, except to suggest another point of view. If we can look at this as consumers and producers, what we have here in subsections (a), (b), and (c) are representatives of what could be categorized as consumers.

The Department of Recreation and Parks represents those people who consume the area in regard to recreation; they enjoy that. The Department of Energy and Natural Resources: again consumers, reaping the benefits of the land, whether subsurface or above the surface. And the Department of Culture: again consumers, representing those people who would use the land. But conspicuous by their absence here are representatives of what we could categorize as the suppliers. The land itself is the supplier, but who speaks for the land that lies there silently?

When I look at all the government departments, the only way you could have someone from all the departments here who could speak in the interest of conserving the land for not only present use but future generations, is someone from Environment, somebody who can speak for those things that can't speak for themselves, not only those dormant resources but the future generations that have yet to appear and use that. So I can agree with the member sponsoring the Bill that certainly it is advisable to have the people who are indicated here. It's just good planning. It's prudent judgment. But I also think consideration should have been given to having someone on here who could in fact speak for the land. The member has indicated that the other six persons who are not employed by the government or an agency could possibly do that, represent the land or speak from the supply side. But the argument for having these other people on there is that they bring some expert knowledge or expertise. They have knowledge of their particular areas of responsibility. I could say the same thing for someone from the Department of Environment who could be expected to bring expert knowledge or understanding to this area as well.

I pose the same question I did last time, if the member would care to address that; that is, what were the objections the cabinet had to having a member of Environment on here? I don't disagree with those departments that have representatives. Certainly they have a vested interest and they should be there. But what were the objections to having on this advisory committee a representative with expert knowledge from the Department of Environment?

MR. STROMBERG: In all fairness, Mr. Chairman, as the Department of Energy and Natural Resources is the largest landowner in this province and has a large part of Alberta set aside for the protection of Albertans and future Albertans — and I think especially of the grazing reserves of Alberta and the forest reserves — if any department has ever had a vital interest in protecting the wild lands of Alberta for present and future generations, it is the Department of Energy and Natural Resources. I hope they will pick some of the six non-government people from the scientific community, with a fairly good environment background.

MR. BRADLEY: A question for clarification, Mr. Chairman, to the hon. Member for Camrose. In the hon. member's response, I took it that he said he was trying to convince his cabinet colleagues to put an MLA on the advisory committee. I didn't take from his comments that he had made any suggestion that the minister had rejected the idea of putting a representative from Environment on the committee. Perhaps the hon. Member for Camrose could clarify that. Did he say that he had an objection from the minister with regard to putting someone from Environment on the committee, or did he refer to putting an MLA on the committee?

MR. STROMBERG: Just for clarification, it was an MLA. When I introduced my private Bill perhaps four years ago, I had that part there because I have quite an interest in it — and I was kind of hoping that I could get on that board, the \$20 a day sort of thing, and see that it got born and worked fairly good. But it was not someone from Environment.

MR. BRADLEY: That answers my question, Mr. Chairman. It seemed the question was being asked that the hon. member had inferred he had received that advice from a minister. He has just clarified that that was not in fact what he had said.

MR. COOK: Mr. Chairman, I wonder if I could just point the hon. Member for Calgary Buffalo to The Department of Environment Act. Section 2 outlines the areas of responsibility for that department. Public lands is not one of them. Yet if he turns to the Department of Energy and Natural Resources, it's quite clear that the mandate for the area he is concerned about, preservation of land, is the purview of that department and is covered in this Bill. So his objections are nil.

MR. R. SPEAKER: Mr. Chairman, I think we have to turn to the 'whereases' of the Bill and again make the point that's attempting to be made at the present time, that the Department of Environment should certainly be involved. The amendments the member will be moving in a few moments point out very clearly that there is an environmental thrust and concern.

For example, there are three 'whereases'. The first one says: "industrial development and settlement in Alberta will leave progressively fewer areas in their natural state". Showing concern for the natural state; that's environment. The second 'whereas' talks about "preserving their natural beauty . . . and safeguarding them from impairment and industrial development". That's concern for the environment. The third one is to provide varying degrees of protection to those areas and reserves and to keep them in their natural states. That's the whole function and purpose. Certainly management of lands is under the Department of Energy and Natural Resources. I agree with that. It has been that way for about nine to 10 years, certainly under the department of lands. I see no problem in putting in, say, one employee of the Department of Environment and two employees of the Department of Energy and Natural Resources. The director of lands, say, would have full input and full control of what happens to the land. But when we're talking about a wilderness area, there's a broader use than just the lease of land to a group of people or allowing people to go onto the land for certain functions. The lands are not just for grazing purposes or are not there in terms of title to the Crown, but are being used by the general public for certain functions. When the general public uses them, we wish to protect their natural state or the environment. The best professionals we have are the ones we have in the Department of Environment.

So I would certainly appreciate the member reconsidering that in light of the "whereases". We won't hold him firm to the argument he has taken up to this point in time. But I think it does have some merit and could broaden the committee to a different perspective that according to the preamble is the thrust of the Bill.

MR. STROMBERG: I think it's rather strange when the Member for Little Bow makes reference three times to

preserving. I always thought it was the Department of Culture that did the preserving in this province — preserving any old building — or the Department of Recreation and Parks. I'm not aware of the Department of Environment in the business of preserving something. The parks and wildlife group certainly would have quite an influence here and perhaps in wildlife in some of the wilderness areas. I'm not aware of anyone in the minister's office who even has a clue what environment is about, or catching fish or shooting elk. Really. When you mention preserving, of course you have to have the Department of Culture in there. I think you broaden the horizons out too far. If the minister had said, have a representative from the Department of Hospitals and Medical Care, it would have been more credible.

