

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Tuesday, March 20, 1984 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: **PRESENTING PETITIONS**

MR. MARTIN: Mr. Speaker, I request leave to present a petition signed by 8,540 Alberta citizens petitioning this Legislative Assembly to open the Alberta Avenue liquor store from 10:30 to 11:30, Monday through Saturday. I might point out that the two owners of Alberta Avenue Supermarket, George De Graves and Harold Ulvstead, gathered these signatures in a little over a month.

MR. NOTLEY: Your policies are driving people to drink.

MR. MARTIN: Mr. Speaker, I request leave to file with the Legislature Library another petition, signed by 2,665 citizens, also protesting the change of hours at the Millbourne liquor store in Mill Woods.

head: **INTRODUCTION OF VISITORS**

MR. SPEAKER: I hesitate to interrupt, but I'd like to draw the attention of the House to the presence in the Speaker's gallery of two distinguished guests, the Hon. Andy Anstett, the Minister of Municipal Affairs and Government House Leader in the province of Manitoba, and Mr. Harry Enns, the opposition House leader in the province of Manitoba. I think this is a very parliamentary combination. Might the House kindly give them the usual welcome.

head: **INTRODUCTION OF BILLS****Bill 7****Attorney General Statutes
Amendment Act, 1984**

MR. CRAWFORD: Mr. Speaker, I ask leave to introduce Bill No. 7, the Attorney General Statutes Amendment Act, 1984.

This Bill would amend three statutes, the first one being the Possessory Liens Act. The purpose with respect to that amendment would be to allow for the summary sale, without judicial process or legal proceedings, of goods in the hands of a repairman up to a certain limit of value and time. Proposed goods of a value up to \$300 could be sold after three months and motor vehicles after being held for six months without being claimed by the owner.

Further, the Bill would amend the Ultimate Heir Act in order to provide that income from moneys received for these purposes, which ultimately go to the universities, should vest in the university six years after the death of a deceased.

Finally, Mr. Speaker, this Bill would amend the Fatality Inquiries Act to achieve two results: one, to provide that a

medical examiner must be notified where death is precipitated by the taking in of an anesthetic; and secondly, to repeal the provision that if a person has reason to believe a medical examiner will be advised of a death, the person need not give such advice. That change would make it more incumbent upon persons knowing of that information in their own right to so advise a medical examiner.

[Leave granted; Bill 7 read a first time]

Bill 208**Criminal Compensation Intercept Act**

MR. R. SPEAKER: Mr. Speaker, I beg leave to introduce a Bill, the Criminal Compensation Intercept Act.

This Bill covers the situation where a criminal has injured a victim, either financially or physically, and the victim is owed restitution. The victim will now be able to ask the Provincial Treasurer to withhold the criminal's tax returns as well as any other provincial grants payable to the criminal.

[Leave granted; Bill 208 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. FJORDBOTTEN: Mr. Speaker, I beg leave to table the 1983 annual report of the Farmers' Advocate.

MR. HYNDMAN: Mr. Speaker, I wish to table the reply to Question No. 220.

MR. RUSSELL: Mr. Speaker, I beg leave to table the 1982 annual report of Alberta Hospital, Edmonton, and the annual report of the Department of Hospitals and Medical Care for the '81-82 fiscal year.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. NOTLEY: Mr. Speaker, it's my pleasure today to introduce Mr. John Schettler, president of the Alberta Gravel Truckers Association, and Mr. Gerald Wawryko. They are both seated in the public gallery. I ask that they stand and be welcomed to the House.

MR. STEVENS: Mr. Speaker, it's my pleasure today to introduce to you, and through you to members of the Assembly, a group of grade 8 students from Manachaban school in Cochrane. They are accompanied by their group leader, Mrs. Bonnett; her father, Sebastian San Filippo, from Calgary; teachers Virginia Hisey, Victoria Reid, and Lynn Cunliffe; and bus drivers Ian Lewko and Patrick Walsh. These 95 students have driven up today and are going back today, after enjoying this time in the House. Would they please rise and receive the welcome of the Assembly.

MR. DIACHUK: Mr. Speaker, it is my pleasure today to introduce to you, and through you to members of the Assembly, some 30 grades 5 and 6 students from St. Jerome elementary school, within the Edmonton Catholic school system, in the constituency of Edmonton Beverly. They are accompanied by teacher Ken Landry, parent Mrs. Alma Gushnowski, and student teacher Paul Ebanks. They're in the public gallery, and I ask them to rise and receive the welcome of the Assembly.

MR. PAHL: Mr. Speaker, it's my pleasure today to introduce to you, and through you to members of the Assembly, 25 grades 5 and 6 students from Satoo elementary school, located in the constituency of Edmonton Mill Woods. They're here with their teacher and guide Mrs. Alice Halvorsen and bus driver John Greco to tour the Legislative Assembly and observe the Legislature in action. They're in the public gallery. I wonder if they would mind rising to receive the welcome of the Assembly.

MR. MARTIN: Mr. Speaker, I would like to introduce to you and to members of the Assembly representatives from the Committee for Temporary Staff Services of the Alberta Union of Provincial Employees. They are here with their chairperson, Kate Fowler. They're in the public gallery, and I would like them to rise and receive the traditional welcome of this House.

head: **ORAL QUESTION PERIOD**

Senior Public Service Appointments

MR. NOTLEY: Mr. Speaker, I'd like to direct the first question to the hon. Premier and ask him if he can advise the Assembly as to his personal involvement in the decision to appoint Mr. George de Rappard as Deputy Minister and Clerk of Executive Council, effective August 1983.

MR. LOUGHEED: Mr. Speaker, I'm not sure what would be meant by "personal involvement". Obviously, I discussed the matter with Mr. de Rappard. I asked him to put his name forward for that position, and I presented it to the Executive Council.

MR. NOTLEY: A supplementary question. Is the Premier able to outline for the House the overall policy of the government in placing people in senior civil service positions, especially at the deputy minister level? For example, are checks carried out with the appropriate authorities on possible criminal records, credit ratings, past employment, professional qualifications, and that sort of thing?

MR. LOUGHEED: No, Mr. Speaker, we don't proceed that way. We make a judgment with regard to the character and integrity of the people. It of course depends upon the degree to which we have been involved with the people, and we make that judgment.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier. In view of the fact that, as a matter of course, a criminal records check is part of the process for all finalists in the Ombudsman selection, why would that same policy not be applied to the appointment of civil servants?

MR. LOUGHEED: We've never had that policy, Mr. Speaker, and it wouldn't be our intention to do it unless some evidence came our way.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier. Has there been any evaluation by this government of the practice in other provinces; for example, the practice in Saskatchewan, as well as Manitoba, that applicants for senior civil service positions, especially deputy minister positions, must sign a conflict-of-interest statement before appointment.

MR. LOUGHEED: No, Mr. Speaker, we have not assessed that, and that wouldn't be our approach here in Alberta.

MR. NOTLEY: Mr. Speaker, a supplementary question with respect to the appointment of Mr. de Rappard. Could the hon. Attorney General advise the House whether he was aware of the investigation of Dial when the appointment of Mr. de Rappard was made?

MR. CRAWFORD: Mr. Speaker, I'd previously indicated to the Assembly that for some time prior to that time, through

periodic briefings from the police, I had been aware that Dial Mortgage Corporation was one of a number of corporations in a similar position being investigated by the police. I think that time frame would take it back to 1981. By 1983, it was not apparent that there was anything that came to my attention that involved Mr. de Rappard in a personal way.

MR. NOTLEY: Mr. Speaker, a supplementary question. In preparation of the advice which I presume he gave to the hon. Premier before the appointment of Mr. de Rappard, did the hon. Attorney General have an opportunity to review the information sworn by Corporal Morse in this case, particularly with respect to points 4 and 11 of that information? And did the Attorney General, had he the opportunity to review that information, not at least conclude that there was a possibility of investigation?

MR. CRAWFORD: Mr. Speaker, although it's true that at a certain point the information in support of an application for a search warrant becomes a public document, it has never been of personal interest to me to examine files of that type with respect to any person. I have no specific role to play in advising members of cabinet with respect to the appointment of deputy ministers or other senior public servants.

I think it would be extraordinary, Mr. Speaker, if there were a system whereby my colleagues looked to the Attorney General when the name of a person was before the cabinet for consideration. What that implies is that the hon. leader believes that citizens who may be appointed to responsible positions should be made the subject of some sort of criminal law checking ahead of time, and that is surely not done by me.

MR. MARTIN: It's done everywhere else.

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

MR. NOTLEY: A final supplementary question, then, to either of the hon. gentlemen. Given the policy that there will be a request for criminal record checks of all the finalists for the position of Ombudsman, a position chosen by this Legislature — if that policy is adequate for the legislative choice of personnel, why is it not also mandatory for a choice by Executive Council?

MR. CRAWFORD: Mr. Speaker, a couple of responses in that respect. I heard the hon. Member for Edmonton Norwood interject that this type of checking into criminal law records is done in other jurisdictions. I'm glad it isn't done here on any routine basis such as the hon. member suggests.

As to why the Legislature would have made that particular stipulation with respect to the Ombudsman when it passed the Ombudsman legislation in 1968 is something I don't know. There are only a few gentlemen still in the Assembly who would have been here at that time, and the hon. leader and I are not among them.

Mr. Speaker, I won't persist in going on, because I don't want to speculate about what the answer may be. But from a government policy point of view, I've described what the policy is. There is surely no necessary connection between what the Legislature has chosen to describe as the necessary terms for the appointment of one of its principal officers — this was the wisdom of the 1960s, when that was done. To draw that comparison with what a government policy should be in respect of the appointment of people under the Public Service Act is not a comparable situation.

MR. NOTLEY: Might I just say that the wisdom of the past might ...

MR. SPEAKER: Order please.

Gravel Trucking Contracts

MR. NOTLEY: Mr. Speaker, let me direct my second question to the hon. Minister of Transportation. It is with respect to concerns about kickbacks and government trucking contracts. Is the minister in a position to clearly outline to the Assembly what protection the policy announced in Red Deer on March 17, 1984, offers truckers who are concerned about having to pay possible kickbacks in order to obtain contracts?

MR. SPEAKER: I have a little difficulty with that question. As I understand the question — and the hon. leader might correct my impression or change it — he's asking the minister to express an opinion concerning the adequacy, or lack of it, of a certain set of standards or guidelines with regard to protecting certain people. It seems to me that the minister's opinion of that adequacy might or might not agree with that of the hon. leader, but I don't see any question of fact involved.

MR. NOTLEY: Mr. Speaker, on a point of order. I would have to acknowledge that an opinion on the part of any member of Executive Council is not something I would want to elicit in question period. I won't debate why; I think that should be self-evident.

However, Mr. Speaker, I will ask a question of fact and ask the minister whether any specific cases or concerns have been brought to his attention concerning instances of kickbacks being paid on government jobs.

MR. M. MOORE: First of all, Mr. Speaker, I want to make it abundantly clear that this government views the continuation of the independent gravel trucker working for Alberta Transportation as an important role for those individuals to play in the business community of this province. Under no circumstances do we condone situations that might be described as kickbacks, where a legitimate dollar that's earned by a gravel trucker or anyone else is taken away.

Mr. Speaker, I believe the evidence is clearly there, from the remarks that I made in Red Deer last Saturday with respect to some very significant changes and the policies relating to how independent gravel truckers work for Alberta Transportation. I would be pleased to thoroughly go over those for the hon. member if he doesn't understand them, because they clearly demonstrate the confidence we place in the independent gravel truckers of Alberta working throughout our highway system.

