

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Friday, December 11, 1981 10:00 a.m.**

[The House met at 10 a.m.]

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS**

Bill 255
An Act to Amend
The Alberta Income Tax Act

MR. D. ANDERSON: Mr. Speaker, I beg leave to introduce Bill 255, An Act to Amend The Alberta Income Tax Act.

The purpose of this Bill is to encourage partial employee ownership, through a tax incentive to employees purchasing shares in the company they work for.

[Leave granted; Bill 255 read a first time]

Bill 254
An Act to Amend The Alberta
Corporate Income Tax Act

MR. D. ANDERSON: Mr. Speaker, I further request leave to introduce Bill 254, An Act to Amend The Alberta Corporate Income Tax Act.

This is a companion Bill to Bill 255, and its purpose is to provide for a tax deduction to those companies which lend money to their employees for the purchase of shares.

[Leave granted; Bill 254 read a first time]

head: **ORAL QUESTION PERIOD**

Wetaskiwin Sheltered Workshop

MR. R. SPEAKER: Mr. Speaker, my question to the Minister of Social Services and Community Health is with regard to the request for the Ombudsman to investigate complaints at the Wetaskiwin Sheltered Workshop and complaints raised following the review of the Social Care Facilities Review Committee. Could the minister indicate whether the request to follow up the committee's investigation was made by the minister, and will the Ombudsman be reviewing the committee's terms of reference as well?

MR. BOGLE: Mr. Speaker, in response to the first question, no such request was made by my office. The second question would have to be directed to the Ombudsman himself, I assume.

MR. R. SPEAKER: Mr. Speaker, can the minister indicate when the Ombudsman's report will be available? Is there any request in terms of a deadline? Will that report be made available to the Legislature or made public?

MR. BOGLE: Mr. Speaker, the hon. Attorney General may wish to supplement my answer, as the legislation comes under his purview, but I believe — and I stand to be corrected — that when an investigation is initiated by the Ombudsman, the course of action to be followed is that the report is made public by the Ombudsman himself. On the other hand, if a request for an investigation is made by a minister of the Crown, the report is made available to the minister and, in turn, the minister makes the report public.

Marijuana Legislation

MR. R. SPEAKER: Mr. Speaker, my other question is to the Solicitor General, with regard to the conference the minister attended in Ottawa and the question I raised with the Premier a few days ago about the government's position on the use and legality of marijuana. I wonder if the minister could indicate what position was put forward by the government of Alberta and, in turn, what position was held by the minister in that conference.

MR. HARLE: Mr. Speaker, perhaps it would be best for me to file the communique issued following the Federal-Provincial Conference of Ministers responsible for Corrections, Criminal Justice, Law Enforcement, and of Attorneys General. The communique covers the meetings held in Ottawa, December 7 to 9, 1981.

The position of the province on the issue of cannabis was that we opposed very strenuously any suggestion of relaxation of the present laws in regard to that matter.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the minister indicate whether the federal government will follow that direction given by the minister on behalf of the province of Alberta? Number two, did the minister have support from other provinces for that particular point of view?

MR. HARLE: The communique indicates that there was support from the other provinces. A news article appeared in most issues of the press, indicating that Ontario took a very strong position on that matter. As to the first question, I think it should be directed elsewhere.

DR. BUCK: Mr. Speaker, a supplementary question. Is the Solicitor General in a position to indicate, or does he have any statistical analyses on people convicted or charged with impaired driving? Is there any breakdown to show the differentiation between people impaired because of drug use and people impaired because of alcohol use? Are any studies being done to make that differentiation?

MR. HARLE: Some studies have been done. I believe the 1980 accident statistics report issued by the Department of Transportation contains some information on that topic. I think the hon. member is aware that without an actual blood test it is somewhat difficult to determine the type of drug involved. As I believe the hon. member is aware, the Criminal Code covers both drugs and alcohol in impairment. The breathalyzers, of course, are for use in matters relating to alcohol. It appears that the information available suggests that the use of drugs is not very large. The much more significant problems relate to the use of alcohol.

DR. BUCK: Mr. Speaker, a supplementary question. What directive has gone from the minister's department

to enforcement officers in the province as to how to differentiate, what to look for, or what to test for, when a person is quite obviously impaired but the officer doesn't know what the impairment can be? Has any directive as to the impairment gone out from the minister's office?

MR. HARLE: Mr. Speaker, I think the police forces of the province, who really have the determination to make, rely upon the breathalyzer for alcohol impairment and rely on the provisions of the Criminal Code. As far as I'm aware, they have not presented any particular difficulties in regard to that determination.

At the conference in Ottawa at the beginning of the week, there was discussion with regard to the provisions of the code as it relates to being able to obtain samples of bodily substances. There's a great deal of further work to be done in that regard because of the concern with regard to civil liberties, of course. As a result of the conference, further work will be done by the officials at both levels of government.

DR. BUCK: Mr. Speaker, is the minister saying that there is no directive from the minister's department to the enforcement people in this province as to the differentiation? There can be people who are on legitimate prescription drugs and may be showing degrees of impairment. Is no study being done in the department, no direction from the department, to make these differentiations? Is the officer completely on his own?

MR. HARLE: Mr. Speaker, I don't think the code makes any differentiation at all.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the minister indicate whether he has given any directives to step up enforcement with regard to the possession of marijuana or finding cases of it with regard to traffic offences? At the present time, is the minister looking at stepped-up enforcement procedures to look after this matter?

MR. HARLE: There is great concern about the use of drugs of all types. Both the RCMP and the city police forces have well developed drug people who continually press on these matters. At this time, more effort is being directed towards trafficking than possession. But obviously the police forces continue to strive to press for prosecutions where drugs are found.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. In the document that was tabled, it's indicated that there would be further discussions with the provinces before changes take place. Did the minister present a case to the federal government that no changes should take place without provincial approval, or has the federal government made any commitment to the province not to make changes without provincial approval?

MR. HARLE: Mr. Speaker, the communique speaks for itself.

Drivers' Licences

DR. BUCK: Mr. Speaker, my question is also to the Solicitor General. It has to do with the demerit system in place in this province, as far as operators' licences go. Is the minister giving any consideration to the recommendation of the Alberta Safety Council that we look at a

program other than the demerit system we're now using? Has the minister given any consideration to that proposal?

MR. HARLE: I'm not aware of any particular proposal being made. If it's been recently, it has not come to my attention.

DR. BUCK: It's been in the last six years, Mr. Speaker. The program is looking at a provisional licence and so on. Is the minister in a position to indicate if the department is looking at the young driver, 16 to 18, in that if the young driver has a bad driving record in those two years, he be given additional testing before he receives his permanent licence?

MR. HARLE: Mr. Speaker, that's already in place and has been for several years.

DR. BUCK: Mr. Speaker, I think the minister had better check a little more closely. In the cases where the young driver does have a bad driving record, at present he's brought before the review board at the local level and they say, you've been a naughty boy, you'd better be a little better, but he gets his permanent licence. The question specifically: is the government looking at enforcing this more strictly, so that the person who has a bad driving record does not receive a permanent licence?

MR. HARLE: Mr. Speaker, the provisions are in the regulations for handling the demerits for people between 16 and 18 years of age, who get a probationary driver's licence in this province. As soon as they are 18, they fall within the regular requirements of the legislation as regards demerits. If suspensions are given by the Driver Control Board while an individual is between the ages of 16 and 18, those provisions continue until the suspension has expired. So I believe what is being asked or suggested by the hon. member is now in place.

DR. BUCK: Mr. Speaker, a supplementary question to the minister. What steps are being taken, or what studies are being done, on the probability of something happening to people who are getting their licences renewed every five years? Is the department doing any studies looking at upgrading the driving habits of people whose licences come up for renewal? Is the minister looking at any provision of upgrading those drivers?

MR. HARLE: I'm sorry, Mr. Speaker. I don't follow what the hon. member is referring to when he says "upgrading", as applied to people who are applying for renewal of a licence at the end of a five-year period.

DR. BUCK: Mr. Speaker, to explain to the minister. Forty years ago when we got our original drivers' licences, you walked in, paid your \$2, and that was the driver training program you took. I'm concerned about some of these people who have not changed their driving habits, who have not taken any upgrading courses, and not even read the operator's manual. Is the department looking at some of the people who've had licences for years, upgrading their driving skills before their licence is renewed?

MR. HARLE: Mr. Speaker, we have in place a Driver Control Board that examines licences where there is an accumulation of demerits. There's a well-established pro-

cedure for suspensions. When an individual applies for a licence, tests are to be taken. The operator's manual that is provided and available to anyone in this province is an extremely well done and useful tool. We're moving to improve the capacity to test and to eliminate the problems of individual interpretation by driver testers. Continuous work is being done in that regard plus, as I've indicated several times in the Assembly, there was an upgrading of the computer capacities so that more and more information is available from an enforcement point of view.

DR. BUCK: Mr. Speaker, just one short question, then I'll give up. When an operator's licence comes up for renewal, does the minister's department send out the little handbook to every person receiving a renewal? Does that little handbook go out automatically with every licence renewal notification?

MR. HARLE: I'm not aware of whether it is sent out. It is available, but I can check to see whether it's actually sent out with the applications for renewal.

DR. BUCK: Mr. Speaker, now you see why I'm giving up.

MR. GOGO: A supplementary question to the hon. Solicitor General, Mr. Speaker. Is the government of Alberta prepared to accept the Social Credit policy that every driver in Alberta must go through a test before their driver's licence is renewed?

DR. BUCK: Is it true the government's been in power for 10 years, Mr. Speaker?

Syncrude Operations

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Member for Pincher Creek-Crowsnest, our representative on the Syncrude board. It flows from information concerning the annual audit reports of Syncrude, tabled in the House on October 15 by the Minister of Energy and Natural Resources. My question to the hon. member is: why was the information supplied by Syncrude to the hon. Minister of Energy and Natural Resources, to be tabled in the Legislature last October 15, not consistent with Schedule A of the Crown agreement, which specifically specifies data on items such as deemed interest expense, amortization, and depreciation?

MR. BRADLEY: Mr. Speaker, I'll have to take that question under advisement.

MR. SPEAKER: A matter of detail of that kind is certainly a question that ought to be on the Order Paper. It may be important detail, but that's not the criterion. The criterion is whether it's detail.

MR. NOTLEY: Mr. Speaker, perhaps I'll put a somewhat less detailed question to the hon. member. Is he in a position to advise the Assembly when the accounting manual beyond Schedule A will be completed and filed in the Legislature, in view of the promise made in 1973 that the accounting manual would be tabled? If the hon. member isn't in a position to answer that, it could be directed to either the Premier or the Provincial Treasurer.

MR. LOUGHEED: Mr. Speaker, I'd have to take notice of that question and check into it.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. member on the Syncrude board. Is the hon. member in a position to advise the Assembly how many board meetings he has attended on our behalf during the last year?

MR. SPEAKER: Another question for the Order Paper.

