

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Monday, March 21, 1983 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: **PRESENTING REPORTS BY
STANDING AND SELECT COMMITTEES**

MR. HIEBERT: Mr. Speaker, as chairman I request leave to present a report of the special committee appointed to prepare lists of members to serve on the select standing committees of the Assembly.

head: **INTRODUCTION OF BILLS**

**Bill 209
Public Access to Pollution
Monitoring Surveys Act**

MR. NOTLEY: Mr. Speaker, I request leave to introduce a Bill, being the Public Access to Pollution Monitoring Surveys Act.

Very briefly, Mr. Speaker, the purpose of Bill No. 209 is to provide access to all monitoring of any environmental problem or difficulty undertaken in this province.

[Leave granted; Bill 209 read a first time]

**Bill 214
Environmental Impact Assessment Act**

MR. NOTLEY: Mr. Speaker, I request leave to introduce Bill No. 214, the Environmental Impact Assessment Act.

Mr. Speaker, the purpose of Bill No. 214 is to set out requirements for environmental impact assessments on projects in this province.

[Leave granted; Bill 214 read a first time]

**Bill 27
Chattel Security Registries Act**

MR. CRAWFORD: Mr. Speaker, I ask leave to introduce Bill No. 27, the Chattel Security Registries Act. This being a money Bill, His Honour the Honourable the Lieutenant-Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

Mr. Speaker, the Bill is in fact a recasting and updating of existing legislation with respect to chattel security registries. It deals with a number of items necessary to the registration of interest in personal property, including the duties of the registrars, the registration system, the manner of handling financial interest statements, and the continuation of the existing role for an assurance fund.

[Leave granted; Bill 27 read a first time]

**Bill 12
Alberta Government Telephones
Amendment Act, 1983**

MR. BOGLE: Mr. Speaker, I request leave to introduce Bill No. 12, the Alberta Government Telephones Amendment Act, 1983.

The amendments are requested to reflect the current title and responsibilities of the minister, to make the definition of telecommunications consistent with that contained in the Alberta Public Utilities Board Act, as well as to effect the composition of the commission and the make-up of the pension board.

[Leave granted; Bill 12 read a first time]

**Bill 26
Widows' Pension Act**

MRS. EMBURY: Mr. Speaker, I beg leave to introduce Bill 26, the Widows' Pension Act.

The purpose of this Bill is to provide assistance to Albertans between the ages of 55 and 64 who have lost their spouses and have limited means. This Bill also encompasses the income security, health care, and housing programs. [applause]

[Leave granted; Bill 26 read a first time]

MR. CRAWFORD: Mr. Speaker, I move that Bill No. 26 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: **TABLING RETURNS AND REPORTS**

MR. ADAIR: Mr. Speaker, I would like to file with the Legislature Library four copies of the West Central Alberta Extension Area Study Discussion Paper and four copies of the Hanna Historical Roundhouse and Village Feasibility Study and Concept Design.

MR. BRADLEY: Mr. Speaker, I would like to file with the Assembly three copies each of information I received from Gulf Canada last Thursday and Friday.

MR. FJORDBOTTEN: Mr. Speaker, I beg leave to table the 1981-82 annual report of the Department of Agriculture. Copies were forwarded to members on December 7. I also wish to table the Wheat Board money trust account.

MR. KING: Mr. Speaker, I would like to table the 77th annual report of the Department of Education for the fiscal year 1981-82.

MR. MUSGREAVE: Mr. Speaker, I would like to table the annual [report] of the Alberta Research Council for the year ended March 31, 1982.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. PENGELLY: Mr. Speaker, it's my pleasure to introduce to you, and through you to the members of the Assembly, 19 students from the Salem Christian Acade-

my and their four teachers: Mrs. Carol Loney, Mr. George Loney, Miss Christine Essex, and Mr. Dean McPhail. They are seated in the members gallery, and I ask them to rise and receive a warm welcome from the House.

MR. R. SPEAKER: Mr. Speaker, I would like to introduce through you to the members of the Legislature three members of the Alberta Union of [Provincial] Employees: vice-presidents Mr. Tom Minhinnett and Mr. Dave Potter, and Mr. Don Sloan. I ask them to stand and be recognized.

MR. PURDY: Mr. Speaker, it's my pleasure this afternoon to introduce a group of students from the Muir Lake school, which is located in the Stony Plain constituency. They are grade 7 students taking the option in youth government, and who are here today to watch the proceedings of the Legislature. Accompanying them are teachers Denele Walsh and Gwen Reid.

The Muir Lake school was the first community school in the county of Parkland, and was probably one of the first to be organized in the province of Alberta. At this time I would like to give the community full credit for what the the parents and teachers have done and the work they have committed themselves to, in making the school what it is today. They are in the public gallery, and I ask them to rise and receive the welcome of the House.

MRS. LeMESSURIER: Mr. Speaker, I am pleased to introduce to you, and through you to members of the Assembly, 18 students from the English as a second language department at the Alberta Vocational Centre in the constituency of Edmonton Centre. They are accompanied by their leader Mrs. Irwin, and are seated in the members gallery. I ask that the students rise and receive the warm welcome of this Assembly.

MR. CHAMBERS: Mr. Speaker, I'd like to introduce to you, and through you to the members of the Assembly, 53 grade 6 students from Baturyn school, in the constituency of Edmonton Calder. They're accompanied today by their teachers Roger MacEachern, Jim Torsky, and Darren Cross, and by Mrs. Cypher, the group leader. I believe they're seated in the public gallery, and I'd like you to join me in extending them the warm welcome of this Assembly.

head: ORAL QUESTION PERIOD

Gas Plant Monitoring

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Premier. It flows out of the question last Friday with respect to a province-wide study on the environmental impacts of the sour gas industry in the province. With the permission of the House, I'd just like to make reference to the Premier's answer:

If we feel there is a substantive concern that is backed up by these analyses, inquiries, and reports referred to by the Minister of the Environment . . .

Mr. Speaker, to the Premier: in view of the widespread concern of a number of groups — the Canadian Public Health Association, the Environment Council of Alberta, the Edmonton medical officer of health, the registrar of the College of Physicians and Surgeons — what evidence

does the government feel is necessary in order to make a decision on a province-wide investigation? Is that evidence contingent upon studies related to one particular incident — the incident in Pincher Creek — in view of the fact that we have a number of problems throughout the province?

MR. LOUGHEED: Mr. Speaker, I think there's some debate about the degree of problems throughout the province. I would only respond to the specific answer I gave last Friday:

If we feel there is a substantive concern that is backed up by these analyses, inquiries, and reports referred to by the Minister of the Environment, and a broader analysis in terms of gas processing in the province is required, we'll respond to it.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of the Environment. Is the minister in a position to advise the Assembly what discussions the Department of the Environment has had with Gulf Oil and representatives of the gas processing industry to attempt to develop reliable tests on the flaring of gas, in view of the fact that most of the concerns have occurred when gas is being flared as opposed to the normal tests that are taken in a gas plant?

MR. BRADLEY: Mr. Speaker, I'm not in a position to respond to that question today. I'll take it under advisement.

MR. NOTLEY: Mr. Speaker, a supplementary question. Is the hon. Minister of the Environment in a position to bring the Assembly up to date on whether or not the accord of May 29, 1980, with respect to environmental impact assessments, and the apparent failure to have one in the decommissioning of the Gulf plant — whether or not that general policy between the Department of the Environment and the ERCB is in place and in fact represented a stumbling block to a proper EIA when the Gulf plant was decommissioned?

MR. BRADLEY: Mr. Speaker, I'd have to check the specific document to which the hon. leader is referring.

MR. NOTLEY: Mr. Speaker, as a bit of information, I would advise the minister that the document is some three years old.

My question is whether or not the Department of the Environment, presumably as the protector of the environment in this province, is going to take the primary responsibility for EIAs. Or is that going to continue to be a shared responsibility with the ERCB, whose mandate is somewhat different: the most efficient utilization of our non-renewable natural resources. My question directly to the minister is, what initiatives has the minister taken with respect to ensuring that EIAs come under the direction of his department?

MR. BRADLEY: Mr. Speaker, at this point in time there's legislation in place under the Land Surface Conservation and Reclamation Act, which specifically provides for environmental impact assessments.

MR. NOTLEY: Mr. Speaker, a supplementary question. Under those circumstances, is the hon. minister in a position to advise the Assembly what changes are going to be made with respect to EIAs, or whether he is proposing

any changes, when decommissioning of plants is being considered?

MR. BRADLEY: Mr. Speaker, to answer the specific question, I'm currently having the particular piece of legislation which I referred to, the Land Surface Conservation and Reclamation Act, reviewed to see whether the specific object of having environmental impact assessments for decommissioning of plants is currently possible or whether an amendment is required.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. What general assessment is being made by the Department of the Environment with respect to the difficulties of monitoring gas plants in the wintertime? I refer to a document that I'm sure the minister is well aware of, the Greenhill report, that raises the concern about the adequacy of wintertime monitoring of gas plant emissions. In view of the fact that most of the concern in Pincher Creek has been (a) during flaring and (b) during the wintertime, what particular changes is the government contemplating with respect to the monitoring procedures to ensure that there is proper wintertime monitoring?

MR. BRADLEY: Mr. Speaker, I haven't seen the specific document which the hon. leader is referring to, with regard to alleged difficulties with air quality monitoring in the wintertime. I will review that document.

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

MR. NOTLEY: Mr. Speaker, I'd like to direct this supplementary to the Premier. In light of concerns attributed to the Premier some years ago about metal and lead poisoning in the Pincher Creek area, is the Premier in a position to outline to the Assembly . . . I might just add that I have another letter, of October 11, a copy of which I will share with the hon. Premier.

The question I would put to the Premier: in light of the general inadequacy of monitoring provisions, what changes have been made which would assure the Premier that the concerns he expressed about physical health due to metal emissions, and lead poisoning in particular, when he was on this side of the House — that these problems have in fact been properly looked after and handled in the last 15 years?

MR. LOUGHEED: Mr. Speaker, in checking my records and that document and the letter I wrote to the then Minister of Health, Dr. Ross, on January 21 — although we didn't have a *Hansard* at the time, I believe the matter was raised in the session of 1969. The response to it was a report, dated February 5, 1969, which came from the director of the environmental health services division of the Alberta Department of Health and the medical officer of health of the Chinook health unit. The conclusion coming from my inquiry was as follows:

The considered opinion must be that there is absolutely no cause for concern as to the safety of water supplies in the area with respect to lead content. Similarly, there is no indication at all to support a conclusion that there is any ingestion of lead by residents of the area which would in any way adversely affect their health.

Constitution — Aboriginal Rights

MR. NOTLEY: Mr. Speaker, in the absence of any ability to pursue supplementary questions, perhaps we'll await another day.

I'd like to direct my second question to the Premier, and it's with respect to the . . .

MR. SPEAKER: Might I just respectfully interrupt the hon. Leader of the Opposition. He has had one question and six supplementaries on this point. There has never been any difficulty — and the hon. leader would recall this — in the question period, certainly not in recent memory in this House, in going back to a topic later in the question period if there's additional time. I don't think it's a thing we need to be in any way snide about.

MR. NOTLEY: Mr. Speaker, on a point of privilege, perhaps. I was simply making an observation that I would bring the thing back. I did not mean to be snide. [interjections] If I really wanted to be snide, the hon. Speaker knows me well enough to know that I could make that abundantly clear to the members of the House. But I do want to make it abundantly clear today that I was not. I was simply making an observation that tomorrow, or perhaps later on in the question period should time permit, we'll come back to the question of Pincher Creek.

I'd like to direct this question to the Premier, and it is with respect to the constitutional conference on aboriginal rights. I'd like to ask the Premier to outline to the Assembly the reasons the government of Alberta felt that with respect to changes in aboriginal rights, aboriginal groups might be in a position to advise, as opposed to the debate over whether or not consent should be an integral part of any constitutional change?

MR. LOUGHEED: Mr. Speaker, I think the question is obvious in a federal system. There's a federal government and 10 provincial governments. We're involved with the constitution of Canada. There's no way any group within the country should be involved in a veto of the conclusions on a constitutional basis. We did agree that there should be consultation with the groups involving the aboriginal peoples of Canada, to particularly respond to their special historical position within Canada.

MR. NOTLEY: Mr. Speaker, a supplementary question to the Premier. What would be the nature of that consultation, as far as the province of Alberta is concerned?

MR. LOUGHEED: Mr. Speaker, if there was proposed amendment to the constitution that would in any way — and I believe even closely — affect the aboriginal peoples of Canada, I'm sure the government of the day would very obviously consult with the aboriginal peoples and their representatives within the province, since that obligation will in due course form part of the constitution of Canada.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister responsible for Native Affairs. Given the comments in the Premier's statement at the conference, what initiatives is the department going to undertake, first of all to settle out of court the mineral rights case involving the Metis settlements of this province and, secondly, to proceed quickly with outstanding land claims

— the Lubicon case being one example, but others might be cited.

MR. PAHL: Mr. Speaker, in view of the fact that both those issues are under litigation, perhaps I should refer the question to the Attorney General.

MR. CRAWFORD: Mr. Speaker, I wonder if my hon. friend would do me the service of restating the question.

MR. NOTLEY: I'm going to give the hon. minister in charge another opportunity to take a run at it. The question is with respect to the outstanding land claims, the Lubicon case being one, and the other is the mineral rights case in which the settlements have undertaken the suit against the province of Alberta. To either hon. minister: in light of the spirit contained in the Premier's opening statement, what consideration would be made to setting aside a legalistic approach in the case of the Metis Settlements issue, attempting to arrive at an out-of-court settlement with the settlements' association, and then pursuing the land claims expeditiously?

MR. CRAWFORD: Mr. Speaker, there's quite a history to the lawsuit involving mineral rights in respect of the Metis settlements. Part of that history is that because there were disagreements about what should be done and the government wanted to be fair, the suggestion was made that the matter be taken before the courts. At the time this proposal was made, we believed that could be done within a reasonable time. The government has very significantly supported the Metis settlements' associations with respect to the legal costs incurred by them in respect of these proceedings, and has paid quite a lot of costs to the lawyers for the Metis settlements.

I mention that because it's been my belief that the action could have been tried by now. Perhaps that's still the best way to do it. It would be a very long and difficult trial, but it could be done. Then all the points that have been raised, many of which go back to statements made in the 1930s, for example, about ministers of the government at that time who made certain types of commitments or alleged commitments — it requires a lot of sorting out.

Now if, because the action is there, the knowledge that each of the two sides has of the other side's case could lead to a settlement, I for one would be very pleased. That is certainly our approach to most lawsuits where the end result could suitably be compromise and where there is a distinct difference of view but not a difference in principle. So I would like to see the case tried at an early opportunity, given the absence of any negotiations that would be likely to lead to settlement, which is in fact the case. I think it's an important part of my answer that the government side is doing everything possible to see the matter not delayed, and I for one have been very disappointed that it's not been possible to bring it to trial before now.

The other matter, of Lubicon, is just sort of nicely under way in the sense that one thinks of lawsuits. It's been around for a much shorter length of time and has been in and out of one of the courts and back into another. Since it's at that stage, Mr. Speaker, and I don't know the intentions of the plaintiffs in that case as to pressing it, I don't think there's much I can add, except to say that the lawsuit is indeed under way.

MR. NOTLEY: Mr. Speaker, a supplementary question to the Minister responsible for Native Affairs. Was there any discussion with B.C. officials concerning the so-called working memorandum, which threatened to poison the atmosphere of the conference? Was there any discussion with B.C. officials by Alberta officials concerning what one would call that negotiating strategy?

MR. PAHL: Not to my knowledge, Mr. Speaker. My colleague the Minister of Federal and Intergovernmental Affairs may want to respond as well.

Mr. Speaker, I think it's important for the House to know that there was a very positive spirit on all sides of the table at the constitutional conference. To my knowledge, that wasn't brought up at any time.

MR. HORSMAN: Having been invited to participate in the answer, Mr. Speaker, I can also add that the document referred to in some news media reports never came to my attention, nor was it the subject of discussion between myself or any of the ministers who attended the conference on behalf of the province of British Columbia.

MR. NOTLEY: Mr. Speaker, a final supplementary question I'd like to address to the hon. Attorney General. It's to clarify what I thought was an important answer. Is the Attorney General telling the House that there is now a point in time when the government sees an out-of-court settlement after this long, long process with the Metis settlements in this province?

MR. CRAWFORD: I might say, not in precise terms, Mr. Speaker. But any lawsuit, particularly one with the degree of complexity and perhaps some common ground, the common ground being that any original intention expressed should certainly be given full weight whether the rights are purely legal or are in some respects social and political in their possible ultimate answers . . . As to settlement, I've always taken the view that that's a proper result once the proceedings have gone along as far as they have.

MR. SPEAKER: The hon. Member for Little . . .

MR. CRAWFORD: I'm sorry, Mr. Speaker, I'm afraid I want to be clear on one more thing: to my knowledge, there is no immediate hope of settlement.

Product Advertising — Agriculture

MR. R. SPEAKER: Mr. Speaker, my question to the Minister of Agriculture relates to the annual report the hon. minister tabled today. I wonder if the minister could indicate why in a province such as Alberta, where the rate of alcoholism is high and the rate of crimes related to alcohol is high — we have a serious drunk problem in the province — the government provides subsidies through the marketing branch to Alberta distilleries to advertise their products in an effort to increase sales of alcohol? I wonder if the minister could comment on that and why such a program is in place?

MR. FJORDBOTTEN: Mr. Speaker, I am not aware that they are assisting with advertising alcohol, but I'll be happy to check and report back.

MR. R. SPEAKER: Mr. Speaker, would the hon. minister check with regard to cost-shared programs of advertis-

ing with Carrington Distillers Ltd., Sunnyvale Distillers, and Alberta Distillers Ltd.? Would the minister do that?

MR. FJORDBOTTEN: I'd be most pleased to, Mr. Speaker.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the hon. minister indicate why advertising subsidies are going to some very successful companies? Also, other companies that have the prices of their products and their profits controlled through the Public Utilities Board — such as McGavin's, NADP, Alpha Milk, Palm Dairies, and other large companies — have their advertising programs subsidized in the province of Alberta. In terms of a free-enterprise government, why is the government doing that kind of thing?

MR. FJORDBOTTEN: Mr. Speaker, we certainly are supportive of the dairy industry, in particular, because of the difficult times some dairy producers are finding themselves in because of the reduction in the consumption of milk and the surplus in the world. And there's competition from other products, other types of fruit drinks. For an industry that's as important to the province of Alberta as the dairy industry, we are supportive of them in their advertising, to the extent of some \$300,000 to their Drink Milk campaign this year.

MR. R. SPEAKER: Mr. Speaker, a final supplementary. Could the minister indicate whether any studies have been done with regard to the results of some of this advertising, specifically with regard to advertising distilleries?

MR. FJORDBOTTEN: I'd be happy to check that and report back.

Educational Financing

DR. BUCK: Mr. Speaker, my question is to the hon. Minister of Education. Can the minister indicate to the Assembly the status of the ministerial task force on financing education from kindergarten to grade 12? As far as I can understand, the report was handed to the minister in December, but he didn't seem to like what it contained so he sent it back. Can he indicate the status of that report on educational financing?

MR. KING: Mr. Speaker, on December 23, I received the report referred to and did indeed have an opportunity to read it. I might say that it was not a question of liking or not liking its contents but of being rather uncertain as to the implication of some of its contents. I have referred it back to the task force. I have asked the task force to meet one more time and give me the benefit of their advice on three questions that I directed to them. When they have had that meeting, I expect the report and the addendum will be returned to me, at which time it will be made public.

DR. BUCK: Mr. Speaker, could the minister be kind enough to table in the Assembly the report he received in December?

MR. KING: Mr. Speaker, I think we would all be a lot better off if we had the benefit of the comments of the task force on the questions I put to them. In order that we might have a profitable and constructive debate about

educational finance, I will table the report when I have the reply of the task force.

DR. BUCK: Mr. Speaker, can the minister indicate to the Assembly the three questions he was having problems with, so that we can compare those with what the original report indicated?

MR. KING: I'm not sure that the questions would have any meaning without the context provided by the report.

MR. NOTLEY: Take a run at it.

MR. KING: In order to assure that the hon. member has the most complete possible grasp of educational finance, I will table the letter at the time I table the report and the addendum.

Consultant — Transportation

MR. MARTIN: Mr. Speaker, I'd like to direct this question to the Minister of Transportation. Can the minister inform the House what work the former Chief Deputy Minister of Transportation, Mr. R.G. McFarlane, has been contracted to do with his department?

MR. M. MOORE: Mr. Speaker, it's a question of some detail, but I'd be pleased to provide the answer right now. Mr. McFarlane, as hon. members know, has served in the public service for some 42 years, I believe, both for the government of Canada and the government of Alberta. As a matter of fact, he came to this province prior to 1970 to work for the former Social Credit government. In that capacity he has headed a number of government departments, more recently the Department of Transportation.

Mr. McFarlane has almost reached the age of 65. When I discussed his future plans with him in November, he indicated his wish for an early retirement so that the new department head could take his place in the department. He also indicated there were a number of ongoing matters he had been involved in that he'd like to continue with for at least the next 12 months. They included his chairmanship of a very important international cargo handling association, which he has been involved in for the last two to three years. It was therefore at his request that he retired on January 1. In the course of that retirement, he signed a contract with me, which I was pleased to sign, that would provide for his continuing services in several capacities on a *per diem* basis for the next 12 months.

Mr. Speaker, I just conclude by saying that I think this government is fortunate to be able to be served by a senior diplomat like Mr. McFarlane when it comes to dealing with matters of this nature, and we should be pleased that we have his services even in retirement.

MR. MARTIN: A supplementary question to the minister. In view of the fact that he was Deputy Minister of Transportation until December 31, 1982, why did his department place an urgent request with the Department of Public Works, Supply and Services as early as December 2 for preparation of furnished office space for Mr. McFarlane and associates, to be ready by January 1, 1983? Is it common government policy to do this when somebody is already working with them?

MR. M. MOORE: Mr. Speaker, it's common practice when an individual like Mr. McFarlane is retiring — as chief deputy minister, in this case — for him to be provided with alternate government office accommodations if indeed he is going to continue doing work for the government, so that the incoming deputy minister might assume the office space he had been located in. It's also common practice to plan these things a little while in advance.