MR. NOTLEY: Mr. Speaker, having asked for facts, I got opinion.

The question I put to the minister is: has the minister had any concerns brought to his attention about kickbacks being paid on government jobs? That is the question: yes or no?

MR. SPEAKER: When? This covers all history so far.

MR. NOTLEY: Well, Mr. Speaker, perhaps we could start with the period from January 1, 1984, until last Saturday in Red Deer.

MR. M. MOORE: Perhaps we could go back even a bit farther than that, Mr. Speaker, and begin by saying that first of all, a

decision was taken by this government that we would ensure there was adequate work for gravel truckers in the province of Alberta on a local area basis.

MR. NOTLEY: What's that got to do with the question. Mr. Speaker?

MR. M. MOORE: For the last two to three years, we've required that 50 percent of the gravel haul on a contracted project be allocated ...

MR. SPEAKER: Order please. I must agree with the hon. leader that we're a long way from the question.

MR. NOTLEY: The question, Marvin. Have you or not?

MR. M. MOORE: Mr. Speaker, I'm unable to answer the question without some description of the manner in which truckers work for Alberta Transportation. Surely it's not simply a question of the hon. Leader of the Opposition standing up and saying, answer yes or no. I'd like to give a full explanation, and then his written supplementaries may not be necessary.

The situation is this: 50 percent of the gravel haul is allocated to local truckers. Over the course of the last two years, the contractor has been allowed to obtain trucks from any other source in Alberta, including his own trucks, on the balance of the gravel haul on contracted projects. But when he hires independent gravel trucks, not utilizing his own equipment, then by the terms of the contract he is required to pay a minimum government rate, which protects the gravel trucker from rate undercutting that may occur.

With respect to concerns expressed by independent gravel truckers, I've had complaints brought to me that contractors who were under an obligation to hire 50 percent local trucks, with the balance being independent trucks or their own trucks, have used what may well be legal means to circumvent the intent of the policy and have in fact purchased or leased trucks from independent gravel truckers for the duration of a job and paid what amounts to less than the minimum rate prescribed by the contract. It was in response to those concerns, which have been expressed to me from a number of quarters, and other concerns of a similar nature. Mr. Speaker, that last Saturday we moved to make the change in the contract that we believe will prevent that from recurring in the future.

MR. NOTLEY: Mr. Speaker, the answer is yes, after all that.

Let's just pursue that and ask the hon. minister what specific steps he took to investigate the individual complaints prior to the announcement of the change in policy last Saturday — an announcement. I might add, that has not convinced many truckers that you've really plugged the loophole.

MR. SPEAKER: Order please.

MR. M. MOORE: Mr. Speaker, when concerns of this nature were first brought to my attention, they were brought to the attention of the staff of my department after they had had concerns expressed to them by gravel truckers throughout the province. The first concerns expressed to me were during the course of the latter part of last summer's construction season. At that time I reviewed all the criteria that were in place in our contracts for hiring independent truckers and looked at what changes we might make in order to alleviate some of the concerns that had been expressed.

The first thing we did was a survey of the market rate which existed, and found that the market in fact was paying something

in the order of 70 to 80 percent of the government rate. Even though the rate we had established on the basis of fuel costs, labour, and so on was a fair one, the market was considerably below that. In order to alleviate the problem that existed, we lowered the government minimum rate by 5 percent for the winter haul, effective last November.

The situation persisted, with various truckers and the contracting industry trying to get around the government rate in some manner or another. In January of this year, I undertook a second review of all the aspects of this situation, to determine how we might improve the situation so the truckers could get a fair return which was above the market rate. That resulted in the announcement I made last Saturday, where we not only increased the minimum rate by 5 percent to bring it up to where it was before, on a cubic metre basis, but also increased the hourly rate by 10 percent. We also decided that as of March 17, all contracts that are advertised will stipulate that the successful contractor must use 100 percent independent trucks, with the exception of only three trucks that might be utilized from his own fleet.

It's my view that those actions, coupled with . . .

MR. SPEAKER: Order please. The hon. minister is now getting back into the area of debate or opinion. My recollection of the question — and I was watching the hon. minister's answer in that regard — was that it was directed toward getting some factual information about direct contacts between the minister and people who might have had complaints in this regard.

MR. M. MOORE: Mr. Speaker, on a point of order. The hon. member also asked me what I had done, and I hadn't finished telling the hon. member that. However, I would be pleased to complete my remarks very shortly.

What we've in fact done now, I believe, is created a situation where independent gravel truckers in Alberta have an opportunity to work throughout the summer, do the vast majority of work that we're contracting out for building highways, and make a decent return. That, Mr. Speaker, is something that I don't think exists in any other province in Canada, in terms of protection to independent truckers.

MR. NOTLEY: Mr. Speaker, we certainly have the minister's opinion. However, perhaps we could ask a very specific question of the minister and just ask him to tell the House what steps he took to investigate the individual complaints. That's the question I asked last time, which the minister didn't answer. During the course of that investigation, what assessment did the minister or his department make of the implications of Section 338 of the Criminal Code of Canada, the section dealing with fraud and obtaining contracts on the basis of false pretenses? What assessment, if any, was made of that provision of the Act?

MR. SPEAKER: Are we going to ask the minister whether he reads the Criminal Code?

MR. NOTLEY: No, Mr. Speaker, I'm not asking the minister whether he reads the Criminal Code. I'm asking whether, in the investigation of the complaints, he examined individual complaints of kickbacks and whether, in the process of examining those complaints, any legal advice from either the Attorney General's department or otherwise was determined with respect to the Criminal Code implications.

MR. M. MOORE: Mr. Speaker, my investigation — and I believe most gravel truckers would want it that way — related

to whether or not we could find a way to ensure that they had a decent return without these problems facing them. If someone has evidence that there is some illegality going on with respect to some of these practices, then surely they should present it to the appropriate law enforcement officers. My staff and my office would be very pleased to co-operate if there is an investigation carried out. We'd be only too pleased to co-operate. But my job was to find a practical way to ensure that gravel truckers in this province could continue to make a good living, and I think I've done that. [applause]

MR. MARTIN: 'Way to go, boys, 'way to go.

MR. NOTLEY: Take that to the gravel truckers.

Mr. Speaker, a supplementary question. My question to the minister is whether or not, after receiving serious complaints about kickbacks, the minister or his department investigated those individual complaints. Had he done so, he would now be in a position to offer advice as to what course was followed on the individual complaints, including legal action if necessary.

MR. M. MOORE: Mr. Speaker, in every case where staff in my department or my office receive a complaint from truckers or contractors or anyone connected with roadwork — and most often the complaints are about not getting paid — we do an investigation. We have the Public Works Act to deal with, which allows third-party claims and so on. We do an investigation of the facts by people who are not necessarily qualified to carry out any kind of investigation that might be carried out by law enforcement agencies. We do an investigation to determine what happened. Was somebody paid, or were they not paid? We then look at the terms of the contract to see if the contractor has violated terms of the contract. If we believe he has, we call him in and have a talk with him, and we ask him if he might make corrections. That applies to all phases of the contract, whether it be dealing with third parties or some other matter related to the contract. So we're continually doing investigations of that sort.

But when it comes to whether or not there was any criminal wrongdoing, I don't have an investigative force in the Department of Transportation, and I don't intend to get one. But I can tell you that if there's anyone who believes there was some wrongdoing and has evidence of that, they ought to present it to the appropriate authorities. We would be only too pleased to co-operate in providing all the information we have.

MR. BATIUK: A supplementary, Mr. Speaker. Could the minister advise whether this announcement was rejected by the truckers or only the Leader of the Opposition?

MR. SPEAKER: Order please.

MRS. CRIPPS: A supplementary, Mr. Speaker. The minister investigated an incident in my constituency and rectified the situation. What policy will the department follow this year to ensure that the contractor doesn't do the same thing this summer?

MR. M. MOORE: Mr. Speaker, I don't recall the investigation I did in the hon. member's constituency. It probably related to a requirement that the contractor hire 50 percent local trucks and an indication that the contractor was in fact using more outside trucks, or more of his own trucks, than the 50 percent. Under those circumstances, I can only repeat what I said earlier: we talk to the contractor and try to ensure that, in future, the

rules and terms and conditions of the contract are clearly understood.

MRS. CRIPPS: I might amplify. It was on a direct kickback, and the contractor eventually paid the truckers. My question is, will the department be discussing that kind of situation with the contractors? I'm sure the trucker won't work for the contractor again. I guess my question is, will the contractor work for the government if he follows this policy?

MR. M. MOORE: Again, Mr. Speaker, all I can say is that anytime we've had any evidence that a contractor has not lived up to the terms of the contract in paying truckers the appropriate rate, we investigate and ask them to remedy the situation. Oftentimes holdbacks for workers' compensation and other matters, rather than some other matter relating to whether or not he's paid the proper rate, are of concern to a trucker. So there are dozens of situations. I can only respond to what is individually brought to my attention.

DR. BUCK: Mr. Speaker, a supplementary question to the minister. The question has been sort of answered. It's a very gray area, where a trucker is in bad shape financially and will work for almost any rate. Is there any procedure that can be followed by the department to make sure these truckers are not coerced to work for a rate which could be lower than the government rate, just in order to obtain a job, and then the contractor makes the difference between what he should be paying the trucker and what he is actually paying. That could or could not be construed as a kickback, but coercion is being used to have these hungry people working.

MR. M. MOORE: Mr. Speaker, during a lengthy question period in Red Deer on Saturday, I mentioned to more than 400 members of the independent gravel truckers association of Alberta that if they ran into a situation where they perceived that the contractor was not treating them fairly under the terms of the contract and doing something such as the hon. member described, they ought to contact a member of my staff or write or phone directly to my office, so I had information in that regard. We would then take whatever action we deemed appropriate. The onus to ensure that such practices don't occur is on the truckers as well as the roadbuilding contractors.

I might add, Mr. Speaker, that I believe the action we took on Saturday will resolve most of the problems. The Alberta Roadbuilders Association has already expressed to me their appreciation for the firm stance we took, because that association doesn't condone some of the practices that might have been going on in the industry.

Unemployment

MR. R. SPEAKER: Mr. Speaker, my question to the Minister of Manpower is a policy question. Could the minister confirm whether the current level of unemployment of over 10 percent in the province of Alberta is either acceptable or unacceptable? What is the policy of the government with regard to a percentage of unemployment in the province of Alberta?

MR. SPEAKER: I have a little difficulty with that question, but perhaps it could be understood as saying, what is the acceptable level according to government policy?

MR. ISLEY: Mr. Speaker, it seems to me that I have stood in my place and responded to this question in the past. I would do so again by first of all pointing out to the hon. member

opposite that it's our firm belief that the private sector is a generator of employment opportunities in this province, and we view government's role ...

MR. NOTLEY: That's not the question.

MR. ISLEY: ... as working in co-operation with the private sector to achieve ...

MR. SPEAKER: Order please. I believe the hon. minister may be aware that that was not really the object of the question.

MR. ISLEY: Thank you, Mr. Speaker. All I was pointing out is that the resolution of the problem is a joint venture between private sector and government. As I have stated in the House before, my ultimate objective, and the objective of the government, would be that unemployment levels reach the point where anyone that wished to work would find an opportunity to work.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Yesterday the minister talked about a great program that was going to alleviate unemployment, and that's the reason for my questions. I assume that the present unemployment level is unacceptable to government. I was wondering why the minister only spent \$63 million out of his \$71 million budget in the fiscal year 1982-83, a year which had unemployment rates comparable to the present time?