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

MR. SPEAKER: I hesitate to interrupt the hon. member. In fairness, I realize there is a general awareness in the House that this session may or may not end within the next few days. Consequently, there could be some difficulty, at this stage, with regard to putting questions on the Order Paper. Might I respectfully suggest that if they are questions of detail, possibly notice by way of memorandum might be given to the person who is to answer the question. In that event, if the Assembly agrees and permits me to do that, I would be inclined to say that some questions of detail ought to be allowed in the question period as well.

MR. NOTLEY: Mr. Speaker, perhaps I can rephrase the question, then, and I'm sure there would be no particular difficulty. Can the hon. member advise the Assembly whether he's been able to attend all the meetings of the Syncrude board?

MR. BRADLEY: Mr. Speaker, just to answer the hon. member briefly, the board itself meets once a year. I have attended a number of management committee meetings and meetings of the Northward board of directors this year. I could get back to the member with the specific details if he required them, but that's basically the answer.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. member. I might just give oral notice to the hon. member that on Monday I will be raising questions with respect to Schedule A of the Crown agreement, because obviously we're not going to have an opportunity to deal with this in written form. Now that the new energy agreement is in place — and the NEP had been given as a reason for not proceeding with the 70,000 barrel a day expansion — is the hon. member in a position to advise the Assembly whether Syncrude is in a position to proceed with the expansion program?

MR. BRADLEY: Mr. Speaker, the subject of expansion was not discussed at the most recent meeting of the management committee. I believe the source to which the hon. member is alluding is a newspaper article. No decision one way or the other with regard to expansion has been made by the board at this time.

Interurban High-Speed Rail Service

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Transportation. During the summer, the minister indicated that the government could be giving some concern to putting in a high-speed train between Calgary and Edmonton. Has the minister given this further consideration, or has he set up a task force to look into this service?

MR. KROEGER: No, Mr. Speaker. I'd refer that question to the Minister of Economic Development.

MR. PLANCHE: Mr. Speaker, on the issue of an interurban high-speed train, there was a very inexpensive preliminary study to indicate whether it was feasible. The answer was yes. We are now into a rather comprehensive study as to its economic ramifications and as to whether it could be competitive with other modes and in place at the end of this decade.

MR. MANDEVILLE: Mr. Speaker, a supplementary question. Could the minister indicate when such a program would be put in place or started?

MR. PLANCHE: The results of the study, which would permit me to answer yes or no to that question, are not in yet.

MR. MANDEVILLE: Mr. Speaker, could the minister indicate when the study will be completed? Is there any indication of the ballpark figure of the cost of such a service?

MR. PLANCHE: We would hope the results of that study would be in sometime in the second quarter of next year, Mr. Speaker. As to a cost estimate, I think it's premature to give that.

Private Colleges — Accreditation

MR. MAGEE: Mr. Speaker I would like to direct my question this morning to the Minister of Advanced Education and Manpower. It has to do with his announcement some months ago that certain private colleges — for example, the central Alberta Canadian Union College located at Lacombe — would be able to confer certain degrees, such as divinity degrees. What progress has been made toward that end, sir?

MR. HORSMAN: Mr. Speaker, I think it's fair to say that the concern was really as to degrees other than those in divinity.

I believe I reported that the Universities Co-ordinating Council, in consultation with the various private colleges presently offering university transfer programming in Alberta, had agreed upon a method by which to implement degree-granting status for the institutions. Basically, it would involve the creation of an accreditation agency which would be acceptable to the university community and to the private colleges in Alberta.

I'm now in the process of establishing an implementation committee comprised of representatives from the university community and the private colleges, including boards of governors, administration, faculty, and students, to examine the mechanism by which such an accreditation agency can be established. There will also be public representation on that committee. That committee should go to work in the very near future, and hopefully have recommendations in time to bring about amendments to The Universities Act to establish such an accreditation agency in the spring of 1982.

Bow River — Recreational Access

MR. R. SPEAKER: Mr. Speaker, my question to the Associate Minister of Public Lands and Wildlife is with regard to the status of the department's program to

provide access to the Bow River by campers, boaters, and fishermen. Could the minister indicate whether that program is in progress, and the success of that program to date?

MR. MILLER: Mr. Speaker, we are looking at access points to the Bow. These are mainly going to be on road allowances. We are looking at foot access as well as vehicle access. We have identified some possible sites, and communication is ongoing with adjacent landowners to reach an agreement as to what can best be done to establish these access routes. We have a concern about vandalism which might occur, as well as garbage which possibly will be strewn along the right of way. I appreciate the fact that the Leader of the Opposition has contacted me in this regard. People from the department are going to meet with some of the adjacent landowners and take their concerns under advisement.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. How many access routes are being looked at this year for possible implementation of a program to provide access for people who wish to partake in the activities I have mentioned?

MR. MILLER: Mr. Speaker, we are looking at a total of 11 access points. Possibly 2 or 3 of these will be vehicle access. The remaining will be foot access. How our negotiations go with the adjoining landowners will determine the time frame.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. Would it be the department's intention to provide a broad cross section of facilities at the end of these access points, in terms of boating and camping facilities, or would the facilities vary from one access point to another?

MR. MILLER: Mr. Speaker, a variety of facilities will be available. Boat launching sites will be established where we have vehicle access. There will be other facilities, depending on the various locations. I might also add that it probably will necessitate the addition of a fish and wildlife officer to help maintain order, as it were, to make sure they are not vandalized.

St. Paul Lakeland Gas Co-op

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Utilities and Telephones. It flows from the questions last week with respect to the St. Paul Lakeland Gas Co-op. The minister is quoted in Hansard as saying:

The natural gas co-operatives are autonomous in terms of the management of their own affairs.

There's no legislative capacity for the government to interfere in the management of a co-op.

Mr. Speaker, very specifically: is the minister in a position to advise the Assembly whether any official of the department in fact recommended sale of the co-op to the board, and whether or not any official of the department in fact drafted the recommendation to sell the co-op, that was put before the co-op's board of directors?

MR. SHABEN: Mr. Speaker, on December 2, I believe, we dealt at some length with a variety of questions related to the St. Paul Lakeland Gas Co-op. With respect to whether there was a direct recommendation by an offi-

cial, there were quite a number of discussions between the board of directors and members of the department. Those discussions took place throughout 1980 and '81.

On December 2, I believe I referred to the fact that the board of directors of the co-op and the government agreed that a study was necessary, an examination of the affairs of the co-op. So a consultant was hired and paid by the department to assist the co-op. That study was completed in . . . I don't have the precise date. The study that was undertaken and completed had a variety of recommendations that were really directed to the co-op, in terms of the management of their affairs, and for the board of directors. I believe there was a combination of departmental officials, members of the board of directors of St. Paul Lakeland Gas Co-op, and the consultant. Because after the consultant's report was completed, there were discussions on what was necessary to improve the operation of the co-op.

Mr. Speaker, I believe that sort of answer is necessary because of the involvement of a consultant, agreed to by the board, who made recommendations to the board of directors that were concurred in by departmental officials.

MR. NOTLEY: A supplementary question to the minister, for clarification. I'm not talking about the long process that led to the board decision, but whether or not the final recommendation of departmental personnel to the board — we all realize the board passed the motion — was to recommend sale to the membership. My question very directly: did a departmental official draft the recommendation that was in fact put to the board, passed, then put to the membership?

MR. SHABEN: Mr. Speaker, that question really can't be answered without describing to the Member for Spirit River-Fairview the fact that a variety of options was recommended to the board of directors as to how they might resolve the financial difficulties they were in. They weren't limited to one possible solution. There was a variety of recommended solutions, including contributions by the members who own the co-op in order to improve the cash position of the co-op, the possibility of increasing their natural gas rates, as well as the obvious one that if these financial problems weren't resolved it may be necessary to liquidate.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. Last week we questioned and answered in the question period, the question of grants: \$546,000 for construction costs for 1980 and \$130,000 for overhead that was disallowed. A letter was sent to the co-op by the deputy minister, which indicated:

- (a) that the actual, audited costs of self construction will be capitalized for grant purposes, and
- (b) that the actual, audited cost of in-house engineering will be capitalized for grant purposes.

Is the minister in a position to advise the Assembly what happened that this money was in fact not forwarded to the St. Paul Lakeland Gas Co-op?

MR. SHABEN: Mr. Speaker, the engineers' estimate of the cost of the construction program for the year 1980 was \$2,126 million. In developing the unit costs that were grantable by the department, we went well beyond that level. In fact, I believe the grants were in the neighborhood of \$2.5 million. The member has indicated "audited" costs. That is accurate. The costs submitted to the

department that were above those amounts were not audited.

DR. C. ANDERSON: Mr. Speaker, a supplementary. Could the minister advise whether or not a management committee was established by Lakeland Gas Co-op, which was given consulting advice from the department, dating back to March 1981?

MR. SHABEN: Yes there was, Mr. Speaker, and that's an important question. I've now refreshed my memory as to the date of the consultant's report. That report was completed in October 1980, and had commenced earlier in the year. Subsequent to the consultant completing his report, the recommendations contained therein included the establishment of a management committee. The Member for St. Paul was very helpful in terms of communicating with the department and the board on the very important matters that affected St. Paul Lakeland.

MRS. FYFE: A supplementary question, Mr. Speaker. Following a fairly lengthy period of dissatisfaction by a large number of members of this co-op, I wonder if the minister could confirm that a notice of recommendation was mailed to all members of this co-op, followed by a meeting of the membership, which voted on the sale of the assets of the co-op.

MR. SPEAKER: Obviously, the hon. member knows something and wants the minister to confirm publicly what the hon. member already knows. As hon. members know, the question period is rather to seek information that members don't know.

MR. NOTLEY: A final supplementary question, so there's no misunderstanding in my mind. The minister is saying, then, that the \$546,000 construction costs in 1980 and the \$130,000 for overhead were disallowed because these were unaudited costs. They were actual costs, but they were unaudited. Is that correct?

MR. SHABEN: Mr. Speaker, I guess it would be useful to repeat my answer. The process for the co-ops is rather a thorough one, and it has been developed over a number of years. Some rural gas co-ops operate under a process known as self-construction; they do their own construction. Other co-ops tender the work to contractors.

This particular co-op chose the route of undertaking self-construction, which required the government to work closely with the consulting engineers on the extent of construction based on the work that was to be done. I'd advise the hon. member that the engineers retained by the co-op estimated the cost of work to be done in 1980 at \$2.1 million. Through officials of the department, the government went over the figures and established a very fair unit cost, considerably higher than that, at a level of \$2.5 million, in order to be assured that the co-op would be able to handle this financial undertaking.

These discussions between the co-op and the department officials were rather lengthy, because we were aware of the difficulties the co-op had had in '79. The overruns, in the neighborhood of \$700,000, were just over and above fair unit costs that had been jointly agreed to by the board of directors and the department. In order for the government to allow capitalization and thus granting of the necessary funds, it would have been necessary for the co-op to document and audit these costs thoroughly. That was not done, Mr. Speaker.