MR. SINDLINGER: Mr. Chairman, the points being made about the substantial part the environment plays in this amendment . . . The member has also made the point that the reason we have members here from Energy, Culture, and Parks is that they can bring some expertise to the advisory committee, which is a good thing to have. I had hoped that the Minister of Environment might get up and lend us some of his expertise in this area to help us resolve this important matter. Since he hasn't, I've gone to the estimates of expenditure for '81-82 to find out just what the Department of Environment does and to see if it is in fact applicable or complementary to this amendment to Bill 55. It says here that the ministry is responsible for

. . . the coordination of the policies, programmes, services, and administrative procedures of departments and agencies of the Government in matters pertaining to the environment, and may undertake activities necessary to promote the improvement of the environment for the benefit of the people of Alberta and future generations.

Clearly, Mr. Chairman, if there is any one department that should be concerned or involved in this advisory committee, it should be the Department of Environment. I don't argue with the Member for Camrose about the need for or the appropriateness of having the departments of Recreation and Parks, Energy and Natural Resources, and Culture. Certainly they should be there. But I'm very surprised that we haven't heard at all from the Minister of Environment tonight, in that he could lend his expertise and tell us whether or not his department should be involved in this. I wish he would give some consideration to that particular point. It might clear up some misunderstanding in the public; that is, whether or not the Department of Environment is an advocate of the public or an advocate of the government to the public.

MR. STROMBERG: Mr. Chairman, I'd just like to add as a point of interest that Environment was not in the old Act. No one from the Department of Environment was involved under the old wilderness Act.

MR. GOGO: Mr. Chairman, this has gone on for some time. I'm satisfied with Bill 55. I've taken note of the comments of the members for Calgary Buffalo and Little Bow. I'm confident that the minister, recommending to Executive Council the six members to be appointed, will be cognizant of the arguments used. In the interests of getting on with the business of the House, if the members want to move another amendment, let's deal with it.



MR. COOK: Mr. Chairman, I'd like to make one other point. The Act provides for six other persons who are not employed by the government or a government agency, and I would presume that the minister responsible could take the concerns raised by the hon. members of the opposition and appoint people who have specific skills in environmental questions; for example, people in the Alberta Wilderness Association or groups like that. They would perform that kind of service.

Finally, I go back to the point that Section 2 of The Department of the Environment Act defines the environment for the purposes of the department. Nowhere under those headings comes land. It talks about air and water quality by and large. Again, I think the debate has been useful. The opposition members have made a contribution, and I'm sure the ministers will take their concerns into consideration when they are appointing the other six members.

MR. R. CLARK: Mr. Chairman, in light of the comments made by the hon. Member for Lethbridge West — if my memory is accurate — and the Member for Edmonton Glengarry, I'd certainly be prepared to move in committee that we hold the Bill. I'll undertake to have an amendment drafted to add the name of the Department of Environment and bring the amendment in tomorrow.

MR. KNAAK: Mr. Chairman, on that particular point, I've been listening to the opposition for a long time, and I'm surprised that having been in government as long as they have — I think the two members combined have about 40 years in the House — the Department of Environment . . .

MR. DEPUTY CHAIRMAN: Order please. Is the hon. Member for Edmonton Whitemud speaking to the motion presented by the Member for Olds-Didsbury?

MR. KNAAK: Mr. Chairman, was that a formal motion or a suggestion? Either way, I'm speaking to it.

MR. DEPUTY CHAIRMAN: It was a formal motion. The Chair accepts it. Go ahead and speak to the motion.

MR. KNAAK: The Department of Environment . . . [interjections]

MR. DEPUTY CHAIRMAN: Some questions are being asked about what the amendment is. The motion by the Member for Olds-Didsbury was that Bill 55 be held and that the Member for Olds-Didsbury come back with an amendment indicating that another member, from the Department of Environment, be added to the advisory board.

MR. KNAAK: Thank you, Mr. Chairman.

MR. BRADLEY: Mr. Chairman, is that a proper motion before a committee, to hold the committee?

MR. DEPUTY CHAIRMAN: The Bill can be held if the committee accepts the motion. The Member for Edmonton Whitemud was making some remarks.

MR. KNAAK: Thank you, Mr. Chairman. The point I was trying to make is that the Department of Environment was instituted to preserve the environment when

industrial progress is in some sense jeopardizing the environment. To suggest that the Department of Environment should be involved in something like preserving ecological preserves is like suggesting that you want the Department of Environment involved when you want to preserve a building. We are already preserving; that's the very point of it. We preserve parks. The Department of Environment has a different function and a different place, and this isn't one of them. I suggest that we get on with business and vote on this amendment.

[Motion lost]

MR. R. SPEAKER: Mr. Chairman, to the hon. member. I don't want to disappoint everybody. Could the member indicate who the person to be designated chairman would be? Would it be a member of the government or a private citizen?

MR. STROMBERG: In following past experience, I think there will be two options open. The minister will appoint the chairman, or the group will appoint a chairman amongst themselves. I can't answer that one.

[Motion on amendment carried]

MR. R. CLARK: Mr. Chairman, just before we call title and preamble, we spent the best portion of 35 minutes on the Bill. In fairness, the hon. member brought this Bill before the House some three or four years ago in the form of a private member's Bill, and has shown a lot of, if I could use the term, ability to hang in there when the going wasn't very well accepted by some of his colleagues. For the benefit of the Minister of Economic Development, I say to the hon. member, congratulations on the work he's done on it.

[Title and preamble agreed to]

MR. STROMBERG: Mr. Chairman, I move that Bill 55 be reported as amended.

[Motion carried]

#### **Bill 77 Judicature Amendment Act, 1981**

MR. DEPUTY CHAIRMAN: Are there any amendments or questions to be offered with respect to any section of this Act?

[Title and preamble agreed to]

MR. CRAWFORD: Mr. Chairman, I move that Bill No. 77 be reported.