MR. NOTLEY: They needed that money for Government House, Ray,

MR. ISLEY: Mr. Speaker, I would have to check the accuracy of the figures, because I assume that if you're talking that type of money, you're talking additional budget moneys that were approved through special warrants. One of the reasons not all of the money approved in a given program is necessarily expended, is what I would refer to as slippage, where you get projects approved — be they under the new employment expansion and development program, the summer temporary employment program, the priority employment program, or the employment skills program — and the end of the fiscal year arrives before the full amount of that approved project is expended. Hence you leave money behind.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the hon. minister. This relates to the unemployment picture and to the throne speech of March 4, 1982. At that time the government emphasized training and employment opportunities for the native people of the province. Why are there currently three times as many natives unemployed, compared to the provincial unemployment average?

MR. SPEAKER: We're getting into throne speech debate. But the question having been asked, I suppose it should be answered.

MR. ISLEY: Mr. Speaker, I again would question the statistics being laid forth. The only source we have of unemployment rates in this province is provided by Stats Canada, and they do not include people living on Indian reserves.

I could go on, Mr. Speaker, either at the expense of the time of the hon. members present, or in private with the hon. member opposite, to outline to him various programs we have working very successfully, particularly in northern communities, to assist the native population with the employment prob-

lems they face. I'm referring to programs such as the Opportunity Corps program, the employment counselling and relocation program, and a few others that I'll gladly provide you with details on.

MR. R. SPEAKER: Mr. Speaker, a supplementary.

MR. SPEAKER: Might this be the final supplementary.

MR. R. SPEAKER: The statistics are right from the public accounts presented to this Legislature by the government, so they're not statistics that I've picked out of any hat.

In that fiscal year 1982-83, did the minister consider diverting some of that \$8 million to programs of employment for the native people in this province?

MR. ISLEY: Mr. Speaker, in addition to the programs I've outlined that have been primarily aimed at the native population, our native communities are participants under the priority employment program and the summer temporary employment program, and they had the opportunity of participating under the Alberta youth employment program. In conjunction with the Waskayigun Association, we've designed particular programs to attempt to train carpenters, particularly on the Metis settlements. So there are a lot of positives out there, although I still recognize that there is a problem of employment opportunities within the native population.

ALCB Operations

DR. BUCK: Mr. Speaker, my question is to the hon. Solicitor General. Can the minister indicate what consultation took place between his department and the Alberta Liquor Control Board before the decision was made to lay off part-time staff at Alberta Liquor Control Board stores?

DR. REID: Mr. Speaker, the decision to lay off staff was a secondary one. In actual fact it was the termination of approximately 100 permanent positions, which will be by attrition, and the decision to terminate approximately 890 part-time positions. The decision was made on the basis of trying to run an economical operation, to try to reduce costs and thereby reduce the total expenditures of government. It was a management decision, and it was made in consultation with me.

DR. BUCK: Mr. Speaker, in his review of the decision to cut staff, can the minister indicate if the reason the decision to cut staff was made, was because the profit situation had decreased this year compared to last year?

DR. REID: Mr. Speaker, I'm somewhat puzzled. The decision was not made in relation to profitability. Indeed, in government one wouldn't make the decision on that basis. I'm not sure if the hon. member is suggesting that because the Alberta Liquor Control Board runs at a profit it should therefore hire people to consume the profit, or whether he's suggesting that departments which run at a loss should therefore reduce staff to reduce that loss. Perhaps he'd like to elucidate for me.

DR. BUCK: Mr. Speaker, on a point of clarification. If a company is showing a smaller profit or no profit in this fiscal year as compared to last year, that's usually when they cut back staff. Was the decision made to cut staff because the profits of the Alberta Liquor Control Board were lower this year than the previous year? Was that the reason the decision was made to cut staff?

DR. REID: No, Mr. Speaker. The decision was made on the basis of running an economical operation and reducing costs on that side of the ledger.

DR. BUCK: Mr. Speaker, can the minister indicate if he's had an opportunity to review the status of the permanent people presently working for the Alberta Liquor Control Board? Have these people been asked to work longer hours or split shifts to make up for the people who've been laid off?

DR. REID: Depending on the workload in their store, the individual liquor store managers will make a decision as to whether or not they need to hire casual employees in the future. If they do decide they need to employ casual employees to cover additional needs, then for the next six months they will keep a list of those casual employees who have been terminated, and they will attempt to hire from that list — each individual liquor store, manager by manager.

MR. COOK: A supplementary question, Mr. Speaker. I wonder if the minister could indicate to the House whether he took into consideration the views of the two Independent members, who asked last year for lean and economical government. Would that advice have been taken into consideration on this decision?

DR. REID: To the hon. member, Mr. Speaker: those particular representations were not taken into direct consideration.

MR. LEE: A supplementary, Mr. Speaker. Could the hon. Solicitor General indicate what steps, if any, were taken to assist employees to relocate within the civil service or train them for job-seeking opportunities?

DR. REID: As I said, Mr. Speaker, the permanent positions that will be terminated will be by attrition; therefore such relocation within the provincial service will not be required. If there is a position for a casual employee — the casual employees who have been terminated are not, of course, full-time employees and do not come under those provisions.

MR. LEE: A supplementary, Mr. Speaker. In view of an estimate by the private sector that permitting the sale of beer and wine in local food stores could create 1,000 new jobs, could the minister indicate if any action is planned in that regard?

DR. REID: Mr. Speaker, I think the hon. member is entering into debate on Bill 213.

MR. SPEAKER: Might we have one supplementary by the hon. Member for Edmonton Norwood, one by the hon. Member for St. Albert, and a final one by the hon. Member for Clover Bar. I still have a long list.

MR. MARTIN: Supplementary question to the minister. In these tough economic times, was any assessment done of the impact on small businesses, especially grocery stores, around liquor stores where they cut back hours? Was any assessment done there?

DR. REID: Mr. Speaker, we were not looking into the situation of the private sector: we were looking into the situation of the total expenses of the Alberta Liquor Control Board in delivering service to the people of Alberta.

MR. NOTLEY: Selective privatization.

MRS. FYFE: Mr. Speaker, a supplementary question. I wonder if the minister is giving consideration to submissions presented to him reflecting the differences in communities where residents, such as commuters, may not get home as early and be able to get to the local store, thereby spending their money outside the community. This is rather important to some residents in some communities within this province.

DR. REID: To answer the Member for St. Albert, Mr. Speaker, there have been representations made by several members of the Assembly regarding individual liquor stores and the hours of operation. What we will do is attempt to review the sales pattern over the next short period of time, and see if there is indeed a need for additional service at highly selected stores.

DR. BUCK: Mr. Speaker, in light of the fact that he is so concerned about saving money, did the minister give any consideration to leaving the vacancy on the Alberta Liquor Control Board unfilled, rather than having it filled by a person who I assume went through a competition? Did the government give any consideration to leaving the vacancy on the Alberta Liquor Control Board and not spending that \$66,000 or whatever it costs us to put that member on the board?

DR. REID: Mr. Speaker, I think the member is raising the matter of the appointment to the Alberta Liquor Control Board, under the statute, of the third member of the board. That was done as there is a need for two members of the Liquor Control Board to be present in relation both to licensing and disciplinary matters that come to the attention of the board. For that reason, we need three members on the board to cover at all times.

DR. BUCK: Mr. Speaker, can the hon. minister indicate how many people applied for that position and when the competition was opened and closed?

MR. SPEAKER: We're getting close to the Order Paper. Perhaps this might be the final supplementary on it.

DR. REID: No, Mr. Speaker.

DR. BUCK: No what, Mr. Speaker? There was no competition? Is that what the minister is saying?

MR. MARTIN: He had a Tory card.

MR. SPEAKER: The hon. Member for Lloydminster followed by the hon. Member for Calgary Egmont.

DR. BUCK: Mr. Speaker, the hon. minister is answering the question. He rose in his place to answer the question, and you interjected, sir.

DR. REID: Mr. Speaker, the appointment to the Alberta Liquor Control Board was by order in council, as the member well knows.

Heavy Oil Development

MR. MILLER: Mr. Speaker, as they say in the lotteries, it's my turn. I would like to direct my question to the Minister of Energy and Natural Resources. It's a matter of particular concern to the people of the Lloydminster constituency. Could the minister inform us as to the status of negotiations on the Husky upgrader proposal for the Lloydminster area?

MR. ZAOZIRNY: Mr. Speaker, I would be happy to respond to that inquiry. The government of Alberta has been involved

in some very extended discussions which have involved the federal government, the Saskatchewan government, and officials of the proponent of the particular upgrader, the Husky organization. This project, which is located in Saskatchewan, has involved protracted discussions because the requirements of that project to go ahead really extend above and beyond the regime which has been put in place and which, in the last 12 months, has enabled some three *in situ* oil sands projects to go ahead in this province: the Wolf Lake project, the Cold Lake project and, most recently, the Elk Point project.

Mr. Speaker, I don't think it would be appropriate for me to become involved in a detailed discussion of those negotiations, given their nature. But I think it is fair to say that amongst the calls upon the governments that have been included are those that would have the governments involved in indirect financing of the project by way of loan guarantees. Of necessity, that of course requires of the governments a very careful examination of the merits of the project.

Mr. Speaker, I can assure the hon. member and the Assembly that the government of Alberta is working hard to do what can be done to enable the upgrading project to proceed. We very much support in principle the concept of the upgrading of our resources. We must do that in a way that does not expose the taxpayers of Alberta, the public purse of this province, to any imprudent risk.

In terms of the progress of the discussions, Mr. Speaker, I can say that in the weeks ahead it is fair to say that there will be further discussion of some of the major outstanding items with respect to the project, one of which is the requirement for the proponent, the Husky organization, to find a partner because of their own inability to totally meet the feedstock requirements the project would have.

So we are working hard on the project. It's too early to say whether or not the project will be able to proceed, but we will applying ourselves diligently in the weeks ahead.

MR. MILLER: A supplementary, Mr. Speaker, if I may. In view of the fact that the economics of upgrading at this point in time are very marginal and that we do have a market for heavy crude in the United States and other places, does the Alberta government generally support the upgrading concept?

MR. ZAOZIRNY: I sought to respond to that very appropriate query. We certainly do support the concept of upgrading. Projects of whatever nature must make good, sound economic sense. That is the extensive examination and consideration that's occurring right now. The principle is one that we wholeheartedly endorse.

Calgary Centre for the Performing Arts

DR. CARTER: Mr. Speaker, my question is to the Minister of Culture. Last fall she stood in the House and reported that she thought the final cost of construction of the Calgary Centre for the Performing Arts would be \$75 million. Has this figure remained constant?

MRS. LeMESSURIER: Mr. Speaker, I believe I did say that last fall, but I qualified that statement by saying that the project was a good two years down the road and that there could be some unforeseen circumstances. I think this question is a bit hypothetical, because we are still a good year and a half away. But the best estimate we have today is that the cost will come in at approximately \$83 million.

DR. CARTER: Mr. Speaker, a supplementary to the minister. What are some of the reasons for an \$8 million increase in the

projected cost? Couldn't we work out some kind of deal, given the current economic situation in the construction industry?

MRS. LeMESSURIER: Mr. Speaker, a few of the reasons that have caused an increase in the cost of the centre are that we felt it was better to complete the entire building — we looked at only completing some of it — we were fast-tracking that project, and to date there still have been no federal dollars involved in that project.