MR. NOTLEY: Mr. Speaker, one final supplementary question, if I may, to the hon. minister.

MR. SPEAKER: Followed by a supplementary by the hon. Member for St. Paul.

MR. NOTLEY: The minister indicated that the unit costs were jointly agreed to. However, was there some serious concern by the management and the board of directors of the St. Paul Lakeland Co-op about the unit rates, which were somewhat lower than rates being offered to a private firm in the Bonnyville area, as to general pressure of growth in the area and that sort of thing? Was some genuine concern expressed by either the management or the board as to the unit rates?

MR. SHABEN: Mr. Speaker, there may have been. But I would repeat that the engineers' estimates of the costs were considerably less than the unit costs determined by the department and the board of directors. They were comparable, and in fact on the high side, to co-ops with similar construction circumstances; that is, the kind of terrain, distances, and so on. They were generous and fair.

I think it might be useful, Mr. Speaker — and I don't know whether it's appropriate — to file with the library the report of the consultants that was completed and provided to the board of directors and to the government in October 1980. It might help the member understand what's happening up there.

DR. C. ANDERSON: A supplementary, Mr. Speaker. I wonder if the minister could confirm that some \$200,000 was involved in an overrun due to clean-up costs not authorized by the department.

MR. SPEAKER: I think we would have to take it that the hon. member has made a representation which did not really end with a question mark.

Wetaskiwin Sheltered Workshop (continued)

MR. R. SPEAKER: Mr. Speaker, my question is to the Attorney General. It relates to the question I asked of the Minister of Social Services and Community Health. I wonder if the minister could indicate the reasons for concern with regard to the Ombudsman's right to investigate the Social Care Facilities Review Committee investigations with regard to the sheltered workshop at Wetaskiwin.

MR. CRAWFORD: Mr. Speaker, I'm not sure I know what the hon. leader is referring to when he says "reasons for concern".

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. My understanding is that the Attorney General had some concerns with regard to the Ombudsman investigating the Social Care Facilities Review Committee investigation into the problems at the Wetaskiwin Sheltered Workshop. I understand that the concern was with regard to an investigation by the Ombudsman into the work of MLAs on a committee. I wonder if the Attorney General could confirm that that was his concern. Or were there other reasons for concern?

MR. CRAWFORD: Mr. Speaker, that would be one item that came up in a discussion I had with the Ombudsman — I might say, a very amiable discussion. He and I both brought rather more experienced legal counsel than I am, I suppose, to that discussion, which was really a discussion of the Ombudsman's jurisdiction. Whether or not he acts within his jurisdiction is always an issue in the carrying out of the duties of any person — a servant of the Assembly or any other person under any law. I know how highly the hon. leader values my legal opinions. After discussing and debating the point, we as a group concluded that the jurisdiction was there.

ORDERS OF THE DAY

head: **COMMITTEE OF SUPPLY**

[Mr. Purdy in the Chair]

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

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

Department of Advanced Education and Manpower

1 — Library Development

MR. NOTLEY: Mr. Chairman, during our last discussion of this particular appropriation, some discussion took place over whether or not this program should be extended. I think the program has been of some merit, but I must say that in the question period yesterday I was a little concerned when the minister responded to questions I put the other day from people in the General Faculties Council, with respect to the problems the University of Alberta is having with its library system. As I recall the minister's answer yesterday, he suggested that the program we are now finalizing in this estimate was entirely for supplementary materials for our university library systems. And he indicated that if there were any other use, it would not be consistent with the objective of this program.

The question I put to the minister is: what monitoring of the institutions in the province has taken place to ensure that with the tight budgets faced by the universities, money that would normally be allotted by the university administration for library commitments was not in fact diverted to other purposes, so what was occurring instead was that this heritage trust fund money was in fact a substitute for, instead of supplementing, the library expenditures that would normally be made by any of the universities? What specific monitoring has the department done to ensure that over the last several years, this investment has gone to additional periodicals, books, and equipment which would not otherwise be undertaken by any of the universities? For example, have we any figures on what the library budgets of the three institutions — as well as the Banff Centre, I believe, but let's take a look at the three larger institutions — would normally be, and whether or not the heritage fund has been totally supple-

mentary, as I believe was our objective when we first passed the appropriation?

MR. HORSMAN: Mr. Speaker, that information was supplied to all members of the Heritage Savings Trust Fund select committee in the fall. I'll repeat it for the record:

Each institution [must] maintain its conditional grant in a Special Purpose fund, and provide regular reports to the Department. These reports will include progress made towards meeting the objectives of the grant, in addition to statements of expenditures and commitments.

In addition, institutions are expected to maintain at least the same level of expenditures on library materials from their regular operating budgets.

Expenditures reports for the various fiscal years are supplied, and

the institutions established guidelines for the internal review and evaluation of their current library holdings, to identify deficiencies in collections and to establish priorities for the acquisition of library materials.

The Universities pursued the development of an Alberta Universities Inter-library Loan System to facilitate the exchange of library materials in order to minimize duplication.

That's an important factor, I might add.

That procedure has been followed and, as I indicated in my remarks in question period yesterday, I was surprised to learn . . . Perhaps one shouldn't rely on the media for learning one's surprise or otherwise, because I've had no official word from the institutions involved, by way of letter or otherwise, that this program was coming to an end. To my knowledge, it has been reported in the annual reports of each of the institutions, which I reviewed just yesterday, for example. As required by law, I will be tabling the annual reports of the institutions as they are made available to me.

As to the impact of the grants, in each of the major institutions, we have been assured that the funds made available under this particular program have only been used to supplement, not take away from, the regular library budgets within the global grants of the institutions. That is why I expressed some surprise and alarm at hearing expressions, or having had them expressed through the media, that this grant was coming to an end when in fact it was well known to all institutions that this was a three-year grant only. I would be greatly alarmed and discouraged if it appears, from any subsequent annual reports of the institutions, that the library allocations have been diminished by the amount of these grants.

MR. R. SPEAKER: Mr. Chairman, to the minister. We have asked a lot of questions in this whole area of libraries and have certainly had a good investigation. I do have a few others, though.

One of the areas we've explored with other ministers, and specifically with the Minister of Hospitals and Medical Care, was the monitoring and management procedure in place in the department to assure ourselves: one, that there is accountability in the department and, secondly, that Heritage Savings Trust funds are accounted for in the best possible manner. I made the comment in the Legislature — and I believe the minister was in his place — that as I observe things, the departments and the government as a whole have not adjusted their management procedure to meet this new demand of accountabili-

ty for the Heritage Savings Trust Fund.

In departments, we find persons who already have a heavy administrative role, a heavy administrative responsibility, in terms of supervising employees who are looking after expenditures of the General Revenue Fund. To those responsibilities is now added the responsibility of the Heritage Savings Trust Fund. It's an extra appendage that is there and that they must be accountable for. But in terms of human time, I'm not sure they can do the job necessary. I've certainly recommended to the Minister of Hospitals and Medical Care that he use his influence and experience to influence other ministers to adjust their departments and administrative staff to this responsibility.

I'd be very interested in how the Minister of Advanced Education and Manpower sees this. In terms of library development and the supplementation of literature or material to the libraries, the accountability is a little different. However, even on the question raised by the hon. Member for Spirit River-Fairview, that there could potentially be a misuse of funds, the minister has assured us that there is not. I think the best assurance is to have: one, people responsible for accountability and, two, time to do that job. I'd certainly appreciate the minister commenting as to whether, after the funds have been allocated from the committee and this Legislature to the responsibility of the department, the department adjusted its management capability so there was a special focus on this accountability in the Heritage Savings Trust Fund allocation.

MR. HORSMAN: Mr. Speaker, I'm glad the hon. Leader of the Opposition recognizes that there is a difference between departments as to how the grants are allocated. In fact, in this particular respect the department relied upon the advice of the Universities Co-ordinating Council, which is a body established under The Universities Act with specific responsibilities for co-ordinating the activities of the universities, and at the colleges level, the council of college presidents and governing boards.

Certain facts have to be kept in mind with respect to making grants from my department to board-governed institutions. Of course, all these grants went only to board-governed institutions. Once those grants have been paid, subject to the guidelines and confirmation by the boards of governors that they have in fact allocated the funds according to the terms of the original allotment, it is then the responsibility of the department to review and accept the reports by the various boards of governors. Of course, the checkpoint relates to the fact that in addition, it is the responsibility of the Auditor General of Alberta to audit the financial statements of each board-governed institution. That has been done, and it is my legal responsibility to file with this Assembly each year the annual reports of those board-governed institutions. In each case, specific reference is made to the allocation of funds for library purposes. As I indicated in my answers on November 18, that is the procedure followed.

In my opinion, it has not been necessary to add staff to my department, when one considers that with respect to the board-governed institutions, these grants are relatively minor additions to the grants to each institution. For example, at the University of Alberta, which last year received a grant in the neighborhood of \$120 million in addition to under \$1 million by way of grants of this nature, it is not necessary to add staff to deal with that. The check comes through the Auditor General's auditing of the accounts of the institutions and my filing of those

annual reports in this Assembly, as required by law, which I have done and will be required to do in the future.

MR. SINDLINGER: Mr. Chairman, I would just like to clear up one point that we had a little difficulty with last time the minister was before us supporting this particular estimate. That was in regard to the total cost of the project. I had been looking at the numbers in the annual estimates, including this year, and totalling them to get a number which was more than \$9 million. The amount I got as a total was in excess of the stated total project cost of \$9 million. Perhaps the discrepancy is in regard to those funds appropriated for 1981-82. To get the number I had, \$9,288,000, I added the estimates.

Just to clear this point up, I think the difference might have been that all the estimates for '81-82 were not actually expended and some had been allowed to lapse. Is that the difference?

MR. HORSMAN: Let me just clear that up. If one reviews the answers I gave on November 18, the requirement for the fiscal year '82-83 is because of the difference in the ends of the fiscal years of the universities and the colleges. The fiscal year of the universities is concurrent with that of the government; it ends on March 31. Fiscal years of the colleges end on June 30. So \$288,000 is the amount required in '82-83 to bring the amount required for the colleges' allotment up to June 30, 1982. It only covers that period of time from April 1 to June 30, and relates solely to the balance due to the public colleges system. I hope that is better clarification than perhaps I gave on November 18. I said at the time that the total allocated was \$9 million. That is the total, and that is the difference shown. So no more than the \$9 million commitment is being made.

MR. R. SPEAKER: Mr. Chairman, to the minister. Now that the material is in place and supplementing the various libraries, there is certainly a confined target group on the campuses under the jurisdiction of the boards we've been discussing here. Beyond that, is any kind of advertising or public access being encouraged for the material being purchased by these boards, or is it mainly a purchase to supplement the material for that confined group in the various campus jurisdictions? Has the minister considered expanding access to that material to other persons in the community? Is there some special advertising program and some deliberate things being done in that area?