[Motion carried]

[Mr. Appleby in the Chair]

#### **Bill 79 Regional Municipal Services Act**

MR. CHAIRMAN: There is an amendment to this Act. The amendment has been circulated. Are there any questions or comments with regard to the sections of the amendment?

MR. R. CLARK: Mr. Chairman, I wasn't in the House when we did second reading, and I've had an opportunity to read the comments made by a number of members and by the minister with regard to second reading. But I would be less than fulfilling my obligation if I didn't make some comments, especially with regard to Sections 6 and 12 of the Act, and to say quite frankly to the minister that there are a number of concerns by municipalities in my constituency with regard to the way in which this piece of legislation is going to affect the regional water line running from the Red Deer River and serving the towns of Innisfail and Bowden and the towns of Olds, Didsbury, Carstairs, and Crossfield. As I say, I regret I wasn't here on second reading, not that it would have changed the results of second reading at all.

In principle, Mr. Minister, I don't have any difficulty in supporting the legislation, but I do have some real concern with regard to Section 6. That's the section where

The Lieutenant Governor in Council may appoint a person to be chairman of the board of a regional service commission.

[and] The chairman is a member of the board.

Mr. Chairman, might I start by asking the minister if he would outline to the Assembly how the Lieutenant Governor in Council, going about the selection of that chairman, would in all likelihood . . . Will that chairman be a representative on the board of one of the towns? Will he or she be picked from the people appointed by the various councils, or will a person be brought in from outside the representatives of the various town councils? I've had strong representation from several of the municipalities that once the appointments have been made to the minister by the town councils for their representation on the board, the minister can then pick one of those individuals to be the chairman of, in our case affecting our own particular constituency, the regional water line commission.

Then going over to Section 12 of the Bill, Mr. Chairman, once again for the sake of this discussion, at least from my vantage point, I'm most interested in how this will be done with regard to the same water line. What plans does the government have under Section 12 that will help the municipalities with their water lines from the standpoint of financing? Perhaps we could start with those two questions and carry the discussion from there.

MR. MOORE: Mr. Chairman, dealing first with Section 6, which provides that "The Lieutenant Governor in Council may appoint a person to be chairman of the board", it's our initial intention to appoint the chairman of the board likely from other than any municipal representatives. It may be that some change would evolve as these boards function over the years, and the chairman might be appointed from amongst members of the commission board. The reason for that is drawn from experiences with respect to the operation of regional systems we have observed elsewhere in Canada. I refer largely to the regional systems that operate in Vancouver, Toronto, and Montreal, wherein great difficulty developed when municipalities joined together, appointed a member or members to represent them, and then those members appointed a chairman from amongst them, I think partly because in the initial stages at least, the chairman had to represent some majority of the municipal votes attached to the regional services commission, as the case would be here, and became nominated by one or two players, or perhaps more, to the system, depending upon the mix of membership. For example, if we went

into the Calgary area and provided some representation to the city of Calgary which was reasonably consistent with the population, of course, their representation would outweigh all the others combined. We would want to have some weighting of that, but obviously, if that city or the city of Edmonton is a member of a regional services commission, they would have a goodly number of members.

It was my feeling that initially, at least, these services would be best provided by a board which had a full-time chairman. This person is envisioned to be a top administrator, if you like, in addition to having some knowledge of the political make-up of the municipalities he or she is serving, and in that regard would be a full-time individual and might be considered as both the chairman and acting general manager or chief executive officer of the regional services commission. It would be my intention to recommend to the Lieutenant Governor in Council the appointment of a chairman from the selection of people who would likely make application by way of the same type of advertisement we would undertake to hire a deputy minister or some other senior official within a department of government. Of course, that would not exclude municipalities from making suggestions, or people interested in serving on such a board coming forward with the support of municipal governments that may be in the area. But it is not envisioned to be a part-time position, but rather a full-time one. If it's a full-time position, it would be hard to draw that member from the ranks of the municipal governments involved, because most of those elected people have other functions they must carry out and, obviously, couldn't act full time.

I've had only one negative comment to that particular idea, and that came from the mayor of the town of Olds. I don't exactly know the reason for it, but I did explain our intention to him.

With regard to Section 12, I should point out that it is not our intention under this legislation to provide specific additional grants to regional systems. Those will continue to flow, as they do now, to the sort of *ad hoc* systems that are in place from the Department of Environment. It may well be that there will be different kinds of assistance, as there are presently in the Cold Lake area, and as there are presently in terms of operational assistance with regard to the water line the hon. member is referring to. There may be different assistance for those regional systems than there are for individual municipal systems, but they will all flow from the Department of Environment.

The reason for Section 12 — which, the member should be aware, is identical, I believe, to a section in The New Towns Act — is simply to facilitate the establishment of a commission. We don't have any way of getting this operation started without advancing some funds for the development of an office and paying remuneration, salaries, and that kind of thing, so we would expect advances by way of grant for those purposes to be rather small.

Then, of course, the second part of Section 12 involves loans to the commission. It follows the same procedures we would use in making loans to a municipality from the Municipal Financing Corporation; so in the purchase of debentures, the same thing. In other words, we put this commission in the same light as a municipality for the purpose of borrowing money.

Mr. Chairman, I think those are the two matters the hon. member was concerned about.

MR. R. CLARK: I too have had representation from the mayor of Olds, but also from three municipalities directly south of the town of Olds expressing the very same point of view. I would say to the minister that I'm not convinced of the need for a full-time person to be the chairman of the board. Mr. Minister, my comments are related solely to the water line serving the area basically in my own riding, but for us to be putting in a full-time person as chairman who, if I understand the minister's comments accurately, is really also going to be the chief executive officer, frankly we're setting up a person on a basis . . . I would submit to the minister that with this legislation, one could perhaps engage someone who would be the executive officer and who would work under the commission, or as the one commission employee, as far as that water line is concerned, and be responsible for the day to day operation of the water line.