DR. CARTER: A supplementary, Mr. Speaker. What plans are being considered by the minister and the directors of the foundation to cover that cost difference? Have you made representations to the federal government, or are you going to have to make some reallocation of your own funds within your department?

MRS. LeMESSURIER: Mr. Speaker, I have had conversation with the federal government.

I would like to point out to the Assembly that this is a joint project between the Calgary Centre for the Performing Arts, the city of Calgary, and the government of Alberta. I would also like to stress that the volunteer commitment to this project is extremely amazing. The group involved in fund-raising has been working diligently at it. The return of the dollar is somewhat lower now than they anticipated. But at this time I would like express my appreciation to the volunteers for what they are doing in trying to raise additional funds for this project.

DR. CARTER: A final supplementary, Mr. Speaker. Has the minister been able to institute any means of keeping a close eye on the expenditure of capital funds? Also, what provisions are being made to cover the operating costs?

MRS. LeMESSURIER: Mr. Speaker, for any project that requires capital dollars, there is a requirement that they express to us what the operational costs will be. The user groups of the Calgary centre have expressed to us that they intend to be able to operate the facility without government help.

Lottery Operations

MR. ANDERSON: Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs. I understand that yesterday the minister attended a meeting with her fellow ministers responsible for lotteries in the country. Is the minister in a position to indicate if any decisions of that meeting will affect how lotteries are operated in this country?

MRS. OSTERMAN: Mr. Speaker, the main topic for discussion at that meeting revolved around the federal/provincial agreement with respect to lotteries.

If I might just background slightly, in 1979 there was an agreement between the federal government and all the provinces that allowed for a payment to flow from the provinces to the federal government in lieu of their participation in lotteries. In other words, the federal government would no longer be involved in lotteries. A recent Quebec court decision indicated that a sports pool that the federal government was contemplating, and in fact passed legislation in order to enter into it, was in fact a lottery and, hence, a possible breach of the agreement.

So basically our discussion centred around the federal/provincial agreement and whether the funds should continue to flow to the federal government if in fact they were in breach of that agreement.

MR. ANDERSON: A supplementary question, Mr. Speaker. Could the minister indicate what projections she currently has with respect to the moneys to be received by the federal government from lotteries versus the moneys from the provinces, and whether this decision in Quebec will have any impact on that?

MRS. OSTERMAN: Mr. Speaker, the decision in Quebec won't necessarily have an impact in terms of the overall federal/provincial agreement. But I could just say that since the agreement was in place, some \$120 million has flowed from the provinces to the federal government. The projections are that another approximately \$35 million will flow this year if the federal government is in fact still entitled to those dollars.

MR. GOGO: Mr. Speaker, a supplementary to the hon. minister. The government recently announced the very welcome decision of a new distribution system of lottery proceeds to communities. Could the minister now assure this House that regardless of the discussions with the other levels of government, the communities of this province will realize the statement made by the minister, that in fact that new distribution system will be followed through in this province?

MRS. OSTERMAN: Mr. Speaker, I can assure the hon. member that the distribution system, as it was struck on a percentage basis, will indeed follow through. However, I cannot assure the hon. member that the projections for the dollars that would have flowed from lottery profits in Alberta would indeed continue to flow.

Mr. Speaker, we have some analysis of the information with respect to the federal government's possible involvement once again in lotteries across the country. Our analysts tell us there could be a 60 percent decrease in the lottery profits to, for instance, the province of Alberta; hence a 60 percent decrease to those volunteer organizations across the province should the federal government decide once again to get into lotteries in Canada.

MR. GOGO: A final supplementary, Mr. Speaker. Would the Minister of Consumer and Corporate Affairs endeavour then to have this item put on the first ministers' conference for next year?

MRS. OSTERMAN: Mr. Speaker, it's certainly very important to the volunteer organizations in the province, and I'll undertake a discussion with the hon. Premier on that subject.

MR. OMAN: A supplementary, Mr. Speaker, If I understand the minister correctly, the provinces seem to be ganging up on the federal government sports pool. Does that not put the funding for the Olympics in danger, and are we not therefore treading on pretty dangerous territory here?

MR. SPEAKER: We're also getting into an area of opinion, but perhaps there could be a short one.

MRS. OSTERMAN: Mr. Speaker, I can only respond in that I understand the funding with respect to the Olympics is a commitment by the federal government of \$200 million, and I'm not privy to discussions as to how they will arrange that funding. I can only say that in discussions with my provincial colleagues, there has never been a contact by the federal government to request a review of the agreement that's presently in place. Insofar as I know, this would have no bearing on what their funding opportunities may be. We're only speak-

ing to whether it is appropriate, under the terms of operation they are proposing, for the provinces to continue to pay for an agreement we believe entitles us to the exclusive operation of lotteries.

MR. LOUGHEED: Mr. Speaker, if I could supplement that answer. It would be my view of the circumstances that the federal government is committed to the \$200 million, regardless of whether they can collect money from a sports pool or in fact operate one. That's subject to checking, but that's certainly my view of the arrangements and the commitments of the federal government.

MR. SPEAKER: We've passed the time limit for question period. I apologize to the nine members whom I was not able to reach. Unless they change their minds, I'll do my best to reach them tomorrow.

ORDERS OF THE DAY

MR. HORSMAN: Mr. Speaker, there are 26 items on the Order Paper under questions and motions. Today we should like to deal with 16 of those in one way or another. I move that the following questions and motions stand and retain their places on the Order Paper: questions 132, 133, and 150; and motions 134, 135, 141, 142, 146, 148, and 149. I ask that those 10 items stand on the Order Paper.

[Motion carried]

head: WRITTEN QUESTIONS

125. Mr. Notley asked the government the following question:
In pursuing compliance with Motion for a Return No. 219, passed in this Assembly on November 29, 1983, what success has the Minister of Energy and Natural Resources had to date in his attempts to secure the agreement of all signatories to the memorandum of understanding referred to in the motion for a return that the memorandum may be presented in this House, and what is his consequent best estimate as to when, if ever, the memorandum may be presented in this House?

MR. ZAOZIRNY: Mr. Speaker, I filed the response to Motion for a Return 219 with the House yesterday.

MR. SPEAKER: Is the hon. minister saying he filed the answer yesterday?

MR. ZAOZIRNY: Yes, Mr. Speaker. The answer to the specific question raised is: a hundred percent success. And the answer was filed yesterday.

126. Mr. Martin asked the government the following question:
- (1) What are the detailed cost estimates for all capital construction projects undertaken, continued, or completed in the 1983-84 fiscal year by or on behalf of the Alberta Liquor Control Board?
 - (2) What are the detailed cost estimates for all capital construction projects projected to be undertaken in the 1984-85 fiscal year by or on behalf of the Alberta Liquor Control Board?

DR. REID: Mr. Speaker, I accept the first part of the question with an explanation that the figures will relate to the Alberta

Liquor Control Board fiscal year of January 1 to December 31, 1983. The answer will therefore be the actual expenditures on various projects during that period of time. With regard to the second part of the question, the information requested is not available, as the final, firm decisions have not been made on proposed projects for the current ALCB fiscal year. I'll file the details later.

127. Mr. Martin asked the government the following question:
As a matter of policy, is there a level of unemployment considered officially unacceptable by the government and, if so, what is that level?

MR. ISLEY: Mr. Speaker, we are prepared to accept Question 127, and the written response will be given in due course.

128. Mr. Martin asked the government the following question:
- (1) What is the government's best estimate of the total dollar amount by which the Alberta health care insurance plan has been overbilled, either intentionally or accidentally, by practitioners submitting claims under the Act since the inception of the plan?
 - (2) What is the total dollar amount re-collected and returned to the plan as a result of efforts undertaken to recoup moneys forwarded to practitioners on the basis of what have been later found to be unsupportable instances of overbilling since the inception of the plan?

MR. RUSSELL: Mr. Speaker, the government will have to refuse this question. Part (1) calls for guessing and really very rough estimating that would not be in the best interest of trying to answer the question accurately. In part (2) of the question, we don't have the detailed records going back beyond 1972.

129. Mr. Martin asked the government the following question:
What is the government's best estimate of when it will be able to table a response, in each case, to the following motions for returns:

Motion No.	Made an order for a return on
123	March 22, 1983
134	March 29, 1983
141	April 12, 1983
142	April 12, 1983
194	October 25, 1983
204	October 25, 1983
205	November 1, 1983
206	October 27, 1983
209	November 17, 1983
210	November 17, 1983
211	November 1, 1983
212	November 3, 1983
214	November 22, 1983
215	November 22, 1983
216	November 29, 1983
218	November 24, 1983
220	November 29, 1983
224	November 24, 1983

AN HON. MEMBER: Agreed.

MR. SPEAKER: Has Question 129 been accepted?

SOME HON. MEMBERS: Agreed.

130. Mr. Notley asked the government the following question:
- (1) On what date did the Premier become aware that the Royal Canadian Mounted Police were carrying out an investigation into some of the dealings of Dial Mortgage?
 - (2) On what date did the Premier become aware of Mr. George de Rappard's employment with Dial Mortgage between July 1, 1979, and October 1, 1980, as that company's vice-president and chief executive officer?
 - (3) On what date did the Premier become aware that the Royal Canadian Mounted Police's investigation of Dial Mortgage included at least an ancillary investigation of Mr. de Rappard's activities with that company in relation to the central matters being investigated?

MR. HYNDMAN: Mr. Speaker, I wish to table the response to Question 130.

131. Mr. Martin asked the government the following question: Pursuant to the contract between the Alberta Wildlife Park and the department of Public Lands and Wildlife for picking up orphaned animals, disposing of road kills, and transferring elk from heavily to sparsely populated areas:
- (a) does the contract include a provision for selling any of the animals or their hides;
 - (b) what provision exists in the contract for destroying animals for any reason; and
 - (c) what is the amount of the monthly allowance given to the Alberta Wildlife Park for the disposal or transfer of animals, and has this figure changed at all since November 1, 1983, and if so, what was the figure at November 1, 1983?

MR. SPARROW: Mr. Speaker, Question No. 131 will be accepted by the government, and a written response will be forthcoming.

head: MOTIONS FOR RETURNS

136. Mr. Notley moved that an order of the Assembly do issue for a return showing copies of the report Report on Affairs of Abacus Cities Ltd., dated May 4, 1979, and prepared by Ghitter & Co. and Touche Ross & Co.

MRS. OSTERMAN: Mr. Speaker, the government must refuse Motion for a Return No. 136. While the report that the hon. member is raising here was indeed received as a courtesy copy by the Securities Commission, it's a private report commissioned by outside directors of Abacus and therefore not a government document.

[Motion lost]

137. Mr. Notley moved that an order of the Assembly do issue for a return showing, with regard to the renovation of the McDougall school in Calgary:
- (1) copies of the architectural plans detailing all proposed renovations, upgrading, and improvements in the building and its environs;
 - (2) copies of detailed cost estimates for all phases of the project;
 - (3) copies of potential use studies, if any, outlining the uses to which it is intended the renovated building and its site may ultimately be put.

MR. CHAMBERS: Mr. Speaker, I wish to accept Motion for a Return 137, amended by striking out "proposed" where it appears in paragraph (1).

MR. SPEAKER: I'm sorry, I can't hear the hon. minister.

MR. CHAMBERS: I'm sorry, I don't know if my microphone is on.

MR. CRAWFORD: Ask Public Works.

MR. CHAMBERS: Thank you.