MR. HORSMAN: I thank the hon. leader for that question because it is quite important. As I indicated, part of the decision being made by the various institutions was to encourage the establishment of an interlibrary loan system to facilitate the exchange of library materials. This is being very effectively worked into the public library systems as well, on a co-operative basis between the public libraries and the university and college libraries. Although this is a little off the topic — I don't want to stray too far from this, because this applies to all library materials — I should indicate that during the past two years I have met annually with the librarians at the universities, colleges, and technical institutes, at the same time that the annual meeting of the Library Association of Alberta is held. My colleague the Minister of Culture and I have met to try to encourage the greater development of interlibrary loan systems, so that the public

system may be better integrated with the university, college, and technical institute systems as well, so that those materials are more widely available to all Albertans.

The hon. Leader of the Opposition is well aware that this is a complex area, because there are difficulties in establishing clearly defined library jurisdictions in some of the areas of the province, and difficulties getting all municipalities to participate. But it is being worked on, and I must say that the co-operation I've experienced from the librarians of the universities, colleges, and technical institutes over the past two years of these meetings has been very useful. I intend to continue pressing for this interlibrary loan system, which is being assisted by some technical systems of computer exchanges and this type of thing, which is very complex and beyond my understanding. Nevertheless, it is being implemented, and it should be a very effective use of library materials throughout the province.

MR. R. SPEAKER: Mr. Chairman, to the minister. In a different area, and it's on subject and a little off subject, Mr. Chairman, so you have notice of that. The comment is that an expenditure from the Heritage Savings Trust Fund in one area has implications for expenditures in other areas. Specifically with regard to library space, I've been advised that even at the University of Alberta, where the facility is relatively new, facilities are getting crowded because of the availability of dollars to expand the resource material. I don't know about the other institutions, but I'm sure if the good will of the government and the Legislature continues, they will be faced with that specific problem and along the line will come a request, either through the Heritage Savings Trust Fund or the general revenue budget, for additional funds for capital expenditures for library space.

In terms of that obvious sequence, I wonder whether the government is planning at this point in time, and has someone co-ordinating a plan, for space facility along with this resource we're providing. I know normal procedures are for the boards of the various institutions to make those kinds of capital decisions, but we do create unusual pressures on the institution from the Heritage Savings Trust Fund, and we do influence their planning in a certain direction. Maybe we in the Legislature have a bit of responsibility to look at special capital funding in terms of that sort of arrangement. I can use libraries as an example. We can say the same kinds of things about the other departments. But I wonder if the minister has looked at the implications of that, in terms of his own responsibility. How is the minister dealing with it?

MR. HORSMAN: Mr. Chairman, the hon. Leader of the Opposition has prefaced his remarks quite correctly by saying it is somewhat off the topic and relates more to the budgetary considerations which will come forward in the usual course of events. But I recognize the point made by the hon. leader.

With respect to the amount of additional materials supplied, I have not received advice that it is straining the physical storage resources of the particular institutions in receipt of the materials. There is only one area I should comment on. There is some difficulty with respect to bookcases, for lack of a better word, for storage of the material, since it was not part of the request. But in most cases, the institutions have coped with that. The amount of material that has been acquired has not strained the resources or the storage capacity, if you will, of the main libraries either. When I say "main", I mean the largest

ones at the universities of Alberta and Calgary. Of course those would come forward, as the hon. Leader of the Opposition quite rightly points out, by way of additional capital requests in the priorities established by the institutions.

While this is off the topic, to my recollection only one institution is really pressing very hard for the addition of what they call a "learning resource centre" to accommodate their existing library as well as what has been supplied by way of the Alberta Heritage Savings Trust Fund allocation. That is Olds College, and that is under review at the present time.

It is a very useful point, and I appreciate the hon. leader making it. It is something that will be dealt with in the course of the regular budgetary review.

MR. R. SPEAKER: Mr. Chairman, in concluding my remarks on this matter, I'd just like to say that we've been studying the library grant some two and a half to three hours. I think the minister has shown his desire to have accountability, and we appreciate that very much. I think it's important that all that type of material presented in the Legislature is public and that the public knows about it. I certainly appreciate the time we've spent on this matter.

Agreed to:
Library Development \$288,000

MR. HORSMAN: Mr. Chairman, I move that the vote be reported.

[Motion carried]

Department of Environment

4 — Land Reclamation

MR. R. SPEAKER: Mr. Chairman, this is one vote we haven't spent very much time on to this point. The object of the program is to reclaim land throughout Alberta, which has been disturbed and to make it as productive as it was prior to its being disturbed. That's an excellent objective. In the implementation of the program, I know that a number of areas across the province — gravel pits, old coal mines, garbage dumps, and various things — have been reclaimed and now are very productive in terms of grazing land and, I believe, even a fishing resource.

To start the discussion on this new vote, a breakdown of the \$3.5 million and what projects are currently being looked at would certainly be appreciated. Secondly, we'd certainly appreciate a breakdown of reclamation research as well.

MR. DEPUTY CHAIRMAN: Just to correct the Leader of the Opposition, there was extensive debate on land reclamation. We'll carry on anyway, but just to correct the leader.

MR. R. SPEAKER: I'm sorry.

MR. SINDLINGER: Mr. Chairman, I recall the debate with the Minister of Environment. Of course, the debate was very extensive. The reason we didn't come to a vote was that it was put aside for a while because the minister was going to get some additional information in support of his estimates. Perhaps we might allow the minister to

respond to the questions put to him, which required us to hold the vote over. Is the minister nodding an affirmative? Has the minister responses now, or shall I re-place the questions?

MR. COOKSON: Mr. Chairman, I can go through some of the detailed questions that were asked last time. This will help clarify where we're at.

Just to run briefly through the procedures under reclamation, it's noted that we rely on submissions from municipalities for projects. These come in year-round, with the bulk of these applications in late February and March. When we prepare our estimates for April 1, we do not have the time to inspect the project or get an accurate cost estimate, plus the sites are usually under snow at that time of the year, making it impossible to do an estimate. I think that answers to some degree the difficulty we have in budgeting funds and accurately assessing the projected costs, which was raised by the Member for Calgary Buffalo.

Based on questions, I've put together average costs per acre for various projects. If you think back over the earlier discussions, I indicated a number of figures for what it would cost to reclaim, et cetera. I think the member asked a number of detailed questions. It'll take me some time to answer those. I have the data for '77 through to '80, and I don't have the current year '81-82. So there may be some problem with figures for 1980, since additional earth work plus revegetation were undertaken this year.

On October 28, the Member for Calgary Buffalo asked how much land would be reclaimed for \$3.5 million. The answer is, approximately 1,400 to 1,700 acres. Again, it will depend on the number of applications received and on weather conditions. This works out to an average of about \$2,334 per acre. The question was asked: how much land is being reclaimed through the expenditures over the life of the program? Our estimated figure is about 9,000 acres to date. However, it is impossible to get an accurate figure, since Energy and Natural Resources has reclaimed many seismic lines, which are linear disturbances and very difficult to measure.

I'll deal with each of the garbage dumps involved, or if it's some other — keeping in mind that this is '77 through to '80. The Vermilion dump was mentioned. The original cost and scope of that reclamation was estimated at \$18,000. The purpose was to bury garbage in existing pits and into low areas of abandoned pit, remove fences, hand-pick garbage out of undisturbed areas, contour and landscape, seed and fertilize. The cost incurred to the end of the previous fiscal year was \$12,860. The current forecast estimate was \$2,000 for seeding, and the actual was \$2,115. The question was asked about the expenditure to be appropriated for the next fiscal year. None is to be appropriated. The estimated future year cost to completion: well, it will be completed. The total estimated cost for the Vermilion dump is \$18,000; total labor and machinery costs are \$15,019.

The Chancellor dump was another one referred to. The cost was originally estimated at \$13,000, and it details the requirements to doze garbage and slope, et cetera. This project was completed at a cost of \$11,134. The county of Leduc was another one mentioned. The original cost was estimated at \$850. There was a revision of that to \$2,000 because of a request to slope the south side to conform better with the surrounding topography. No current year forecast or expenditures are to be appropriated for the next fiscal year. The work is completed on that one, at a

cost of \$2,416.15.

Swan Hills lagoon is a larger one in the north. It was originally estimated that levelling existing berms, importing fill, and so on, would cost \$42,000. This was upgraded to \$58,000 because of a low muskeg area in which there were difficult working conditions. So the cost incurred to the end of the previous fiscal year was \$44,026. We estimate the current year forecast at \$14,000. For the next fiscal year, we estimate probably \$2,600 for cultivation and seeding. So the total estimated cost of the Swan Hills lagoon will be about \$60,000.

Cardiff dump is a large one, originally estimated at \$130,000. If any members are familiar with it, the Cardiff one was formerly a coal mine, which had filled with water to a depth of 50 feet. Fill pit, bury garbage, and dispose of 11 to 12 million gallons of leachate ... The revision, an additional \$15,000, underestimated the water problems and the dangerous working conditions. The cost is going to be substantially higher than originally estimated. On the basis of the current work being done, and expenditures, we think that by the time the Cardiff dump is put back in the condition for which it was originally designed, it will be in the area of \$300,000. So that's a major undertaking.

Then we have smaller ones. The village of Hythe has a small dump that has been estimated at \$12,400. We spent \$9,000 to the end of the previous fiscal year. We forecast the current year at \$1,500, and the total estimate of the project is \$12,400. However, the project is completed, and the total cost came in under the original estimate, at \$9,500.

Fisher Dump is close to the Lac La Biche River. The original cost was estimated at \$4,000. We have completed that project at an estimated cost of \$2,431. The borrow pit at St. Paul: the original cost was \$1,500. It was anticipated that it would be put back in sufficient condition to be used as a golf course. We incurred \$1,335 the previous year. However, there has been a cost and scope revision. The total cost to date is \$1,903.

Down in the constituency of the Member for Camrose, New Norway's dump was estimated at \$8,000. According to the figures I have here, the actual project has been completed, and we were able to do it for \$7,461.20. I don't know how they came up with the 20 cents. By the way, I'd be interested if the Member for Camrose indicates that a good job has been done in that particular area. If any members are interested in Edberg, we originally estimated it at \$1,500. The total cost of the project was \$1,874.33. Beiseker was estimated at \$10,000. It had the usual problems with asphalt and garbage. It has now been completed. Based on that, the total cost came in at \$6,617.55. The Minister of Transportation is probably interested in that one.

The Rosebud dump was estimated at \$7,500. It was subsequently reassessed, and the total costs came in at \$2,968. The county of Wheatland had an original estimated cost and scope of \$4,500. The cost incurred to the end of the previous year was \$7,272. The forecast is \$1,200 for seeding and fertilizing. It's anticipated that the costs will come in at about \$8,569.50. The Rockyford dump — that's the Member for Drumheller, I think — was estimated at \$7,000: It came in at \$4,739.

The Glenwood dump was originally at \$3,500. It came in at \$1,729.23. The Bassano dump was originally \$6,000; the costs incurred in previous fiscal years, \$3,345. It's come in at \$6,471.40. The Davison dump was estimated at \$8,500. It has been completed at a cost of \$6,223.05. Fort Vermilion was one in the north, estimated at \$5,000.