MR. MARTIN: A supplementary question. It's very interesting to know that we provide space for private consultants, and that will be my next question. What are the terms under which Mr. McFarlane and associates, who are now private consultants — and the key word is "private" — have use of furnished government office space?

MR. M. MOORE: Mr. Speaker, I'd be pleased to provide a copy of the agreement between the government of Alberta and Mr. McFarlane with respect to his continuing work with the government.

MR. MARTIN: A supplementary question to the minister. Is it usual procedure for the government to provide furnished government office space to private consultants?

MR. M. MOORE: Mr. Speaker, it depends entirely upon the terms of the contract. There are personal service contracts of various kinds. I expect many exist with this government and with other governments wherein office space is supplied. It's totally a matter of working out whatever arrangements are satisfactory to both parties, as is the case with any particular contract. It's not a situation where the government considers that all its civil servants can do every job. From time to time we do indeed utilize private consultants — engineering firms and others — on all kinds of things and make various arrangements. We don't apologize for them.

MR. MARTIN: A supplementary question, Mr. Speaker. It's nice to know that we're looking after our people so well in this time of restraint.

I ask the Premier: in light of the vigorous attack of the federal Conservatives on the Trudeau government's guidelines, which I think you would agree are far more stringent than anything we have here ...

SOME HON. MEMBERS: Question.

MR. MARTIN: Just relax. I'm sure the Premier can handle himself.

What steps is the government considering to prevent further such conflict of interest by senior public servants?

MR. LOUGHEED: Mr. Speaker, the only questions I've been able to read in *Hansard* recently in the federal House of Commons have to be the attack of the hon. member's party against a rollback of oil prices. [interjections]

MR. MARTIN: A supplementary question, Mr. Speaker. I ask the Premier to answer the question instead of making a political speech. I think that's only fair. Answer the question.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Minister of Transportation, with regard to the contract with Mr. McFarlane. Under the circumstances

where Mr. McFarlane works out of a public office, are his terms of reference limited, whereby Mr. McFarlane cannot contract with other private agencies or do private work outside of government? Does it restrict his activities in any way?

MR. SPEAKER: The hon. minister has assured that he is going to make a copy of the contract available. Questions dealing with particulars of the contract might await reading the contract.

MR. NOTLEY: Mr. Speaker, on a point of order. If I may, I'd like to ask the Chair to at least give the minister an opportunity to share with the House whether or not ... No one is asking the minister to be aware of every dotted "i" and crossed "t". That would be unreasonable. But in a contract of this nature, particularly with a former deputy minister, I am sure the minister would be able to advise whether or not the arrangement precludes that consultant from taking business with the private sector. Mr. Speaker, I ask whether or not the minister is in a position to advise us of that simple question?

MR. SPEAKER: The hon. leader is repeating the question that was previously asked. In order to save question period time, it does seem prudent that when a document is going to be tabled, questions based on that document should await its tabling.

MR. M. MOORE: Mr. Speaker, I appreciate your comments in that regard. But the question having been put, I think it deserves an answer. The answer is simply this: Mr. McFarlane is on contract at this government's request, and that contract in no way precludes him from taking other work. If it were to be any other way, I don't believe he would have signed the contract or been involved in the ongoing work we asked him to be involved in. Again I repeat that his contract is on a *per diem* basis. Therefore there is simply no reason to consider tying a person down to providing his services only to the government of Alberta. It may well be that they would do that in the province of Manitoba, but not here.

MR. NOTLEY: Well, great. No question: I'd be glad to argue that one anywhere in the province, let me tell you.

My supplementary question is to the hon. Provincial Treasurer. Given our \$2.5 billion deficit, what is the policy of this government with respect to picking up the office expenses of people who are not in fact restricted in their work to supplying consulting services specifically to the government of Alberta and are in fact enjoying the advantages of the private sector while their rental space is paid for by the public sector?

MR. M. MOORE: Mr. Speaker, on a point of order. The hon. member is now entering into a brand new accusation that reflects on the character and integrity of Mr. McFarlane, in that he's suggesting ... [interjections] Well I heard the hon. member suggesting that those offices supplied by this government are now being used in some other way than with respect to the contract with the government of Alberta. [interjections] Why doesn't the hon. member come clear and state exactly what he believes is going on?

MR. MARTIN: Don't be so touchy, Marv.

MR. NOTLEY: Mr. Speaker, I'm trying to find out from the minister's answers here — and if I followed the hon. minister's answer, on a point of order he indicated, as I recollect, that the particular gentlemen in question was able to engage in consulting services outside the government of Alberta. Fair enough. My question to the Provincial Treasurer is, what guidelines does the government of Alberta have with respect to retaining office space for consultants who also do work with the private sector: a very simple question of policy. The Minister of Transportation should not get so excited. There's no reflection on Mr. McFarlane. However, it is a question as to the policy of this government for providing office space for private consultants.

MR. HYNDMAN: Mr. Speaker, the Minister of Transportation has given a full and complete answer to that, and one which any reasonable person in the province would accept. [interjections]

MR. NOTLEY: Mr. Speaker, I wonder whether I could put a supplementary question to the hon. Minister of Public Works, Supply and Services. In view of the unused office space we've got all over the province, did the Minister of Transportation or his department seek out the Minister of Public Works, Supply and Service to use some of this unused office space for Mr. McFarlane's office?

MR. CHAMBERS: Mr. Speaker, the reference to all sorts of space being empty all over the province isn't really valid. I think the 1 per cent vacancy rate in space that the department has is pretty good by any comparison.

AN HON. MEMBER: By whose standards?

MR. CHAMBERS: In good times the private sector considers that 2 per cent is a normal vacancy rate because of mobility, people transferring and so forth. So I think the 1 per cent the government has at this point in time is remarkably good, given the . . .

AN HON. MEMBER: What about private rental space?

MR. CHAMBERS: I don't know that I could add anything.

MR. MARTIN: I don't think so.

MR. CHAMBERS: I think the Minister of Transportation has adequately described the situation.

I would only say that any consulting contract — and I'm speaking in a general way; I'm not actually familiar with all of them — would involve a commitment of time by an individual to do a certain task. And as part of the contract, it might well be more economical to do that in space the government had available, rather than ask him to go out and rent the space and be billed for it. As everyone who has used consultants knows, they have to have their space paid for. That's part of the real world in private consulting. So it may well be more economical to take advantage of . . . [interjection] The member may scoff because he doesn't like the way things are done here, compared to Manitoba. But the fact is that it may well be more economical to proceed in that manner.

DR. BUCK: Mr. Speaker, can the hon. Minister of Transportation indicate what government policy is in place where we provide space for a person under contract to the provincial government and at the same time doing work for the private sector? Can the minister indicate if it is the policy of the government? Is this an isolated case, or does this apply just to the honorable gentleman we've been discussing?

MR. M. MOORE: Mr. Speaker, again there's an implied accusation that Mr. McFarlane is using . . .

DR. BUCK: There is no accusation. [interjections] Mr. Speaker, the minister is trying to make that point, and nobody has said that. I ask him to withdraw, because that is not the question.

MR. SPEAKER: Would the hon. member please resume

DR. BUCK: If you ask him to withdraw, I will sit.

MR. SPEAKER: Order please. I am sure this all very exciting, but it's an elementary rule that when the Speaker attempts to do his job — which normally out of courtesy he does standing, except when calling on the next member to ask a question, for example — hon. members resume their places until they hear what the Speaker has to say. It may well be that the subject matter of an hon. member's excitement may not be that exciting if the Speaker would get a chance to deal with it.

What I'm trying to suggest to the hon. member is that the minister is putting an interpretation on a question, and all human texts are open to interpretation. If the hon. member doesn't agree with that interpretation, I think he should at least wait until it has been stated, and let's see just how far it goes.

DR. BUCK: Mr. Speaker, on a point of order. The hon. minister has made an accusation to the Leader of the Opposition and to me, that we're discussing the integrity of Mr. McFarlane. Mr. Speaker, it is your responsibility to interject at that time, and we wouldn't have that problem.

Very simply, the question to the Minister of Transportation: is it government policy that we provide space, at public expense, for former civil servants when they contract with the government and to the private sector? Is it government policy that we do this for all people, or just the honorable man we've been discussing?

MR. M. MOORE: Mr. Speaker, I think I earlier answered the question, but I'll try one more time. When the government contracts with an individual, a company, or anyone else, to provide certain services on a *per diem* basis and, in the course of that, provides that individual with office space and/or secretarial services for performing those functions for the government, it does not at that same time — at least not in the circumstances I've been involved in — prohibit that individual from working for or providing his services to others, especially when that individual is only hired on the basis of perhaps a few days a month.

I would only expect that Mr. McFarlane, having spent more than 40 years in the public service, would be well aware of the requirement that his office not be used to perform other duties, and in fact I know he is. I have never thought that it was a responsibility or requirement

of government to specifically write into a contract with such an individual that he mustn't use his offices for other purposes. Indeed, that should be well understood.

MR. SPEAKER: The hon. Minister of Social Services and Community Health.

Occasionally hon. ministers have indicated their desire to add further information or to qualify information that has been previously given to a member in the question period. It seems to me that that is an appropriate function of the question period. Ordinarily I have tried to keep those to the last of the question period, but it has occurred to me that perhaps it wasn't quite fair to do that because it may well be that when such an answer does come, hon. members may have supplementaries in regard to it.

Social Allowance Appeal Panel

DR. WEBBER: Mr. Speaker, I would like to comment on a question raised last Thursday by the hon. Member for Edmonton Norwood, regarding the Bonnyville social services appeal committee. There was a suggestion of a firing in that situation. I'd like to assure the hon. member and the House that there was no firing.

The chairman's appointment came to an end on March 11, 1983. The chairman had been appointed on March 11, 1971, and it was simply a matter of his not being reappointed. The gentleman had 12 years of service as a member of that particular appeal committee, and it was felt that it was time to ask another member of the community to take on those responsibilities. We certainly appreciate the service of the chairman. Out of some 160 members of appeal committees across the province, to date only 15 have served for that length of time. So it is common practice to try to rotate these jobs among people in the community.

MR. SPEAKER: The hon. Member for Calgary Millikan, followed by the ...

MR. MARTIN: Mr. Speaker, can I follow up on that?

MR. SPEAKER: Perhaps we might have a brief supplementary.

MR. MARTIN: A supplementary question to the minister. One of the questions you were going to check, because you couldn't remember at the time, was whether you had some discussions with the member for the area, the Minister of Manpower, before you made that decision. You were to check back on that.

DR. WEBBER: Mr. Speaker, I received correspondence from the Member for Bonnyville, making a suggestion as to whom he would recommend for the openings on that particular board. That's a matter of common practice. MLAs from across the province make recommendations to me when openings arise on these different committees.

MR. MARTIN: A supplementary question. Did you follow the Minister of Manpower's advice in this regard?

DR. WEBBER: Mr. Speaker, the position was coming to an end on March 11. It was simply a matter of reappointment, and in all cases of reappointment we like to have recommendations. I did get a recommendation from the

hon. member and, on March 12, we appointed a new chairman to that particular board.

MR. MARTIN: So you followed his advice.

Hospital Construction

MR. SHRAKE: Mr. Speaker, could the hon. Minister of Hospitals and Medical Care please advise me in regard to the proposed \$640 million project for new hospitals in Alberta. Is the hon. minister strongly encouraging the architects, consultants, and engineers in charge of the construction of these hospitals to use only Alberta products, where technically and economically feasible?

MR. RUSSELL: Mr. Speaker, the \$640 million program the hon. member refers to is the four 500-bed hospitals scheduled for construction in Calgary and Edmonton. Because of the competitiveness these past few months in the construction industry, there has been a fairly extensive lobby by some members of the concrete industry to make sure that the hospitals are built primarily of concrete.

We've asked our consultants and designers to use Alberta manpower and materials wherever possible, all other things being equal, and a detailed analysis of our design shows that the partial steel and partial concrete structures that are contemplated are by far the most economical. I think the representatives of the concrete industry don't realize that the amount of concrete, by way of a poured concrete core and precast concrete exterior panels, going into the buildings does constitute a very large portion of the work for their industry. I want to make that clarification.

Consultant — Transportation (continued)

MR. M. MOORE: Mr. Speaker, I wonder if I could just file with the House a copy of the contract between Her Majesty the Queen in the right of the province of Alberta, as represented by the Minister of Transportation, and R. G. McFarlane and Associates Ltd.

MR. SPEAKER: The time for the question period has elapsed. I'm sorry I haven't been able to reach everyone. It may be necessary, if we're going to have to allow for arguments on points of order, as happened last week and again this week — it doesn't seem right that those who ask their questions first should have a full complement of supplementaries, and then we take up so much of the rest of the question period on points of order that other members don't even get a first question in, let alone a supplementary. However, I'll watch the situation and try to administer the question period in such a way that everyone who wishes to may be recognized. In a House of 79 members, we really should be able to get by with 45 minutes when the federal House has 40.

head: NOTICES OF MOTIONS

MR. CRAWFORD: Mr. Speaker, I wonder if I could ask hon. members' unanimous consent to revert to Notices of Motions. The purpose would simply be to give notice of the motion to adopt the report of the committee, submitted today by the hon. Member for Edmonton Gold Bar.

HON. MEMBERS: Agreed.

MR. SPEAKER: Is there any dissent?

It is so ordered. . . . I had assumed that in requesting notice, the hon. minister was in fact giving notice, and when unanimous consent was given, the notice was then properly made.

MR. CRAWFORD: Mr. Speaker, that suits me just fine. I might have particularized the wording of it a little more, but I accept your view of it.

HON. MEMBERS: Agreed.

ORDERS OF THE DAY

head: COMMITTEE OF SUPPLY

[Mr. Appleby in the Chair]

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

ALBERTA HERITAGE SAVINGS TRUST FUND
CAPITAL PROJECTS DIVISION
1983-84 ESTIMATES OF
PROPOSED INVESTMENTS

Department of the Environment

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

Agreed to:

1 — Capital City Recreation Park	\$1,000,000
2 — Fish Creek Provincial Park (Land)	\$2,000,000

3 — Irrigation Headworks and Main Irrigation Systems Improvement

MR. NOTLEY: Mr. Chairman, on this particular vote I'd like to raise questions as they relate to the development of the headworks. There may in fact be a bit of overlapping into the Minister of Agriculture's domain, but it is useful that we have both ministers here this afternoon. We can assess the irrigation question in the larger sense.

Mr. Chairman, first of all I'd like to ask the Minister of the Environment to perhaps outline to the committee the position of the ERCB with respect to no danger from metal contamination flowing into the river system that eventually becomes the St. Mary's irrigation system. I think this particular question is very relevant. If we're going to be making money available for a capital project, we can't divorce the fundamental question of whether or not that capital project will be jeopardized because of environmental issues that might also be debated when we get to the normal estimates of the department but also have a bearing on this particular appropriation. Because I know there has been some concern expressed — I know I've had some calls from people in that area that there is a danger — I would say to the minister that the metal contamination that has dominated the question period for the last couple of days could in fact have a bearing on the St. Mary's system. I'd like the minister to respond to that.

I have a copy of the news release. I haven't a copy of the statement from ERCB yet, and I don't have the Gulf statement. I gather the minister filed three copies with the Assembly this afternoon. The ERCB indicated they were satisfied there was no emission into any of the ground water in the area. As a starter, I would just like the minister to bring us up to date on what assessment the department has been able to make, particularly with respect to the build-up of heavy metals in reservoirs in the area, but especially as it relates to this appropriation.

MR. BRADLEY: Mr. Chairman, specifically with regard to heavy metals, there's no information that I have at this point in time that indicates that any heavy metals are in the St. Mary's irrigation system.

MR. CHAIRMAN: Before we continue the discussion, I wonder if we could have the approval of the committee for the Member for St. Albert to make an introduction of visitors. Is that agreed?

HON. MEMBERS: Agreed.

head: INTRODUCTION OF SPECIAL GUESTS (reversion)

MRS. FYFE: Thank you, Mr. Chairman. This afternoon it's a pleasure to introduce to you and to members of the committee, 10 Girl Guides in the 7th Company from the city of St. Albert. They're studying a section on government. They're sitting in the public gallery accompanied by their Guide leader Pat McQueen. I'd ask them to stand and be recognized by the committee.

head: COMMITTEE OF SUPPLY

ALBERTA HERITAGE SAVINGS TRUST FUND
CAPITAL PROJECTS DIVISION
1983-84 ESTIMATES OF
PROPOSED INVESTMENTS

Department of the Environment (continued)

MR. NOTLEY: Mr. Chairman, perhaps I can follow that up. The minister indicated that he has no information. I'm at a bit of a loss because I don't have access to the Gulf report. I know the ERCB has indicated that they do not feel there will be a major problem.

[Mr. Purdy in Chair]

But I am interested in whether, after the ERCB in their April 1982 report recommended that there be — and perhaps, Mr. Chairman, with the indulgence of members of the committee, I could read for the benefit of the minister:

The Board therefore doubts that a problem with respect to heavy metal emissions exists, but agrees that further testing is desirable, and plans to retain a reputable research agency with a view to obtaining further measurements at 5 to 10 stacks, including oil sands plant stacks. The assistance of Alberta Environment will be sought in this matter.

As it relates specifically to the two plants in Pincher Creek — this also talks about oil sands — is the minister

in a position to advise the Assembly whether the department was able to comply with this recommendation in the ERCB report of April 1982?

MR. BRADLEY: Is the hon. member referring to the ERCB report, '82-D?

MR. NOTLEY: There are many reports. Yes, it's '82-D; that's correct.

MR. BRADLEY: It is my understanding that the ERCB has done stack testing on five gas processing plants in the province, two of which I do know: one at Shell's Waterton plant, and the Gulf Pincher Creek plant.

MR. NOTLEY: Is the minister in a position to advise the committee what independent steps the department took — not the department but the ERCB at this stage, and let me also add the department as well — to come to the conclusion we have in this news release? Again, Mr. Chairman, I am working at a bit of a disadvantage; all I have is the news release of today re the ERCB's assessment of the Gulf study. It suggests that there was no release or discharge of this water. Yet I have several people writing me indicating that they have problems with their own drinking water, which they allege is related to this. Because we're talking about two plants fairly close to one of the major irrigation systems in this province, I guess the question I would put to the minister is: what steps, if any, were taken either by the department or the ERCB to test the ground water emission?

MR. BRADLEY: With regard to the specific, Mr. Chairman, local boards of health in the area have, over time, taken samples of drinking water and well water in the area. As an aspect of the ERCB inquiry into health effects in the Pincher Creek area — and I may be getting into territory which isn't particularly the responsibility of my department when I comment about what the ERCB is doing, but I'm trying to provide information to the hon. member. With regard to information it requires for the upcoming health inquiry, it is my understanding that the ERCB is also including water well samples.

MR. NOTLEY: Mr. Chairman, is the minister in a position to outline to the committee the reasons this has not been done in the past? We have had a debate over this issue for many years. I remember going down to the Pincher Creek-Waterton-Hill Spring area in the early 1960s, and there was all kinds of debate over these two plants. The Leader of the Opposition in 1968 wrote a very eloquent letter about lead poisoning, in both '68 and '69. We have had concerns virtually every year. As the minister well knows, there was a major court case on this matter and an out-of-court settlement with respect to air emissions.

What we have to sort of assess today is whether there has been any serious impact on the ground water in the area, because we are really talking about a watershed that leads into the St. Mary's system. There's not much point spending tens of millions of dollars rehabilitating an irrigation system — which I basically support and intend to vote for — unless we have a strong handle on whether there is any contamination of that system, however slight. I guess that's the point I want to underline, Mr. Chairman, before I can be convinced to vote for these particular recommended appropriations.

Perhaps we could ask the minister to outline why there

was no apparent ongoing assessment of the ground water levels, why it seems that this whole business of metal contamination appears — and I say appears because I'm not aware of the process in the department or the ERCB as to the monitoring of ground water levels — to have come to light as a result of information the company brought forward when they decommissioned the Gulf plant. If that's the situation, where has the ERCB and the Department of the Environment been? Where is this accord that I made reference to in question period in 1980, between the department and the ERCB? What kind of ongoing safeguard, if any, has been in place; if not, then what can we learn from the Pincher Creek, Gulf experience? What changes are likely to flow from that experience in terms of future legislation?

I raise that because it seems to me that the whole issue of air monitoring is one thing, and there could be a good deal of discussion over the adequacy of that. But I wonder to what extent there has been any kind of serious ongoing assessment of the impact of ground water contamination.

MR. BRADLEY: Mr. Speaker, I would like to respond to a number of the questions which the hon. member has raised. He alluded to the correspondence of the hon. Premier when he was Leader of the Opposition. There was a thorough study of ground water done at that time, as the hon. Premier indicated in response to his request for an investigation. The response which the Premier gave in the House today from the reports that he received back from the people at that time, after thoroughly investigating it, was:

The considered opinion must be that there is absolutely no cause for concern as to safety of water supplies in the area with respect to lead content. Similarly, there is no indication at all to support a conclusion that there was any ingestion of lead by residents in the area which would in any way adversely affect their health.

I might say that since the hon. Premier raised these questions with regard to the plants in the Pincher Creek area, specifically the Gulf and Shell plants, a number of improvements have been made to the operation of those plants over a period of time. I don't have a document with me which would enumerate those. But in terms of Shell's operation, I know that they spent a considerable amount of money putting in an off-gas treatment plant in terms of their gas emissions, and I believe they have a tertiary treatment system on their water effluent.

One can make some conclusions with regard to that, in terms of the initial requests for looking at some of the concerns down there, but there have been a number of improvements in the operating patterns of those plants and what's been required of them over time. In 1973, gas processing plants' wastewater management standards were adopted for the province. They indicate the requirements for different kinds of plants in the province with regard to the requirements which they must meet. There are various provisions in the licences of the gas plants in terms of reporting with regard to the quality of their effluents, et cetera, to meet their licences.

Getting back to one of the specific questions raised as to heavy metals, I guess one could respond that the containment system which has been in place in the Gulf plant has done what it was intended to do. The majority of the concentrations concerned with regard to heavy metals are contained in the the containment ponds. That's exactly what they were set up to do: to have the heavy

metals caught and concentrated in those ponds. I have no evidence at this point in time, in a preliminary review of Gulf's report — and they've done sampling downstream of their containment ponds — that indicates these heavy metals have got beyond in the downstream areas. That would basically be a preliminary response to the member's question.