Mr. Speaker, I wish to accept Motion for a Return 137, but amended by striking out "proposed" where it appears in paragraph (1) and substituting the word "approved", further amended by striking out "for all phases" where it appears in paragraph (2) and substituting "for all approved phases", and lastly amended by striking out the whole of paragraph (3). I think the reasons for the first two are self-explanatory, and the third item really relates to internal departmental work and correspondence and is not appropriate or available.

MR. SPEAKER: Is there any further debate on the amendment?

[Motion as amended carried]

138. Mr. Notley moved that an order of the Assembly do issue for a return showing copies of all contracts, agreements, memoranda of understanding, and other like documents concerning the management of and production from the Berland-Fox Creek forestry management area entered into by British Columbia Forest Products Ltd. and the government or any of its departments or agencies.

MR. ZAOZIRNY: Mr. Speaker, I'd like to accept Motion No. 138 with a very small amendment that would delete the words "and other like documents" and add "and" between "agreements" and "memoranda of understanding" for good English. The reason is simply for specificity. We're happy to provide the specific documents requested.

MR. SPEAKER: Is there any further debate on the proposed amendment?

[Motion as amended carried]

139. Mr. Notley moved that an order of the Assembly do issue for a return showing, with regard to the trip to Europe in late January and early February by the Minister of Federal and Intergovernmental Affairs:
- (1) the itinerary and dates of departure and return;
 - (2) transportation used, if it was commercial or charter aircraft, train, or bus, and the "class" of fare paid (i.e. "first class" or "economy" or their equivalents);
 - (3) total cost in each category of transportation, meals, accommodation, entertainment, and presentations or gifts, itemized for both the minister and for each of any other person or persons accompanying the minister for whom some or all expenses incurred were paid for with public funds;
 - (4) the purpose of the trip.

MR. HORSMAN: Mr. Speaker, I'm prepared to accept the motion, subject to an amendment. The amendment is quite simple, and that is to insert "1984" in line 1, after the words "January and early February". I assume the hon. Leader of

the Opposition is interested in this year's trip. [interjections] I trust I'm correct, am I?

MR. SPEAKER: Is there any further discussion of the amendment?

[Motion as amended carried]

140. Mr. Notley moved that an order of the Assembly do issue for a return showing details of all travel (excluding, in the case of Members of the Legislative Assembly, travel to, from, in, and around their home constituencies) paid for by public funds, for Members of the Alberta Legislative Assembly, members of the Executive Council, Executive Council staff, staff of the office of the Premier, and the personal staff of all ministers, including ministerial assistants, for the period from November 1, 1983, to March 1, 1984, inclusive, showing for each trip:
- (1) the itinerary and dates of departure and return;
 - (2) transportation used, if it was commercial or charter aircraft, train, or bus, and the "class" of fare paid (i.e. "first class" or "economy" or their equivalents);
 - (3) total cost in each category of transportation, meals, accommodation, and entertainment;
 - (4) the list of persons accompanying the principal traveller at public expense, itemized as in clause (3); and
 - (5) the purpose of the travel.

MR. HYNDMAN: Mr. Speaker, I'd like to move an amendment to Motion for a Return No. 140 by deleting the words in brackets and replacing them with the following words: "excluding travel in Alberta". The purpose of the amendment is to reflect the fact of widespread travel around the province of Alberta by MLAs and the fact that that travel is so frequent it would involve unnecessary red tape in keeping records and would be quite costly to prepare an answer. As well, of course, each year the government volunteers to the Assembly all information with respect to travels of the government aircraft and those in that aircraft.

MR. SPEAKER: Is there any further discussion of the proposed amendment?

[Motion as amended carried]

143. Mr. Martin moved that an order of the Assembly do issue for a return showing, for each member of the Alberta delegation to the Winter Olympics at Sarajevo, Yugoslavia, details of all expenses incurred and paid for by public funds, showing in each case for each person the total expended on (1) meals, (2) transportation, (3) accommodation, (4) entertainment, (5) other expenses.

MR. HYNDMAN: Mr. Speaker, I have no amendment, and we agree to the motion. However, there is no code relating to the specific heading of entertainment. Accordingly, I will be providing that information under the heading of hosting.

MR. SPEAKER: There is no problem about which year the games were held?

Does the Assembly agree with the amendment proposed by the hon. Provincial Treasurer?

[Motion as amended carried]

144. Mr. Martin moved that an order of the Assembly do issue for a return showing copies of the 45 exhibits noted on pages 9,

10, 11, and 12 of the "Alberta Government Telephones and 'Edmonton Telephones' — Report of the Joint Study Committee" report submitted by the committee headed by the Hon. J.V.H. Milvain and dated June 2, 1983.

MR. BOGLE: Mr. Speaker, Motion for a Return 144, which requests copies of the 45 exhibits from the Alberta Government Telephones-Edmonton Telephones joint study report, commonly referred to as the Milvain report, should be rejected for the following reasons. The hon. member's seatmate, the Leader of the Opposition, wrote to me on February 21 of this year requesting exhibits 1 through 45 inclusive from the above-mentioned report. I responded to the Leader of the Opposition the following day, February 22, and indicated that I would forward the request to Mr. Milvain, chairman of the said committee. Mr. Milvain wrote to the Leader of the Opposition on March 1, indicating that he could not release the exhibits requested, and the reasons were given in that correspondence. At this time, I'm prepared to file with the Assembly copies of the three letters I've described.

MR. SPEAKER: Is there any further debate on Motion for a Return No. 144?

[Motion lost]

145. Mr. Martin moved that an order of the Assembly do issue for a return showing copies of any and all studies, reports, evaluations, or other documents purporting to show the savings to be enjoyed by the government through the selective implementation of a policy of reducing the number of persons employed directly by the government and replacing them with temporary workers whose services are secured by contract with private sector third-party companies.

MR. HORSMAN: Mr. Speaker, the government asks members of the Assembly to defeat the resolution. This is a resolution which calls for internal departmental documents, advice given by members of the department to a minister and to the government. It has not been the custom or practice of the government to provide that type of information, as all hon. members of the Assembly are well aware.

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

HON. MEMBERS: Agreed.

MR. MARTIN: Mr. Speaker, I suggest to the hon. minister that we have had a throne speech where one of the code words is privatization, and the government is going into a whole policy. Certainly we just had a discussion about the ALCB. If we're to have an intelligent debate about the merits of what they're doing, surely they should give us the information. That's all we're asking here. We're asking for copies of studies, reports, evaluations, other documents. Obviously, they must have some reason for going in with the policies they are. We are asked to come to the Speech from the Throne, and later on the budget, and debate the matter without knowing the information. If he cannot give us the information, then I suggest the only reason we can come to is that we're into a sort of extreme right-wing ideology rather than the merits of the case itself.

I suggest that if the government feels strongly about a major move in the direction of privatization — and this is certainly one part of it — they should give us the facts. Are we going to save money or are we not? are we doing it for ideological

reasons or not? What is the reason we're doing this? To begin with temporary services, we're fooling around with 800 people's lives. There has to be a reason given. So far we haven't been able to get it, yet we're asked to comment on the Speech from the Throne and the budget without the reason. If it's only ideological, then tell us. But that has not been the reason advanced by the government so far. Mr. Speaker, if they're saying there is a saving here, we want to know how they came to this assessment. Surely that's not asking much in the Legislature of Alberta so we can make an intelligent decision.

[Motion lost]

147. Mr. R. Speaker moved that an order of the Assembly do issue for a return showing a detailed breakdown of the \$342,839.28 expenditure shown under paragraph 3a of part 11 of Alberta Disaster Services annual report 1982-1983, for the Lethbridge rainstorm in 1982, providing for each disaster assistance payment:

- (a) the name of the recipient.
- (b) the location and description of damage incurred.
- (c) the amount of payment, and
- (d) the reasons for payment approval.

[Motion carried]

head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

201. Moved by Mr. Musgrove:

Be it resolved that the Assembly urge the government to research and encourage the development and adaptation of compressed natural gas as a primary fuel-energy source for motor vehicles in Alberta.

MR. MUSGROVE: Mr. Speaker, I'm very happy to present Motion 201. Approximately a year ago I got a telephone call from one of my constituents, and he asked me to drop into his office. He had a few things he wanted to chat with me about. One of the things we talked about was the abundance of known reserves of surplus natural gas in Alberta compared to the questionable reserves of conventional crude oil we now have. Also, the sales for our conventional crude are not under pressure as compared to natural gas. He suggested to me that the government of Alberta should go into a program to convert vehicles from conventional fuels to natural gas. I told him I would look into it and began a research project on this topic. Some of the facts were interesting and actually quite exciting.

Mr. Speaker, at the present time I'm aware of two places in Calgary that have a major conversion program. One is called CNG Fuel Systems Ltd., which was founded in 1980 by a group of Calgary businessmen. They have now extended a manufacturing industry into Ontario. I have talked to Jim Gray from CNG Fuel Systems on the phone several times, and I have some correspondence from him. I also got a phone call from Judd Buchanan, the president of that organization from Toronto, who enlightened me on their manufacturing program in Ontario. The other conversion centre in Calgary is called Airways Compressor, who have recently converted a diesel farm tractor to burn 75 percent compressed natural gas and 25 percent diesel fuel. I've talked to both these firms on the phone. I have a standing invitation to go and tour their plants and also to test drive a CNG fuel vehicle.

The interesting part of the conversion would be the savings to the consumer. Actually, a vehicle fuelled by compressed

natural gas costs about 50 percent of the cost of using conventional fuels. If you have a fleet, this certainly turns into a lot more saving. We have statistics that show that if one motor vehicle drives 80,000 kilometres a year, which is slightly more than I drive in a year, it can save up to \$6,000 in fuel. Of course large fleets would save considerably more.

Another benefit is that because it is a gas when it goes into your cylinders, it doesn't wash the oil off your cylinder walls and your motor lasts a lot longer. Because it burns completely, there's no carbon buildup in your motor. So your oil changes last about four times as long. Because it burns clean, there's no corrosion in your exhaust system. It lasts the lifetime of your vehicle. It brings about a smoother performance than conventional gas. And the cold-weather starting, which we are all aware of in this country, is certainly a lot better than with conventional fuel.

There are a few problems with it, with the converted vehicles particularly. One problem is that as there's no lead in compressed natural gas, your valve system tends to burn a little quicker than with conventional fuel. As conventional motors are low-compression motors, they run a little hotter. So you would have to maintain a really good cooling system. However, if you were to manufacture a vehicle to burn natural gas only, all those problems would be solved. It would be a high-compression motor, which would solve all the valve and cooling problems. Of course the converted vehicle has a 15 percent power loss, which again would be overcome if it were manufactured for natural gas.

Probably the most important problem we have right now is the lack of fuelling facilities. However, there's a federal grant of \$50,000 to anybody who wants to establish a fuelling station. The station costs approximately \$300,000. Some gas distributors in Alberta lease their own compressor, and they have partly converted their own vehicles to burn either gasoline or natural gas.

When they are converted to run on natural gas or diesel or conventional gas, you only turn a tap and change it from using gasoline to compressed natural gas. You can do it on the road when you're travelling. It takes a system of tanks. They generally have either two small pressure tanks or one large one. The tanks are pressured at a terrific pressure, 3,600 pounds per square inch. They have to be about 10 times as strong as to use propane, and the weight of the larger tank is about 160 pounds. They have steel lines running to the carburetion system, and then of course they have to make some additions to the carburetor. Actually, it only takes about a day to convert a vehicle at a cost of about \$1,600 to \$2,000. That's for parts and labour. There's a federal grant of \$500 to assist you with that. Up until April 1, 1981, it was \$600.