I would strongly recommend to the minister that the chairman be one of the representatives of the various towns that are on the board. The minister's comment is well taken as far as if Calgary or Edmonton were included in this, but I would point out to the minister that basically you have Innisfail, Bowden, Olds, Didsbury, Carstairs, and Crossfield, six municipalities which would vary in population from about 5,000 to about 1,000; Carstairs or Bowden perhaps being the smallest and Innisfail or Olds the largest. I would expect that each municipality would receive one representative on this regional board. It just seems to me that, at least in the early stages, if the minister were to appoint one of those people as chairman, and if the commission then decided it would have to hire someone or engage the services of one of the town officers initially to do the administrative work, at least leave that option open to the people who are being responsible. As opposed to Edmonton — and I say Edmonton in the broader sense — imposing a full-time chairman who immediately will be seen as something totally different from the representatives of the six municipalities who worked with the Department of Environment to get the project going. I'm not quarreling with the concept, Mr. Minister. The city of Edmonton and the services around the city of Edmonton or Calgary are a different situation, and my argument doesn't apply. I'm making a special argument for the water line that serves those six municipalities in central Alberta.

MR. MOORE: Mr. Chairman, just briefly, the legislation is permissive. But I should point out to the hon. member that in all likelihood what will eventually occur in the Calgary region with respect to this legislation is that there would be a single regional municipal services board which would deliver both water and sewer services. That will involve a great deal more than just the water line the hon. member is referring to. It will involve sewage treatment for a number of municipalities, including the city of Calgary, but certainly Cochrane, Canmore, and others. So we're getting into a much larger operation than just a single water line. The same holds true in the Edmonton region, where I believe we presently have two water lines in operation and several agreements with regard to sewer lines, all of which will come under one umbrella.

There may be places — for example, the Cold Lake-Grand Centre communities — where only two municipalities will be involved in a regional system. Perhaps the rural municipality might be included, which would be three. In that particular case, we wouldn't be looking at any full-time administration staff to any extent. It may well be that we would decide those communities can elect

a chairman from amongst themselves. The legislation is permissive. But it would be our intention with respect to the very large ones to appoint a full-time person as chairman. There's a very valid reason for it. In our view, it will work better if that chairman is appointed by the Lieutenant Governor in Council and is an independent chairman. Surely he or she will have to take direction from the members appointed to the board by the municipalities, however many there might be. But the legislation is permissive, and on the smaller ones we can consider appointment by the local municipalities if it warrants it.

MR. R. CLARK: Mr. Minister, I was extremely concerned by the early portion of the minister's remarks and, frankly, my concern has somewhat lessened by the last comments. Once again, I preface my remarks by saying that my comments on this occasion are very parochial, simply talking about the six communities involved in the water line who are not involved in any sewer lines or anything else. But I'd like to understand very well, Mr. Minister, so I can report to my people on this question: are we in fact talking about putting the people in those six municipalities with this water line into a utilities board or utilities commission that will be dominated by Calgary, Canmore, and other areas? Mr. Minister, my understanding, and certainly the understanding people in that area have, is that there will be a utilities board set up with those six municipalities involved, solely for that water line built by the Department of Environment. I can support that concept if we can get this question of the chairmanship straightened around.

But, Mr. Minister, if we're talking about including those six municipalities in a far larger utilities commission including Calgary, Airdrie, because of its water and sewage line with Calgary, and other communities around Calgary, then we're just asking for very, very serious trouble. It's going to be seen by people in the area as a regional kind of government that they are not in control of themselves. Mr. Minister, with the greatest of respect, I would plead with you not to put those six municipalities into that kind of a situation which would be a no-win situation for them.

They're prepared to take over the operation of the water line. They've had discussions with the representative of the minister's department. And unless I misread their point of view, clearly they are under the impression that in fact the regional municipal services group that will be operating this water line will be made up of just those municipalities. If they are to be a part of Calgary and other much larger communities in the area, I can see very, very grave difficulties, Mr. Minister.

MR. MOORE: All I can say, Mr. Chairman, is that the hon. member obviously hasn't been following what we've been discussing for the last several months. It is clearly the intention of this government to move on providing water and sewer services and solitary waste management services on a regional basis. That's what this legislation is all about. If the hon. member suggests there is a commitment that six communities would be in their own water line agreement with no one else involved, that's simply not correct. That may occur, but it's highly unlikely. For example, I can advise the hon. member that in the present situation, those municipalities along with Airdrie are, if you like, totally dependent upon what the city of Calgary does with respect to water.

MR. R. CLARK: Because they get their water from the Red Deer River, Mr. Minister.

MR. MOORE: Doesn't he want me to finish? If he wants to make a speech, go ahead.

MR. R. CLARK: Mr. Chairman, all I'm saying to the hon. minister — and I can be as miserable as the minister would want to be — is that those communities don't depend on the city of Calgary. They get their water out of the Red Deer River just a mile down from where the Department of Environment put in the sewage system for Innisfail. These towns get their water a mile downriver from there. It serves the towns of Innisfail, Bowden, Olds, Didsbury, Carstairs, and Crossfield. They are not dependent on the city of Calgary at all.

MRS. OSTERMAN: Mr. Chairman, before the minister started to answer the last comments by the hon. Member for Olds-Didsbury, I was just going to ask if he would clarify what the situation would be if there were a water problem in those communities the hon. member is speaking about. The water line is indeed going to be tied from the south to the north in Crossfield. If there has to be an exchange of water going the other direction, how would that situation be handled?

MR. MOORE: First of all, with respect to the hon. Member for Olds-Didsbury, perhaps I shouldn't have included all the communities I referred to in terms of being totally dependent upon Calgary. But we're dealing with regional systems, and it costs far too much money for this government to run parallel systems when a large portion of the cost is being paid provincially.