MR. NOTLEY: Mr. Chairman, not being experts in the area, most of us have to be guided by what expert evidence and opinion there is. I must confess that I was rather shocked on Friday. I suppose in committee we can discuss — I won't say press reports, but let us say a report. It concerned the views of Dr. Snider, who the government has commissioned to do this study in the Pincher Creek area. I won't get into the argument we had over whether we should have had the major study that the Canadian Public Health Association proposed, but we do have the Snider study.

I'm not sure whether the minister heard the conclusions of Dr. Snider. But as a member of this committee that's about ready to vote appropriations for irrigation head-works in an irrigation system that is close by this plant, I must confess that I was really rather shocked when I watched Dr. Snider on CFRN telling the people of northern Alberta that if what was reported to be true was in fact the case, every dump truck in the province is going to be busy moving contaminated soil. Again, I'm not an expert, neither is the minister.

The question really is: what objective ongoing monitoring took place over the years before Gulf itself brought this information to public light? That's number one. What objective assessment has there been of the Gulf findings? Presumably we're going to have a study, and we have the ERCB jumping in. With great respect for the ERCB, Mr. Chairman and Mr. Minister, I must confess that I was amazed and rather astounded that we have a press release on the Monday after the ERCB got the information, which I gather was Thursday evening of last week. They basically tell us, in their preliminary views, that everything is hunky-dory; don't worry about it; subject to further assessment, but everything's fine.

Mr. Chairman, somehow these things don't ring quite clear to me. Maybe way up in the north we take a little longer to understand these things. I don't know; perhaps so. We had Dr. Snider saying that it could be a major problem. We have the company holding a public meeting tonight. And I'm going to ask the minister whether he intends to attend the public meeting tonight after the estimates are dealt with. We have various people in the area who've contacted our office indicating that they have some concern about the ground water emissions. Then we have the ERCB doing what is an extremely quick review. I don't know these particular gentlemen who did the review. I don't know to what extent — I suppose their views would be a good deal more credible to me if I knew that they'd been monitoring ground water in the last period of time. But my understanding is that their work has been on the stack emissions. So we're talking about air quality as opposed to ground water contamination.

I'd like a little more information, if we can, from the minister. At this stage of the game, it seems to me that what we need to know in this whole affair is what actions were taken, not just in the last few days when the matter hit the newspapers, but in the last several years. It's on the basis of the last several years that we can judge how effective government agencies have been in protecting the people of that area, plus the very considerable public

investment which we may be making in substantial improvements to the irrigation system of southern Alberta.

MR. BRADLEY: Mr. Chairman, I don't think I'm in a position to make any comments on remarks of Dr. Snider, having not seen them. As I understand, he has been commissioned by the Department of Social Services and Community Health with relation to the study they are doing into health effects in the area. Also, I don't believe I'm in a position to comment on exactly the nature of the ERCB's examination of the Gulf study. I can relay, in terms of speculation on my part, that the ERCB felt it would be prudent for them to review the report, have some people who were familiar with the plants down there — and I think the two gentlemen the hon. leader has referred to have been doing work in the area. I'm not certain, but I believe they also may be involved in the ground water work or the sampling of tap water of residents in the area. So they may be familiar with the specifics which the hon. leader referred to.

They felt it was important that after having a review of the study, they release their information, in terms of their views, to the public as quickly as possible because, let us be clear, we don't want to be alarmist in this type of situation. If an independent review by the ERCB confirms, in a preliminary way, that in fact these heavy metals have been contained to the containment ponds, as they were set up to do, that would be important.

In terms of the containment ponds themselves, the licences I earlier alluded to, and the fact that we do have these gas processing plants' wastewater management standards, I might say that there is ongoing monitoring of the effluent which comes from these streams. I have here just a sample copy of some of the types of things that are in fact analyzed: a chemical analysis report for Gulf Pincher Creek; I believe it's their pond number 7. They monitor for all sorts of things, including chromium, mercury, cadmium, zinc, lead, cobalt, nickel, manganese, beryllium, molybdenum, arsenic, sulfide, odor, phenols, phosphorous, bicarbonates, chloride, nitrite, silica, sodium, magnesium, TDS, conductivity, iron, calcium, potassium, and the list goes on. These reports are done on a fairly regular basis. I'm currently having the department compile this type of analysis for review.

MR. NOTLEY: Mr. Chairman, perhaps the minister could be a little more detailed with respect to the independent study announced last Friday and, specifically, how that study will be conducted on the soils, ground water and surface water in the plant site.

MR. BRADLEY: Mr. Chairman, we are in the process of developing the terms of reference for those particular studies. The study would include — and this is what I would like to have them look at — soil contamination, ground water contamination and surface water, both on and off the plant site and downstream from the plant site. I believe we will be taking something called benthic samples from Drywood Creek, which would enable us to determine whether any of these heavy metals have been deposited in Drywood Creek or down at Drywood Creek near the outlet to the Waterton reservoir, so we could confirm that none of this has happened.

I might relay to the committee that a report had been done between 1973 and 1976. It's called benthic monitoring of Drywood Creek, which was done from upstream of Gulf all the way downstream at various positions between downstream from Shell and upstream from Gulf and

downstream from Gulf, and at the mouth of the Waterton River which had a number of — I'm not sure what the biological names of these organisms are. Some of them are pollution-intolerant and some are pollution-tolerant. It compared the years in that period of time and, if there had been any of these substances, would definitely have had some effect on such biological organisms. The report indicates that what was found would be similar in other streams in the province and that there was not any indication that there'd been an effect on those biological organisms in the stream.

MR. NOTLEY: Mr. Chairman, to the members of the committee. The minister indicated that for this independent inquiry, the government is now in the process of attempting to finalize guidelines. I would like the minister to tell the committee who in fact is going to be assisting the minister and the government in developing the guidelines for this independent inquiry. Number one, will Gulf or Shell be asked for their input? Number two, specifically, will the Pincher Creek Industrial Pollution Committee be asked for their input or guidelines?

What is the process by which these guidelines will be determined? Is the minister going to have the various people in his department sit down with others and finally approve the guidelines himself, or will there be simple representation from people who are interested? In other words, what effort will there be to make sure that, in developing the criteria for the investigation, there be no barrier whatsoever, not only to a full and complete inquiry but a full and complete inquiry that is seen by the local residents as a full and complete inquiry?

MR. BRADLEY: Mr. Chairman, in terms of the independent evaluation which I'd like to have done, I'm not sure whether one would necessarily call it an inquiry. But what I want to have done is a very thorough and complete evaluation of Gulf's report and then independent sampling of soils, ground water, and surface water run-off on the plant site, off the plant site, and downstream to indicate what levels of substances might be there.

In terms of getting this study on the way and proceeded with, I think I'd like to have this study started as quickly as possible, so the information which we can get from it can be accumulated and the work can start immediately. So in terms of developing the terms of reference initially, it would be my intent to do it through the department in terms of the parameters I would like to see looked at; make sure they're thorough and complete.

I might add for the hon. member that it's my intention that this study would also include the Shell plant area. I think it should be extended to Shell because of the nature of concerns that have been expressed in the area over the years. I'd like to get that process going as quickly as possible because if there are questions which the public may have, I would like to have some information which can make some very clear statements.

Once we have this process started, I would certainly intend that there be an opportunity to review those terms of reference with local people in the area. And if there are aspects of what we are doing which they feel there is some augmentation in terms of sites or locations, we'll certainly accommodate that sort of input.

MR. NOTLEY: Mr. Chairman, to the members of the committee. Tonight, as I understand it, Gulf is holding a public meeting in the area. I might just say that I think,

frankly, that is one reasonable step the company could take, and I compliment the company for doing it. I may not compliment them down the road when we see to what extent they've been guilty of pollution. But I think that it takes a certain amount of courage to do what they're doing tonight, and I compliment them for doing that.

I would say, however, that if we're going to have any kind of independent evaluation of what's going on down there that will be seen as being credible at all, I think the minister should be holding a meeting there, and I think that should be widely publicized. It seems to me that rather than developing a set of criteria in house and then sort of allowing input after the fact — we all know how generally futile that process is, Mr. Chairman. The whole process of an independent inquiry would be immeasurably enhanced if the minister took the initiative in the next several days — as a matter of fact, even being at the meeting tonight, since Gulf has organized a meeting that the minister should have organized.

I think what we need is input from the people of the area in setting out the criteria and not reacting to the criteria that the department has come up with. Because, Mr. Chairman, one of the things that I'm sure people in the area would want to know — one of the things I'd want to know — is to what extent the department has been asleep at the switch. I don't expect the minister to stand up and say, my department's been asleep at the switch. I've been in politics far too long to presume that. But the public interest demands the kind of independent investigation which can say that the department didn't do its job, that the ERCB didn't do its job, that perhaps Gulf didn't do its job, or that there's nothing to worry about. There is any kind of range of options down there. But what I think the people of the region have a right to expect, and Albertans concerned about this issue have a right to know, is that there will be a full and complete investigation.

The minister talked about this independent inquiry, but I'm still not quite sure at this stage who's going to do it. You know, it's not possible, not credible to have an independent inquiry conducted by the department. The department cannot investigate itself. So I think it has to be somebody outside the department. It seems to be that we have a number of steps here, and I want to be clear in my mind what those steps are. In developing the criteria, it seems to me there has to be local involvement. I don't quarrel with Gulf being involved in helping to draft the criteria, providing you have the Pincher Creek Industrial Pollution Committee involved as well. I think that's the first step.

The second step is, who is going to have the necessary standing to do that inquiry? I don't see it indicated in the minister's answer on Friday. If it was, the minister will quickly correct me, but I don't see it. I think it would be useful, and I simply make representation to the minister at this stage that I believe it would be in everybody's interest if we had the widest possible consultation over the next few days — I certainly agree we can't wait around for two or three months; that would defeat the whole process — so we could have an inquiry which is seen by Albertans to be totally objective, completely independent from either the department, the minister, the ERCB, the company, any of the stakeholders in this. I think we have to make sure that it is a genuinely independent inquiry that has terms of reference broad enough to be able to look at all angles of the particular question.

MR. BRADLEY: Mr. Speaker, once again I have to come back to the statement I made in the House last Friday. If I could quote from *Hansard*, I said:

I have directed that an independent evaluation of Gulfs studies be undertaken ...

That's an independent evaluation.

... to determine their validity, also that this independent study be conducted on the soils, ground water and surface water in the plant site area, and the area outside the plant site and downstream of the plant site, to determine the levels of substances and to determine whether any of the substances have migrated off the plant site.

That was the nature of the evaluation and independent study which I have initiated.

I spoke to the president of the Pincher Creek Industrial Pollution Committee last Friday night to advise her of the follow-up and what I intended to do. I talked to other area residents who are also members of that committee to advise them of what I was proceeding with. The representation which the hon. member made today — I certainly think he's making some good points with regard to the evaluation. I would commit that prior to finalizing the terms of reference, we would have the input of the local people in the area: the Pincher Creek Industrial Pollution Committee, because obviously they would be concerned, and other agencies affected. But I'd like to have that done as quickly as possible so we can commence with this evaluation. I hope that answers the hon. member's question.

MR. NOTLEY: Mr. Chairman, who is going to do the investigation? You talk about finalizing the terms of reference, the criteria, and everything else. Who in fact is going to do it at this stage? It obviously isn't going to be a judicial inquiry. It won't be an inquiry under the Public Inquiries Act, or will it? Who is going to do the inquiry?

MR. BRADLEY: Again, the hon. member is referring to an inquiry, and the words which I used in the House were "independent evaluation", "independent study". Because of the nature of what I want done, we need some qualified people who have the expertise in terms of ground water, water, and soil analysis. I have asked the department to prepare for me a list of consulting firms, institutes, or university groups which might have the capacity, background, and competence with regard to carrying out the type of analysis and sampling which I am requesting.

MR. NOTLEY: Mr. Chairman, to the minister. As I understand it, though, the independent evaluation is essentially still going to be drawn together by the department. So we have a department which — at least in the minds of quite a number of people, there are a lot of questions. Did the department do a good enough job?

I respect the minister's commitment today to meet with the local people. I think that's an important step forward. But let me say to the minister, Mr. Chairman, that I think the wisest way to conduct this independent evaluation is to ask Mr. Crerar of the Environment Council of Alberta to move quickly under the terms of that Act, that the evaluation should be conducted by the ECA and made public. Here is a body which has the flexibility to do that. It's a body which has the credible independence to do that. It's a body which has an advisory council where there is a broad range of people, both from industry as well as environmental groups, who have input. It seems to me that if the government wants to have an evaluation

of the Gulf study in a way that would be credible for Alberta and useful for all of us in terms of where we go from here — because presumably one of the things we want to draw from this entire experience of decommissioning the Gulf plant is what changes should be made in our method of monitoring, our approach to reclamation, the whole business of environmental impact assessments when you have a decommissioning of a plant. We now have the first major example of a plant being decommissioned; we are going to have others. To what extent are we going to find problems down the road as a result of these plants that are going to be decommissioned in the future?

[Mr. Appleby in the Chair]

I would say to the minister, Mr. Chairman — I make this as a representation, but I think it's a good suggestion. We have a vehicle which has the public independence, which could do the job — and I think could do it quickly if called upon to undertake it as a public responsibility — and provide a report, an evaluation which would not only be independent but, equally as important, be seen to be independent.

MR. BRADLEY: Mr. Speaker, I appreciate the representations which the hon. member is making today, and I'll certainly take them under consideration.

MR. THOMPSON: I'd like to get the committee discussion back on irrigation for a little bit. I'd like to commend the minister and his department for the emphasis they have put on maintaining the main canals and the headworks of the system in southern Alberta. I don't know if all the committee members are as familiar with irrigation as the southern members are, but it's been a sorry history in irrigation that in the past the ditches would be dug, the dams would be built, and then people more or less expected them to run on their own. Whether it's a road, an irrigation ditch, or what it is, everything has to be maintained. So I really am pleased to see the department not only has the system working but they are maintaining it.

I'd like to ask the minister a couple of questions. First, would you give the committee a rundown on the number of new storage facilities you are contemplating; and, secondly, would you describe the new water delivery systems you're expecting to put in place?

MR. BRADLEY: I don't know whether to take these one at a time or ...

MR. THOMPSON: Whichever you wish.

MR. BRADLEY: I'd like to respond to the hon. Member for Cardston and thank him for his kind remarks. I'm sure the department would also like to acknowledge those remarks.

In terms of storage facilities which we are currently looking at in terms of the systems, there is the Kehoe Lake expansion, which is with regard to the Lethbridge Northern Irrigation District which was currently — I guess to be fair in terms of exactly the stage of that, we're in the process of land acquisition and engineering design there. Another storage facility we are working on is the Forty Mile Coulee reservoir in the St. Mary River Irrigation District. We are also assisting the Bow River Irrigation District with Badger reservoir to serve their water

supply requirements, and in the Eastern Irrigation District we're assisting them financially with the development of the Crawling Valley reservoir.

I believe, in both those instances, that land acquisition is going on with regard to the Badger Lake project. Their final design is being completed, and they're expecting to schedule that for tender for the spring of 1983, with completion in 1984. With regard to the Forty Mile Coulee, they're in the final design stage and expect that it will be tendered in 1983 and completed in 1986. The Crawling Valley reservoir: the district is currently concluding their land assembly for the project. They expect to tender it this spring and are anticipating completion in 1984.

With regard to water delivery systems, there are a number of things that we are doing. There is rehabilitation taking place with regard to the Lethbridge Northern Irrigation District main canal. There are a number of projects with regard to that. There is the weir on the Oldman River, which is being upgraded. There is the flume across the Oldman River, which is about 75 per cent complete, and there is the major upgrading and rehabilitation of that main canal to increase its capacity to 1,500 cubic feet per second.

Similarly, there is a rebuilding program going on with the main canal for the St. Mary River Irrigation District. The district is providing us with the additional right of way. They've developed some priorities with regard to what they are doing, and it's an ongoing project. It's scheduled to be completed in terms of the entire length of the canal in 1990, but there are significant funds which have been allocated to that.

Concurrently there are two projects in the Special Areas. There is a pipeline to Sheerness. I believe there's a coal project there to which we are contributing 10 per cent of the capital costs, and this augments water supply in the area of the blowdown from the canal. We also have the Deadfish diversion project, again in the Special Areas, which will assist in augmenting water supplies in that area, and provide an opportunity for people in that area to augment the water they have with regard to irrigation and other aspects.

I think that generally covers the nature of the work that is being done in those two areas.

MR. MARTIN: Mr. Chairman, I have two or three things I would like to ask the minister. I wasn't quite sure, of course, with all the recent talk about metal contamination — I know he went into this quite fully with the Member for Spirit River-Fairview. Was it my understanding — just because I want to be clear on it — that because of the many questions that have arisen in terms of the possibility of metal contamination that this money would not be spent till after that study was finished? Am I correct in that understanding? Or would this be — we would go ahead spending the money in terms of this irrigation project, even while that study was going.

MR. BRADLEY: Mr. Chairman, no information has come to my attention which would in any way make me come to the conclusion or determination that we should delay the projects in the SMRID until the completion of these studies. I have no indication and there's been no evidence presented that there has been any contamination with regard to heavy metals and, getting back to specifics, any contamination off the Gulf plant site area.

MR. MARTIN: To the minister, Mr. Chairman. I would suggest that there are some questions that are unanswered, and I'm sort of curious. It generally looks as a good project. But why with all the publicity — and with all due respect, Mr. Minister, there are some conflicting stories here. Certainly the people in the area are nervous. I'm sure you're well aware as the local M.L.A. Why would we be in a hurry to do this if we could hang off and wait, and have all the information in? Why would we continue with that doubt in some people's minds?

MR. BRADLEY: The preliminary information I have is that the Gulf plant site has some 30 metres of clay in the plant-site area, and preliminary hydrology reports which have been provided, would indicate that there is not a rapid rate of migration in any sense because of the very tight and compact nature of the clay soil layer in that area. With regard to the containment ponds, the fact that in their report, Gulf indicates there are heavy metals in the containment pond, indicates that the containment pond is, in fact, doing its job. And their monitoring downstream indicates that there aren't any of these metals running into Drywood Creek, downstream of the final containment pond. Further, I indicated a long list of substances which, in terms of surface water run-off, which is what would flow out of the containment ponds, have been monitored for.

As I understand it, these heavy metals usually fall out and collect. If the hon. member's concern was that if there were heavy metals that somehow would have migrated — say, even if it got to the Waterton reservoir . . . My very primary understanding of chemistry and what would happen to these materials is that they would fall to the bottom of the reservoir. There wouldn't be any of these materials, these heavy metals. In the extreme possibility that they had — and there is no indication that they have — gotten into Drywood Creek, they would have been deposited in the bottom of the reservoir or in the stream bed. There would not be any of these metals in the water which is being supplied to the irrigation districts. A very quick check of that would be to have a water sample done on the Waterton reservoir, but the surface run-off from the plant has been monitored.

MR. MARTIN: So in your own mind, I guess it's clear that you don't think there is any danger of contamination. You're absolutely clear about that, so this would go ahead — the money invested in this project — with the absolute assurance, in your own mind at least, that there is no contamination there.

MR. BRADLEY: I have no evidence that has been presented to me to date that would lead me to recommend delaying this project proceeding.

MR. MARTIN: I'd like to go into a little different area if I could, not being an expert in this area but certainly interested. I think you'd agree that there's a fair amount of taxpayer's money involved here. A quick estimate that I have: by the end of March 31, 1983, a little over \$187 million will have been expended from the trust fund under this vote. If we add to that, to the same date under Agriculture, Vote 3 — the one we were discussing the other day — we're looking at a total of somewhere over \$315 million, which is a fair amount of money.

I have a number of questions to the hon. minister that are related to this, and it has to do with a general question. Has the government made an effort to calculate

the value of the benefits assumed to be associated with this expenditure? I'll give you some examples of what I mean by this: how many acres of benefit, the general cost per acre — this may be technical; if you have the answers, I'd appreciate it — how many farmers would benefit by a project of this nature; the value of production from lands which benefit; the term over which the investment is effective; and then, the government's approach to irrigation — I think we have some problems, and we'll get into that later with Paddle River. But how do they go about looking at the cost/benefits? Given the whole array of potential investments of benefit to agriculture, has any attempt been made to quantify the comparative cost/benefit ratios of each in order to prioritize them?

A question the minister probably doesn't have the answer to but something perhaps they could look at is: what is the relative merit of additional dollars spent on opening up new agricultural land, or on transportation or food processing research, as compared to that dollar invested in irrigation works? I recognize that between them maybe the two ministers don't have this. But in this day and age, especially as we're talking about the deficit the Treasurer is going to be talking to us about, every one of the things we do should have this sort of cost analysis.

DR. BUCK: They're going to spend the heritage fund, Ray, and it balances.

MR. MARTIN: Okay. But you understand what I'm saying: there should be some comparison that in fact we're getting the best bang for the dollar. If we're not, I think we should be doing this, because we could be wasting money. We're dealing with a lot of money, especially when we're going to be — I'm sure the Treasurer will be talking restraint in the budget speech, and cutting back in certain areas. We want to make sure that the money we're spending here is in fact the best possible amount for the dollar.

So I just ask those general questions of the minister. In terms of the cost analysis, I don't know. I realize some of it goes into the Minister of Agriculture's area, but between them perhaps we could get some answers on that.

MR. BRADLEY: Mr. Chairman, to the hon. member. I think it would be useful to go back a few years in terms of the Oldman River management studies and the commissioning of different studies that were done at that time. I don't know if the hon. member wants to get into all the specifics of that in terms of these projects because in terms of the augmentation, et cetera, reviews of this were done.

Generally, it looked in terms of alternatives and at different cost/benefits and, depending on which one you used, there was a summary document made in terms of economic analysis. It looked at all these parameters and at whether you had off-stream or on-stream, and said that these proposals were economically feasible. In terms of the off-stream proposals, it said that benefit/cost ratios would be over three; in terms of on-stream proposals, benefits would be around two; and the combined proposal of off-stream plus on-stream is feasible and benefit/cost ratios would be in the area of 3.0. These are R.V. Anderson Associates' conclusions.

So in terms of the projects that are proceeding, and in terms of that study, certainly an economic analysis was done, and that was part of the determination there. The other subjects the hon. member brought forward were raised in terms of number of acres irrigated, et cetera.

Regardless of which formula you went through and looked at in terms of increases for irrigation acreage, it came out that there was a benefit/cost analysis on the positive side.

MR. MARTIN: Okay. Would it be possible to get that information from the minister? I'll come back, and you can answer that question after. I know I asked a lot of questions, so I'll narrow them down a little more.