There are also some environmental benefits. CNG has virtually no emission compared to gasoline. Think of the way our cities would be if there were no emissions from our vehicles and no smog. Converting diesel trucks to using 75 percent natural gas eliminates the smoke completely. So you can understand how our highways would be without the smoke coming from our big diesel trucks.

One of the things that was suggested to me during the research was the safety factor. There was a lot of concern over safety. Actually, as far as accidents are concerned, CNG is safer than gasoline. It's compressed at such a high pressure that if you rupture your gas tank in an accident, it escapes straight up into the air. It takes a higher temperature to ignite it, and because of the high compression, it escapes and mixes into the air almost immediately. The danger is gone, whereas

if you happen to rupture the gas tank on your car in an accident, it runs out in puddles on the ground and could start a fire for the next couple of days. Italy has been using compressed natural gas since the 1920s, and they have no known fatal accidents that can be attributed to the fact that the vehicle was fuelled by CNG.

A bit of the history is that the first internal combustion engines used coal, gas, wood, smoke, and natural gas. Even after they were operating on gasoline or diesel, the earlier combustion engines were started with some type of gas and then changed over to diesel or gasoline. In 1920 the Italians became aware of a shortage of oil in Italy. They had some natural gas reserves, so they started into a conversion program at that time. Now they have over 320,000 vehicles that burn natural gas in Italy. After the Second World War, they began exporting their technology to the rest of the world. They also started manufacturing compressor and conversion equipment and selling it to the rest of the world.

In the oil crisis of 1973 to 1979, New Zealand went into a major conversion program. The Prime Minister's car was the first to be converted in New Zealand. Then they offered a grant of 25 percent for compression and fuelling stations, and allowed 75 percent to be written off the first year. They also gave a grant of \$250 to consumers to convert their vehicles, and it resulted in an encouraging number of vehicles. As a matter of fact, it is expected that there will be 150,000 vehicles converted by 1985. Right now they're doing over 2,000 a month, and they have over 100 filling stations in New Zealand.

Canada has been a lot less dramatic. In the mid-1930s an employee of Canadian Western Natural Gas, using a large rubber bag, was able to fuel a vehicle on natural gas for about eight miles. In the next 50 years, not much technology took place. But as a result of the oil crisis in 1970, there was more interest in substituting Canadian natural gas for imported oil. CNG Fuel Systems Ltd. in Calgary are the leaders in the conversion field and actually also in promotion.

Other parts of the world are now interested in looking at conversion programs. For instance, Pakistan, Bangladesh, Thailand, Australia, Malaysia, Brazil, Argentina, and the U.S.S.R. are in a program. Of the countries in the world that are using the program, Italy presently leads the way. They have 321,000 vehicles and 228 fuelling stations in Italy. In New Zealand, they have 150,000 vehicles converted and 100 filling stations. The United States has about 25,000 vehicles, and it's not known what they have in the way of fuelling depots. Canada has about 15,000 vehicles converted at the present time, and it is expected that by June 1984 there will be about 50 fuelling stations.

In 1980, CNG Fuel Systems Ltd. started their first manufacturing company for conversion kits and compressors in Toronto. They used the Italian-designed compressor to supply refuelling stations in North America. The first refuelling station in North America was opened in Calgary in September 1982 by Husky Oil and CNG Fuel Systems Ltd. The second in North America was in October 1982 in Vancouver by the same company. Shell Canada opened one in Toronto in November 1982, so we're rapidly gaining fuelling stations. It is expected that another 50 will be open by July 1984.

In July 1983, Nova corporation purchased a 50 percent interest in CNG Fuel Systems Ltd. for \$20 million. Combined with CNG Compressors, which is a subsidiary company, they're considered the largest vertically integrated company in the world involved with natural gas as a vehicle fuel.

I'm aware of another company called Airways Compressor Inc. They recently converted a farm tractor to use 25 percent diesel fuel and 75 percent natural gas. On a onetime basis, a

kind of pilot project, this cost \$5,000 to \$7,000. It could probably be quite a lot more economical if it were done on a fleet basis. Particularly on a pilot project, this would probably be a high figure. An average 150-horsepower tractor burns from five to eight gallons of diesel fuel an hour, depending on the load. This costs roughly \$7.50 to \$12 an hour. If 75 percent were natural gas at half the cost of diesel, it would reduce the cost per hour to \$5.50 to \$7.50. Taking an average of those two figures, as a rule of thumb you would save about \$3.25 an hour in fuel costs. If a tractor operated for 2,000 hours a year, which is relatively high — I think the average tractor runs 1,000 to 1,500 hours a year — it would save \$6,500 in fuel costs in one year. It would appear to be more than the cost of conversion.

One problem is that the farmers would need their own fuelling system, which could be expensive in that respect; that is, unless they happen to live close to a gas compressor station where they could get refuelled. I'm aware of some gas companies in Bow Valley constituency that have partly converted their own trucks to burn natural gas and gasoline combined — burn natural gas when they're working out in their own gas fields. They are able to refuel them from their compressor sites in their gas field, and that eliminates a large cost for a fuelling station in that area.

I've already mentioned the federal incentive program of \$500 to the consumer for converting his vehicle and \$50,000 for the fuelling station. The federal target is about 35,000 vehicles in five years.

In British Columbia, they are really into a promotion program. The province pays \$200 per converted vehicle to the consumer over and above the federal grant. The parts are also sales tax exempt — of course we don't have a sales tax in Alberta, so we couldn't offer that — and they take the road tax off natural gas. Along with that, B.C. Hydro natural gas and electricity distributors pay \$180,000 towards a compressor refuelling station. Adding the \$50,000 to that, their refuelling stations come comparatively low. They can get loans through the government with a chattel mortgage, and payments are made at the equivalent of 2 cents a litre for natural gas.

Quebec now has approximately eight fuelling stations. They have one major conversion centre, but they're planning live more. They have been approached by the Quebec public utilities board to match the federal grant, but as of now no decision has been made.

I have some statistics on a school district in Ontario that has 25 vehicles in its fleet. They drive an average of 50 miles a day, and they get an average of six miles per gallon per vehicle. They operate 190 days a year, and the annual consumption is 1,580,000 litres. The cost to convert that fleet is \$45,000. They can put in a low-cost fuelling station, which wouldn't do for a commercial fuelling station because it pressurizes your gas in very slowly. But it would cost \$44,500. The bottom line of this is that it would take one and a half years to pay back the conversion and fuelling station costs. The net saving in 10 years on a 25-vehicle fleet would be over \$1 million.

The United States started out in fleet conversion in the 1960s. Interest waned until 1979, when they became aware of how dependent they were on imported crude oil. Now they are a lot more interested. They have one company, the Southern California Gas Co., operating 3,234 vehicles on Canadian western natural gas. In 1980 they were able to substitute 190 million cubic feet of natural gas for 1.7 million gallons of gasoline.

The pros of the concept are that, number one, natural gas is a lot less expensive than gasoline or diesel fuel. It is more abundant than gasoline. It needs no special refining, and that

is important. Natural gas can be used in the state in which it comes out of the ground. It does not have to be imported. We have some fuelling stations already in place. And of course we have the technology for the conversion. Also, natural gas can be moved to your filling station by pipeline, whereas the present conventional fuels have to be trucked. This certainly should save some money.

The second benefit is that it's pollution free. Vehicle maintenance costs are lower. It's safer. And as a fuel for agriculture, it has unlimited potential. In 1982 agriculture spent \$314,900,000 on farm fuel. That's up 24 percent from 1981. A \$1 per barrel increase in oil prices could cost the average farmer from \$465 a year to \$2,215, depending on his fuel consumption.

The con is that the fuel tanks cause some extra weight in the cars. As I said before, the larger tank weighs about 160 pounds when it is pressured. It costs \$1,600 to \$2,000. And of course at the present time, there are not enough fuelling stations for people to depend on.

However, there is a new concept. Presently — I believe it's in Detroit — there's a firm trying to develop a storage tank filled with activated carbons and other materials that absorb natural gas, so you'd only need to compress it to 300 pounds per square inch instead of 3,600 pounds. If this is perfected, it would extend the driving range from what is now 120 to 300 kilometres up to approximately 600 kilometres per tank of gas, and it would make it so you could fill a tank with a lot less expensive equipment. You could probably use a refrigerator compressor at a cost of about \$400 to fill your tank. Mr. Speaker, if we could get this concept usable, I'm sure that compressed natural gas would gain a lot more momentum.

In closing, Mr. Speaker, considering the future and our known reserves of conventional crude and the fact that the sales are not under pressure compared to our sales of natural gas, I believe the Alberta government should engage in a program for promotion of vehicle conversion. With the proper number of fuelling stations, we might encourage auto manufacturers to build vehicles that are designed to burn natural gas only.

Perhaps an incentive program similar to B.C. might be in line. However, there are probably other alternatives for promotion. The B.C. program, as I said, is \$200 per vehicle. If Alberta were to look at other promotion programs similar to that or other alternatives, we could probably get a lot more interest in this. Some of the natural gas suppliers are not completely adverse to putting in an incentive program. I discussed that with some of them. They said they could be interested in some financial incentive to people that converted their vehicles. But there would probably be a vehicle limit on it, such as 200 vehicles, 500, 1,000, or whatever. Without a program similar to B.C., we should still make consumers aware of the cost and environmental benefits that come from using compressed natural gas. Alberta would be the best benefactor of a major conversion because of the increase in sales of our natural gas.

Mr. Speaker, I think we should keep up to date on the technology and make sure we pass it along to our manufacturers. We should also monitor the environmental benefits and be aware of the lack of pollution if we do get some vehicles converted. And I think we should consider some kind of promotion program. For those reasons, I ask you to support this resolution.

MRS. CRIPPS: Mr. Speaker, I am pleased to be able to participate in this debate on Motion 201. I want to say at the outset that I support the encouragement and development of natural gas as an energy source but would totally oppose any government policy which causes undue influence on any one

segment of the oil and gas industry which would tend to distort the marketing incentives.

As the hon. member has said, the federal government covers part of the cost of conversion, and that's an incentive. In Ontario they've dropped the road tax to encourage the use of natural gas. I believe this unduly influences the consumer's choice and encourages one fuel against another. This would be totally unacceptable in Alberta where we have surplus supplies of all fuel. Since we have no road tax, it would be impossible in any case. I would venture to bet that as soon as the conversion is almost complete, the incentives which are in place would be displaced, and maybe the people who have spent the money converting would find themselves at a disadvantage.

In the past two years, Mr. Speaker, seven refineries have closed across Canada. As many members know, Texaco is closing this year in Edmonton. One of the reasons is due to the decline of markets for gasoline. If there were a major shift from the use of gasoline, all refineries would be in serious trouble. They're running at a low production capacity right now.

Since methane, or compressed natural gas, is by far the largest component of this gas, it's important to establish government policy which encourages the use of the product. The propane and butane, which must be removed of course, are either fully utilized in the province at present or exported. At least that's what they tell me when I complain about the price.

At present, the conversion costs of natural gas make it uneconomic in many cases. The limited vehicle range is another disadvantage. I understand that Cardinal Coach Lines in Calgary has converted 100 school buses. Their aim is to run two days without refuelling. I know some companies have converted to propane because they can run a week on the fuel. In the short term, Mr. Speaker, the conversion cost to propane makes it more economic fuel for the average vehicles. But again, a wholesale shift to the conversion for propane would definitely put pressure on the supply.