Frankly, I don't know what kind of tie-in we might see in the future between the Calgary region, the Red Deer region, and the communities in between. I know that right now we're having some difficulty in assuring a permanent water supply for Airdrie. In the future, that may occur for other communities along that line. If there is a neat, small arrangement for water supply with five or six communities that doesn't involve anyone else, it could well be that that community could have a regional services commission. On the other hand, if it's as the hon. member describes, perhaps they don't even need one; it can operate by agreement. We're not anxious to impose this system on a system that is already working very well and doesn't have any problems. But I can assure the hon. member that in the future there will be places, and I believe the region he's talking about is going to be one of them, where the system will be much larger than he now envisions it to be.

We're not talking about legislation that's just good for 1982. We're talking about legislation that's a new concept, if you like, in delivering water and sewer services. Before I sit down, I would only say to the hon. Member for Three Hills that I think we have very significant problems in the growth of that community without ensuring that something like this is in place that would provide an assured supply of water. We simply don't have that for the Airdrie community at the present time.

MR. R. CLARK: Mr. Chairman, I don't argue with the point the member makes as far as Airdrie is concerned. My only point, and I've said it two or three times and I say it once again — if I'm wrong, I wish the Minister of Environment would correct me — is that I'm of the impression that those people have been given the impres-

sion, in the discussions held with officials of the Department of Environment and the municipalities I talk of, going from Crossfield north to Innisfail, of taking over the operation of the water line that serves that area . . . As I understand it, and in the correspondence I've seen, they're talking about their own kind of commission being set up under this legislation. They were clearly told there had to be enabling legislation. It's certainly news to me, and I have attempted to keep fairly well on top of the issue. The prospect of these municipalities being thrown in the bag with Airdrie and Calgary and others, from the standpoint of sewage in the future: I don't see any immediate need for those areas to be included in the sewage line that comes out to Airdrie now. We've just been through the great sewage debate in that area over the past two or three years. During the course of that two or three years several communities approached the Department of Environment about a regional kind of approach, and it was turned down by the department.

I simply say that if in fact they were all connected, Mr. Minister, I think the legislation is good for Calgary and for Edmonton, and the regions surrounding there. I'm simply making a plea for an area which has a self-contained system now, thanks to this government, to the tune of some \$12 or \$14 million. But simply don't complicate their lives by putting them into a situation where they're going to be dominated by the city of Calgary. Quite frankly, they have enough of that right now.

MR. CHAIRMAN: Are you ready for the question on the amendment?

MR. SINDLINGER: Mr. Chairman, to the minister. I note that in Section 3, where the objects of a regional services commission are given . . .

MR. CHAIRMAN: I don't want to interrupt the member, but are you dealing with the amendment or the Act itself?

MR. SINDLINGER: Mr. Chairman, I'm dealing with the Act.

MR. CHAIRMAN: We should deal with the amendment and dispose of that, I believe.

[Motion on amendment carried]

MR. CHAIRMAN: Now we will deal with the Act as amended.

MR. SINDLINGER: I just have a quick question, Mr. Chairman. Section 3 of the Bill states:

The objects of a regional services commission are to provide water, sanitary and storm sewerage and waste management services, or any of them, with respect to more than 1 municipality.

I've been trying to find the definition of "waste management services", and I can't. I've referred to other sections of the Act, specifically Section 7(1)(a), where the powers of a regional services commission are delineated. Under subsection (a) it says:

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.

What happens is that in the delineation of the powers of

the regional services commission all the objects of the regional services commission are outlined except for that one phrase, "waste management services".

So, the first thing I'm looking for is a definition of waste management services. It's somewhat ambiguous, and it may or may not refer to the other items laid out under objects. The second question I would pose to the minister is: in regard to waste management services, has any consideration been given to the compatibility of that term to what is defined as dangerous goods in Bill 80, the Transportation of Dangerous Goods Control Act? The way it stands now, waste management services could apply to dangerous goods as well. If this regional services commission has authority in one way or another over waste management services, yet those waste management services fall under the regulations of Bill 80, there could be some conflict in the question as to which one would be paramount.

MR. MOORE: First of all, Mr. Chairman, if there are conflicting matters between the legislation we're presently dealing with, the Regional Municipal Services Act, or its regulations, I don't believe there would be any conflict with regard to the Act and the Transportation of Dangerous Goods Control Act. When and if that Act is finally approved, the Transportation of Dangerous Goods Control Act would prevail, and that's outlined in that Act.

Mr. Chairman, we're really dealing with two different matters. The Transportation of Dangerous Goods Control Act was designed for the transportation of dangerous goods. But certain matters come into play there in the event that there is a need during the course of that transportation to destroy, discard, or dispose of dangerous goods. This legislation could operate within the system that's being developed by the hon. Minister of Environment for the handling of wastes that are above the normal sorts of wastes a municipality might handle, the hazardous wastes. At what level, I don't know, but likely at the lower end of the scale.

In other words, if it's necessary to develop three different levels of hazardous or dangerous wastes management, one being the level of say collecting all the agricultural chemical containers, that could well be handled under legislation of this nature, where there's a regional system. Other more sophisticated techniques in the management of dangerous chemicals and so on, dangerous wastes, would likely not come under this type of legislation but be handled directly by the province with respect to the work presently under way in that regard.

The first part of the hon. member's question had to do with definitions of Section 3, waste management services. I think that in itself defines what it's about. It can be as broad as handling the most difficult wastes there are, but it would not be intended that this Act go that far. I think that is consistent with what the regional services commissions purposes are, as outlined in Section 7(1)(a):

Acquire and finance, construct, operate . . . waste and sanitary . . . plants and facilities.

So the commission is able to do that. Now the government naturally would be involved with the commissions in a management decision on what level of expertise an individual commission might develop in handling certain wastes. But as I said, in my view it will be the establishment of waste facilities that are at the lower end of the scale in terms of their danger to human beings, and would generally be regarded as the existing landfill sites operated by municipal governments throughout the

province.