Specifically, I did ask if you have a rough idea of how many acres have benefited in this project, and how many farmers are benefiting. And have any studies been done in the area of what it would cost to open up new agricultural land as compared to the irrigation projects?

MR. BRADLEY: Well, let's not confuse different parts of this. It's important that when we look at irrigation works, in most cases these have been in there since the turn of the century. The early '20s was when they were constructed, and there are certain parts of them that have to be replaced. Part of what we are doing is replacing structures which have to be replaced. When you go about replacing some of these structures, the incremental cost of adding increased capacity to canals, et cetera, which we're basically discussing here today, isn't that much greater incremental cost. You won't have to look at that.

I believe the question of acreages was thoroughly discussed in the Heritage Savings Trust Fund estimates over the years. Documents which outlined those acreages were provided to that committee by the former minister. I might say that all the Oldman River basin study reports are public documents in terms of the economic analysis and the information which was provided there. I believe they're filed in the Legislature Library. That information is public, and it's not something I would want to get into in great detail here today without bringing out the pounds and piles of reports, which amount to a couple of feet or maybe three — I don't know. They're certainly voluminous. But that information is public.

MR. MARTIN: Mr. Chairman, I recognize that what the minister is saying is correct. Besides building canals, a lot of it is replacing systems that are old. You mentioned the first one back in the '20s, and I understand that. The point I still make, no matter whether we're replacing old systems or bringing in new: it still is important to always have the cost analysis to make sure that what we are doing is the most economical in the long run. So I would make that point.

The other question — I'm a little confused here. I don't see Mr. Kroeger. But does the water commission fit into this in any way, or is this an entirely separate project? How does the new water commission fit into a project of this nature?

MR. BRADLEY: Mr. Chairman, this is certainly an approved program or project of the province and has been, as evidenced by the fact that the vote is an [ongoing] expenditure. I believe the announcement was made in 1980. It may be that in terms of what we are doing there in terms of the irrigation districts, at some point in time the water commission's role, if one were to assign a role to them, would be to evaluate those irrigation systems and come back with an evaluation as to what has been done there, with recommendations. Certainly it may be useful at some point to have them undertake that sort of evaluation. But that would be the role I would see the

Water Resources Commission having with regard to this ongoing project.

MR. MARTIN: Thank you, Mr. Minister. I'm sure you're aware of the old PRIME project that was brought before this government and involved the massive transfer of water. I'm trying to understand the water commission and the specific project we're talking about here and how it all fits in. Are we back to looking at the PRIME project, which was a massive transfer of water from north to south and, as I recall it, with the possibility of selling or shipping water to the United States? Is that part of the overall project here?

MR. BRADLEY: Mr. Chairman, currently the Alberta government policy — and I believe this was debated quite extensively in the Assembly in November or early December of 81 — is that water management in the province is that we manage water resources on a river basin basis. There is no policy commitment of this government with regard to massive interbasin transfer of water. We are not contemplating that at this point in time, and it is not the policy of this government to look at massive interbasin transfer of water. That is not our policy.

MR. MARTIN: Thank you. I'm glad to hear that. There was some doubt, if you recall, about the debate and what was said at that time. I do read *The Hanna Herald*, because I originally came from a town called Delia, Alberta. Reading *The Hanna Herald*, I get a little different slant about Mr. Kroeger's commission, but I expect we'll have to deal with him on that. The minister is saying clearly that as far as he's concerned, they're not looking at this at this time. That's my understanding, Mr. Minister.

MR. BRADLEY: No, we're not contemplating the PRIME scheme, if that's what the hon. member is alluding to. Our emphasis is in terms of managing our water resources within the basin in which they originate. There are some minor examples that are being contemplated, I suppose, in terms of the Buffalo Lake stabilization study. One might consider that the Vegreville pipeline to service the water requirements in that area is an interbasin transfer, but we are not contemplating any massive interbasin transfer of water as contemplated in the PRIME scheme. That is not under consideration. I think the matter was fully dealt with in the Assembly in the latter part of November or early December of 1981. Let that be clear. Our direction is to manage the water resources of the province within the basin in which they originate.

MR. MARTIN: Mr. Minister, I'm glad you're clear about that. I hope you'll have Mr. Kroeger read the *Hansard* about that. Because when I read *The Hanna Herald*, there is some feeling that they are looking at it. Perhaps you would have a discussion with Mr. Kroeger about that.

I have one last question, something I don't know much about. In *Hansard* on October 21, 1981, the Minister of Agriculture at the time, the previous person in that portfolio, talked of chemical means for brushings along irrigation canals as an Environment responsibility. I just wonder if this practice is widespread, and what are the environmental and health implications of this procedure?

MR. BRADLEY: That's a very important question the hon. member has raised. I don't have the details of the

current programs. You said debrush or remove weed growth.

MR. MARTIN: I'll give you the *Hansard*. It's October 21, 1981, and Minister of Agriculture Schmidt is talking about it. You may want to refer to that.

MR. BRADLEY: Yes, I don't have that information handy, and I would undertake to get that information to the hon. member if that would be sufficient. What our current practices are with regard to chemical removal of brush, et cetera, in irrigation canals — is that the question?

MR. MARTIN: Yes, he quoted in there, saying that it was the chemical means for brushings along irrigation canals that was a Department of the Environment responsibility rather than the Department of Agriculture. So I was wondering if the practice is widespread and, secondly, what are the environmental and health implications of this process?

MR. BRADLEY: Mr. Chairman, I'll undertake to get that information for the hon. member and supply it to him directly. Does that fulfil the requirements of the committee?

MR. R. SPEAKER: Mr. Chairman, to the hon. member with regard to the Bow River Irrigation District project and the Badger Lake proposal. Can the minister bring us up to date on that? Are the funds for that project in these estimates?

MR. BRADLEY: Yes, they are, Mr. Chairman.

MR. R. SPEAKER: Mr. Chairman, I'm not sure whether the minister touched on this at an earlier time. Have you already touched on it once in early questions when I was away?

MR. BRADLEY: Perhaps I could just go over that again. We have an agreement with regard to constructing the project. It has been signed; the final design is being completed. We anticipate the tender will be scheduled for the spring of this year, and it will be completed in 1984. Perhaps the hon. member is aware that one area of controversy is in terms of land acquisition which the district is undertaking. In some form, that may delay the scheduling of the project. But from our point of view, what we are required to do has certainly been undertaken.

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

MR. R. SPEAKER: Mr. Chairman, I'm sorry I missed some of the questions on Friday. In terms of the Oldman River, was the question with regard to the location of the dam raised, and in terms of negotiations with the native people, could the minister bring us up to date on that as well?

MR. BRADLEY: As the hon. member may recollect in the ministerial statement announcing our irrigation rehabilitation project and on-stream storage requirements in August of 1980, there was a joint statement made by the Minister of Agriculture and the Minister of the Environment at that time with regard to that project. The state-

ment referred to the fact that the Peigan Indians would be given an opportunity to make a proposal to the government with regard to siting of a reservoir on their reservation, and we would give them about 18 months in order to do that. Now 18 months has expanded into probably two and one-half years at this point in time.

But to bring the member specifically up to date with the status of that, the Peigans will be submitting a proposal to us, and I've asked them to submit that proposal by the end of May of this year if possible. At one point in time, I believe they were contemplating a plebiscite on the reserve in order to get the okay from the members of the band to proceed with putting forward a proposal. I believe with the change in council they have decided they are going to go directly to putting a proposal to us. It would then be my intention to have their proposal reviewed, and determine whether or not it would be acceptable and whether negotiations should take place with regard to parts of their proposal. Hopefully, we could conclude any such negotiations by the fall of this year, and we'd be in a position to make a decision with regard to siting in the latter part of this year.

[Mr. Purdy in the Chair]

Agreed to:	
Irrigation Headworks and	
Main Irrigation Systems Improvement	\$91,500,000

4 — Land Reclamation

MR. MARTIN: I have some questions. In terms of land reclamation, I think one thing nobody here would argue against is that we don't need to spend money there. I have some specific questions to the minister in regard to land reclamation. Maybe I'll do it one at a time; it seems to be easier. When expenditures are allocated to the reclamation of land previously involved in a commercial activity of some sort — for example, suppose a coal mine as opposed to a sanitary landfill site — what is the government's policy regarding the relative responsibility of the commercial person as opposed to the public sector? How much do they contribute in percentage terms? I guess what I'm asking is simply who pays? Does the commercial proprietor who's made money on that? What's the percentage of who pays in that area, the public or the private sector?

MR. BRADLEY: Generally, with regard to those projects my understanding is that we only reclaim industrial activity that occurred prior to our stricter regulations under the Land Surface Conservation and Reclamation Act. In terms of the government's responsibility, we'd only look at lands prior to the coming in of those regulations. Is that clear to the hon. member? We'd only enter into these types of reclamations of industrial activity in terms of lands which had undergone industrial activity prior to our very strict reclamation requirements coming on stream. One of the requirements we do have is that title to the land be vested with the Crown. We also look at whether the company is still operating today. If it's a company that's continuing to operate, certainly our approach would be different to a company that no longer exists.

MR. MARTIN: If I can narrow it down, if there is an industrial site used and the reclamation was setting in, who would pay for that?

MR. BRADLEY: Could you repeat the question?

MR. MARTIN: I am asking in terms of the government policy just so it's clear: if there was an industrial site, say a coal mine, that was going to be reclaimed, the public sector would pay all of that in other words.

MR. BRADLEY: It would depend on whether the operation we are talking about had concluded its operations prior to the strict regulations which come in today. In terms of operating coal mines today, I believe they would be required in terms of their licences and approvals to reclaim those properties. This particular allocation looks at past industrial activity where there is no current operation and looks at activity that was finished prior to our very strict reclamation requirements coming in.

MR. MARTIN: So you are saying it varies depending on what was happening. Let me use an example then. Maybe this would make . . . [interjection] Yes, go ahead.

MR. BRADLEY: I'm not aware of any specific examples, but perhaps there may be an ongoing operation, 10 per cent of whose spoil piles had created a problem prior to this legislation coming in. The Land Surface Conservation and Reclamation Act procedures and requirements, when they became regulated — I think it was in '73 that these regulations came into effect, and the Act first occurred in about '63, I believe. But say that 10 per cent of their operation had caused a problem until the time when the regulations and requirements came into place and then 90 per cent has been due to their ongoing operation. I think we'd have to look at the particular project to see whether there was a public benefit that could be derived from us taking on obligation for the 10 per cent. The company would be responsible for the 90 per cent.

MR. MARTIN: Let me use what might be hypothetical. With regard to, say, the Gulf gas plant at Twin Butte, which we've been talking a fair amount about, whose responsibility would it be to return the site to a useable state? Do you have any idea roughly how much that would cost?

MR. BRADLEY: I have no idea as to the cost, if that's where the hon. member is coming from, at this point in time. I haven't signed the ministerial approvals with regard to the decommissioning of that plant. We are reviewing Gulfs report to see what other conditions we might attach to that approval. Certainly it would be my contemplation at this point in time that the entire responsibility for reclamation would be with the company.

Agreed to:	
4 — Land Reclamation	\$5,000,000
5 — Lesser Slave Lake Outlet	\$1,674,000

6 — Paddle River Basin Development

MR. NOTLEY: Mr. Chairman, I would like to just take a moment or two on this particular appropriation. It's always with some degree of interest that we review the Paddle River project. In my understanding, Mr. Minister and Mr. Chairman — and perhaps the minister can

correct me if I'm wrong — the original cost estimate is \$18 million. That was changed to \$19,700,000 as of 1980. The final figures: the projected cost now will be \$37,600,000. I would like to know what happened in this particular case that the project mushroomed

AN HON. MEMBER: Consider it economics.

MR. NOTLEY: I certainly wouldn't want to suggest that it was mismanagement or anything, but a 109 per cent increase over the projected cost strikes me as being rather strange.

It seems to me as well, Mr. Chairman, that we have a government here that is going to be bringing in all kinds of cutbacks, no doubt, in two or three days when the Provincial Treasurer gets up to tell us the hard-luck story now that the rainbow has not only faded but disappeared. That being the case, I think we have to ask ourselves a little more about these projects, especially where there seems to be some evidence that the costs have gotten out of hand. I take this expropriation inquiry, where the inquiry officer indicated that "clearly from the evidence, from a cost/benefit point of view, the project is totally unsound".

Mr. Chairman, I suppose there can be some debate. No doubt a project of this nature is going to be of some value to some farmers. Having many years ago first gone into the Paddle River country, I know that it does flood there. I remember the flood of 1971, for example. I understand the concern of people along the Paddle River. But when I see that we have to expropriate land in order to get this thing under way — and we're looking at expropriation in the neighborhood of \$375 an acre, but the figures we've been able to work out here are that by the time we finish with this thing, we're going to be putting \$2,600 an acre of public funds into a program to stabilize the Paddle River.

While no one would argue that, all things being equal, it would be desirable to reduce the flooding on the Paddle River, I guess the question really is, Mr. Chairman: at a time when we have a major deficit, to what extent should we be getting into schemes where the cost/benefits just don't appear to add up?

We all know — as I think one of the hon. ministers said the other day on air terminals — that some people have more success than others in making representation to government, in lobbying government. We all know that this particular project started from the brainchild of a very able politician. But the fact of the matter is that regardless of how persuasive the then Deputy Premier was in getting the government into this thing, it seems to me that before we vote any more money, we have to be satisfied that we're into a proposition that makes sense.

I really question to the minister how the government can press on when we have this kind of information from an expropriation inquiry in which they say it doesn't make sense, where we're looking at benefits in the neighborhood of 20 cents for each dollar expended at a time when we've got a \$2.5 billion deficit. Surely a \$2.5 billion deficit isn't swept away in a single stroke of a pen; it's swept away by looking carefully at all the projects. If a project doesn't make sense, then maybe we have to ask ourselves whether it should be continued.

I know the minister said the other day, but we started it, we've got to finish it. The expropriation inquiry officer here says, as I understand it, maybe we should defer it for a while. Good heavens, Mr. Chairman, in hard times, we've had all kinds of much worthier projects deferred

until we had the money. The South Saskatchewan River dam, where the benefits far outvalued the cost, was deferred for years until we could afford to do it. We had the St. Lawrence Seaway deferred. The minister was an eloquent spokesman the other day in the Crow debate on the Canadian Pacific railroad. We had the Canadian Pacific railroad stopped for a number of years — started and stopped until the people of Canada could afford to do it.

I guess I would just say to the members of the committee that if the benefits work out to a ratio which doesn't make sense, then to what extent is it reasonable for us to go ahead with a project which may be very popular with some — not with everybody, as I can testify from my discussions with people in that region. The people right along the Paddle River would obviously be happy with it. We're not in a position any more where we have money coming out of our ears. We're in a position where we have the Provincial Treasurer continually poor-mouthing it. We are in a situation where we have to begin to cut our cloth accordingly.

That being the case, I would ask the minister if he could give us an update and answer specific questions. One, what were the reasons why we had a very substantial increase in the cost of this proposal? Two, what are the most recent figures the department has with respect to cost/benefits, because obviously there must be an updated cost/benefit analysis? Three, what priority does the minister give to this project being completed, regardless of the cost/benefits? Four, what are we learning as a department from the mistakes of this particular project as it applies to evaluating other projects in the future?

MR. MARTIN: Lou needs some money.

MR. BRADLEY: Mr. Chairman, I believe that at the time this project was proceeded with there was a great deal of discussion of the cost/benefits of it. The cost/benefit analysis was public, and I'm sure there was a great subject of debate at the time with regard to that. One has to look in terms of cost/benefit analysis. There are primary benefits, secondary benefits, and there's another term used, but it eludes me at this moment. I think it will come back to me. I don't know if it's "undefinable", but there's a word in terms of ... Intangible benefits: I think that's the word. So you have to take into consideration the primary and secondary benefits.

Also in terms of this project, one must look, in terms of flood control, not only at agricultural land but at provincial and county highway systems. A very important part of this project is to ensure water supply for the town of Mayerthorpe. Downstream erosion control is another important consideration. Another aspect that was looked at was river flow augmentation to supply water to the town of Barrhead. Other benefits are water-based recreation, et cetera. So there are a number of parameters that we look at.

In terms of cost increases for the project, obviously inflation and construction costs have increased since the first estimates of what the project would cost. There have been some changes in the scope of the project. They were changed in terms of the dam site on geotechnical considerations. But those are the types of things that have gone into the cost increases.

The hon. member has asked whether there's been a cost/benefit analysis done since that time. I don't believe there has. But certainly the whole question has been debated out there. There have been local committees set up to look at this project and make recommendations to

the government. The project is currently under construction. I'm not sure that it would be appropriate for us to stop construction of this project — what effect that would have in terms of the Paddle in future years, in terms of the works that have been undertaken, stability, et cetera.

I think the completion of the project is probably very important in terms of the stability of the construction that's taken place to date. There's no reason I would have at this point in time to conclude that we should not complete this project in terms of the investment that's been made and the investment intended in this fiscal year, given the fact that a considerable amount has been expended and that the project would be completed with basically the expenditures we're looking at for this year.

MR. KOWALSKI: Mr. Chairman, the Paddle River basin development project is an extremely important one. As it has now become the official policy of the New Democratic Party to be against the Paddle River basin development, and as the Assembly is being asked to approve some \$12.7 million in expenditures, I think perhaps it's appropriate for me, as the constituency of Barrhead is one of the prime beneficiaries of the work on the Paddle River, to perhaps bring all members up to date as to why this Assembly approved dollars several years ago for construction of a dam and other works in the Paddle River basin, and why we are now in the third year of capital construction on it.

When we take a look at the Heritage Savings Trust Fund, one of the things we have to be concerned about is that in essence we're being asked to look at investments for today. Those investments are not only for today but, perhaps more importantly, they're also for the future. When you look at the Paddle River, it's of interest to note that the year 1912 was the first recorded time when a group of farmers got together in the Rochfort Bridge area and petitioned the government of the day for some type of local flood control and relief near Rochfort Bridge along the Paddle River. That kind of interest really extended through much of the 1920s, '30s, and '40s. In the 1940s, the Department of Agriculture began a series of studies on the river and started to look at channel straightening and upstream storage.

In the 1960s, the county of Barrhead took advantage of a provincial government offer at the time for some financial assistance for brushing and some channelization and initiated the work. But it really wasn't until after the flooding of 1971, the change of government, I guess, and the creation of the newly formed Department of the Environment that a serious approach was taken to it.

In retrospect, from an historical perspective, my predecessor from Barrhead worked extremely hard on behalf of his constituents in getting public interest in the Paddle River. It's very important, Mr. Chairman, because when you take a look at the Paddle River, it's a small river that begins in northwest-central Alberta. It flows into the Pembina River just a few miles away from the town of Barrhead. It's located not a great distance from the city of Edmonton where we're now standing, only some 60 to 65 miles away. Agriculture is the primary activity in the whole basin. Over the years, the Paddle River has consistently flooded and, by the very nature of the floods, it's caused hardship, isolation, and financial difficulties for a number of people.

When you look at the Paddle, you have to look at it on the basis of many of the types of rivers that we have in northwest-central Alberta. Basically they flow — perhaps "meander" is a better term for it — through soil that has

little rock, stone, or gravel in it. The water tends to release itself in the easiest direction that it can. If you take a look at the Paddle River from an aerial view, you'll see hundreds and hundreds of oxbows that have been created out of the environment over the years. What that has basically done is created two major flood-prone areas along the Paddle.

The major one is about five miles upstream from the town of Barrhead and extends some 20 miles to the confluence of the Upper Paddle River and the Little Paddle River. The second flood plain is located near the Paddle River with its confluence with the Pembina River, which is located five or six miles to the east of the town of Barrhead. Information seems to suggest that since 1942 there have been some 13 floods, nine of which have resulted in very, very substantial damage.

The capacity of the Paddle River is such that it's basically inadequate to handle two types of water inundation. The first is the spring flood, and the second is the summer flood. In our part of Alberta, the summer flood is perhaps as important and dangerous to people and livestock as the spring flood. Part of the flood plain, someplace along the whole distance of the Paddle River, tends to have some type of flooding almost on an annual basis. It is really the control and curbing of that annual flooding, and the inundation and damage to various individuals, that have prompted and created the necessity for previous members of this Assembly to take a look at the Paddle River dam, river basin channelization, controlling, and the like.

I want to repeat again, Mr. Chairman — because I think it is important — that if you look at history over the last 30 years, there have been basically nine floods of a very, very important nature. I recall one in the year 1974, I believe it was, when the flooding was so significant along the Paddle that in fact the good citizens of Barrhead could not move south of Barrhead because of a major flood of the Paddle right within the community of Barrhead. Hundreds upon hundreds of acres right within the community were under water.

In fact where the bridge crosses the Grizzly Trail on Highway 33 in the southern portion of the town, the flood plain extended nearly half a mile at that point. Literally hundreds and hundreds of residences of that community, farmers upstream and downstream from that point, were unable to move. I think that flooding — very, very extreme, excessive flooding in 1974 — really was the event that broke the back and prompted the necessity for colleagues in this Assembly to look at the matter, to get down to work on it, and come up with a solution.

It has to be very clear, Mr. Chairman, that 95 per cent of the flood damage along the Paddle River is to agricultural production. Our farmers, of course, do not have a defence for themselves. They have to deal with their elected representatives and ask them to see what they can do to bring about changes in the environment. It's my good constituents, those involved in agriculture, that I speak on behalf of today, because I think it is they who will benefit in the long run from the committed works we have on the Paddle.

I should point out that the remaining 5 per cent of the damage, over the years — and statistics will point this out — was essentially done to roads, bridges, fences, buildings, livestock, and the like. It should be pointed out, Mr. Chairman, that the two municipalities involved, the county of Lac Ste. Anne and the county of Barrhead, have been very, very much committed to work on the Paddle River for years and in fact were prime activists, going

back as long as two, three, and four decades to bring about change.

I'd also like to just reiterate once again that the Paddle River itself is a major cause of flooding into another river within the constituency of Barrhead, the Pembina River. The Pembina itself has very, very weak borders. It also tends to flood. The elimination of one problem will in fact reduce an impact and a problem on another river. Mr. Chairman, I think that should not be forgotten when we take a look at what we're asking the Assembly to approve this year: in essence, the third year of construction on the Paddle River.