One of the reasons that the cost of conversion is so high is that all of the components are imported at present. It would seem to me that we have the expertise in high-pressure vessels in Alberta and have the manufacturing capability. I would certainly support the government encouraging the manufacturing of high-pressure tanks which could be used in the conversion.

Until December 1983 the natural gas price protection plan included home heating, industrial processing, and vehicle fuel. I understand that at that time the protection was removed from the vehicles. I suppose this could be called a disincentive. Certainly the inclusion of this protection presents a distortion to the marketplace. I guess I'm skeptical of any program which favours one fuel over another, especially when all of those fuels are produced in this province.

One of the major problems is the need to set safety standards, and at the present time there is no certification of mechanics or safety standards for installation. I believe the Department of Labour is close to adopting amendment one to the natural gas code national standard of Canada B149.1-M80, outlining procedures for installing and refuelling liquefied natural gas equipment. It will specify that all hardware must be approved by UL, the underwriter's lab; U L C, the Underwriters' Laboratory of Canada; and/or by CGA, the Canadian Gas Association. I think this is a very important step in assuring a uniform standard for the conversion to natural gas. It not only protects the consumer but will give them confidence in their safety so that they might make the decision to proceed.

It might also be possible to certify more mechanics by including training as part of their relevant apprenticeship pro-

gram. I believe that at the present there is no special training for the conversion to natural gas.

To elevate the potential for government use of Canadian natural gas, we might do a study on the possibility of conversion for government use. Mr. Speaker, I believe these things would not create an unnatural advantage for one of the fossil fuels over another, and so would be acceptable.

In summary I'd like to emphasize that everyone recognizes the long-term availability of natural gas supplies and the need to develop markets. It's important that the government create a stable climate for investment and develop long-term policies so that business investment decisions can be made, but I would not be able to support any policy which distorts the competitiveness of the many petroleum and gas derivatives which are so plentiful in the province. The policies must not distort or unduly influence the use or sale of these products. The oil and gas industry in my constituency does not need artificial intervention, which would cause artificial fluctuations in the industry. I believe that anything we can do to encourage the development without undue influence is acceptable.

Thank you.

MR. R. MOORE: Mr. Speaker, it gives me a great deal of pleasure to support the motion brought forward by the hon. Member for Bow Valley.

I'd like to point out first of all that it's not a new idea by any shape or form. As he pointed out, it's been around a long time. A lot of European countries have been using it since the early 1920s.

The reason they have changed to using natural gas over gasoline is what is of interest to us here in Alberta. One of the major reasons they did this conversion was the dependency on oil import from outside their countries. As we're all aware, Mr. Speaker, international oil markets are, at their best, not particularly secure and, at their worst, are very, very unstable. We need to look no further than the Iran and Iraq war at the moment to see just how insecure we are at obtaining oil imports. While many countries are blessed with great oil reserves, the same cannot be said of natural gas. Thus the countries that depend upon oil for imports should be looking at the practical solution to this by turning to natural gas and utilizing it wherever possible.

I think we're all well aware that in Canada we import oil from overseas. We are presently importing in the neighbourhood of 600,000 barrels of crude oil per day. It has been estimated that if 40 percent of our gasoline was replaced by natural gas as a primary fuel for our motor vehicles, our net oil import would be eliminated — just 40 percent, Mr. Speaker. If we could convert that much to natural gas, we'd be self-sufficient in oil.

The hon. Member for Drayton Valley pointed out about upsetting the market or changing the status quo or the volume being used in one area or another. I want to point out that if we converted to natural gas, our consumption would only rise by .6 trillion cubic feet per year. To compare that: we discover new reserves in natural gas at the rate of eight trillion cubic feet per year. So we have an adequate and ensured supply if we were to make this move at this time.

I don't think we have any worry about the future of natural gas here; we have the supply. What we need is to help the industry become healthy. Our goal of energy self-sufficiency would be a lot closer and brought along a lot quicker with a conversion such as this, and at no extra huge investment that is necessary to make us self-sufficient in oil in the long term.

As it presently stands discoveries of oil are not keeping pace with consumption, so we're going behind. As a result, it's

important that we seek out alternative fuel sources. If we don't, I think we're inviting very serious problems in the mid-term. In the long term, we're inviting disaster if we don't look to alternative sources right now.

Natural gas fuel supply in Alberta as well as in the rest of Canada: we have lots of it; we have more than we can use or sell. Coupled with this, we already have in place the technology to extract a resource. We have the established pipeline to take it throughout the province, throughout Canada, and even across our borders. In light of the current glut of natural gas, I think this is a very promising market.

In promoting this as a primary fuel for vehicles, if it opened such a market, in terms of our domestic producers we'd be able to market gas which is presently locked in. That in itself would have a multiplier effect and create many jobs for our citizens here in Alberta. That again is a very important area, the unemployed. This would help in that area.

From a consumer standpoint, the use of natural gas for vehicles also has a number of advantages. I think it was touched on by our previous speaker that it was a saving in cost. Natural gas costs approximately 50 to 55 percent of gasoline. With this fuel saving, the cost of converting one's vehicle to natural gas can be recovered in a few years. It's a high initial cost, but over years this could be recovered.

I would like to point out, too, that we live in a country that has high fluctuations of temperatures, severe winters. Natural gas is a better fuel than gasoline because it mixes with the air at these temperatures very much easier than gasoline. So it suits our climate very well. Another area is the saving on motors. The wear and tear on motors, the spark plugs, fewer oil changes are required, engine maintenance is reduced: all these are costs to the consumer that he can save by a switch to natural gas.

We have heard about pollution, and we have heard a lot about acid rain. They attribute some percentage of acid rain to the emission from motor vehicles. With the use of natural gas, Mr. Speaker, we can reduce this pollution emission by 90 percent of the gasoline emissions. That is quite a drop in that area and would certainly help in the environmental area that so many of our citizens, and in fact all of us, are concerned about.

We have covered many points where the consumer has a great deal of advantages. The thing is that we know how to do it. We should take a very, very serious look because of these advantages. We have known for 60 years that we have had the technology to make these conversions and utilize natural gas. The cost of these conversions is very high; that's one thing. But as I pointed out previously, this could be picked up over time in the savings of the cost of fuel.

Many companies have switched. Cardinal bus lines in Calgary has 100 of its buses on it, with another 150 slated. Canadian Western Natural Gas operates a fleet of 25 vehicles and has built its own compressor station. AGT is planning to convert vehicles to this. However, there are a number of obstacles which we must overcome if we are to see the general public utilizing natural gas. One of the main things is the high cost of the initial installation, \$2,000 to \$2,500. The hon. Member for Bow Valley pointed out that the federal government was giving grants to assist in this area. The other obstacle is the limited number of refuelling stations. To my knowledge there is only one in Calgary, and that is a major obstacle at the moment.

The other potential for natural gas use is in agriculture. We should not overlook agriculture. They are faced with a major input cost crisis. If we can do anything that helps cut the input cost to agriculture, we should look at it. This is one area we should be looking at, Mr. Speaker. Alberta farmers would no

doubt welcome a fuel which would increase their engine life and also reduce their operating cost. There is no doubt in my mind that such a conversion would greatly benefit the agricultural sector of our economy.

The arguments for compressed natural gas are quite extensive, as I have pointed out. Alberta in particular has a great deal to gain by promoting the use of natural gas as a primary fuel for vehicles. With our abundant supplies for the medium and long term, our compressed natural gas seems to be the logical choice as an alternative fuel. With the per unit cost of crude oil and the tar sands still relatively high, it is now time to promote the use of natural gas. Compressed natural gas as a primary fuel for vehicles is an excellent idea and an idea whose time has come.

I urge all members of this Legislature to support Motion 201. Mr. Speaker, when I say "all members", I include hon. members of the Official Opposition. This doesn't fall within their area of expertise, which is negative comment. There is no negative comment here.

MR. NELSON: Mr. Speaker, I too would like to take a few moments to discuss this very important item. In starting off, I would like members of the House to know that this particular issue is near and dear to me, as one of the first units supplying natural gas for vehicular use was opened in Calgary McCall, at the Husky station on Barlow Trail. Of course the CNG conversion plant is also in the Calgary McCall constituency. It should be of interest to members that as an alderman with the city of Calgary, I had the official function of being able to cut the ribbon to open this very important Husky station in that very important constituency of Calgary McCall.

Mr. Speaker, natural gas has been known to many of us to have many uses over the marketing areas. I guess it is a matter of determining how to best market and when to use the product. Too many people bypass the option of using an alternative fuel to our oil-related gasoline. However, it is well known to the community, to politicians, and to business people at large that the cost of using this fuel is of course much less than standard gasoline. Also, it is more efficient in respect of our environment and in respect of cost.

Let's talk about our environment a little bit. Much discussion takes place in political arenas. It takes place in the outdoors, out of this House, by what may be determined in many cases as a special interest group, environmentalists and what have you. Many of these groups are also determined as political pressure groups. This is an area, for an environmentalist at least, of some significant value if they wish to pursue their normal activity of pressuring governments, business, or whom-ever. The savings in our long-term environmental uses will be dramatic. If we can cut pollution from vehicles by 70, 80, 90, or even 100 percent, certainly the benefactors of that will be us, the citizens of Alberta, and of course our environment, which we are so proud of and protect with much vigour.

There are a number of questions we should address to this issue. In seeing the federal government and governments of other provinces subsidizing or giving incentives for people to use natural gas in their vehicles or to develop service stations, are we overtaxing another segment — for example, the oil industry? Are we placing an overburden of taxes on our oil producers to encourage the opposite industry in gas development, whether or not they be the same developers, in providing the government with income to pass it through for unfair competition in those areas?

We all know that in the province, natural gas is a large resource. We all talk about how it is so vitally shut in that the companies have severe cash flow difficulties. That being the

case and considering the current debate that we are involved in this afternoon, would it not be prudent to suggest that those companies who are producing natural gas, who are trying to market the product, should possibly offer incentives to people to encourage its development? After all, the bottom-line benefits to the producers of natural gas will be of considerable significance considering the additional revenues that could be obtained through a considerable marketing strategy and also a large change of vehicles from normal gasoline to natural gas consumption. Should government at any level continue to offer these subsidies when in fact the shoe should fit on the foot of the producer?

The producers are always discussing and are always on our case, so to speak, to offer them additional markets. They suggest that they can't sell their gas. Maybe they're correct to some degree. But what are they doing for themselves to assist their industry in marketing that product? We all talk about private enterprise, the privatization of business, and how the private sector should have less government involvement. Generally speaking, we look at the private sector as having much expertise in many things, including marketing, and certainly a heck of a lot more expertise in marketing and developing their products than government has in doing the marketing of products for them.

It's interesting to note that a country like New Zealand, which has very little natural resource base, will have some 150,000 vehicles powered by natural gas by 1985. Those of us who have had an opportunity to visit New Zealand know the difficulties the New Zealanders find themselves under. They are nearly what I would determine as a socialist state, due to their structure and their reliance on the dairy industry for their foreign income. In fact New Zealanders can't even buy a car without having foreign dollars in their pockets. How do they get those foreign dollars? I suggest that one way is the black market. However, it's certainly a recognition on their part to protect their beautiful environment, and believe me, the environment in New Zealand is some of the prettiest in the world.

I support the initiative taken by the hon. member and certainly recognize the various comments that have been made by members who have spoken. Although I support the initiative taken, Mr. Speaker, and maybe we should give it some opportunity for passage in this Legislature, I also think that we should encourage not only the government, as I've already stated, but the private sector, and in particular the producers — to encourage development of a resource they feel is making them cash poor because of the locked-in nature of it.