I don't know, Mr. Chairman, to what extent we might have a regional services commission involved in that type of operation. We've noted in recent years very extensive costs in the development of landfill sites. Numbers of municipalities are going together to try to bring down costs and provide regional management. It could well be that the water and sewer services commission under this legislation would also operate and maintain a landfill site. Just to further my comments in that regard, that doesn't mean they would be involved in the picking up or bringing to the landfill site of an individual municipality's waste. In all likelihood that would be handled exactly as it is now. But they would only manage the site. There are all kinds of possibilities in that regard. The Act is broad enough to cover them. Mr. Chairman, I don't know if the member has other questions I haven't answered; I'd be pleased to try to answer them. But it's our intention to go that route.

MR. SINDLINGER: A supplementary, Mr. Chairman. The minister has answered my two questions very thoroughly. Now that I peruse the Transportation of Dangerous Goods Control Act a bit more closely, I see that Section 3 indicates that except for the Alberta Bill of Rights and The Individual's Rights Protection Act, Bill 80 would be paramount in this particular area.

I don't want to jump too far ahead, but it seems to me a question is raised at this point in time, when we talk about the waste management services. The minister has indicated that there is a very broad interpretation to that term; indeed, dangerous goods could be included in that category. The area seems to be getting a little crowded. Not only do we have this Bill here, the Transportation of Dangerous Goods Control Act, but we also have legislation in the federal area. Reference is made to that in Bill 80 in regard to what shall and shall not apply when there are conflicting regulations. We seem to be having a third player now, in regard to the Regional Municipal Services Act, under Section 3, where we do have that broad interpretation of waste management services. The question that is going to arise in the future is twofold. Who is going to monitor these things, and who is going to arbitrate the overlap in regulations where they occur? Obviously they're bound to occur when we have three Acts covering the same subject matter. Perhaps the minister would comment on the monitoring and arbitration in that sense, please.

MR. MOORE: Mr. Chairman, I probably have to refer at least briefly to the transportation of dangerous goods legislation to outline what we intend to do. The federal transportation of dangerous goods legislation has been passed by the House of Commons. The Act has been proclaimed, and I believe some regulations have been proclaimed that are attached to the Act. The effort we're making there involves nine other provinces and the government of Canada. We're trying to achieve a consistent method of transporting dangerous goods throughout Canada so that people transporting by truck, rail, or whatever don't have to unload and take a different mode of transport or run into a different set of regulations when they run from one province to another. That's particularly important for Alberta, being a very large manufacturer of chemicals and other dangerous goods now, and with a potential for being the largest in Canada.

What we've got there isn't always necessarily Alberta's strict point of view, but the process of negotiation. More

than 3,000 different chemicals and dangerous goods will be identified, then classified into 20- or 30-odd categories for transportation throughout Canada. Transportation includes the storing and handling of dangerous goods when they're being prepared or submitted for transportation, or when they're handled en route. It does not include the manufacture of dangerous goods. It does not include the destruction or the waste management of dangerous goods. The dangerous goods legislation is largely for transportation.

This Regional Municipal Services Act provides permissive legislation for a regional services commission to provide waste management services. That means a place where individuals, groups, companies, municipalities can bring their waste for management. If, in fact, under the transportation of dangerous goods legislation, a load of dangerous chemicals is spilled, a clean-up is effected, and one of these waste management sites operated and managed by a regional services commission is available and appropriate, it'll be utilized. If it is not and another level of waste management is required, which could very well be the case with chemicals, then the Department of Environment, under the proposal they're now working on to provide hazardous chemicals storage sites throughout the province, would come into play. There really isn't a conflict. There can be an overlapping, but hopefully not a conflict.

MR. SINDLINGER: Just a short supplementary, please, Mr. Chairman, for clarification. Under Section 7(a), we deal with the powers of a regional services commission to:

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

Is the regional services commission empowered to establish a toxic waste disposal site or anything of that nature? Would that be contemplated under that part of the Act?

MR. MOORE: First of all, Mr. Chairman, it's not "contemplated" under that part of the Act; that's what occurred. It would be my view, subject to some legal definitions, that waste management services is very broad. I think the Act is broad enough that a regional municipal services commission could establish waste management services for any type of waste. But I just say it's not envisioned that under this legislation we would resolve the problem of the handling of the very difficult wastes. This was designed largely to facilitate and accommodate individual municipalities jointly developing landfill sites for the normal refuse that comes from the municipality, which is very large in terms of its quantity, but not requiring nearly as sophisticated treatment and management services as the more toxic waste the hon. member refers to, which will be done under the programs now being developed by the Minister of Environment.

MR. SINDLINGER: This is just a very short one for clarification, Mr. Chairman. If the regional services commission were comprised of very ambitious and aggressive members who did go after a toxic waste disposal site, what would be the method of resolving the authority in that area between this regional services commission and the Department of Environment?

MR. MOORE: First of all, the regional municipal services authority would be undertaking a great deal of

expense if they were to move into one of those areas. They would be subject to very extensive regulations by the Department of Environment and, frankly, couldn't begin without generous grants from that department. It's a matter of management, but I'm sure the hon. member is quite aware that no municipality or group of municipalities would want to go to an unnecessary expense when the need was being provided for in another way.

MR. SINDLINGER: Mr. Chairman, the regional services commission is empowered to issue notes, bonds, and debentures to raise money. One might look upon a toxic waste disposal site as a profit-making venture as well as a necessity. There's no real encumbrance or constraint upon the regional services commission in the event that they did become ambitious in that area.

MR. MOORE: The hon. member is incorrect, in my view.