The previous costs were \$2,517.70. The estimated future year cost to completion is nothing. The total estimated cost, \$5,000; total costs, \$2,517.70. A follow-up inspection shows natural revegetation progressing well, and not having to seed down.

Mr. Chairman, I think that covers in some detail the kinds of questions asked. A number of other questions were put together. In checking through them, there was a question from the Member for Camrose on reclamation of railroad grades. I think that was responded to. I think it was the Cardiff dump, referred to on the 28th by the Member for Calgary Buffalo, on which the member asked for some more detail. Then I think it goes on to the Lesser Slave Lake project.

MR. SINDLINGER: Mr. Chairman, the reason I asked the question about the Cardiff project was that, of all those identified by the minister, this was the only one that stood out as having a substantial sum of money allocated to it. The others were in the \$1,000 to \$2,000 range. The Leduc one, \$850, was hardly more than two man-days for a man with a shovel out there. So it's difficult to get an idea of what that project would be. But I note that the Cardiff one has gone from \$185,000 to \$300,000, which is an increase slightly in excess of 33 per cent. Nevertheless, I just have one final short question in regard to this vote. Is there any intention to attempt to recover costs from the beneficiaries of the reclamation projects?

MR. COOKSON: Yes, there is, Mr. Chairman. There's a standard form. First of all, in most instances we deal with the local authority. In some cases, we have dealt with a private operation; for example, a mine company. The standard agreement with the municipalities, and if it's private, makes provision that if the municipality makes the decision to sell the property for some other purpose, there is a caveat put on that the government would have first right of refusal. If the sale is proceeded with, in the final sale the province would recover the portion of the costs of reclamation. That would come back to the general revenue of the province. So in that respect, we cover our total costs for a period of 10 years. After that date, we would forfeit. But if there's some urgency for use of the land, or whatever, we have that caveat on the property itself.

MR. R. SPEAKER: Mr. Chairman, the minister answered my question. Just to add to that, I do recall the vote. I already had it under a category of passed, and I had already taken my notes out of my books. I guess that's why I didn't recall all the discussion. I'm satisfied at this point.

Agreed to:

4 — Land Reclamation \$5,000,000

5 — Lesser Slave Lake Outlet

MR. R. SPEAKER: Mr. Chairman, again, we spent three to four hours on that and have had massive amounts of material given to us by the minister. I'm satisfied to go to the next vote.

Agreed to:

5 — Lesser Slave Lake Outlet \$1,060,000

6 — Paddle River Basin Development

MR. R. SPEAKER: Mr. Chairman, this is one we haven't covered. I believe I have that correct in my notes. It certainly would be good for the minister to set the framework for the discussion and indicate to us in a little more detail the basic breakdown of the \$11,206,000 and the progress of the project at the present time.

MR. COOKSON: Mr. Chairman, perhaps I can give members a general review. It may answer some of the questions that will be posed, and then we can go from there.

The Paddle River project was signed under the Heritage Savings Trust Fund capital projects division. To give members a little background on this project, the river runs through about 30 miles of flood plain and periodically inundates about 25,000 acres of agricultural land. In 1974, a comprehensive study of the basin was done by Environment and through Environment Council of Alberta hearings. I have the documents here, if the members want to go through them. They detail the hearings and recommendations. The Environment Council recommended that a management committee and a local advisory committee be formed. The management committee is made up of senior staff from six departments, and a regional planning commission. They commissioned studies into four aspects: structural flood control works, watershed management practices, fish and wildlife, and transportation.

The original concept was four structural alternatives as outlined by the management committee. From these, the government selected alternative number three, which would be a multipurpose storage reservoir approximately at Site 7B on a map of the upper Paddle River. It was estimated that the work would take about a five-year period to achieve, keeping in mind the one year in eight summer flood protection.

The general plan is to locate a reservoir near the Rochfort bridge. It will have a capacity of 35,000 acre feet and a permanent pool of 13,000 acre feet. The multipurpose use of the project is not just for flood control but also for supply of water potential for Mayerthorpe, downstream erosion control, river flow augmentation and water supply for Barrhead, and water-based recreation. Details are given on the type of dam embankment. It's estimated that at design flood level, the reservoir will cover about 1,290 acres, and will flood about 655 acres to a depth of 74 feet.

The estimate of the project, which the member inquired about, was around \$18 million in June 1978. In 1980, the estimate was updated to \$19,700,000. The revised total, taking inflation factors into consideration, is \$31,613,000. Essentially, Mr. Chairman, there has been a change of about \$900,000 in the original dollar estimate, if my mathematics are correct. So the design has been upgraded. In these new calculations, we've allowed three-year inflationary cost increases at about 15 per cent per year, which is \$10,300,000, and scope revisions, which is an additional \$1,630,000. As members know, changes are occasionally made.

To give you some idea of the way it's being structured, the project manager will work under the jurisdiction of Environment. He has a project review committee, made up of very highly skilled technical people, which from time to time will recommend changes if they feel they warrant them. We'll have to take those possibilities into consideration.

The progress: there is special expertise in two areas. In the geotechnical, we have agreements with Thurber Consultants. For the design of the gates, we have an agreement with Montreal Engineering. Northwest Hydraulics has done the model work for the plant. Outside of that, the majority of the balance of the work will be done internally.

We have let the following contracts. The first major construction, preparing the foundation and diverting the river, has gone to Thomas Brothers at Barrhead, for a cost of \$3,246,000. At this time, they're approximately three weeks from completion. Part of the second contract, which was in the '81-82 year, so it isn't in this estimate for '82-83, is for the large pipe that will move the water through the dam structure. That portion has just been tendered.

For the coming year, if the land is all obtained, the intention is to clear the reservoir area and prepare for further work next summer. At the present time, we've spent about \$1.1 million on land. That is over a period of three or more years. That gives some general idea of the progress that has been made so far, and what our aspirations are for next year.

MR. R. SPEAKER: Mr. Chairman, that's very good from the minister. I'd like to review the same question I reviewed with the Minister of Advanced Education and Manpower and the Minister of Hospitals and Medical Care. The minister has indicated that a project manager is in place, a project review committee, and the minister. That seems to be the three groups that are held accountable for the allocation of moneys from the Heritage Savings Trust Fund. Could the minister indicate whether the project manager is someone from the department who has only this project to work on, and whether very formal and new management and control procedures were put in place so that we can assure ourselves with regard to accountability on the project? Here we have a project that will in the end take \$31 million of the Heritage Savings Trust Fund, which is a very significant sum of money. A project such as this would need two things: a good project manager and, two, all management and control procedures in place. My question is: when this project was implemented by the fund, were all the management procedures reviewed and adapted to meet the needs of this Legislature?

MR. COOKSON: I think so, Mr. Chairman. Just to review for the member the way in which we've established the process: the project manager is Mr. Jake Thiessen, who is one of our top people in dam construction work. The member may be familiar with Mr. Thiessen, since he spent considerable time in the south. We have a department contact as far as the financial thing is concerned, and another one insofar as the program. The intention is that once construction is completed, the department will operate and maintain the dam and associated works through its operation and maintenance branch. Operational guidelines are currently being formulated under the direction of the implementation committee. Staff and equipment for the continued operation and maintenance of this project will have to be provided through the General Revenue Fund, after the initial capital funding through the Heritage Savings Trust Fund.

I think that's an important point to note. In terms of our own budgets, we will have to address ourselves more and more to some of these capital projects which will require additional expenditure for operations and main-

tenance by the departments concerned. I think that rule applies to a lot of our capital projects.

The way in which it's structured insofar as my department is concerned is that Mr. Peter Melnychuk, assistant deputy minister, will be responsible for the total operation. Under his authority will be two branches. One will be the Independent Review Board, a very well qualified group of three — Mr. E. Klohn, C. Neill, and S. Ringheim — who will continue to review the process in terms of safety and structure. Also under the assistant deputy minister is a committee known as the Assistant Deputy Minister Directors' Committee. Below, on the flow diagram of organization, is the project manager himself, Mr. Jake Thiessen. He will be directly accountable to Mr. Peter Melnychuk.

Beneath Mr. Thiessen is an interdepartmental liaison committee, because one has to keep in mind that a number of branches within our own department have to be advised and continually have input insofar as the construction. That is known as the Implementation Committee. Under the Implementation Committee are the following headings: land assembly, which comes under Mr. Ross Edwards. That has to do with the purchase and preparation of land. Geotechnical is under Mr. Campbell. Planning is under Mr. Kemper, and under his responsibility is the original environmental impact assessment, which was involved in all these documents as far as environmental impact assessment is concerned. Design is under Mr. Lukay; water resources management is under Mr. Robson; technical services is under Mr. Valentine; construction is under Mr. Nicholson; and public participation.

Beneath that flow chart are certain responsibilities. Under geotechnical is the responsibility for soils investigation, drilling, embankment design, and drain design. Consultants will be required at that stage. Under Lukay comes spillway hydraulic design, spillway structural design, and low-level tunnel design. Under technical services are aerial photography, predesign surveys, construction surveys, and flow forecasting. Under construction, which will be done this winter, is primarily reservoir clearing, earthwork structures, and contract administration.

To answer the member, that gives some indication of the way the process is being laid out until the completion of the project.

6 — Paddle River Basin Development \$11,206,000

MR. COOKSON: Mr. Chairman, I move that the votes be reported.

[Motion carried]

Executive Council

Workers' Health, Safety and Compensation

1 — Occupational Health and Safety Research and Education

MR. NOTLEY: Mr. Chairman, just before we conclude, at the last study I posed a question to the minister, with respect to the participation of the trade union movement, particularly with respect to a fairly comprehensive proposal on hazards in the work place. If he could, I'd like the minister to respond to my questions, which I raised at the last sitting of the committee on these estimates.

MR. DIACHUK: Mr. Chairman, to the hon. Member for Spirit River-Fairview. That submission was made as a

result of a grant provided in a previous year to the Alberta Federation of Labour. It was a submission of what they would like to see occur in health research and education in this province. My officials are now working with the parties from the Alberta Federation of Labour to try to get this within the parameters of this grant program, because that study by the Alberta Federation of Labour was carried out prior to this program being set up. That's why it's being reviewed with the Alberta Federation of Labour, trying to get it into the framework that it could be considered under one of these programs at present.

MR. MANDEVILLE: Mr. Chairman, I'd just like to ask the minister a question with regard to the pamphlet sent out. The maximum assessable individual earnings is up to \$40,000 per annum, and that will be effective January 1. Will there be any changes in the rates as a result of this increase in the earnings, up to \$40,000?

MR. DIACHUK: Mr. Chairman, I see you frowning, because it has nothing to do with this vote. Nevertheless, there are increases in rates as a result of that increase in the ceiling. The Workers' Compensation Board staff have been holding meetings and reviewing with all class groups. I've been involved in some of the discussions with some of the groups which have come forward with their concern at the increase. But at the same time, while the hon. member asked about a specific rate increase, there are quite a few classes in the present program of workers' compensation that have encountered a deficit in 1981. Therefore, part of the increase being communicated to the different employers is as a result of the expensive costs and deficits that have been encountered. It's not only the increase in the ceiling; part of it is the deficit.