I think it's also important, Mr. Chairman, when we look at the Paddle River, that we have to take a look to see how people got involved in the development of the concept, what kinds of people they were, and how their views were asked for by previous ministers of the environment. I think you really have to begin in 1974, in the most comprehensive way, when Alberta Environment conducted a study that was followed by Environment Council of Alberta public hearings held in 1975. Those hearings in 1975 basically recommended that a management committee and a local advisory committee be formed to take a look at the Paddle River. Those committees were set up in 1976. Local people, for the most part, were involved.

I think, as well, it's important to take a look at who and what type of person really got involved in assisting the government of the day in looking at the Paddle River basin. When you look at the Paddle River advisory committee that was appointed in 1976 by the then minister of the environment, you're basically looking at farmers, local people who were asked to get involved, asked to participate. I think it's important that we should not forget about history in this Assembly, and we should pay tribute to those hard-working, honest, agrarian individuals who took upon themselves the opportunity to give their time voluntarily to assist the government, in essence, working towards a solution to that problem.

I'd like to mention the names. I think it's important that members appreciate once again that they're local people, agricultural people for the most part, people who gave of themselves and gave of their time in a voluntary nature to assist. Mr. Les Percy was the original chairman appointed in 1976. He was a farmer living on the western side of the constituency of Barrhead on land that, in essence, almost borders on the Paddle River. Ted Liss of Sangudo was the vice-chairman of that first committee. He was a farmer. Marion Byers of Cherhill assisted the committee as a stenographer. Norman Gust of Rochfort Bridge: a farmer. Stanley Hughes of Mayerthorpe: he had both a perspective of that of a bus driver and a town councillor in the town of Mayerthorpe. Mr. Fred McDougall of Mayerthorpe, a farmer; Mr. Dave Nicol, a farmer and a town councillor in the town of Barrhead; Robert Porter, a farmer in the Barrhead area; Leonard Schmidt, a cattleman/farmer west of Barrhead; Dixon Shield, a young dairyman whose land borders the Paddle River; a farmer, Norman Thompson of Sangudo; Karl Wahl, a farmer whose land borders on the Paddle River. Mr. Wahl is also a councillor in the county of Barrhead.

Also a very, very vigorous, enthusiastic lady, who is now deceased, got very much involved in the whole question of the Paddle River. She came to Canada as a war bride at the conclusion of 1945. Her name was Mrs. Audrey Porter. She just devoted years and years and years of her time working with other individuals in the community. I'd also like to mention one other individual

who was very much involved, and that's Mr. Robert Ewasko. Mr. Chairman, those were the original people who worked and participated on a voluntary basis on the Paddle River advisory committee that was set up in 1976.

In addition to that committee, there was another committee set up in subsequent years called the Community Contact Committee; local people with their views to the soil, with their hearts to the land, people who contributed again, selflessly, in advancing the concept of the Paddle River and Paddle River basin development. A few of the people's names have already been mentioned, but we also have to mention another farmer, Mr. Frank Hagman of Mayerthorpe; Mr. George Jones, a farmer in the Blue Ridge area; Mr. Les White of Mayerthorpe; and, more latterly, a lady who is now the chairman of the Community Contact Community, Mrs. Dorothy Greenwood of the Sangudo area. The family farm is right along the Paddle River. They've had a history of association, of deep involvement in the community, deeply committed to the Paddle River development plan. I might add that Mrs. Greenwood is also a councillor of the county of Lac Ste. Anne.

As recently as one month ago, Mr. Chairman, I attended a public information meeting with respect to the Paddle River that was held in the town of Barrhead. Those individuals who were in attendance expressed their appreciation for the approach being taken, for the progress being made on the Paddle River basin. It's important, Mr. Chairman, that we mention the fact that we are now into construction on the Paddle River basin development, the dam itself. As we hit 1983, we are now into almost the fourth year of capital construction. In my view, hopefully, if all goes well at the conclusion of this year, much of the work will have been concluded on the Paddle. I believe there may be clean-up work that will have to be done in 1984, and the Assembly will once again, in the fall of either 1983 or the spring of 1984, be asked to approve funds for the conclusion of the Paddle River dam.

I think the dam itself is going to be a very important facility. It's going to protect numerous acres of land, some 25,000 acres of agricultural land which, in the past, have been inundated, flooded, or affected in one way or the other. The dam itself is going to have a reservoir located near Rochfort Bridge. It'll have a design storage capacity of some 35,000 acre/feet and a permanent pool of some 13,000 acre/feet.

It should be pointed out, Mr. Chairman, that there is more than one reason for having the Paddle River dam. Needless to say, water control, flood control is extremely important, blastedly important. There cannot be a higher priority than that. That, of course, will be a positive benefit for all the farmers in the area, not only the farmers who live near the actual damsite itself but for hundreds of farmers downstream from the damsite. All those who live all the way to Barrhead and to Manola will have an impact; as well, all the farmers who live along the Pembina River for another 150 miles as you follow the Pembina. It flows finally into the Athabasca River near the little community of Athabina in north central Alberta. A very important impact.

A secondary benefit, a second positive aspect of the Paddle River dam, is the realization that it will protect a water supply for the town of Mayerthorpe. When you look at the community of Mayerthorpe, most of our communities need a constant and consistent water supply. That is an extremely important secondary benefit which should not be minimized.

Erosion, Mr. Chairman, is something I already talked about a few minutes ago. When you look at the soil we have in the part of Alberta I represent, you have to remember that we don't have rocks, boulders, and gravel on both sides of the banks of rivers. When our rivers flow they flow at the point of least resistance. You have, extending and developing over recent years, literally hundreds of these oxbows. Anybody whose flown over that part of Alberta can see them, and they are isolated. Large amounts of agricultural land have been lost in recent years. A third benefit of the Paddle River dam is going to be downstream erosion control. That can never be minimized. I don't know how you could ever put a dollar factor on that. I don't know how you could ever take an economic feasibility study, take a look at it and argue that four acres here, five acres there, 10 acres there, 20 acres there, are important. They are important, but I suppose an economist who doesn't understand how we live in our part of Alberta, who doesn't get out from Edmonton much, would have a difficult time realizing that there is some agricultural impact and benefit of farming these small portions of acreage if they can only be four, five, or ten acres in size.

We must also take a look at the impact of the Paddle River dam on the 3,700 to 3,800 permanent people who live in the town of Barrhead. The Paddle River dam will stabilize the flow of the water. It will ensure on a consistent basis the water supply for the town of Barrhead.

I don't know how many members of the Assembly have had the good fortune to have visited the fine community of Barrhead. It's a bustling community in northwest-central Alberta. It is the regional centre for the Department of Agriculture, Alberta transportation. In the summer of 1983, we will welcome into our community some outstanding people from the city of Edmonton who will join us living in our community and become employees of the Alberta Correspondence School. In addition to that, some 23 or 24 per cent of the people who live in the town of Barrhead are senior citizens, and a consistent water supply is extremely important to them.

I can't believe for a moment that my colleagues across the way would want to reject outland a concept that would improve the water supply, the quality of life for my constituents by simply saying, hey look, we don't have an economic feasibility study for it. I don't know how I could ever face my senior citizens who are my constituents and point out to them, look, I'm sorry, but it seems some of our fellows in the Assembly just disagree that you should have a quality of life that some of our good friends who perhaps live in Edmonton or Calgary are accustomed to.

Mr. Chairman, it's important to those people and it's important to me as their representative that I make those points, because I'm very, very very much committed to the Paddle River. My predecessor in this Assembly worked darned hard. He made the comments and arguments to his colleagues, they accepted it, and we're now in year three or four of the whole program.

I might point out as well, Mr. Chairman, that there is one other benefit that the Paddle River dam is going to provide to many, many people of northwest-central Alberta, but as importantly, it will also provide a benefit to the good people who live in the city of Edmonton. Every weekend during the summertime, if you drive on Highway 16 or Highway 43, you see bumper to bumper traffic from the people of Edmonton going out to have enjoyable recreation in northwest-central Alberta. Part of the Paddle River basin plan is the recreation facilities that

will eventually be brought into play, in years to come, upstream from the dam site itself. I'm not one of those, Mr. Chairman, who believes that my colleagues and good friends who live in Edmonton should not be able to come out to rural Alberta and enjoy the quality of life that we enjoy from a recreation point of view. We welcome those who'll come out and be able to find new types of recreation on the Paddle River.

I think those benefits are extremely important. Just to ensure that no members of the Assembly forget what those benefits are, I think I'm going to quickly repeat them once again, because it's important that everybody understand. We're talking about flood control for agricultural purposes. We're talking about the minimization of maintenance costs on many of the local roads we have in our area. Secondly, we want to ensure an adequate water supply for the town of Mayerthorpe. Thirdly, we have to be very much concerned about downstream erosion control. You simply cannot put a value on the importance of the agricultural land that we have in all those isolated little oxbows created by years of rampaging rivers and flooding in nine of the last 30 years. Fourthly, I think the dam itself will augment the water flow and improve and stabilize the water supply for the town of Barrhead. Fifthly, we cannot ignore the water based recreation that will be a benefit that will come about as a result of the attention to the Paddle River itself.

Mr. Chairman, this Assembly has looked at, debated, and discussed the Paddle River and many members much wiser than I have given their approval to it in recent years. It's a bit disturbing to me that some members would now say, no, we've got to stop it. You can't stop something cold that's already been developed. Many of our colleagues in recent years devoted a great deal of time, a great deal of attention to the debate. A decision was made, and when construction started in the 1979-1980 fiscal year, it was a modest beginning with surveys, engineering, some land assembly, some river channel construction, and bridge construction.

It's of interest to me that perhaps an individual who might have purchased land before that time would not have appreciated the impact that the Paddle River was going to have on not only land downstream but upstream. I have to repeat that there were hearings with local people. Everybody in the area knew what was going to be impacted by the Paddle River. People could attend meetings, and there were meetings, with hundreds of people at some of them. People discussed it, they agreed to it. Now it appears that one individual anyway, who doesn't even live in the area — he lives in the city of Edmonton — says we should stop the dam. Well the dam is important. We went through 1980 and 1981; this Assembly voted more dollars. Construction actually got started in a very important way. In 1981 and 1982 more dollars were looked at; more dollars were asked to be released by this Assembly and the approval was given. Now for the fiscal year 1983 we are looking at an expenditure level of \$12.7 million.

Mr. Chairman, these dollars are important. They are not only important to my constituents who are involved in agriculture; they are important to the people who live in the town of Mayerthorpe, the people in the town of Barrhead, every senior citizen up and down the whole river, the people who live in the Linaria area, the Sunnybend area, the Jarvie area because the Pembina River flows through that area as well. I think it would be extremely irresponsible on behalf of any member if he were to deny those citizens of Alberta the opportunity to

live in an environment that would reduce the impact of flooding upon them and would ask them to, in essence, accept a way of life that was secondary to that which might be expected by other members of this Assembly.

Mr. Chairman, I simply want to congratulate the Minister of the Environment for bringing forth this capital cost requirement, and the Provincial Treasurer for seeing fit to allocate another \$12.7 million in the 1983 fiscal year. I want to assure all members that this is not the end. We'll have to come back next year for a small extra capital amount to complete the work. [interjections] It will not be substantial, of the type we are looking at. I would also like to put all members on notice that thus far we've talked about the Paddle River. There is another river that I've mentioned several times now which we'll have to take a look at in a number of years to come, and that's the [Pembina] River.

Mr. Chairman, I want to close my remarks on this very important subject by simply providing my thanks to previous ministers of the environment who had the courage, the integrity of putting forth the concept of expenditures for the Paddle River, and to the hon. Dave Russell, the previous Minister of the Environment; to my predecessor Dr. Hugh Horner; to my good colleague Peter Trynchy, and to the good people at Alberta Environment who had the courage to go along with the whole concept. We need this dam. Let's get on with the business.

MR. BRADLEY: Mr. Chairman, I certainly appreciate the very eloquent remarks of the hon. Member for Barrhead. I just wish the opportunity to clarify in the Assembly some previous information which I had presented to the House. In a reply to a question last Friday, I stated that I'd been advised that the government's monitoring of the effluent surface run-off from the plant has indicated it has not exceeded our guidelines. This is with regard to the earlier questions that we have debated in the House. I've just now been advised that in June 1980, during a period of heavy precipitation, the surface water run-off during a 16-hour period exceeded the licensed limits for chemical oxygen demand and ammonia nitrogen. I wanted to make the House aware of that.

I've also been advised that these levels of chemical oxygen demand and ammonia nitrogen would not have any direct effect on Drywood Creek due to the high flows at the time. I have further requested my department to prepare a summary of compliance report for the Gulf plant at Pincher Creek for the years 1973 to the present date, and when it's completed, I will be filing that information in the Legislature.

MR. MARTIN: Looking at the time after that speech by the hon. Member for Barrhead, I would beg leave to adjourn debate.

MR. NOTLEY: We dragged it out there, Ken. Boy, we could have had it all done.

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

[Motion carried]

[Mr. Speaker in the Chair]

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

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

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, I move we call it 5:30 p.m.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

[The House recessed at 5:29 p.m. and resumed at 8 p.m.]

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

Bill 18 **Alberta Heritage Savings Trust Fund** **Amendment Act, 1983**

MR. HYNDMAN: Mr. Speaker, I move second reading of Bill No. 18, the Alberta Heritage Savings Trust Fund Amendment Act, 1983.

This Bill is a companion Bill, one might say, to Bill No. 23, the Alberta Heritage Savings Trust Fund Special Appropriation Act, also on the Order Paper. In effect, it takes us back to the basic principles and philosophy of the heritage fund from the days of its inception in 1975-76.

Paragraphs two and three of this Bill are the key ones in terms of principle, which we're debating at second reading. The others are essentially consequential. Paragraph two is self-explanatory and deals with the question of a change in what has previously been a 30 per cent transfer of non-renewable natural resource revenues to the heritage fund every year since 1976. Paragraph three deals with the diversion to the General Revenue Fund of the income from the heritage fund — which, hon. members will recall, was approximately \$1 billion in the last fiscal year — for 24 months beginning September 1, 1982.

These proposals are a reflection of initiatives which were taken and commitments which were made during 1982 by the government. The purposes are essentially twofold: firstly, to use the moneys thereby provided to the General Revenue Fund to finance the Alberta economic recovery plan in its various phases and, secondly, to help reduce the deficit over the course of the next two years.

Mr. Speaker, as I mentioned, the amendments really take us back to the basic purposes and philosophy of the heritage fund, which members will recall. In 1975 there was a mandate received from the people of Alberta to do this. The concept at that time was to take only a portion from the depleting non-renewable natural resource revenues — 30 per cent at that time — and set them aside for a future time; in effect, set them aside in a savings account so that in future when the transition came and

we had to move to other sources of revenue, or if there were such things as unexpected events, there would be revenues available in capital form. It was of course implicit at that time that if there were unexpected events, such as what some people have called in recent months a rainy day, moneys would be available and the heritage fund would in some form be available for that purpose.

Consequently, over the course of last summer the government undertook a review as to the heritage fund in light of the economic downturn. There were probably three options available. One was no change, and that was felt to be an unnecessarily rigid approach. The second would be to terminate the heritage fund completely, and I believe that would be wrong and would not reflect the feeling of Albertans, who I believe are very proud of the fact that they have this unique Heritage Savings Trust Fund and want it to continue. The third option, which was the one we chose, was to follow some new directions. That was the decision which led to the diversion of 24 months of income of the fund, to move down to 15 per cent what was transferred previously at 30 per cent.

What this did, then, was essentially to make available the income for the various aspects of the economic resurgence program. The oil and gas activity plan was one, and the extra enriched benefit for farmers in the farm fuel distribution allowance was another. Of course, in the fall last year the interest rate shielding and reduction programs for home-owners, businessmen, and farmers, which provided job security, stability, and certainty, were a highlight as well. Secondly, the reduction in the transfer of non-renewable natural resources will reduce the borrowing the province of Alberta would otherwise have to undertake in Canada and the world. We believe that that is a prudent and responsible approach and sound financial management.

In concluding, Mr. Speaker, I stress that the basic concept of the heritage fund is still preserved; the basic integrity of the fund remains. The capital is still intact, and the philosophy of the heritage fund is not impaired or damaged. These moves simply mean that the heritage fund will not grow as fast as it has in previous years, that it's available for a rainy day, and that it's available to help Albertans cope at an unusual and difficult time in the economic life of the province.

In conclusion, I commend second reading of this Bill to the Assembly. I believe it enables the interest rate programs and the farm fuel distribution allowance enrichment and other aspects of the economic resurgence program to proceed. In effect, it makes the heritage fund adaptable to the rainy-day situation of the economic downturn, but at the same time it preserves the integrity and philosophy of the concept of saving that is integral to the heritage fund and which I believe all Albertans endorse.

MR. NOTLEY: Mr. Speaker, in rising to address the principle of Bill 18, which is now before the House, I believe it is worth while to let our minds go back to the debate that took place in the Legislature in 1976, when the Legislature first passed the legislation establishing the Heritage Savings Trust Fund. At that time, two aspects of the fund received a good deal of public attention. One was the savings nature, putting the money aside for a rainy day, that the hon. Provincial Treasurer just made note of.

But another facet of the discussion in 1976, which came up over and over again as one reviews *Hansard* of the time, was the emphasis this government wished to place

on diversifying the economy of the province of Alberta and that the trust fund was to be a little different, if you like, from a savings account. In part at least, it was to be a development tool to permit the transition from an economy that was based largely on non-renewable resources to one which had a more broad tax base, where we recognized the importance of the renewable resource sector of the economy.

Mr. Speaker, I think it's worth recalling for members' attention the basic debate that took place in 1976, because despite the comments of the Provincial Treasurer in his introductory remarks, an important shift is occurring. We are backing away from a fund which recognizes as one of its important mandates the strengthening and diversifying of the Alberta economy. Mr. Speaker, that's not surprising, when one reads the Speech from the Throne. It's obvious that the government is throwing in the towel in terms of any initiatives that might be taken on the issue of diversifying the Alberta economy.

It is indeed a very bitter disappointment for those Albertans who remember the promise of 1975 during the election campaign, who remember what the Premier of the province said in Calgary in 1974, that in fact we must diversify the economy and that we don't have time to lose. As a matter of fact, Mr. Speaker, it's worth quoting the Hon. Peter Lougheed speaking to the Calgary Chamber of Commerce on September 6, 1974. I raise this very brief excerpt because it was certainly part of the election campaign of 1975, the election campaign that this government says gave it the mandate to bring in a Heritage Savings Trust Fund:

Since entering public life over nine years ago, my theme has been that this province's economy is too vulnerable, it is too dependent upon the sale of depleting resources, particularly oil and natural gas, for its continued prosperity. We have perhaps another decade left to diversify our economy to become less dependent ... We must be in a position to be less affected by external factors.

Mr. Speaker, there is little doubt about the popularity of the whole quest, if you like, to diversify the economy of the province of Alberta. Those of us who recall vividly the 1975 election remember how popular that appeal was.

So before we do anything in Bill 18 that qualifies the basic mandate of the government in 1975 to bring in a trust fund which would help to diversify the economy of Alberta, it's only important that we note what in fact the initial objective was. It was put very well, again by the Premier, on April 23, 1976. I quote from *Hansard*:

Mr. Speaker, the investments of the fund must meet both of two important challenges ... It must offset the probability of declining revenue in the future by its appreciation and by its income. At the same time, it must be a vehicle for diversification and for strengthening our economy ... It must do both ...

Mr. Speaker, it's very clear that the initial objective of the government was to establish a trust fund which would take part of our non-renewable resource income, set it aside, and at least one of the two principal underpinnings of that trust fund was to make it a vehicle to help diversify the economy of the province.

Today, Mr. Speaker, we are being asked to dramatically cut back, from 30 per cent to 15 per cent, on the amount of money that is going to be transferred to the fund; plus, we will be dealing with companion legislation which will allow the government to take all the earnings of the fund and put that into general revenue. So what is occurring is that we are shifting the focus of the heritage

trust fund to essentially a piggy bank which we can dip into so that the Provincial Treasurer's figures don't look quite as appalling after he takes the money from the interest earnings. I look at the interim statement, which was sent to members a few days ago. We find that the projected deficit is now \$3.2 billion, until you take the earnings from the trust fund. You add those, and you find it works out to about \$2.4 billion.

Mr. Speaker, perhaps that makes the Provincial Treasurer's arithmetic look a little better, but the fact of the matter is that when we consider this legislation we have to ask ourselves: what is it the government is asking us to approve, and what is it that we are doing should we approve the principle of Bill 18? I say to you, Mr. Speaker, that without any doubt we are abandoning the objective of diversifying the economy of Alberta. There may be some who will say: fine, it's okay. But I would argue that if this province, with the shield of non-renewable resource income, is not able to broaden our economy, not able to widen our economic base when we have these kinds of funds to back us up, what possible hope is there when we run out of the funds in the years ahead?

Mr. Speaker, some hon. members might suggest that they have a mandate from the people of Alberta to bring in this change. After all, some of us watched a very expensive television program in September, in which . . .

DR. BUCK: Paid for by the taxpayer.

MR. NOTLEY: Paid by the taxpayers, as the hon. Member for Clover Bar quite properly points out.

At that particular time, the proposal was made to reduce the commitment from 30 per cent to 15 per cent. I suppose some hon. members might argue that the government has a mandate, that they're fresh from the people, with this particular proposal in mind. Having travelled the province, Mr. Speaker, I think I can fairly say that I don't recall too many occasions when government members went before their voters and said, please put me back in the Legislature so I can reduce the trust fund from 30 per cent to 15 per cent of the revenues.

In the joint forums of my own constituency, my honorable opponent — a very honorable gentlemen indeed — didn't even mention the heritage trust fund, except to try to find excuses as to why the government was spending all the taxpayers' money on these lavish ads just before the election campaign.

DR. BUCK: He was one of the few that had enough jam to go on a forum.

MR. NOTLEY: Well, I'm assuming that they all did.

But I am saying that this government doesn't have any serious mandate. I think if we were to take a public opinion poll and ask the voters of Alberta how many of them think their vote on the November 2 had something to do with reducing the trust fund from 30 per cent to 15 per cent of the non-renewable revenues, even the Provincial Treasurer would be hard pressed to keep a straight face and say, we got a mandate from the people for that one.

So we go into a debate on this important matter without an opportunity for the special legislative committee, which was frisked away from its duties with the dissolution of the House on October 2, being able to make any sort of recommendation. What we have are the views of Executive Council and the government caucus.