MR. MANDEVILLE: Mr. Chairman, a question to the Minister of Municipal Affairs, with regard to the pollution in the Bow River, the concern we have, and the petitions that have been coming to Edmonton, especially to the Department of Environment. Just what effect will this new legislation, when it comes into effect, have on some of the communities the Member for Olds-Didsbury has been discussing? If they put the pollution into the Calgary sewage system, what effect is it going to have on the pollution of the Bow River?

MR. MOORE: Mr. Chairman, perhaps an example would be in order. The city of Calgary has been dumping sewage into the Bow River. That has been causing a problem that's been recognized. The Minister of Environment has responded with a special grant program to enable the city of Calgary to upgrade their sewage treatment in a secondary way to prevent the problem.

Next year, if the town of Canmore or Cochrane began to develop the same sort of problem because of the lack of secondary treatment, we would then be looking at the development and building of similar facilities on the Bow River. Those two municipalities undoubtedly could not afford, as Calgary could not afford, to build such facilities without some provincial grant programs. Because of their size, in all likelihood the alternative would be to run pipelines to the treatment plant, which is now being constructed by — I presume it's in the planning stages at least — the city of Calgary.

The regional services commission would then facilitate co-operation between municipalities so that the overall total cost to municipalities and the government of Alberta would be less than it might otherwise be. That co-operation is occurring in some areas now without the need for a regional municipal services commission overseeing the whole works. But as the years go by, we envision it's more and more appropriate that these kinds of services . . . We're not talking about collecting sewage within the municipal boundaries of these towns or cities, or distributing water within their boundaries. We're only talking about the treatment of and the delivery of water in major pipelines to municipal boundaries, or to various points within a municipal boundary, from which the municipal system will then take over and distribute as it presently does. The same with sewage. We're not talking about collecting sewage from residential and industrial plants throughout a city or town. We're talking about that town continuing to do what it has always done:

bringing its sewage to its boundary or to several points within that town where the regional commission would then pick up the sewage, move it to a treatment plant, and treat it. In my view, in the longer term that will have enormous benefits for the Bow River.

Through its grants, the province will be able to dictate that there is appropriate treatment, but it will also be able to effect cost savings in that treatment by ensuring that as many municipalities as possible do it in one plant, if that's more efficient. To be very honest about it, in some cases it's not possible unless it's forced on the municipalities. During the last two years, I've been told: we, municipality X, intend to use our treatment of water and our sewage services as a deterrent to growth in neighboring municipalities, and we intend to plan this province by that tool. Frankly, this government doesn't buy that, and I don't think we should. I'm not suggesting that was the city of Calgary; in fact, it wasn't.

For example, what would occur if the communities — and I just use Cochrane and Canmore, downstream on the Bow River — were to refuse any assistance by the city of Calgary in secondary treatment of sewage? It's causing a problem in the Bow that this government has provided some pretty generous grants to resolve. Surely we ought to be able to direct other communities to the same treatment plant, albeit they need to pay their share of the costs. When I introduced this legislation — and I refer specifically to the river systems in this province — I said they don't belong to one municipality; they belong to everybody on them and to the people who live beyond them.

MR. MANDEVILLE: Just one further question to the minister, Mr. Chairman, with regard to the cost sharing. I use for an example a small area such as Airdrie. They were going to work out a reasonable agreement with Calgary, which would be one large city against a small town. How would the cost formula be worked out? Who is going to be responsible for the financing and cost sharing on a project such as that?

MR. MOORE: If in fact a regional services commission responsible for the delivery of water and sewage treatment is developed in the Calgary region, that commission would then establish its rates. If the town of Airdrie believed those rates were inappropriate, they would be subject to an appeal and a judgment by the Public Utilities Board. All the charges that might be levelled by a regional services commission would be handled in that manner.

In my view, we're very fortunate to have the concept of the Public Utilities Board as a recognized way to resolve those sorts of disputes in Alberta. One of the biggest single problems I've seen with regional delivery of services in Canada is the continual argument about whether or not the price being charged by the regional commission to one or another of its members is appropriate. Very few of them, if any, had a proper way to resolve that by an independent tribunal such as the PUB. That's how the end price would be established if a municipality was not satisfied with it.

MR. R. SPEAKER: To the minister. Looking through the Act very quickly, in terms of the paramount or supreme authority in terms of an Act like this ... My constituents, as well as those of the hon. Member for Bow Valley, live downstream from Calgary. I use it only as an example. Does the Department of Environment

have the final say as to whether a certain sewage facility can dump its waste into a river, and as to the size of that facility? Does that supersede the actions of a regional municipal council, so they couldn't make agreements without the Department of Environment being the limiting factor?

MR. MOORE: Generally, the hon. member's interpretation is correct. A regional services commission treating sewage or water or doing any other thing of that nature would be subject to the same rules as a municipality. They're quite stringent in terms of the Department of Environment clean air and clean water Acts, et cetera. They would be subject to all those controls.

MR. R. SPEAKER: Mr. Chairman, could the minister just point that out to me? I was trying to find that in the Act, in terms of the Acts that take precedence.

MR. MOORE: Mr. Chairman, it's not in this Act. This Act does not supersede The Clean Air Act, The Clean Water Act, and other environmental legislation. So you won't find in this Act a reference to the fact that you must obey the legislation of the hon. Minister of Environment, because it does not supersede it. If it doesn't say that, other legislation has to be adhered to.

MR. R. SPEAKER: Mr. Chairman, the other question I want to raise with the minister is a matter of principle. I've raised this principle with regard to regional planning councils across the province, where the planning councils set a budget, then each of the respective municipalities that are partners of that planning jurisdiction have to pay a levy. What happens there is that people responsible in turn to their electors really haven't any say about what that rate will be.

As I read this Act, it seems the same principle prevails. Under Section 7, the regional municipal council will establish fees and charge for its services. In turn, those would be a levy on each of the municipalities. We seem to be establishing taxation without direct representation, I guess. I wonder if the minister would comment whether that's the principle here. The local taxpayer elects his municipal councillor. In turn, the municipal councillor has no say as to what the levy would be. What recourse has the citizen, in terms of costs of regional services? I would say the same thing applies under The Planning Act, but I'd have the minister direct his remarks to this Act.