MR. MANDEVILLE: Mr. Chairman, just so you won't have to frown that hard on this particular question, I know the minister has a letter from some of my oil people in my constituency, with regard to occupational health and safety research and education. The concern they have is that as far as some of the oil well servicing industry is concerned, many of them are accident-prone and they are still paying high rates. I wonder if the minister is giving any consideration to making an assessment in this area as far as some of the oil service rigs are concerned.

MR. DIACHUK: Mr. Chairman, I just couldn't help laughing at the Minister of Environment lugging all his material away.

I can only indicate that we've had very good co-operation from several sectors of the oil industry, particularly the Canadian Association of Oilwell Drilling Contractors. They've come forward with good programs of health safety. If the hon. member has a sector that has not been involved — he used the word "accident-prone" — this is exactly the type of funding that could be considered to share with them, to take and review why these particular accidents are happening and costing them through assessments. That would be the direction I would encourage the hon. member to encourage his constituents. If there's a specific type of accident happening in their servicing industry, let's take a look at it. We have some resources now through this appropriation.

Agreed to:

Occupational Health and
Safety Research and Education

\$1,000,000

MR. DIACHUK: Mr. Chairman, I move that Vote 1 be reported.

[Motion carried]

**Department of
Energy and Natural Resources**

Agreed to:

1 — Alberta Oil Sands Technology
and Research Authority \$54,000,000

2 — Conventional Oil Enhanced Recovery Program

MR. SINDLINGER: Although we have spent some time on this, I wouldn't want this to go through without allowing the Acting Minister of Energy and Natural Resources to get up and respond to a particular question. I guess I should just ask him generally what this conventional oil enhanced recovery program is.

MR. KOZIAK: Mr. Speaker, I believe I have an agreement here that I can read, which will probably assist the hon. member.

MR. DEPUTY CHAIRMAN: As long as it doesn't take over 30 minutes.

MR. KOZIAK: In terms of the program, Mr. Chairman, I'm sure the hon. member who posed the question is well aware of the necessity to obtain maximum returns from the reserves in the ground. We all know that through efforts by programs such as provided for under this vote, present technology can be improved and added to so that we can recover additional supplies, whether through secondary or tertiary methods, from those that are presently in the ground.

MR. SINDLINGER: Mr. Chairman, if the objective is an effort to improve and get more reserves out of those that are already in the ground, perhaps the minister might give us an indication of what the recovery ratio is today and what the objective is through this program.

MR. KOZIAK: Mr. Chairman, the answer to that would have to vary, depending on the field. In certain cases, the recovery ratio is much higher than in others. For example, we know that the recovery rate in the oil sands is very small, relative to the total reserves in place. We also know what the recovery rate would be in a field that would be, say, almost a hole filled with oil, as might be found in the Middle East. But generally across the province, it's around 30 per cent.

Agreed to:

Conventional Oil Enhanced
Recovery Program \$20,000,000

3 — Alberta Reforestation Nursery

MR. NOTLEY: Mr. Chairman, I wouldn't want to push through this important vote. I would say at the outset that I support the appropriation here. However, I wonder if the acting minister could perhaps outline where things are, at the moment, in terms of this project. I notice our 1981-82 estimates are \$1,765,000; the estimates for the current year are \$128,000. Presumably that's just mop-

ping up, finishing off the project. But to what extent is the project complete at this point? What has to be done? What's involved in the \$128,000? For example, I notice there are no fixed assets in the estimates this year. We're simply looking at supplies and services in the amount of \$128,000. Perhaps we could have an account by the minister of what we are going to be doing with the \$128,000. Perhaps he could specify the supplies and services in a somewhat more detailed way.

I don't think there's any need to discuss the general need for the Pine Ridge Forest Nursery. It's been discussed before in the capital committee. As well, it has been reported to the trust fund watchdog committee by the Minister of Energy and Natural Resources. Certainly our forest industry in this province is important, and this kind of investment is certainly relevant to its long-term strength and health. But for the interest of myself, and other members I'm sure, I would like to have a little more detailed breakdown of what we're doing with this relatively small amount. I assume it is bringing to a close the investment in the nursery program.

MR. KOZIAK: Mr. Chairman, the \$128,000 is design for minor construction, including the expansion of the genetics and tree improvement facility. I should say that that won't conclude it. This is the design. There would be some expectation for additional funding after the design is in place, but primarily that's the concept.

MR. NOTLEY: Mr. Chairman, a supplementary question. The minister said that won't conclude it. Do we have any estimates as to what the final project will come to?

MR. KOZIAK: I hesitate to provide the estimates until the design is completed. Usually one finds that one determines the cost on the basis of design. But I suppose I could throw out a rough figure that is going to be subject to change depending on the circumstances when the design is complete. That would be in the area of perhaps \$800,000. There may be some additional investments in other areas as well, but that's the sort of indication I have at this time.

MR. NOTLEY: Mr. Chairman, perhaps we might be better off not to get a rough figure, because in the past some of these rough figures have turned out to be very rough indeed. Maybe we'll wait until we get more accurate information from the minister.

MR. KOZIAK: Mr. Chairman, perhaps I should interrupt at this point. Accurate information, of course, can't be forthcoming until after the design is completed and you've had the tender. This is why I say it's dangerous to embark on a process of providing such an estimate until the design is actually done. We're voting funds for the design.

MR. NOTLEY: Fair enough. How many people are employed at the Pine Ridge nursery at this stage?

MR. KOZIAK: Mr. Speaker, perhaps I can take that question as notice and provide the hon. member with detailed information.

MR. NOTLEY: Mr. Chairman, in terms of the work done at the Pine Ridge nursery, what consultation takes place with industry in terms of setting objectives for the

nursery? Is there any at all? Is there any sort of consultative body or some way of getting feedback directly from the industry in terms of what the nursery is doing, or is it exclusively a departmental project?

MR. KOZIAK: On that point, I wouldn't want to provide information to the hon. member that wasn't complete. Perhaps it might be useful for me to consult with the Minister of Energy and Natural Resources, in terms of the consultation that might take place with him and industry, as well as with the department and the operators of the nursery and industry. I'll do that and provide the hon. member with that information.

MR. TOPOLNISKY: Mr. Chairman, as members know, I practise economy in words, so I'll be brief. I wish to make a few remarks on the Pine Ridge Forest Nursery. Pine Ridge Forest Nursery is designed to produce seed and seedlings for the reforestation of Crown lands. In part, the forest nursery is a guarantee of a continuing supply of timber for pulp and lumber production. It certainly is a very important program to revitalize the province's forest resources, to replant and to reforest burnt-out areas on Crown lands. The Alberta Heritage Savings Trust Fund is used for research in genetics and for development such as the expansion of the production in the number of seedlings, which will increase from 20 million to 33 million in due course, for the construction of an irrigation supply water line from the North Saskatchewan River, and for the design and construction of improvements in the various facilities.

Mr. Chairman, some other concerns related to Pine Ridge, as they affect the county of Smoky Lake, where the tree nursery is located: most Crown properties are subject to grants in lieu of taxes, but not the Pine Ridge Forest Nursery. On this account, I have contacted the appropriate ministers. The access road off Highway No. 28 to the forest nursery, a stretch of some 3 miles, should be paved. It is a short project and could be combined with some other paving project in the area. Finally, the regional farmers wish to take advantage of some seedlings for the use of farmers' yards, boundary plantings, and shelter belts. Over a period of two years, some 17,000 trees have been distributed to the farmers. It's not an ongoing program, but I hope that some arrangement can be made with the local DA to satisfy the administration.

To summarize, Mr. Chairman, the concerns are grants in lieu of taxes, paving the access road, and trees for the farmers.

MR. KOZIAK: The hon. Member for Spirit River-Fairview is not in his place, but he might be interested in an answer to a question he posed to me earlier with respect to the number of people employed. Perhaps I can provide that now, and he can read it in *Hansard*. The latest information I have available provides that the total permanent employment is a staff of 24, under the supervision of a superintendent. From time to time, about 100 to 125 men and women are employed during the growing season — I presume primarily from the constituency of the Member for Redwater-Andrew, who just spoke, and mostly from the town of Smoky Lake.

MR. BORSTAD: Mr. Chairman, I'm not sure the acting minister can answer my questions. If he can't, he can let me know. Due to the unfortunately high forest burn-over area we had last year in the province, will the Pine Ridge nursery be able to fulfil the amount of seedlings needed?

Further, will the program be carried out immediately to harvest over that burned area so that it can be reforested in the very near future? We realize other areas are finding that their reforestation programs have not been as successful as they thought they might be. I'm speaking particularly of British Columbia. They feel they're going to have a timber shortfall within the next few years. I know we talk about the forest as a renewable resource. If we start talking about trees that take 85 years to grow, I wonder if our expectations might not hold up.

MR. KOZIAK: Well, Mr. Chairman, the Member for Grande Prairie raises an interesting point. There is no doubt that the length of time required to bring a tree to full maturity in the northern climate is substantially different from that experienced in such climates as Brazil, for example, where fantastic and phenomenal growth has been experienced in the period of a decade, compared to what may be six or seven decades in a northern climate like ours. That, no doubt, is a problem.

With respect to the anticipation of our ability to sort of correct nature's work in the forest fire area, I'm not able to provide the hon. member with the type of answer that I'm sure he would require. I will look into this further and see if an answer can be provided.

MR. R. SPEAKER: Mr. Chairman, with regard to the seedlings that the nursery can produce in a year, I wonder if that meets the number required by reforestation in the province, or are there other sources of seedlings. Do we bring some in from other places to supplement our need, or does this nursery have sufficient to meet all the needs in the province?

MR. KOZIAK: I'm sorry, Mr. Chairman. I'd like to be able to provide that information right now, but I just don't have it at my fingertips and will provide that to the hon. Leader of the Opposition.

MR. SINDLINGER: Mr. Speaker, I'd like to ask a question in regard to the Pine Ridge Forest Nursery. It's in regard to the description of the project in various annual reports of the Alberta Heritage Savings Trust Fund. The 1978-79 annual report said that seedlings will meet the "requirements of government and industry". Prior to 1978-79, the other reports refer only to Crown lands; that is, in the objective being stated for the program or the project, it's said that the seedlings are for the requirements of government. Some time after the project was initiated, there was a change in scope, one might say, to the purpose of the project. That is the quote I've just referred to, that seedlings will meet the requirements of government, and now, industry.

I wonder if the minister is familiar with that particular aspect in regard to the change in program and how that came about. It seems to me that that strikes at the very philosophy of the capital projects division. The capital projects division has as its criteria that investments would have to provide long-term social and economic benefits. Now it could have been said that this started out meeting those long-term economic benefits — I don't know how much social benefit, but at least economic benefits — from the point of view of the government. But once the Legislature approved that project and expenditure, thinking in terms of the government only, somehow there's been an addition to scope, which now indicates that there will be benefits to industry as well as to government.