That's fine. But the fact of the matter is that this is a Legislature of the entire people of Alberta. Whatever private conversations have been held in the government caucus, the public debate that occurs in this Legislature is the matter that Albertans have a right to know what possible reasoning, beyond the propaganda we got just before the last election, led the government to do great injustice, in my view, to the principle of the fund which was established in 1976.

Mr. Speaker, I think one has to say that the government obviously has the majority in the House to make whatever change they like. But it is incumbent upon the Provincial Treasurer to explain clearly to the House the reasons for that decision. In passing, it is interesting to note the kind of advertising on the trust fund just before the election. I'm sure my friend from Clover Bar will bear me out. It didn't talk about reducing the trust fund. What we saw in those television ads and those great big advertisements in the newspaper were all the good things the trust fund was doing for people: smiling faces, sweet little old ladies, vigorous young people. You know, it was indeed quite a sight to behold, except that we realized it was all being paid for by the taxpayers just before an election.

So now, Mr. Speaker, after telling everybody what a good thing the trust fund was and being a little mute, shall I say, during the election campaign — well, more than a little mute — on the question of what they're going to do with it, all of a sudden we have this suggested change: 30 per cent down to 15 per cent. We're going to take all the earnings from the trust fund, and we're going to dump them into general revenue. That way, the Provincial Treasurer won't have such a big deficit. So it appears the rainy day has arrived, and we're now going to raid the trust fund in order to balance our budget.

Mr. Speaker, before this Assembly adopts the principle of Bill 18, we might just take a look at a little of what I think would be relevant political history in this province. In the election of 1959 — you will recall that, Mr. Speaker. I believe you were a candidate in that particular election. Some of us were also interested. I believe the Provincial Treasurer was active in that campaign. So was I; not in the position of running for office but at least in scampering about helping some of our colleagues.

In that election campaign, Mr. Speaker, the former Social Credit government had its own trust fund. It wasn't called a heritage savings trust fund, because the former government didn't have the way with words this government has. They called it an accumulated cash surplus. Can you imagine anything less dramatic than an "accumulated cash surplus"? But in any event, the accumulated cash surplus was about equal to two years' provincial budget. All the opposition parties in the campaign of 1959, including the party the Provincial Treasurer and others belonged to, raised the issue of the accumulated cash surplus.

The point I want to leave with members of the House, Mr. Speaker, is that in 1959 that figure — and I believe it was in the neighborhood of \$600 million or \$700 million — looked very large indeed. At that time, the mandate of the former government was to use it as a savings fund. That was fair enough. They didn't pretend it should be anything else; it was to be a savings fund. None of this pretentious: we're going to alter the economic outlook of the province, and we're going to be the architect of a new Alberta economy with this fund. That's the kind of thing we heard in 1976. It was to be a savings fund. But I think the point worth noting to members of the House is that it

did not take very long, during the 1960s when our revenues began to shrink, before a large part of that accumulated surplus was in fact used up.

The point that caused many people to support the government in 1975 was the basic argument that I remember the Premier himself made in the by-election in Pincher Creek in 1966, which I referred to earlier today: we've got to set aside some of this non-renewable resource revenue; we've got to use it to strengthen and diversify the economy so that when the oil and gas begin to run out, we have an economic base that will be there in the years ahead. That was a very strong, compelling argument. It was one of the arguments that made people say: but this heritage trust fund the Conservatives are advocating is quite different from the old Social Credit fund; this is going to be a fund that will have an additional mandate — not just saving money, but an additional mandate — to strengthen and diversify the economy.

It had an additional mandate, but unfortunately not much was done over the last decade. Despite the fact that in 1974 the Premier said, we have but a decade in order to achieve the objective, members in this House know full well we are more dependent on non-renewable resource income today than we were 20 years ago, more dependent than we were 10 years ago. The reason the Provincial Treasurer is bringing in this Bill is not that he desires to do so. This wasn't the Provincial Treasurer who three or four years ago, when oil prices were high after the energy agreement in 1981, would say: oh, we're going to have to reduce the fund. I remember debate just 18 months or two years ago, when some hon. members were saying we should be increasing the amount of money going into the trust fund. You know, 30 per cent isn't enough; maybe it should be more. And with very serious looks, the front-bench members were giving the most careful consideration to increasing them.

Now all of a sudden we're reducing it, taking all the interest. Why? Because this province is in a financial fix. The reason it's in a financial fix is that we are so completely, totally dependent on non-renewable resource income. That being the case, it is not choice that is causing the Provincial Treasurer to recommend this Bill; it is in fact a certain measure of desperation. I'm not suggesting that it has equalled the federal Finance Minister's at the moment, but we do have a very large provincial deficit.

Mr. Speaker, before we approve the Bill, let us ask ourselves whether this is the only choice available to Albertans. First of all, I think we have to look at two aspects of this large deficit. Are there ways in which we can trim our frills? I don't think it's a wise thing to have office space — the hon. Minister of Housing says there's only a 1 per cent vacancy in government buildings. That's true, but he doesn't mention the vacant leased office space we have all over the place. In question period today we found another example, perhaps something that may not be the wisest use of public funds.

With a \$2.4 billion deficit, before we raid the trust fund surely the very first point that should be raised by hon. members is to ask the government whether or not there aren't economies — this government that was so lavish in its advertising expenditures in August, September, and October of 1982. My, we must have been the advertisers' dream for all of North America, a mecca. For three months, in the fall of 1982, every young, aspiring advertising agent in the whole continent could see that there's certainly a rainbow that hasn't faded. The day after November 2, it certainly faded quickly. But for a period

of time it was: happy days are here again.

Mr. Speaker, we've got to ask ourselves, are there ways we could deal with the deadwood, as the hon. Member for Vegreville pointed out? The hon. member made some observations. Some of us — government member or not — couldn't help but secretly think he had a point. Is there some way we could reduce the fat, eliminate some of the deadwood? Mr. Speaker, if the Provincial Treasurer wants us to raid the trust fund, then I think it's necessary for that same hon. gentleman to tell us how we can reduce some of these expenditures.

But you know, Mr. Speaker, the incredible thing is that we as an Assembly — this is really unbelievable — are being asked to give second reading to a principle dealing with the Heritage Savings Trust Fund before we've even seen the provincial budget. Surely if the argument is that we need this additional money, the government needn't have been in such an all-fire rush that they had to bring the thing in today. It would seem to me that good form alone would have required that they hold it over and we could have looked at the budget. How big a hole has the Provincial Treasurer got to fill? Then they might have been in a stronger position to argue the case.

DR. BUCK: He may need the whole 30 per cent.

MR. NOTLEY: Indeed, the hon. Member for Clover Bar may well be right. He may need the whole 30 per cent. Or after we've heard the budget, perhaps the Provincial Treasurer will have explained all the cost-cutting programs and new efficiencies that the government is bringing in, and we could keep the whole 30 per cent. But we don't have that information. We're being asked to accept the principle before we even see the budget.

Mr. Speaker, it may well be that all the government caucus members have chatted about it. That's very nice indeed. I hope the hon. members in the government caucus have had ample opportunity to talk to the Provincial Treasurer. But this is the Legislature. If we're going to pass a Bill of major change in principle, then surely it is not unreasonable that we have an opportunity to see the provincial budget first.

Mr. Speaker, let's also take a look at some of these programs. We know that there are some programs a good deal more expensive than others. The other day, when I raised questions in the Legislature about the economic resurgence program as it applies to the oil industry — a very expensive program, estimated in April at some \$5.4 billion over four and a half years — I raised the issue of performance guarantees. I raise that again. If we are asked to forego funds that would go into the trust fund, which could be used to diversify and strengthen the economy and to provide jobs in other areas, then surely we have to know that these so-called incentives are not sort of trickling down and flowing out of the province; that they are trickling down and providing jobs and activity right here in Alberta.

But, Mr. Speaker, we don't have any information on that. When a perfectly legitimate question is raised about performance guarantees, the Premier reacts in a huffy way that somehow this is a provincial version of the national energy policy, when in actual fact whether it's a dollar that goes to an individual, a former deputy minister, the railroads, or an oil company, if it's a public dollar there should be performance guarantees. There should be some way of measuring whether that dollar is used for the purpose for which it is allocated.

Mr. Speaker, there's one other area I'd like to leave

with hon. members. That also flows from the political history of the province in the late '60s as it became obvious that we were encountering some real problems in raising sufficient funds to carry on our operations. The government of the time — and I never supported the government of the time — came to what I thought was a reasonably thoughtful, rational position. They said there's a difference between the operating budget and the capital budget. Borrowing for the capital budget is not unreasonable, any more than it's unreasonable that a school division issues debentures to build a new school or a municipality issues debentures to build a municipal service. You're talking about something that will serve people over a period of years. The idea or the notion that we should pay for each of those capital projects in one year is not necessarily absolutely a must from an accounting point of view at all. We've been in a position from time to time to do that. But when we find that our fiscal position has deteriorated to the point where we have a deficit, then perhaps the argument can be made that it is time to look in 1983 as we did in 1970 and 1971, and say that we will try as much as possible to keep our operating budget in balance but where we undertake capital projects, then borrow on the money market for those capital projects so that all the people who will use them, not just the people in 1983 but the people in 1984, 1985, in the years ahead, will be paying their share. That's another option this House should have had presented to it before we take what is clearly the easy road of cutting the money that goes into the Heritage Savings Trust Fund.

Mr. Speaker, in concluding my remarks on second reading of Bill 18, I want to tell the Members of the House that however easy it is, however tempting it is to pass this Bill because the province is temporarily in a bind, we really have to seriously consider the implications to the province of what in fact is abandoning our quest for diversification. Some members will say it'll all be done by the private sector. Mr. Speaker, if it were done by the private sector, it would have been done by now. If it were done by the private sector, we would have had no reason for the entire argument and debate in 1975 and 1976. The government's own paper prepared by the Foster research organization in September 1980 makes this point:

The AHSTF will represent an extremely significant tool in terms of the implementation of a provincial economic strategy. . . .

. . . now is the time to reinforce a long-range strategy of developing a replacement source of economic growth in anticipation of the ultimate decline in hydro-carbon based resource activities.

That's not from a group of dangerous radicals; not from the NDP, from the trade union movement, from people who would terrify hon. members in this House with their shade of blue. It's from a very cautious and highly reputable research firm. I note in the news release today from the Minister of Utilities and Telecommunications that one of the principal people has recently been chosen — without competition I might add — to head up our whole strategy with respect to the Slave River dam. Obviously the government has a good deal of confidence in the people in the Foster research group, and they're telling us that we've got to diversify the economy. Page 16 of the Foster study:

Only with major public policy initiatives will the Provincial economy be able to reduce its dependence on the resource sectors, and diversify its relatively small manufacturing base.

Mr. Speaker, I don't want to take a long time to go

over the statistics, but it is important to note that despite all the bravado we've heard from this government, the fact is that in 1983 in every possible way we are more dependent than ever before on a sector of the economy which inevitably, whether it's a decade or 10 decades, will wind down. We're more dependent for jobs, for revenue to the provincial government, in every conceivable way than we were a decade ago. As one member of the House who supported the trust fund in 1976 and, admittedly, at the time argued that the emphasis must be placed on diversifying the economy rather than the savings approach, having seen that dream fade, just as the Conservative rainbow seems to be fading, Mr. Speaker, I find the Bill such as the one we have before us wrong in principle, and in the long run it's not going to serve the province of Alberta.

I say to the members of the government: better in this debate that there be full and frank discussion of the issue. To the Government House Leader I would say: hold the matter over until after the budget comes in so that, before there's any final decision on second reading, hon. members will be able to make the decision on the principle of both Bills 18 and 23 in the light of the initiatives that this government may or may not be taking in the provincial budget. But to rush it through before the provincial budget is tabled in the House, Mr. Speaker, in my view is not only bad legislative tactics, but assaults the whole process of a legislature chamber knowing what in fact it's voting for, what the implications of the change it's being asked to consider are.

With those comments, Mr. Speaker, I simply say to the members of the House that if the government is determined to pursue this matter tonight in the absence of the budget, my colleague and I will vote against the principle of both Bill 18 and Bill 23. I would say, however, to the members of the government side in particular, who have to go back to their ridings and explain why it is that we are so fundamentally altering the basic purpose and intention of the Heritage Savings Trust Fund, at the very least let us wait until we have an opportunity to see the budget, so that we can make those decisions in the light of at least some basic, factual information.

Thank you.

MR. STILES: Mr. Speaker, I don't want to deal with all the issues raised in the hon. Leader of the Opposition's long lament, but I would like to deal with one or two of them, if I may.

I think first of all that the hon. Leader of the Opposition made great to-do about the election not having been fought to establish a mandate for changes to the Heritage Savings Trust Fund. I'd like to bring his attention to the October 5 issue of the *Edmonton Journal*, in which the Premier stated that the:

government has come to the conclusion that it would not be appropriate to recall the Alberta Legislature to make the major changes to the Alberta Heritage Savings Trust Fund Act announced on September 7, 1982, without a fresh mandate from the people of Alberta to do so.

The Premier went on to say that

Our mandate of March, 1979, did not contemplate such major legislative changes in this key act.

And of course, how could they? According to the reasoning of the hon. Leader of the Opposition, I suggest that if we adopted that sort of philosophy, whether or not we would make changes, we'd still be living in the feudal system.

Obviously when the Heritage Savings Trust Fund was established, we did not contemplate the day upon which it would be necessary to perhaps modify the flow of funds into the fund or use the funds generated by the Heritage Savings Trust Fund. But that was surely the principle upon which the fund was established: that when the time came to use that money it would be available. If the fortunes of the province came to the point where we could no longer put the amount of money into it that we had contemplated initially, then that change would also be made. But those are not the sorts of things one can predict, not having a crystal ball. Obviously it had to remain for the future to decide the day that we would have to make those kinds of changes.

In case the hon. Leader of the Opposition missed the edition of the *Edmonton Journal* for Tuesday, October 5, perhaps he picked up the issue of October 6, in which Mr. Lougheed, the Premier, was quoted again as saying he:

needs the new mandate to initiate changes to the trust fund. Those changes included his \$1-billion interest rate subsidy programs for homeowners, small businessmen, and farmers.

What was presented to the people of Alberta, and the basis for asking for the mandate, was a package. Certainly we didn't go to the people of Alberta and ask them for permission to reduce the flow of funds into the Heritage Savings Trust Fund. What was presented to the people of Alberta was an interest reduction plan for home-owners, small business men, and farmers, a plan that had been long and loudly cried for by many people in the province of Alberta, including members of the party of the Leader of the Opposition. It was a package in which we said on the one hand that we would be able to reduce the interest rates by paying money to those persons with mortgages over 12.5 per cent on their homes, and businesses and farmers paying over 14.5 per cent. In order to find the money to do that — because obviously we on this side of the House at least know that you can't pluck it off trees — it would be necessary to change the manner in which the heritage trust fund would grow in the future. For the two-year period when the interest reduction plan would be in effect, we would reduce the flow of funds into the Heritage Savings Trust Fund and also direct the revenue generated by the fund into the general Treasury to cover the cost of the interest reduction and in addition cover, to some extent, the cost of the economic recovery plan that was announced in April 1982.

I think it is clear, and it has been stated clearly not only in the *Edmonton Journal* but I find an article in the *Alberta Report* for the week of October 18, in which, again, the Premier is quoted as saying he is going to the people of Alberta, first, for a mandate to change

the Heritage Savings Trust Fund and the "new directions" it must take to get Alberta through the economic downturn period;

So I think there is little question that we have a mandate from the people of Alberta to make that change.

The hon. Leader of the Opposition also wants to know why we're not making the change or suggesting this after the budget comes in. It's fairly obvious that we already know what the situation is for 1982-83. We already know that there is a deficit for that fiscal period. Obviously if we're going to have more funds going to the public in the form of an interest reduction plan, it's necessary to fund that somehow if we're not going to increase the deficit. There's not much question that it's appropriate to bring in the change to the legislation that was contemplated when we went to the polls on November 2 and asked the

people of Alberta if they endorsed the program that had been offered to them, which included the changes to the Heritage Savings Trust Fund that are contained in the Bill we are considering tonight.

We have heard a lot about principle. I thought, Mr. Speaker, that that type of bandying about, playing with semantics and misstatements, was confined to election campaigns. I didn't realize that they intruded into the conduct of debate in the House. I think we're dealing with the principle of this Bill. If I understand the parliamentary procedure, we're talking about second reading, which is dealing with a Bill in principle. We're not talking about the principle of the Heritage Savings Trust Fund; that principle is still intact. The principle of the Heritage Savings Trust Fund, for those on the other side who may not understand it, is that we would take non-renewable resource revenue, store it, invest it, use it for the benefit of the province of Alberta.

Incidentally I should mention, in terms of diversification of the economy of this province, that it has been used in the Alberta Oil Sands Technology and Research Authority, Farming for the Future, Heritage Savings Trust Fund medical research, the venture capital plan that has just recently come forward: all these measures introduced to assist in the diversification of our economy. But the principle of the Heritage Savings Trust Fund is intact. We're not saying we're doing away with the Heritage Savings Trust Fund; we're simply saying we're changing the flow of funds into it and we're changing the use of the funds that flow from the investments the Heritage Savings Trust Fund has been put into. That's the principle. It's still there. There has been no change introduced in this legislation, as far as I can make out, to that principle.

I don't want to go on at any further length, Mr. Speaker. I'll conclude by saying that I would thoroughly support the principle of this Bill.

MR. ANDERSON: Mr. Speaker, I'd also like to rise and participate briefly in this debate. Of course I speak in support of Bill 18. I say "of course" because the people of Alberta elected me, along with the other members of this Assembly, four to five months ago on the basis of this piece of legislation as well as other programs determined in that particular election campaign.

I must say I find it somewhat amusing that the hon. Leader of the Opposition today stands before the House and talks about our pushing this legislation through in a few days, not allowing the proper debate in the House of the people of the province of Alberta. Where he was some four months ago, when it was debated in every part of this province — and I know for a fact that it was debated in the constituency of the hon. member — I'll not know. I suppose when he spoke of the Conservative rainbow fading, he must have meant that election campaign, where indeed we didn't manage to get 200 of our votes out in two constituencies we know of in the province, and therefore have the input of that particular member today.

Mr. Speaker, the hon. Leader of the Opposition spoke at great length about the Heritage Savings Trust Fund. The one part I would congratulate him on is his strong and firm support of the concept established by this Progressive Conservative government, safeguarded by this Conservative government, in light of many proposals that I believe would have depleted that concept in total from the member who indeed today has supported it so well. So I do congratulate him on reaching that conclusion and being such a strong supporter of this Conserva-

tive concept.

I do find it interesting too that he says we should start looking at cost efficiencies and ways of cutting the budget, ways of stopping the spending. It seems to me that if I added up the hon. member's proposals over the years for expenditures from the Heritage Savings Trust Fund as well as from general revenues of this province, they would add up to at least five or six times what the Heritage Savings Trust Fund indeed . . .

MR. MARTIN: Conservative arithmetic.

MR. ANDERSON: Diversifying the economy: I have to agree with the Leader of the Opposition. That still has to be a goal. It is indeed a goal. If he would take just another look at the Heritage Savings Trust Fund document that's tabled each year in this House, he'd see the programs that the hon. Member for Olds-Didsbury so well alluded to, programs such as the Alberta Opportunity Company, the Agricultural Development Corporation: all those projects which, indeed, we would not have been able to have without the concept of the Heritage Savings Trust Fund.

Mr. Speaker, I don't want to prolong this debate. I think it's one that's been going on for at least four and a half months, and the people of Alberta expect us to keep the election promise on which we were elected, keep the many as well that would not have been possible without our indication that this Bill would take place, and pass it. So, Mr. Speaker, while I've much enjoyed this debate, I suggest we move along and, in keeping with what the people of Alberta endorsed some months ago, pass this piece of legislation.

DR. BUCK: Mr. Speaker, in rising to take part in the debate this evening, one thing the Tories are not short of is nerve. It's very, very interesting to have the Provincial Treasurer stand in his place and say that this is going to be just a temporary attempt to decrease our deficits. It's very interesting to see how things change when you go from Edmonton to Ottawa and back from Ottawa to Edmonton. In negotiations with the federal government, Mr. Speaker, it was so sacred that we must protect our depleting resources at all costs and any cost. But now we are doing exactly what the Premier pleaded for in Ottawa: we are squandering those rapidly depleting natural resources. Mr. Speaker, the reason we are squandering them is a complete and total, absolute fiscal mismanagement on the part of this government. It's just that plain and that simple.

MR. NOTLEY: Understated, but well put.

DR. BUCK: Mr. Speaker, I thought one of the most incongruous statements in the entire election campaign was when the Premier needed a mandate because he had to protect the Heritage Savings Trust Fund from those lousy socialists, those lousy free enterprisers, and those separatists, because they were going to blow all of the Heritage Savings Trust Fund. What audacity! Who was it that was blowing the Heritage Savings Trust Fund if it wasn't the Premier and this government?

I would like to indicate to some of the rooky backbenchers some of that fiscal mismanagement. Can the hon. new members of this Assembly sit there in total silence and say that they are supporting the mismanagement of the fiscal resources of this province when the Walter Mackenzie hospital, which is basically replacing

the old University hospital, bed for bed, except there are fewer beds in the new facility and there are practically, for all intents and purposes, very little research facilities — are they going to say that they condone a budgetary process that went from \$89 million to \$600 million? Is this government proud of that kind of record of fiscal restraint? Or when Kananaskis goes from \$40 million to \$200 million, are they proud of that? Are they proud of the fact that they spend over 10 per cent of the provincial budget in special warrants? What in the Sam Scratch do we pass a budget for in this province? Why do we pass a budget? It is a mockery of the parliamentary process. We might as well just pick up those little cheques we get and stay away from this place, because passing the provincial budget means nothing to this government. They just keep writing special warrants.

The Legislature Grounds: \$30 to \$60 million. Is there any other business that can operate as inefficiently and sloppily as this government does? Now they've got the nerve to say, we're just going to take it out of the Heritage Savings Trust Fund, because, the bottom line, that is exactly what they're proposing to do.