MR. MOORE: Mr. Chairman, I was just discussing that. We have here a system that will provide a service to a municipality. Perhaps the thing I could liken it to the most is the providing of electric power, which is done in this province by two private utilities and two public utilities in the cities of Medicine Hat and Edmonton. There is only one place you can buy power from if you live in the city of Calgary, and you purchase that power at a rate established by the power company, by arbitration without representation. After that is established, if the municipality or a group of individuals does not approve of the rate and feels it's unfair, they go to the PUB. That's what this provides.

So the hon. member is right in the first instance. Although the regional services commission will likely be made up of a large number of municipally appointed people, that still doesn't guarantee you're going to have

the right rate. The appeal to the Public Utilities Board is there. That's an important aspect of the legislation.

MR. MANDEVILLE: Mr. Chairman, I'd like to direct a question to the minister. What is going to be the leading department on this particular legislation after it is set up and in operation? Will it be the Department of Environment, the Department of Municipal Affairs, or the two departments working together?

MR. MOORE: Generally speaking, the legislation before you will be the responsibility of the Minister of Municipal Affairs, but that only provides for the kinds of things provided for in The Municipal Government Act with respect to municipalities. In other words, the manner in which the members to the regional commission are appointed, their remuneration, and their ability to borrow money, float debentures, and do those kinds of things, would all be subject to this Act and administered by Municipal Affairs.

On the other hand, all the things they will do with respect to approvals to build water lines and sewage treatment plants and that kind of thing will be a direct involvement with the Department of Environment. The best thing I could say is that they will operate almost identically to the way a municipal government operates now, in that they're subject to certain laws under The Municipal Act with respect to membership in their council, how they borrow money, and how they function; then they deal with the Department of Environment with respect to all the criteria with respect to the water lines, sewage treatment, and so on.

MR. R. SPEAKER: Mr. Chairman, to the minister, projecting into the future. As I recall, in some of the States in the United States there are elected persons on the water board and, I guess, the utility board. Does the minister foresee that kind of format occurring down the road, or at this point in time they're appointed and that's the kind of format that looks possible?

MR. MOORE: The last time I looked, they had an elected Senate down there too, and I don't envision either that occurring in Canada or people being elected to these boards. The legislation could well be changed in the future, but I haven't made any plans to do that.

MR. CHAIRMAN: Are you ready for the question on the Bill as amended?

MR. R. CLARK: In concluding, Mr. Chairman, I remake my plea to the minister. I can support the idea of a regional services commission for the area around Edmonton, with the annexation and the need for that kind of approach, and the same thing around Calgary, but with all the sincerity I can muster I say that to impose that kind of thing in the area I represent serving the water line and to include those municipalities in with the city of Calgary, in my judgment would be a very, very major mistake. I know it would end up with those communities feeling they're dominated by Calgary in a system they're not part of at all at this time. If some time down the road, Mr. Minister, we get into a situation where there's a sewage line serving the whole area, the situation would have to be reassessed. But within the last two or three years that very area approached the Department of Environment about some kind of regional sewage venture. At that time we were told we could not. So at least two

communities, Olds and Carstairs, have gone into very sizable expenditures as far as sewage is concerned. They've been built so their population can grow a great deal before they would have to move outside those municipalities. Mr. Minister, I hope you would be able to see your way clear to give me an assurance this evening that in fact you would not include those municipalities served by the Red Deer regional water line with any other municipalities in any form of regional services commission.

MR. MOORE: Mr. Chairman, there's no way I can assure the hon. member that those municipalities will not be included in the regional services commission. It may be one involving those municipalities and just water. It may well be that we will say to them, that is a small enough operation; you don't need a full-time chairman; you can appoint your own. But surely the hon. member isn't suggesting . . .

I was around when we had all the problems with respect to the acquisition of land for the water line and when this government made a very expensive commitment, beyond what had ever been done before with respect to that water line and the provision of water to those communities, I might add. I am not anxious, nor is my colleague the Minister of Environment, or anyone else, to destroy the operations of that by imposing something on the people they don't want. But I say to the hon. member that if other communities in that area or beyond need service that ties in with that water line, or additional things occur in the future with respect to the operation of water lines in that area, there needs to be a system. And this is the system under this legislation. It would be wrong for me to commit far into the future that these municipalities will always have their own little water line. That's one of the problems we had in this province in the past, and we didn't spend enough time looking to other municipalities that might be serviced in the future. I don't know what the future is going to hold. I don't know if that water line, for example, is big enough and appropriate enough now to last those communities for the next 25 or 30 years. Maybe it is. I'm not aware of the specific details in that regard. Perhaps I should be. But tonight I cannot stand here and guarantee that those municipalities that got very generous grants from this government can now go their own way, separate and apart from anybody else, and continue to have their nice little arrangement. It just may not occur.

MR. R. CLARK: I simply say if that happens, Mr. Minister, it will be as some people in that area suspect, the start of a regional form of government in the province. That will be regrettable.

[Title and preamble agreed to]

MR. MOORE: Mr. Chairman, I move that Bill 79 be reported as amended.

[Motion carried]

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

[Motion carried]

[Mr. Speaker in the Chair]



MR. APPLEBY: Mr. Speaker, the Committee of the Whole Assembly has had under consideration and reports Bills 93 and 77, and reports Bills 65, 75, 76, 55, and 79 with some amendments.

MR. SPEAKER: Does the Assembly agree with the report?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, earlier in the day I dealt with the proposal for business tomorrow and indicated the House would not sit tomorrow evening. I believe tomorrow I'll be able to give some further indication of what would be planned for Thursday.

[At 10:37 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]