If there are benefits to government, it raises other

questions such as: if industry will benefit from this project as well, what contribution is industry making to the project? It seems to me that it shouldn't be a project that's entirely funded through the heritage savings fund if the benefits are going to go to industry, which is of course profit-oriented. If industries are to benefit, they should provide some of the capital and operating costs for this project, so that they are not subsidized in a direct way by the heritage fund and the taxpayer of the province. That's the first question: in terms of development cost, what role does the industry play in development cost, if it's going to benefit?

The second one would be: what benefits would accrue to the industry on a per unit cost basis. For example, of the seedlings that are provided to government and industry, what does it cost the government to get a seedling and what does it cost the industry? Are they comparable costs? Is the cost that an industry would have to pay to acquire the seedling less than it would have to pay if it were to acquire the seedling from some other source not financed by the Heritage Savings Trust Fund? That leads to questions such as the covering of total cost, and things of that nature.

I understand the nursery expansion was intended to increase production to 36 million seedlings per year. I could ask the minister if production has yet reached that level. Are we at the 36 million seedlings per year? Aside from the actual production level, what would be of interest — and of very particular interest, given the comments I made when I first stood — is what percentage of the present production goes to the Crown and what percentage goes to private industry; again, the idea being to identify the magnitude of the benefits that would be received by industry.

I might make a final observation in that regard, Mr. Chairman. When I look through these capital project estimates, again the criteria for all of them is long-term social or economic benefits for Albertans — I can't recall if it's for Albertans or for the people of Alberta. Of these projects, this is about the only one that I can recall, looking down the list of capital projects, where it's indicated specifically that an industry would benefit from the investments. There are other things, of course, where industries or sectors of economic activity would benefit from the investment; for example, AOSTRA. There's no question that industry would benefit there. On the other hand, it has to be borne in mind that industry also participates in the cost of development. AOSTRA will put up 50 per cent of the cost, and the industry, 50 per cent of the cost as well. The industry benefit comes from the fact that it is able to use any new techniques, technology, or innovations that result from that research. The people of Alberta, through AOSTRA and the government of Alberta, benefit in that they hold the rights to technology, new techniques, or innovations that result. It's the same with some of these other programs. I can't think of any others specifically, but this program seems to be unique when it says that the seedlings will meet the requirements of the government and the industry.

So the precedent has been set in other projects that if benefits go to a specific industry, that that industry will participate in the costs. It's not clear to me at all that the industry is participating in the cost of this particular project, and if it is, to what degree. Certainly it should, if these seedlings are to meet the requirements of the industry.

I've spoken a little bit at length and rambled somewhat, because I know that this isn't the minister's primary

portfolio. Perhaps I've given him an opportunity to collect his thoughts on the matter. I might pose a supplementary to him after hearing his response.

MR. KOZIAK: Mr. Chairman, the provision of seedlings to government and industry is with respect to the industry's responsibility in the whole process of reforestation, and not with respect to the industry apart from that concept. For example, seedlings are not provided for resale; seedlings are not provided in the normal commercial business of providing landscape and that type of function. The whole concept is geared towards meeting the government's need for the reforestation of the province. That includes those areas of the province that may be harvested by industry. Now, industry's role in this whole process is that they collect and supply the seed-bearing cones that are then taken to the Pine Ridge nursery for processing. It's probably a useful partnership in that respect, and I'm sure the hon. Member for Calgary Buffalo would agree, in that the reforestation by industry in those areas of the province where a forest is being harvested is a better approach than using a government source to do the same thing.

I think the hon. member also mentioned something about annual quantities, and he wondered whether we had reached these. I believe he used the figure of 36 million a year. I wonder where he got that, because the information I have is that Pine Ridge annually produces 10 million container seedlings in its greenhouse complex.

MR. SINDLINGER: Mr. Chairman, I have the annual report of the Heritage Savings Trust Fund. In the project description for the Pine Ridge Forest Nursery, it says that it became fully operational in 1980-81, and that the present production was 29 million seedlings. It goes on to talk about a few other things, but later on it says:

... the Province approved further funding for the Pine Ridge Forest Nursery into 1981-82. This extension will allow the nursery to expand its facilities and will result in a total production of 36 million seedlings per year ...

So the source of my information is the Alberta Heritage Savings Trust Fund 1980-81 annual report. The expansion that has been discussed in that annual report is that which was approved for funding in 1981-82. That would amount to the 36 million.

The estimates we're approving today take us into 1982-83. From the estimates, I see that it's only for design for minor construction. It is \$128,000, not a large amount compared with total project costs of about \$12 million. Nevertheless, the expansion to 36 million seedlings per year is quite substantial. When this project was initially approved, I think about 10 million seedlings per year were considered in the original design phase; I'm going from memory on that particular number. We have an increase in production by a factor of 3.6 over the period of the project, which I guess could be said to substantiate what the minister said in response to my first question. This is probably a useful partnership between industry and the government, inasmuch as it is the industry's responsibility to replace what it has harvested in the first place. I now have a clear understanding of the project when the minister says the seedlings are not provided for resale by the industry but in effect are just to replace that which has been taken before. Nevertheless, since the industry has benefited and earned its income by harvesting, it seems to me that they have more than just a moral responsibility. They ought to participate in the cost of

replacing that which they harvested. I suppose they could do it in one of two ways. One would be to participate in the capital cost of this particular project; if not that, then participate in the operating costs, which would entail the actual nurturing and planting of seedlings in the place where they've been harvested.

We had an extensive discussion with the Minister of Environment about the effect of salvage and clear-cut logging in the south Castle River area, north of Pincher Creek. Subsequent to that debate, the minister went down to the area by helicopter and surveyed what was going on. The primary concern was that the salvage or clear-cut logging practices were causing considerable environmental damage in several ways. One was that areas being cleared were much larger than those which had been recommended through the east slopes policy and others. The result was that there were large exposed areas. In that particular part of the province, that's a more undesirable thing to have than in other parts of the province because of the chinook winds, that blow so strongly through the Crowsnest Pass area. When you expose such large areas, you expose them to those chinook winds and wind erosion. That's also complicated by water erosion in the area. The second problem was in regard to the buffer zones left between the clear-cut logging patches and the waterways. Normally there is a buffer zone of trees left standing to ensure that there is some restraint on the water and wind erosion above the streams.

Coming back to this particular vote, here is an area where companies have gone in and harvested the area and benefited from it, yet the cost of recovering the land and preventing undesirable wind and water erosion is being borne by the province. Again, here we have the province and the people of Alberta, through the Heritage Savings Trust Fund, providing seedlings to replant that particular land. In that area, I can't see the logging companies even participating in the cost of replanting the land. The logging they've done has had marginal profits. They're even considering stopping what they're doing now unless they can get some sort of subvention from the Alberta government, which they have applied for. Again, here we have a situation where companies have profited through the harvest, yet will not participate in the cost of restoration.

The question that remains outstanding here is why the change in scope in this particular project when the initial annual report said the project would be for Crown lands? Suddenly, we have one annual report that says the seedlings will meet the requirements of government and industry as well. To me, industry seems to be getting a free ride on this particular project.

MR. KOZIAK: Mr. Chairman, I don't know for sure that there's a dichotomy in the two circumstances. Crown land doesn't necessarily exclude the provision of seedlings to industry unless the hon. member, in his definition of Crown land, excludes Crown land that has been leased out as a timber, berth. I'm sure he wouldn't want to make that exclusion. We're still dealing with Crown land, but with the partnership of industry and the Crown in the whole process of harvesting and reforesting our forests.

The hon. member knows — and the hon. Member for Grande Prairie raised this — that the growing season in this climate is a long one. There's no doubt in my mind, and I'm sure there's no doubt in the minds of members of this Assembly, that those who take advantage of the program by obtaining these seedlings and planting them

in areas of the province, won't be around to harvest them. The ultimate benefit of the reforestation program is for the people of the province of Alberta a generation or two from today, rather than an immediate benefit that results from the planting and harvesting of the seedlings by the same industry. The aspect is there, of course, that the industry must collect and deliver the seed-bearing cones for processing by the Pine Ridge Forest Nursery. It's the industry that goes about planting the seedlings.

On the other area, the seeming difference between the figure the hon. member raises from the report he reads and the information I provide, I think it would be useful to see if there's some explanation for that. For one thing, it's a three-year process. Are we talking about the annual production or the stock in place? It may well be that that might partly be the answer. It may be the 10 million I'm talking about refers to one aspect of the process, and the 36 million the hon. Member for Calgary Buffalo talks about is an all-encompassing figure. I'd be more than pleased to look into that and provide the hon. member with a response.

MR. TOPOLNISKY: Mr. Chairman, perhaps I could shed a ray of light on the production statistics. Initially, production was 10 million in greenhouses and 10 million bare root, which makes it 20 million annually. Subsequent expansions were 5 million and 8 million, which makes it 33 million.

MR. SINDLINGER: Mr. Chairman, we left a little unfinished business between the minister and me. He asked if it would be okay if he came back with the numbers, and that's fine. In regard to who gets the benefits and who shares in the cost of providing those benefits, I'd just make a representation and suggestion that if the companies are to benefit from the harvesting of these things, they should at least participate in the cost of restoring the land to its original state. There is plenty of precedent. The first one I indicated is AOSTRA, where companies are paying 50 per cent of the cost with AOSTRA. Other instances are strip mining and coal mining. If they strip away the land, they have to undertake to restore the land to its original state. That's a cost they carry, and it's put through in their total accounting system and shown in the production cost as well. If somehow in the capital costs there isn't some industry participation in the taking of the seedlings and replanting them, I think consideration should be given to attempting to get the particular companies that benefit from a particular project, to also participate in the costs.

MR. KOZIAK.: Mr. Chairman, we're talking about a matter of judgment, here, and to what extent the cost of reforestation should be borne by the province and to what extent it should be borne by industry, what the share might be. If one were to provide these seedlings to industry on the basis of cost of production per seedling, my gut reaction would be that the cost to industry of reforesting our forests would not be substantial in terms of the seedling itself. More of the expense would probably go toward collecting the cones provided to the nursery, obtaining the seedlings, and then planting them, than the actual cost of bringing them to the point of planting. That's a gut reaction.

The aspect of reforestation and the provision of seedlings can't be taken in isolation from the royalties provided by the harvesters of our forests. To what extent the level of royalty payable reflects the fact that seedlings are

provided free of charge, is another matter. I'm sure the hon. member and I could stand here for a substantial period of time and debate the benefits of one approach over the other, but ultimately some judgment has to be made. The hon. member may disagree or agree with the judgment that has been taken. That's not unusual in this Assembly. There are many occasions on which people hold quite strongly to different views on the same issue, and no one is to suggest that those views are right or wrong. But at one point, a judgment must be made. That's the case here.