I would like to say to the government members, with their overwhelming majority, that there is one advantage in having a small group sitting over here. Once in a while you can get together very quickly and discuss what this government was going to do if they thought they were starting to get into a political bind. The hon. Leader of the Opposition so well remembers when the hon. member Mr. Bob Clark, myself, Mr. Notley, and Mr. Speaker had a little huddle over here. We were really chuckling, because the government was starting to get a little twitchy because the WCC was making great inroads out in the rural parts of this province. They were getting very, very twitchy. I remember the four of us almost fell off our chairs laughing, saying, watch what happens to the Heritage Savings Trust Fund when they get twitchy. That will not be sacred anymore. And, hon. ladies and gentlemen on the government's side, it is not sacred anymore.

They tried to cover it up under the guise of saying, you know, it's for a rainy day and it's starting to rain a little bit out there, so we better buy this election and dip into the old Heritage Savings Trust Fund. Mr. Speaker, when they did that they broke a sacred trust with the people of this province. Then they've got the audacity and nerve to tell us the people voted for them on that issue. That is an outright fabrication. I was going to say lie, but I wouldn't say lie, because that's unparliamentary. Mr. Speaker, they misled the people of this province, and now they've got the nerve to stand up there — getting their marching orders — saying the people supported that.

I'd like to tell the hon. government members the reason they got such a big mandate. The reason was very, very simple. My friend from Fairview won't like this. The reason you got such a big mandate is that the people of this province don't want socialists, and they don't want separatists. You got it by default. It was that simple: you got it by default. You don't have to be a brilliant political pundit to know that. You got it by default. So don't go clapping yourselves on the back saying you got a mandate from the people of this province to squander the Heritage Savings Trust Fund, because you didn't. You didn't, and your mockery of the truth of the facts when you talk about diversifying the economy is really laughable. It's laughable because you haven't done it.

Mr. Speaker, this government's not worrying about the dollars. Those dollars are sacred; they belong to the people of this province. Why are we moving Athabasca

University? Why are we going to spend any where from \$80 million to heaven knows how many millions of dollars? Is Athabasca University not functioning well? Is it not doing its job? Why are we moving it? Why have we moved the Correspondence School? Strictly pork-barrelling, plain and simple. Why are we thinking of building a new correctional institute to replace the Fort Saskatchewan one? We've built a new remand centre; it cost how many millions of dollars? Does anybody remember? Provincial Treasurer, how many millions of dollars did we spend on the remand centre? Why a new jail? Why are we spending so much money — over budget again — on the Paddle River project? It went from 17 to 37. I know the Provincial Treasurer can waffle over that and say, well, we were talking about 1979 dollars and now we're talking in 1983 dollars. That's always a pat political answer, but the fact is that this government is not being fiscally responsible.

Mr. Speaker, when we see the doom and gloom budget the Provincial Treasurer's going to bring in Thursday night, I know who are going to suffer and who are going to be made the fall guys and the bad guys. The municipalities of this province, the hospital boards, and the boards of education are going to take all the flak, because the system we have in place — because we don't have revenue sharing — is a beautiful system for the politicians at the provincial level. When the people at the local level run out of money because they're not getting their fair share of the pie, who do they blame? They don't blame King Peter — I mean, they don't blame the Tory government. They blame local governments. That's who they blame. It's a great system, because we're the good guys and they're the bad guys.

There are many illnesses that this provincial government's got to address itself to. Mr. Speaker, I voted for the Heritage Savings Trust Fund because it is a non-renewable resource. It belongs to present and future generations. But I never ever considered that a government was going to use that as a slush fund because they have themselves in a fiscal bind, because they can't manage, because they're totally wasteful.

Mr. Speaker, there's no way I can vote for this Bill, no way whatsoever. With those few words I would like to say I will be voting against Bill 18.

MR. SPEAKER: Does the Assembly agree that the hon. Member for Calgary McCall might revert for a moment to Introduction of Special Guests?

HON. MEMBERS: Agreed.

head: **INTRODUCTION OF SPECIAL GUESTS** (*reversion*)

MR. NELSON: Thank you, Mr. Speaker. It's indeed a pleasure to introduce a young lady — we were just in her association's company a few minutes ago for a meeting. I'd just like to introduce to the Assembly through you, Mr. Speaker, the president of the Alberta School Trustees' Association, Mrs. Iris Evans, who has graced our Legislature this evening.

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

Bill 18 **Alberta Heritage Savings Trust Fund** **Amendment Act, 1983** (*continued*)

MR. SHRAKE: Mr. Speaker, I must say I am so very impressed with the elegant words of the opposition, the Independent member and the Official Opposition, and their strong support for the Alberta heritage trust fund. I must express a little concern or disappointment in our minister of finance that he didn't properly explain this, because the Independent member seems to be under the impression we are taking money out of the heritage trust fund. I think we've heard the words looting, dipping into — various things. I'd be very disappointed if our minister didn't send maybe his executive assistant or somebody to the Independent member, explaining the difference between taking money out and adding. There is a difference, honestly.

Mr. Speaker, I have been very, very impressed by the concern tonight of the Official Opposition, and I think he's hit on some very good points. Perhaps he's saying, let's cut the budget; let's find ways of cutting out inefficiency; let's start cutting. I really believe the way to do that is you start with yourself, and then you look at your departments. Our city council this year actually did take a look at their own budget and cut their own budget. The members of the opposition get six times as much as I do for my personal budget as a member. I will make a deal. I'll make this little offer. I'm so impressed, and I know he was sincere in wanting to cut it. You always start at home. I would strongly suggest that if he will bring his and his fellow member's operating costs down to what it costs for me to operate as an MLA . . .

MR. NOTLEY: Throw in the cabinet ministers, and we'll do it.

MR. SHRAKE: . . . then I would be very glad to cut mine in half.

AN HON. MEMBER: Go for it, Walt.

DR. BUCK: You want to cross the floor? Come and join us.

MR. SHRAKE: I'll be over there when he cuts his budget to match mine.

SOME HON. MEMBERS: Question.

DR. BUCK: The rubber-stampers want to vote. Don't take too long.

MR. MARTIN: Yes, they're getting thirsty, a little tired.

Mr. Speaker, I think that Bills 18 and 23 clearly show diversification is dead. We're just confirming, basically, what the Premier said back in 1980, although times looked a little better then. My colleague mentioned the Premier's speech where he talked about the two elements of diversification. But then in regard to a question in *Hansard* on May 13, 1980, the Premier said:

If I understand the view expressed by the hon. Member for Spirit River-Fairview, the primary purpose of the Heritage Savings Trust Fund should be

as a vehicle for economic development and economic diversification within the province. That, of course, is a laudable goal in the sense of the objective of diversification However, it is not the objective of the Alberta Heritage Savings Trust Fund.

The Premier was admitting then that diversification was dead. I think we knew that when he first started making speeches about it in the Pincher Creek by-election. He was complaining. He said something like 40 per cent of revenues to the province were through the oil industry. He said that this was not to be if there was a Conservative government. However, now we find it's over 53 per cent of the revenues that come through the oil industry. The Speech from the Throne, if it wasn't so laughable, would be rather sad when it said that we will be putting off diversification indefinitely; it's not working yet; we'll see about in the '80s. The point is that diversification is dead in this province unless we move, and move quickly.

I've been trying to figure out the government's economic strategy. I gather there are sort of two things. One is the old Herbert Hoover trickle-down theory, that if we throw enough money at, say, major oil companies, they will do something about turning the economy around. We saw that, \$5.4 billion over the next five years, that has not happened — 30 per cent fewer exploratory wells last year. So that's been a laugh. That one hasn't worked.

The second thing we've tried to figure out in terms of their economic strategy has to do, I think, with OPEC. As long as the cartel OPEC was forcing up the price of oil, we seemed to be doing all right. In fact, if the Conservatives have taken credit for this, you could have taken 79 morons to run the province with the money we had coming in at that particular time. The Premier as much as admitted at the end of the year that as OPEC was breaking up and the price was falling, we didn't have any economic strategy at all. This is what we're into right now. Of course we have a shortfall. Of course we're going to be looking for scapegoats right across this province, as the hon. Member for Clover Bar points out, because we need to get money in here. This is why we're having Bills 18 and 23. Our economic strategy ...

AN HON. MEMBER: How about Broadbent?

MR. MARTIN: If you don't blame Broadbent on me, I won't blame Joe Clark on you. [interjections]

The point I am making, Mr. Speaker, is simply this: as the price went up, we were hoping they could get into Alsands and the megaprojects. [interjection] I'm talking about the government of Alberta. When the price came down, then they no longer had the ability to move into Alsands. As a result, we're facing collapse in this province. For the time being, we're fortunate that we have some money stuck away in a sock, that we can take Bills like 18 and 23 and postpone the inevitable in this province.

But I suggest to you, Mr. Speaker, that if we do not do something dramatic about using it as a diversification tool, five years from now we'll be a have-not province, the way we're going. We cannot afford to have deficits like this inevitable. Twenty years from now we'll probably leave a legacy of dry holes, potholes, and poverty. The point the Premier was making a decade ago is still relevant. We should have diversified the economy. We haven't done that. Hopefully there might still be time to do something. But it will not be coming back year after year, shifting more money from the Heritage Savings Trust

Fund to cover our operating expenses.

Perhaps we should be looking at some new ideas. As my colleague talked about the Foster study, the government's own study — and I don't know why they don't listen to their own studies — he quoted a couple. But I think the key thing the Foster study points out is that:

... the development and early implementation of long-range strategies, policies and specific mechanisms for creating new areas of economic activity also will be of critical importance in maintaining the current standard of living enjoyed by Albertans. Such a program requires a significant degree of political courage because, to be successful, it involves major re-deployment of assets and efforts in a time of prosperity ...

Well, that time's passed a little bit.

... to prepare for a perceived problem well into the future. Difficult as this may be, it is almost inevitable that a major economic penalty will be paid by Alberta if, at this time, it fails to make adequate provision for the future.

This is on page 2.

We're seeing the beginning of what they're talking about right now. This government hasn't had any political courage. It's hoping that somehow, in the old trickle-down theory, somebody else will pull them out. It's not happening. What we should be doing is planning our economy. We should be finding out what works in this province.

From time to time we have suggested an economic council of Alberta, where we'd get the best minds around, plus representatives from the various segments of the economy, to come up with ideas, to tell us, first of all, what type of Alberta we want in the future. As I said, we've been megaproject junkies. Perhaps bigger isn't always better. Then we should find the industries that are viable and get ideas from an economic council of Alberta. I believe there would still be time to do this.

The other thing is that the heritage trust fund — I think Foster points this out very clearly — cannot be passive any longer. It has to be used as an investment tool. We had suggested, although obviously we haven't been holding our breath waiting, that they look at changing the whole nature of the trust fund. We even suggested calling it an Alberta development fund, to get away from the passive name of it. We suggested two divisions. Division one would be the one to make money, investments if necessary, wherever possible. Equity — when we throw money into big corporations, we want equity. We want a share in the profits also. This is happening in many places around the world, and it works.

Division two could be an immediate stimulative effect on the economy. It could deal with the unemployment we're facing now. Division two is where we would give low-interest loans to Albertans to help themselves become successful. We could give loans through our own treasury branches to small businesses and farms, and mortgages through the treasury branches. There's another case my hon. colleague could have mentioned. We didn't need \$29 million to take the proper political credit for the mortgage thing so we could send cheques out all the time. We could have dealt through our own treasury branches — our own banks, if you like.

The advantage of all this, by low-interest loans to our own people to help make them successful — I point out to the government that no matter whether they like to give money to big corporations, the best way to stimulate the economy is to put it into our small-business sector.

Over 50 per cent of our labor force is still in establishments of 20 people or less. These are the people who will immediately go to work and put people to work.

The other advantage of low-interest loans through our own treasury branches is that we would cut out the bureaucracy. Deal with our own treasury branches: these are the people, Mr. Speaker, who know how to lend money. You don't need four layers of bureaucracy of government to hand out loans to people.

The third thing is that, by dealing with their own treasury branches, we circulate the money in Alberta. The money doesn't go to the Bank of Montreal or wherever it goes. It would stay right here in Alberta and help make our own people successful. [interjection] Gee, he knows a little history. You surprise me there, Dick.

In conclusion, Mr. Speaker, there are many new ideas that we're not looking at. I know the hon. member from Lethbridge doesn't know any new ideas, but I'll try to explain it to him slowly. What we're saying clearly is, let's look at some new ideas. If we don't do something dramatic — and we go back to the government's own plans, the Foster plan — we are not going to have a Heritage Savings Trust Fund if we keep dipping into it, and keep wasting the money, and have \$2.4 billion deficits, actually \$3.2 billion deficits every year. Even Conservatives can figure out that it's not going to take long before that is gone. The point is we have to use it as an investment tool. We should get on with new ideas. Some of them I've pointed out. We'll be showing them a lot of other ideas in the future. But we had hoped they would not be so inward looking, going back to Hubert Hoover, and look at some new ideas and do some government planning so we can begin to get on with the job here in Alberta.

Thank you, Mr. Speaker.

MR. NELSON: Mr. Speaker, it's been a very interesting debate so far. It seems that our hon. opposition friends have certainly read a different Speech from the Throne than what I've read, considering the context of what is in this throne speech. It's very easy to sit in any level of government in opposition to anything. All you've got to do is stand there and debate, or yell and scream, or be negative. Anybody can do that. [interjections] Mr. Speaker, it's certainly interesting to hear people speak with a forked tongue, especially when they try to frighten the citizens of Alberta in giving information that is not totally correct.

It's a good thing this government — and, I must say, a forward-thinking government of a wide range of people representing different groups in the province, the fields of social attitudes, businessmen, the working man on the street, nursing, teaching, giving a good representation to the debate I'm sure will follow. Last November there was an election and, as was stated, it could be a full House here except for 200 or 300 votes. It was discussed during that campaign that we had a rainy day fund. [interjections] I had a few to spare too; you could have had those.

DR. BUCK: Whose shirttail were you riding on?

MR. NELSON: Mr. Speaker, considering where the comments are coming from, I shall ignore them.

This government was given an additional mandate for the management — and, I must say, the good management — of this fund. We are talking about the expenditure of a fund, and let's get the whole thing straight: it's the expenditure of some of the investment from the capital that has already been invested.

Let's talk about the economic resurgence plan, which I am just absolutely delighted that our opposition members have certainly recognized. They have identified that in numerous speeches since opening day about the economic resurgence plan of our positive-thinking, free-enterprise government. Some of those examples can be professed if we read the Speech from the Throne on the education, hospitals and medical care, social services and community health, senior citizens, agricultural, and transportation programs. Certainly we would all like to have more, especially for our own pet programs.

When I hear some of the debate that I've heard from the opposition members in this House tonight, do they actually feel that with the type of moneys they were expecting to give away should they have become the government last November, they would have had this province in any better financial position? I suggest to you that probably they would have this province in a financial mess. The province is not in a financial bind, not whatsoever. The province is helping Albertans, and I think we should stress that most emphatically.

Talk about advertising — it's a great subject. People in our province want to be informed. There are only one or two ways to do that, and one of them is by advertising. How do you give out tenders unless you advertise the fact that they are being offered? There are many other areas of advertising to inform people so they can again inform us or deliver items they wish to present to the government through that advertising.

We talk about frills. I guess we could debate about frills for a long time, and I think we ought to look into our house before we start shooting bullets at the other guys.

Mr. Speaker, they talked about squandering, blowing the Heritage Savings Trust Fund. I would certainly like some facts and information on how we are squandering the Heritage Savings Trust Fund when the capital investment of that fund is safe. We have helped many people build their own homes, senior citizens move into lodges, developed grain terminals for the farmer so he can ship his produce to market, developed transportation systems so they can get it to that terminal, created transportation within the province, created irrigation systems for the farmer and the people of the cities and all the different communities. How many people can honestly say that a year and a half ago they could have seen that there would be a downturn of this magnitude in any economy in the world? Does the opposition have a magic formula? Do they have something in writing, a book written down, a policy, a statement, that they had some avenue of recognizing the fact that there was going to be a downturn? If I thought that, we would be fooling each other.

I didn't find the Speech from the Throne laughable at all. In fact I found the Speech from the Throne very gracious, offering some truth and honesty, and I took it as being extremely serious business for the 2.3 million people of this province. One of the difficulties of being in government is that everybody likes to take potshots because they haven't got any program to offer the people of the constituency that would match or beat that one you already have. That is why we have 75 members in the House: we do have a program. And certainly we have a deficit. But it's amazing to see how quickly the Treasurer and this government have recognized and will correct that in a very quick manner, so that we do not continue on deficit budgeting throughout the next number of years.

It's interesting, having only been here for a short time, although being involved with the PC Party for a number

of years. I feel confident that we are looking into the future, especially with the economic situation in our province and our country. There is diversity being placed out in the field. The government is being bold and probably will be making very numerous unpopular decisions, but in so doing the betterment of the province will be of prime concern. That is why being in government is difficult, because you do make decisions. It's amazing: those of us who make decisions do make mistakes. Those that can't make decisions don't make a mistake. Those of us who have participated in private enterprise certainly have made mistakes. Those of us who don't know how to participate in private enterprise possibly don't know how to make mistakes either.

Some people would see us with additional bureaucratic strangle or growth, by moving that we place more boards, more councils, and more of this into operation. I'm sorry; it doesn't work. Small business certainly needs to have the ear of government, but so do large businesses. At least this government isn't going out to take them over, but in fact offers them assistance to stimulate their businesses and to stimulate our economy.

Mr. Speaker, again, it has been interesting this evening, and I'm glad I was able to participate in a small way. But I think we should make it abundantly clear that there are facts and there are facts. I think these facts that are being presented tonight, and will probably be presented in the future by our Treasurer and others that have spoken, are positive. I think most of us here have the interests of the province at heart. I for one have every confidence that our government will deal with this confidence in a renewed, invigorating manner. Also, let's look at the throne speech in a positive fashion. It has a lot of good things. Let's get on with this motion so that we can deal with the next ones, because I'm sure they'll be just as interesting.

I fully support the initiative of the Treasurer. Thank you.

MR. COOK: Mr. Speaker, I want to take just two minutes to reply to some of my friends from the NDP. Winston Churchill was quoted as saying that an optimist sees an opportunity in every calamity, and a pessimist a calamity in every opportunity. The NDP are often thought of as being the forces of negativism in the province. They're always seeing disaster lurking around the corner. I think they've just shown that again this evening.

Mr. Speaker, I enjoyed the hon. Member for Edmonton Norwood's speech, because he said he was going to offer us some new ideas. Yet all we've heard are some old ideas. He's offered us a planned economy, a new economic council of the province of Alberta. [interjections] Earlier he offered us a defence of the Crowsnest rate agreement which basically provides for a structural impediment in our economy. The gentleman has basically provided us old socialist ideas, and tried to repackage and label them and present them to us in a wonderful new fashion, but it just doesn't wash.

What he forgets is that we have a deficit right now. Part of the reason for it is that we listened to the people in Alberta in the time leading up to the election campaign when they said they wanted us to provide assistance for the energy industry. So we backed off on royalties, and by doing that we significantly reduced the income for the province. So we are providing strengths to existing industries. We provided assistance for small businesses and home-owners, and this gets to the very idea of what the heritage fund is all about.

I think the hon. Member for Edmonton Norwood misquoted when he said that our Premier said the heritage fund is not for economic diversification. He didn't say that. He said that the heritage fund is for strengthening the province and for diversification. It has two goals, not just one. So what we've done with the money, Mr. Speaker, is strengthen the economy, strengthen existing sectors of the economy like the energy industry and the agricultural industry, as well as provide significant support for new ideas like the venture capital fund. That's a Progressive Conservative kind of approach to the economy.

Mr. Speaker, I want to conclude on just one note. The *Foreign Affairs* quarterly produces an annual report. The conclusion in the key economic article of the journal was written by Samuel Brittan from the *Financial Times* of London. His recipe for economic difficulties deals specifically with what my friend from Edmonton Norwood is dealing with. He said:

Exhortations, committees and training schemes may have had their place in such improvements. Far more important is to allow the price mechanism — in the labor as well as in the goods market — more scope, to provide incentives to produce the products of the future rather than the past, to price workers into jobs and move resources from areas of surplus into areas of scarcity.

In short, Mr. Speaker, that gentleman from a very fine financial newspaper basically argued, in a very prestigious quarterly, that planned economies like the hon. gentleman from Norwood advocates don't work; rather what we should be doing is providing incentives for the private sector to get on with the job, with allocating resources, and to provide new ideas and new opportunities, not the old hoary socialist ideas that we've had trotted out this evening.

MR. BATIUK: Mr. Speaker, so many have participated in this that I didn't think there was any necessity for me to get into the debate. But the hon. Leader of the Opposition made a few statements that brought good memories, particularly of the '75 campaign, and I thought that I should throw in a few of my comments.

True enough, how well I remember the 1975 campaign trail on our farms. There were only two areas that I used for our campaign: one, that Alberta get a fair return for its non-renewable resources, because every time a dribble or a barrel of oil went down the pipe, it was gone and gone forever; secondly, that a little portion of that be set aside for the rainy day, set aside for our children, our grandchildren, and their grandchildren.

How well I remember the New Democratic candidate in those forums say, well, if Alberta doesn't need the money, leave the oil in the ground. I'm sure we've heard this in the Legislature. A sad day it would have been today had we left that oil in the ground. Now, with the markets dropping, what would we be doing in Alberta if we didn't have a heritage trust fund? Probably our revenues would have been only half of our expenditures for this year.

It was very interesting to hear the hon. Leader of the Opposition mention the Premier saying that we should spend less than 40 per cent of our expenditures on revenues from natural resources. We have to remember that we may be spending more. But when you take a look at the overall, when Alberta wanted a fair share of return we raised our royalty by 2.5 per cent. We actually were not selling more oil; we were just asking more for it.

When the hon. leader mentioned that the old Social Credit had a fund, it wasn't called a heritage trust fund. It was called an accumulated surplus fund. It's too bad that he didn't mention that the British Columbia Social Credit government had a slush fund of several hundred million dollars. He should have told us how Dave Barrett and his socialists put their hands on that fund.

SOME HON. MEMBERS: Shame, shame.

MR. MARTIN: What's happening now, John? Look at it now after Social Credit.

MR. BATIUK: Yes, in 38 months' time all that surplus fund went, and they left that province in a mess. Up to this day, they have not paid out that debt.

Sure enough, we have unemployment, and regretfully it is that high. We have always had the lowest unemployment in Canada by 3.5 per cent. But what created this number, which is close to 10 per cent? It is the mobility of people from Saskatchewan before the last provincial election there. The hon. Member for Clover Bar has left. But he said that we won the election by default, did we win it by default in 1971, again in '75, in '79, and in '82, and every time with an increased majority? Definitely that could not be by default.