MR. SINDLINGER: Just for clarification, please, Mr. Chairman. Is the minister saying there is no policy with regard to having a logging company, for example, participate in the cost of restoring the land that has been harvested, notwithstanding the fact that royalties are collected from these logging companies? Certainly royalties are collected with regard to strip mining. In addition to the royalties, a price is paid by the companies to restore the land. It would be my personal position that companies which have harvested the lands, since they have got the benefits of the harvest, certainly should participate in the cost of restoring the land. It's not just a matter of judgment here. I think it's a matter of whether or not there is a policy in place relative to companies participating in the cost of restoration.

MR. KOZIAK: No, I didn't suggest that in my response, Mr. Chairman.

MR. SINDLINGER: Then for clarification, is a policy in place which would ensure that companies which have benefited from the harvest will participate in the the costs of restoration?

MR. KOZIAK: Reforestation, yes.

MR. SINDLINGER: In reforestation generally? How about in regard to this particular project?

MR. KOZIAK: What the hon. member is asking me gets us right back to his original concept that we should not provide seedlings to industry.

MR. SINDLINGER: I'm not saying you shouldn't, but I think they should pay for them.

MR. KOZIAK: What I'm saying is that there is a partnership in this process, where industry provides the cones for the seeds. I then went on to say that it's a matter of judgment what further involvement of industry there should be and that the hon. member holds to a particular point of view. I'm not necessarily suggesting that that point of view is wrong. In the balance, these things have to be looked at.

Mr. Chairman, while I'm on my feet, the Leader of the Opposition asked whether or not we're self-sufficient. It's my understanding that at the operational level in the province, we are self-sufficient. However, from time to time some exotic species may well be imported, particularly for research purposes.

MR. R. SPEAKER: Mr. Chairman, the whole object of the program we have before us is to improve our forests, hopefully broaden production, and in turn bring about a greater potential for forestry sales and the industry in the province. At the present time, I understand that current

annual forestry sales in Alberta are below \$250 million. Forestry sales in British Columbia, for example, are somewhere in the vicinity of \$2.2 billion. If forestry is to become a major industry and a competitor in the province — one of the criteria is if the sales are there; that's for sure — we have to work toward some kind of broader objective.

I understand softwoods are in higher demand than hardwoods in the province. I understand we have hardwoods which persons in forestry haven't found a market for and haven't exploited as much. In this program with our nursery, I was wondering whether there is an attempt to develop the kinds of trees in the province that will improve our market. That's number one. Number two, has the department some types of goals? For example, I read a comment of the Acting Minister of Energy and Natural Resources that says that they confidently anticipate more than \$1 billion of capital investment in the industry by the end of the 1980s. I'm not sure whether that's private company investment or government investment — it may be both; I'm quite sure — with some kind of objective in mind. That's the information I haven't got. Has the government some forecasts, some projections, as to what forestry sales can be in the future? We have a nursery in place that can provide a product of demand rather than the product that's out there that's maybe not in demand at the present time. Has the minister some information with regard to that?

MR. KOZIAK: If I could provide the hon. member with that information, I'm sure I could be a wealthy man. Many people would like to know what the future demands in this area will be. As a matter of fact, I read recently of one individual who has plunked his entire fortune in an operation in Brazil. I don't know how successful that is or will be. We know that in British Columbia, for example, there are real problems in the area because of the reduced demand for building supplies for house building in the United States. Then there's the other large use of products in the newsprint area, and there's a growing demand there.

I hesitate to attempt to provide the hon. Leader of the Opposition with an expectation of future demands in various areas. Regardless of those demands, I think it's important that we take a look at our capabilities and the opportunities we have, and pursue those, and at the same time make sure that having harvested any of our lands capable of producing forests, we replenish the stock in a good-husbandry manner. That's the concept behind this particular vote.

While I'm on my feet, Mr. Chairman, I would like to update the figures of the total number of employees I provided to members of the committee. I guess the figures I provided earlier were somewhat out of date. The question was posed by the Member for Spirit River-Fairview. The more up-to-date figure is that there are 32 permanent employees and seven project employees through the Maintaining Our Forests program. Then we have 65 wage man-years. Those are on a temporary, seasonal employment basis, which because of the season for growing, would probably correspond with the 100 to 125 men and women I mentioned earlier.

MR. R. SPEAKER: Then let me ask my question in a general way. In his remarks, the minister talked about the concept of replacement of trees. That means if you take a fir tree out, you replace it, or whatever the case may be. As I understand it, about 50 per cent of Alberta's timber

is made up of some of the less desirable hardwoods, such as aspen and poplar. Would the word "replacement" that the minister is using also imply that the timber mix in the province will change, so that we may replace that kind of tree with other kinds of trees? Is one of the functions of the nursery to do that, so that trees that are desired are more plentiful in the province? Does "replace" mean two things: one, replacing the kind of tree we harvested; two, replacing a tree that may not be of good economic value with an economic forest tree?

MR. KOZIAK: Mr. Chairman, we could indicate that it's more than just a replacement concept, because one of the aspects of the nursery is in genetics and tree improvement. If we can improve the strains, or move in that direction, I'm sure that would respond to the point the Leader of the Opposition raised in his comments.

Perhaps I can respond further to the concept of consultation raised by the Member for Spirit River-Fairview. There is in fact consultation with the nursery and industry. The way that takes places is that industry submits annual cutting and reforestation plans to Alberta Forest Service for approval, and the need for seedlings is then identified through these plans. Industry and Forest Service discuss all aspects of the program, including the quality of seedlings, on an ongoing basis. Finally, Forest Service visits the reforestation areas. So the consultation is close and on an ongoing basis.

Agreed to:

3 — Alberta Reforestation Nursery

\$ 128,000

5 — Maintaining Our Forests

MR. SINDLINGER: Mr. Chairman, I'd just like to make the same observation about this project as I did about that one; that is, in regard to those who share the benefits of the particular project also sharing the cost. Last night, we talked about grazing reserves. Even though it wasn't anticipated that the cost could be entirely recovered from those who benefited from the project, nevertheless it was indicated that would be a user fee for those using the project. So there would at least be some participation in that regard.

In regard to this vote, maintaining our forests, it says the objective is: "To re-establish and improve the productivity of our forests, et cetera — those which have been damaged by several things. One thing identified is "industrial clearings". Now, obviously somebody has benefited from that, and that person ought to carry the cost as well. I would like to make that observation and leave it at that.

Thank you.

MR. KOZIAK: Mr. Chairman, that's a useful observation. The only thing I can add is that in the same sense that other areas of the province are reclaimed, we have occupied the province for more than just the session. Areas of the province have been damaged in past years, and the people or industry involved in that no longer exist, are not available, or are not around. There's no doubt that the concept the member puts forward is useful, but there's also an existing situation to which no blame can be attached.

MR. R. SPEAKER: Mr. Chairman, in terms of maintaining our forests, one beetle introduced last year was the pine beetle. I understand that some 1,300 acres in the

province have been affected. In terms of this program. I wonder how the program relates to ... Maybe that's an unfair question to the minister. I know that the Minister of Energy and Natural Resources was certainly more involved in it. Maybe that's asking too much. If the minister hasn't the answer, I'd say that even after passing this vote, the minister could have the department drop me a note to that effect. That would be satisfactory.

MR. KOZIAK: I'll do that, Mr. Chairman. The reason there's a smile on my face is: did I hear correctly? Was the question whether we introduced the pine beetle? That wouldn't have been part of our program.

MR. SINDLINGER: One final question on this vote please, Mr. Chairman. It's with regard to two things: (a) the initial cost of the project; and (b) what the total cost of the project is estimated to be now.

MR. KOZIAK: Mr. Chairman, I wonder if the hon. member wants something that's beyond what appears on page 10 of the document in his hand.

MR. SINDLINGER: Yes, Mr. Chairman. It's quite specific. I understand this is a seven-year project, and about \$8 million has been expended to date. What is the total cost of the project?

MR. KOZIAK: Mr. Chairman, if the hon. member is asking me whether in that period of time the projection is X number of dollars — what the projection is. I think what we're talking about here is a determination, on an annual basis, of what we intend to provide for this project. Next year, I presume we would go through the same process and say that we want to allocate so many dollars for this project for the coming fiscal year. I couldn't provide the hon. member with an exact figure of the expectations over the length of the project.

Agreed to:

5 — Maintaining Our Forests

\$6,146,700.

MR. KOZIAK: Mr. Chairman, I move that the vote be reported.

[Motion carried]

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

[Motion carried]

[Mr. Speaker in the Chair]

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

Be it resolved that from the Alberta Heritage Savings Fund, sums not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1983, for the purpose of making investments in the following projects to be administered by the Minister of Advanced Education and Manpower: \$288,000 for library development projects; to be administered by the Minister of Environment: \$1 million for the Capital City Recreation Park project, \$2 million for the Fish Creek Provincial Park (Land) project, \$62,827,100 for irrigation head-works and main irrigation systems improvement projects.

\$5 million for land reclamation projects, \$1,060,000 for the Lesser Slave Lake outlet project, \$11,206,000 for the Paddle River basin development project; to be administered by the Minister responsible for Workers' Health, Safety and Compensation: \$1 million for occupational health and safety research and education project; to be administered by the Minister of Energy and Natural Resources: \$54 million for the Alberta Oil Sands Technology and Research Authority, \$20 million for the conventional oil enhanced recovery program project, \$128,000 for the Alberta reforestation nursery project, and \$6,146,700 for the Maintaining Our Forests project.

MR. SPEAKER: Having heard the report, do you all agree?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, if we can wait a moment or so for the Provincial Treasurer, he will introduce the appropriation Bills relative to these estimates.

MR. SPEAKER: I believe the hon. Member for Calgary Buffalo would like to assist in filling the time.

AN HON. MEMBER: He's been doing that for weeks.

MR. SPEAKER: Does the Assembly agree to revert to Introduction of Bills?

HON. MEMBERS: Agreed.

head: **INTRODUCTION OF BILLS**
(*reversion*)

Bill 83
Appropriation (Alberta Heritage Savings
Trust Fund, Capital Projects Division)
Act, 1981

Bill 84
Appropriation (Alberta Heritage Savings
Trust Fund, Capital Projects Division)
Supplementary Act, 1981

MR. HYNDMAN: Mr. Speaker, I request leave to intro-

duce Bills 83 and 84. These being money Bills. His Honour the Honourable the Lieutenant-Governor, having been informed of the contents of each Bill, recommends them to the Assembly.

I ask leave to introduce Bill No. 83, the Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Act, 1981. Its contents are self-explanatory and known to the Assembly. I also ask leave to introduce Bill No. 84, the Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Supplementary Act, 1981.

[Leave granted; Bills 83 and 84 read a first time]

MR. CRAWFORD: Mr. Speaker, the business on Monday will be second reading of the two appropriation Bills just introduced, and committee study of those and Bill 69. The intention is to sit in the evening. Hopefully, that will give some of the extra time wanted for Bill 69.

[At 1:03 p.m., pursuant to Standing Order 5, the House adjourned to Monday at 2:30 p.m.]