I really enjoy it when the hon. Leader of the Opposition mentions many times the Tory blue, and it was mentioned today. I admire him as a member in the Legislature. I have said that many times, and I'll say it again. I think he is the most capable of the opposition, if only he would apply that ability.

AN HON. MEMBER: The most capable of all the NDP members.

MR. BATIUK: Sometimes I wish, Mr. Speaker, that if he could be put into a barrel of blue paint for 72 hours, he would be a really good politician.

Mr. Speaker, I don't want to take much more time. I have always supported the heritage trust fund concept. Now that we have to put a little less in because of conditions, I think it's going help to carry on our programs that we have. I know there's restraint put on us, but there are no cutbacks. We are spending more on everything. I think we have to continue to provide services, whether it is medical services, education, social services, and the others that are very essential to make this province the envy of all other provinces in Canada.

Thank you, Mr. Speaker.

[Motion carried]

[Dr. Buck entered the Chamber. Several members rose calling for a division]

MR. COOK: On a point of order, Mr. Speaker, may I ask a question? If the member was not in the Chamber to vote, is he eligible then to stand as one of three?

MR. SPEAKER: I hope it's not disrespectful if I say that with regard to some members, it's not a good idea to try to split hair.

[The division bell was rung]

[Eight minutes having elapsed, the House divided]

For the motion:

Alexander	Harle	Oman
Anderson	Hiebert	Pahl
Appleby	Hyland	Paproski
Batiuk	Hyndman	Payne
Bradley	Johnston	Pengelly
Campbell	Jonson	Reid
Cook	King	Russell
Crawford	Koper	Stiles
Cripps	Kowalski	Stromberg
Diachuk	Koziak	Szwender
Drobot	Lee	Thompson
Embury	McPherson	Topolnisky
Fischer	M. Moore	Webber
Fjordbotten	Musgreave	Weiss
Fyfe	Musgrove	Zip
Gogo	Nelson	

Against the motion:

Buck	Martin	Notley
Totals:	Ayes — 47	Noes — 3

[Bill 18 read a second time]

Bill 23

Alberta Heritage Savings Trust Fund Special Appropriation Act, 1983-84

MR. HYNDMAN: Mr. Speaker, I move second reading of Bill No. 23, the Alberta Heritage Savings Trust Fund Special Appropriation Act, 1983-84.

As indicated in my opening remarks on the previous Bill, this is in many ways parallel legislation. It is a companion Bill, I guess. Therefore this is one of the rare occasions in this Assembly when we've already heard a significant part of the argument on second reading of this Bill which has yet to be debated. In any event, rather than ploughing the same ground, I would simply underscore the arguments which I made on the previous Bill and say to the Assembly that I think the forceful arguments that were made, particularly by members of the government, on the occasion of the previous Bill have dealt with it in a very direct and very effective way.

The Bill essentially is a balance. Bill No. 23 balances two basic interests. Firstly, it uses the heritage fund in a direct and practical way, following up on a public commitment, to help Albertans cope at a time of economic downturn through a resurgence plan that helps homeowners, farmers, truckers, that helps jobs in the oil industry, and at the same time, it preserves the concept and retains the basic integrity of that Heritage Savings Trust Fund which Albertans are proud of.

That is the Bill. I commend it to the Assembly.

[Motion carried; Bill 23 read a second time]

head: COMMITTEE OF SUPPLY

[Mr. Appleby in the Chair]

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

ALBERTA HERITAGE SAVINGS TRUST FUND
CAPITAL PROJECTS DIVISION
1983-84 ESTIMATES OF
PROPOSED INVESTMENTS

Department of the Environment
(continued)

6 — Paddle River Basin Development

MR. MARTIN: I will be very quick, but I would like to just respond. If you remember, we had a long and, shall I say, eloquent speech from the Member for Barrhead just before. There are some points I think should be raised. He mentioned about all the people in Barrhead that were involved. I know Barrhead. They're all very nice people, and I appreciate what he said.

I think the point we want to make and why we're questioning it is that sometimes you're throwing good money after bad. There are times we should look at projects. We've talked just recently with the Treasurer about restraint. It's going to come up in the budget. I think there are some times we have to look at projects, and perhaps we made a mistake. The only point I can look at is that the people — and I know the hon. Member for Barrhead was trying to put down the people who had looked at the project, but I think it is important to take a look and to see what they're saying.

The government's own economists in 1974 estimated the cost/benefit of this dam at 42 cents benefit for every dollar cost. I suggest to you that's not very good. Of course, we can't go back to that debate, but look where it's at now. Dr. Schultz of the department of rural economy of the University of Alberta — again, whether the hon. Member for Barrhead likes it or not, the point we make is that this person is an expert in the field. He says that this would be more accurately estimated now at 22 cents benefit for every dollar of cost.

It doesn't stop there. Dr. Hu Harries has placed this figure at less than 20 cents benefit for each dollar of costs. Then we have Dr. Dennis Russell, a professor at UBC who teaches water resource management to engineering students and has 25 years as an expert in this area. He recently testified before the inquiry officer. On page 33 of the inquiry report, the inquiry officer states:

"in Dr. Russell's opinion, one should expect the benefits to exceed the costs by a fair margin ... In this case the benefits were way below the costs from the outset and Dr. Russell said he has never [and I stress never] come across a project like this before."

The other point we're making here is that in the farmable flood plains, there are approximately 13,000 acres. This land is owned by approximately 123 farmers. The "\$37 million planned here amounts to \$300,813 for each farmer" or \$2,846 per acre. But where they are taking the land away from people, the government in fact is saying the land is only \$375 per acre. There seems to be some doubt there about what the land's worth.

Mr. Minister, the only thing I would say is that there are times and projects where we should stop and look at what we're doing. Often, when we hear people talk in the Legislature, I think it almost sounds like Jean Drapeau and the Olympic games again. I suggest to you, if the project — and every expert that we've looked at is saying that it is not feasible. There has to be a time — and the Treasurer, I'm sure, would want each department to do this — when we have to say, enough is enough. If it's not an economically feasible project on its own — and there

is some doubt here — perhaps we shouldn't throw more money in.

The point I'd make is that it's not a matter of saying that we're cutting back or we started the project. Surely if it's not a good project, even if we put some money in, we should come back and say, maybe we shouldn't put any more in, especially in a recession and a time of restraint. As I think the Treasurer is going to be coming with a budget that's going to be very restraint-minded, here are some places we could help him.

Thank you.

MR. BRADLEY: Mr. Chairman, after the eloquent remarks of the hon. Member for Barrhead, enumerating the number of significant benefits that this project would have in the area, and given the widespread support that he suggested it has in the area and the number of people it would benefit, I really sincerely have to take his remarks into consideration and balance them against those in the views expressed by the hon. member in the opposition.

With regard to the cost/benefit analysis, I think we debated that earlier today, and we've also discussed it in the question period. I can just say that there are different methods of cost/benefit analysis. Surely in the case which the hon. member alludes to, I suspect that since these experts were brought in on behalf of one party, in terms of the inquiry, the evidence which they wished to submit would be on the strictest and most stringent type of cost/benefit analysis they could possibly conceive of, in terms of putting forward the case of the individual in which they were providing evidence.

I just say that there are different methods of cost/benefit analysis. One looks at primary benefits, secondary benefits, intangible benefits. We've reviewed the project in some detail today, and the hon. Member for Barrhead certainly elaborated the benefits which he saw from that project. But we're looking not only at flood control for agriculture. We're also looking at water supply for the town of Mayerthorpe. We're looking at erosion control downstream. The hon. Member for Barrhead alluded to — I don't know — a hundred kilometres, not only on the Paddle but also the Pembina River that this would have benefits with regard to. There are the questions of river flow augmentation and the security of supply of water for the town of Barrhead, and all the recreational benefits which the hon. Member for Barrhead alluded to.

Now I don't want to repeat all the excellent reasons which the hon. Member for Barrhead suggested, and the widespread support that the hon. Member for Barrhead suggested for the project including, I'm sure, some individuals that the hon. members opposite personally know. But he went on in terms of outlining ... Given where we're at with this project today — and I earlier mentioned my concern about the works which have already been constructed and possible problems one might have with the stabilization of those works, et cetera, if the work were not completed and we proceeded to finish the project, I have that concern also. So I cannot see any reason at this point in time for us not to complete the project.

MR. NOTLEY: Mr. Chairman, I certainly welcome the opportunity to enter the debate briefly. Let me say at the outset that, in fact, I do know some of the people the hon. Member for Barrhead identified in his lengthy remarks. I know them very well, and at least one or two of them I may even know from a political point of view, favorable from my political vantage point.

But, Mr. Chairman and members of the committee, that frankly is irrelevant. It is irrelevant. What is relevant on this issue is whether or not the costs and the benefits have some kind of reasonable relationship. Having committed as much money as we have to this project, we probably should finish it. But — and I think we have to underline the "but", Mr. Minister — there surely must be some lessons that come out of a project that went from \$17 million to \$37 million, a 109 per cent increase, where the cost/benefits are wildly out of line. No one argues — and we can look at all kinds of projects, water resource and irrigation projects, where in fact you may have some gray area in how one identifies the benefits compared to the cost. But in this particular scheme, when we look at the inquiry officer's conclusion — and of course some of the people who came to those expropriation hearings were witnesses who were testifying on behalf of the person who was being expropriated. But let us take a look at the conclusions where it says: it is clear from the evidence of all witnesses appearing before me that the cost/benefit of the flood control project did not make any economic sense at all.

Now, Mr. Minister, you can stand and say: but the Member for Barrhead says that it's a good idea. Of course. It would be highly surprising if he didn't think it was a good idea. There are all kinds of people, including some of the people that I know work very hard on this particular committee — I know some of them personally — who think it's a good idea. But with a \$2.5 billion deficit, we're going to have to occasionally say no. We're going to have to say that, however good the idea is, the project doesn't make sense.

Of course, we can cite all kinds of intangible benefits. But when we get the sort of cost/benefit ratios from highly reputable sources here — and one doesn't need to take the Harries survey as the gospel truth, although the government has very frequently engaged the services of Dr. Harries. One needn't totally take the comments of Dr. Schultz or the gentleman from British Columbia that my colleague referred to. But the fact of the matter is that when one sees what has happened to the costing of the project, when one sees that the evidence is overwhelming that the benefits are clearly marginal compared to the costs, then I simply say to the members of the committee, and to the minister in particular, that what this committee has to have from the minister is a clear statement of how we're going to address projects of this kind in the future. Will the sorts of considerations that influenced this particular project be the sorts of considerations that lock us into capital investments in the future? Or are we going to have some kind of objective cost/benefit analysis?

Mr. Chairman, when there were six Conservatives on this side of the House, they raised holy ... I don't want to use any unparliamentary language — they raised quite proper fuss and furor over the failure to have a cost/benefit analysis on the Bighorn dam. They were right. We finally had hearings of the entire Legislature. I happened to be sitting in the gallery at the time. It was a useful exercise. The opposition members were demanding objective criteria before we got into major water resource projects so that we could objectively say, this is either a good project or it isn't.

Frankly, I could even vote for a project like this if we were going to gain from it the lesson that we wouldn't get into it again. If the minister could stand in his place and say: look, we've evaluated it and, in our judgment, we went off-base here, here, and here, and this is how we're

going to shift in the future; these are the new criteria we're going to be using — before we get into projects there's going to be an objective set of cost/benefits and if there's not some sort of reasonable relationship between the two, in this time of restraint we're not going to proceed. If we had that kind of assurance from the minister, then this whole exercise would be a great deal more useful.

There's no question about the integrity or the hard work of the people. I know some of the people along the Paddle River valley. I know their frustrations. But, Mr. Chairman, I know all kinds of people in Alberta. In their own way, all would like to have instant answers tomorrow to their particular problem. Occasionally, we have to say no. We're going to have to say no more often now.

With that in mind, it's incumbent upon this minister to tell this committee how he plans to assure the Committee of Supply that we will have a better sense of cost control in future projects. That is the question I put to the minister and ask him to respond.

MR. BRADLEY: Mr. Chairman, the question with regard to the cost in the Paddle River project was asked earlier, and I don't know if the hon. leader was in the House at the time. The estimate in '78-'79 was for \$19,700,000. In the period between now and today, inflation alone in terms of construction costs has increased the cost of the project by \$14,316,000. That's inflation. There's nothing that the government or anyone else could do, particularly with regard to this project, about inflation in construction costs. That brought the cost of the project to \$34,016,000. That deals with the bulk of the increase in cost with regard to this particular project.

The other additional cost, with regard to increased land assembly costs — there were other costs in terms of the engineering decision which was made in switching the particular sites from one site downstream to about a mile upstream, I believe. Those are the types of costs which accumulated with regard to the additional \$2 million. I think that fairly well explains the difference in the cost estimates that we're looking at. Basically, inflation and construction costs cover the majority of the increase in the Paddle River project.

At the time this project began — and I believe it started back in about 1974. I know the hon. Member for Barrhead gave us an excellent history. At the time the committee that reviewed this prior to a final decision being made, it was well known that the cost/benefit analysis was .42; no question about that. It was .42 when that decision was made. I'm not at all ashamed of .42 at that point in time in terms of the considerations which were made and the decision that was made to proceed.

I don't believe it would be reasonable to stop this project at this point in time. In terms of future considerations, I can just give the hon. member the assurance that we will look at them on a project by project basis. We will look at the cost/benefit of each project that we do in the future, as we have in the past.

MR. MARTIN: I am rather surprised, Mr. Minister, that you're talking about the reason it went off kilter, so to speak, by some \$17 million as being the inflationary impact. Every business that I know of and every budget that I've ever seen done takes inflation into consideration. We knew at the time that the materials and goods were expensive, because we were into Syncrude and all the other things. Surely this is not a reason for being that far out of budget. The original estimate should have been

higher. Then the Legislature at the time could have had a more realistic handle on it. So I would suggest that that's not a reason in the future to be so far out, because inflation should be taken into consideration.

With all due respect, Mr. Minister, you sound very much like Jean Drapeau when I heard him talk about the Olympic Games at the time. That's just not good enough in a project dealing with taxpayers' money to say that there were inflationary pressures. Sure there were, but that should have been part of the budget at the time. I know we can't blame you for this, Mr. Minister. Either the estimates were wrong at the time to make it appear more feasible — and I hope not deliberately so. But something's gone wrong when it has gone over twice as much as the time before.

Agreed to:

6 — Paddle River Basin Development \$12,679,000

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

[Motion carried]

Department of Agriculture

Agreed to:

3 — Irrigation Rehabilitation and Expansion \$32,988,000

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

[Motion carried]

Executive Council

Workers' Health, Safety and Compensation

1 — Occupational Health and Safety Research and Education

SOME HON. MEMBERS: Question.

MR. NOTLEY: Before anybody gets too enthusiastic and we start yelling "question" about an appropriation here of \$1,351,000, it would be an injustice to the minister if we didn't take a few hours and discuss it. Perhaps we could ask the minister if he would like to outline, by project, specifically what he plans to do with this \$1,351,000.

MR. DIACHUK: Mr. Chairman, I was going to rise but my good hon. colleague the Leader of the Opposition was so quick on his feet. I know he believes in jumping to it quickly, but I welcome this.

The program is really in the third year of experience. I want to say that the position I took initially: I do not get involved in the approval of any applications. It's done by a steering committee drawn of people from the departments of Environment, Advanced Education, Social Services and Community Health, Labour, Personnel Administration, a representative from the Workers' Compensation Board, and three members from the Occupational Health and Safety division. I've felt that it is best, and I can never be accused of influencing or interfering with any application.

The appropriation before us is now in its third year. We reached \$1 million approval in the second year of operation. This year we are looking at a little more than \$1 million, and that's \$1,351,000 as outlined in the esti-

mates. The steering committee continues to be fairly strict on the review of applications to fulfill the requirements that were initially set. These requirements outlined for the purposes of research, training, and education, with the objective of preventing accidents in the work place and ill health as a result of occupations that workers in Alberta may be facing.

In the interest that we've had during the past year, out of this \$1,351,000 we now have already approved by the steering committee almost half a million dollars of programs. Therefore for the year of '83-84, there are 10. I would like to just share what types of areas are being studied. Clinical and immunological assessment of management and risk with regard to the honeybee sting sensitivity: this is done in co-operation with Department of Agriculture people.

MR. NOTLEY: Can you give us the cost?

MR. DIACHUK: That's \$10,000. Detection and the experience of hydrogen sulphide exposure: \$8,500. Program development with regard to occupational hygiene technology programs, being carried out by Mount Royal College: \$37,000. The Nisku medical service people, a program of \$6,671, was a co-operative industrial safety services review. The Coal Mining Research Centre: \$15,900 for what is considered an area of the experience in some of the module in working in the coal mining industry. The last phase of the very interesting program, that some of the members recall, is the survey of factors influencing farm accidents in Alberta: \$16,720. The Oil-field Contractors Association safe work practice training programs: \$32,643. The first phase with the Alberta Construction Association construction industry and health safety in accident prevention programs: \$150,000. The Alberta section of an American industrial hygiene association, a \$9,000 program to do a comprehensive review of industrial hygiene, is basically a seminar. The last one approved, not too long ago, was \$169,315, the second phase with the Alberta Federation of Labour, health and safety for labor representatives.

For the benefit of the members of the Assembly, the first year, as I indicated, was just the beginning, and the appropriation didn't achieve \$1 million; 1982-83 was almost \$1 million, \$979,000. With the interest of the organizations and applicants, the budgeting is \$1,359,000, as pointed out in the estimates. This is a \$10 million program over eight years, and therefore the peak is expected to be '83-84, '84-85, '85-86. So we have some tapering off in the last year or two of the program.

I would answer any specific question, Mr. Chairman, at this time.

MR. NOTLEY: One of the studies the minister mentioned is with respect to farm safety and accidents on the farm, and we have \$16,720 apparently allocated to the last phase of this program. I wonder if the minister could outline for the members of the committee what has been done to date with the first phases of this study. There is absolutely no doubt that the question of what happens to people who work on the farm is a controversial one. I suppose in many respects there is anything but unanimity among farmers at this stage, especially when they are faced with cost/price squeezes, and the idea of having to take out some form of compensation for their employees is another cost. But the trade-off is that people who carry compensation don't get sued. A dozen years ago, that was really quite an academic question for most farmers, be-

cause land values were extremely low and the net value, especially of many of the farmers in northern Alberta, was not that great. While land values have gone down in the last several years since I worked closely with the minister on the Legislature committee, nevertheless there still is a considerable net worth, and farmers become eminently suable in the case of an accident. That question of providing (a) some proper coverage for the worker, but (b) — and just as important — protection for the farm operator, is one of the things we have to begin to stress in Alberta.

Now, during the course of these studies, has there been any assessment of the rates that the Workers' Compensation Board is setting for farm workers? As the minister will well recall, during the last discussion of the select committee we had representation from, I believe, Unifarm — my memory may not be correct on that, but it was one of the farm organizations anyway — that were the rates brought down to a more reasonable level, there would be a much better chance of increasing the voluntary enrolment in the Workers' Compensation scheme. At this stage, I think there are only 300 or 400 farmers covered.

Mr. Chairman, I wonder if the minister could bring the committee up to date on just where things now stand on compensation coverage for farm workers: how many farmers are covered in the province, and what information to date these studies have shed on mechanisms that would decrease accidents on the farm, but also make it possible for the compensation board to bring in a rate structure which would be reasonable, that farmers in fact could live with.

MR. DIACHUK: Mr. Chairman, until the final phase of the report is completed, my officials will not have. But they have advised me that the first phase has been carried out fairly effectively, and it's basically to determine some of the influencing factors that cause farm accidents. The hon. Leader of the Opposition asks specifically about rates. This study is not intended for that, because I believe the last time in our discussion on the estimates I shared that the overwhelming response from the farm community was against compulsory coverage for the farmers in Alberta. Unless the hon. leader believes there should be compulsory coverage for the farm community in Alberta — but I don't believe I heard that from him; it was just a basic "what is happening?"

The only other way that and lower rates can be accomplished is by a subsidy from one of the other departments, because the Workers' Compensation Board cannot subsidize any particular class. All classes have to maintain their own funding, and that's what would happen with the class the farm group is in. I believe the amount a year and a half ago, in the first year of funding, was something like \$25,000. This is only about \$16,000; it's the final phase. I do believe that this last phase of the report will then at least give us information we can share with the farm population on some of the factors that cause accidents. Is it the long hours of work? I don't have the information before me. But I assure the hon. member that once it's available, I will be pleased to file a copy for his benefit, to be able to look at the report that is prepared by Dr. Harrell. It will also be available in the occupational health and safety library, as all reports are, for all groups and anybody to study at no cost. This takes place with all studies. They are the property of the occupational health and safety division for the purpose of all Albertans and any other parties.

MR. MARTIN: I'd like to look at just one area a little more. It seems appropriate — I see there are only \$8,500. But I'm just curious about the detection of H₂S exposure. Could you just elaborate on that a bit? What exactly is going on in that area?

MR. DIACHUK: I don't have the exact detail here, Mr. Chairman, and I would be pleased to provide a copy of the submission, the exact area that Dr. Donini is studying. I understand it's done at the research centre at Vegreville. But I would be pleased to forward a copy. At this stage, it's a study of hydrogen sulphide on animals.

Agreed to:

1 — Occupational Health and Safety
Research and Education

\$1,351,388

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

[Motion carried]

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

[Motion carried]

[Mr. Speaker in the Chair]

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

Resolved that from the Alberta Heritage Savings Trust Fund sums not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1984, for the purpose of making investments in the following projects: \$1,000,000 for Capital City Recreation Park, \$2,000,000 for Fish Creek Provincial Park, \$91,500,000 for irrigation headworks and main irrigation systems improvement, \$5,000,000 for land reclamation, \$1,674,000 for Lesser Slave Lake outlet, \$12,679,000 for the Paddle River basin development, to be administered by the Minister of the Environment; \$32,988,000 for irrigation rehabilitation and expansion, to be administered by the Minister of Agriculture; \$1,351,388 for occupational health and safety research and education to be administered by the Minister responsible for Workers' Health, Safety and Compensation.

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

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, it's intended that the Assembly sit tomorrow night. Between tomorrow night and Wednesday, we will be trying to schedule both estimates and the continuation of the throne speech debate. In the light of that, I think it most likely that we would begin at eight o'clock tomorrow evening with Committee of Supply.

[At 10:33 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]