How are we going to encourage them to offer incentives? How are we going to encourage the private sector to offer in this necessary marketing of this product, to encourage the consumer to use natural gas as against the normal gasoline in their vehicles? Possibly we can take our larger users such as our municipalities, our governments, some of our very large companies, including AGT, Pacific Western — companies such as these which have very large fleets of vehicles, and encourage them to make some change. But at the same time, the question arises: do we continue to tax — exorbitantly in some cases — the people who are producing gasoline from a natural resource of oil? Do we continue to tax them into an uncompetitive situation so that the natural gas producers have a much better marketing position to offer the consumer?

This of course is an extremely important policy area. Policy decisions would have to be made by the government as far as the taxation is concerned, either reducing one or increasing the other. I'm sure that if we did increase the tax on the other, the natural gas, we would be severely criticized and lose the total impact of our hon. member's motion that we're discussing here today.

So there are a number of policy areas that we would need to discuss, but I certainly favour the motion. I certainly favour encouraging the private sector to develop this industry and this product for use by our consuming public and also to encourage the nonpollution of the atmosphere and the environment that we so cherish.

Mr. Speaker, in closing I would just like to indicate that all of us are cognizant of the difficulties of the economy of our province today. It is up to not only those of us in government but the private sector — and possibly more importantly the private sector — to go out and do their marketing thing to encourage uses of a product they feel they can sell competitively with another. We should not discourage that; we should not stand in their way. But at the same time, let's not lose sight that the producers of the product also have a stake in this. Not only just the government but the producer should be encouraged to market and offer incentives for the product they are producing.

Thank you, Mr. Speaker.

MR. ZIP: Mr. Speaker, it is my pleasure to speak on Motion 201, introduced by the hon. Member for Bow Valley, urging the use of compressed natural gas in motor vehicles and farm tractors. In view of the superabundance, I guess is the best term to use, of natural gas and its relative economy in relation to gasoline and its clean burning, nonpolluting qualities, this is clearly the way to go, particularly with vehicles that are subjected to heavy and continual use within a confined, limited area that is in close proximity to refuelling facilities, particularly if the user can afford to have his own compressors for refuelling. Then it becomes a real advantage, as the hon. member pointed out. With the new technology, where the necessity for high compression of the gas is lessened to a very marked degree, you don't have to have costly compression equipment. It becomes highly feasible to have that type of fuel. Then, of course, you start to enjoy real economies of operation.

However, looking at general owners, who use their vehicles far more casually and have to travel into remote areas on occasion and who move around a great deal, I just can't see the advantage of compressed natural gas. It diminishes rather quickly, particularly with compact automobiles. As you all know, there is hardly any room in these little cars. A lot of people call them baby carriages. Storage cylinders for CNG in these small vehicles, which incidentally are getting more and more prevalent, seriously constrain the availability of storage space. Further, the weight of these cylinders disturbs the balance and road handling of small automobiles. Of course this would be diminished with the lessened compression in the cylinders. They can be a lot lighter then. There is still the problem with room. Where the heck are you going to put your suitcase and the few things you want to buy when you go shopping. It becomes a practical thing.

A further problem relates to indoor parking. It's fine that natural gas dissipates into the air if it ever ruptures. It's good out in the open, but once you get inside a parking structure, which is an important consideration in large cities, I have noticed that vehicles using CNG are prohibited from entering most of these structures. There's a nice little sign at the entrance: vehicles powered by natural gas prohibited from entering. With the growing prevalence of structures with indoor parking and the growing numbers of people who use them, it's bound to deter people from powering their vehicles with compressed natural gas.

There's another factor. As the fuel performance of gasoline powered vehicles improves, the relative cost advantage of CNG diminishes. Further, in relation to the total cost of acquiring

and operating a motor vehicle, gas and oil costs become relatively unimportant. Insurance costs, particularly with under 25-year-old drivers, are outrageous. So are maintenance costs, parts and labour. It now costs a small fortune to buy a decent car. All these considerations will take away from the use of natural gas in motor vehicles and will ensure that the vast majority of ordinary vehicle users continues to use gasoline.

It's nice to hear, at the present time when use is minimal, that governments are rebating and not putting road taxes on natural gas powered vehicles, but wait till we have a large number of them. Somebody has to pay the road tax. Watch the thing come off and the advantage disappear. It's the same as I remember with diesel fuel. It wasn't all that long ago when diesel fuel was very cheap. Now it's almost the price of gasoline. Unless you use diesel very heavily, there's no advantage for the casual driver.

The Member for Drayton Valley brought up a very good point about the refinery factor. At the present time, as you well know, refineries are not enjoying the strongest demand. Their runs are limited because of conservation and the trend to fuel-efficient small cars. We now have a real problem with gasoline, so one sort of tends to outweigh the advantages of the other. What are we going to do with the gasoline? Certainly a lot of oil is being found at the present time, now that there's a decent return for new-found oil.

In light of all these considerations, in my opinion it's going to be a long time before there is any massive turning to natural gas powered motor vehicles on the part of casual users. It's a different story for the heavy users. For the sake of these users, particularly when you're looking at the very massive increases in farm operating costs, farm fuel acquisition — the hon. Member for Bow Valley mentioned that there's a potential saving of \$6,000 a year for each tractor on the farm. That is an important consideration. Also, for the sake of people who are delivering in the cities, using their vehicles continually all day, I strongly urge that they too be encouraged to convert to compressed natural gas and that fuelling facilities for them be encouraged to expand. For the sake of these people. I strongly support that this Assembly pass this worthy and worthwhile motion.

Thank you, Mr. Speaker.

MR. THOMPSON: Mr. Speaker, I too would like to speak in support of Motion 201. Basically, you couldn't say I'm the most enthusiastic supporter of private members day, but every once in a while a resolution or Bill comes up that I think is very, very timely. I do think this is something that should be discussed and debated. If we researched it, I think many of these ideas eventually end up in legislation. So I'd like to commend the mover of the Bill for bringing it forward at this time.

Back in the 1940s, I myself can recall when they first brought out propane tractors. Of course propane wasn't a very common fuel at the time. They had a certain amount of success, but they kind of died out when diesel tractors came into use.

Then there was another area, when they started to use propane for pumping irrigation water. I was involved with that myself to some degree. Propane was a very good fuel for irrigation pumps, because it was a stationary motor. It didn't cost very much to convert an ordinary gasoline motor to propane and, as many people here have said today, it's a very efficient, clean fuel. Your motor really doesn't take the beating it does with gasoline or diesel. I used a propane motor for two years, and I used to change the oil in that motor approximately once every 1,000 hours. Really, it was very clean when I did change the oil. It didn't take on a lot of the carbon.

So gaseous fuel has been around for a while, but this compressed natural gas is something new that's come on the horizon. It's very odd: in the last couple of months, I've been in a taxicab in Vancouver that used compressed natural gas, and I was in one in Toronto that used compressed natural gas. Both cabdrivers were really in favour of it. So I honestly think that when people say you can have up to 50 percent savings on fuel, they aren't very far wrong in that area.

The thing I would like to talk about — and it's been touched on today — is Alberta's gas bubble. Of course the cons on this debate today have said that if there were any amount of compressed natural gas used as fuel, it would affect to some degree the refineries and the petroleum industry. But if we take a look at how many shut-in wells we have and what the slowdown has been in our drilling programs in Alberta over the very fact that we can't sell anywhere close to the amount of natural gas we can produce, I think it's really of interest to our government to encourage the use of natural gas in any way we can. This is one way: there are probably several others. I think the chemical industry uses it, but here is a new way that basically we are just taking a look at.

Another area touched on today was that it could be used in the agricultural held. We have a built-in distribution system here in Alberta with our rural gas co-ops. The lines are already plowed in to most farms in Alberta. If we can find a way to efficiently compress this gas and take out of it some of the problems we have with tilling and such. I think it could become a real factor in the agricultural held.

People mentioned them today, and really there are limitations on range, the difficulty you have in filling your bottles, and the cost of converting. I have problems with that, but then I'm not an expert. I heard two or three people say today that it costs from \$1,500 to \$2,000 to convert a motor to compressed natural gas, and they're probably right. But I can still recall when we converted motors to propane. Basically, it was just a regulator valve plus a very simple carburetor setup. You could change it over on that basis. So I won't argue with the fact that it's that high, but I have real problems understanding why that terrific difference in cost of conversion is there.

The motion says that we should research and encourage the development of the use of compressed natural gas. I really think that's an area we haven't actually touched on today. I don't know whether it would be through the Research Council or where, but I honestly think there are two or three areas that we as a government should do some basic research in and find out if this can be a viable alternative over the years.

One of the areas I think we should be researching is not the motors that you switch back and forth from gasoline to natural gas. Apparently, if you use this fuel very efficiently, you have to have a very high compression ratio. Another factor is that you need enlarged cooling systems. I think there's an area here where some basic research should be done on these motors to find out how efficient they can become and how much it would cost to produce an actual motor that would be built specifically for the use of compressed natural gas.

I think there's another area. Of course if you're going to use compressed natural gas, you have to compress it. I think there's an area of research there, where you come up with some more efficient, cheaper, easier ways of compressing the gas. The basic idea of compression is simple, but I think there could be some research done on the actual compressors themselves. Then I think there should be some more work done on filling these tanks: it is a time-consuming thing.

So I think there are three or four basic areas that we as a government should spend some time encouraging research in, to see if in the future this can become a real alternative.

We've heard two or three people mention subsidization. I'm not much for subsidizing. But obviously, if it is going to become a popular fuel, we can't have only two or three service stations, even in the city of Edmonton. You'd have to have a large number of service stations across the whole province. I suspect that to get the thing off the ground, if it is efficient and worth while, someone would have to do a certain amount of subsidizing for these compressor stations that compress this natural gas.

Mr. Speaker, with those few remarks I urge all hon. members to support this motion. Thank you.

MR. STROMBERG: Mr. Speaker, this afternoon I was enjoying myself. I was catching up on my reading and listening at odd times to the debate. Just a few minutes ago, I received a note from the Member for Calgary Currie, saying to keep this debate going till 5:30. What I know about this subject, the technology and economics of it, is, I suspect, something like what the Associate Minister of Public Lands and Wildlife knows about catching trout, which I know is very limited.

However, it was with interest that last month I had the opportunity to read a very detailed article in the *National Geographic Magazine* on a fuel cell, I believe, developed in Australia. The car ran on straight sunlight. This car was driven across the whole continent of Australia during daylight hours.

Propane has been mentioned, but there are other alternatives. I suspect that as the price of fuel keeps coming up, our drivers of automobiles will be starting to look at the other alternatives. The government will be looking at them. As I mentioned, I think especially of the fuel cell — electric cars.

Speaking of electricity, Mr. Speaker, I think we have started something in Alberta that to me is rather interesting, and that's the use of wind power. TransAlta has entered into an agreement with some of their customers in southern Alberta, where they have developed a windmill using, I believe, the blades from a helicopter. When the wind is blowing, it's producing electricity. The surplus electricity flows back through the meter into TransAlta's system. When there is no wind, the meter reverses. However, if the electric car comes into being, and I suspect it will, and if we can develop within North America or Canada a system where we can produce a cheaper form of electricity, such as on my farm, with a wind charger, where I can plug in my farm vehicles — I doubt if there's enough electricity to supply my wife's car; she does quite a bit of travelling — these wind generators will certainly have a place.

It was some time back that I read that China is one of the major producers of equipment to feed electricity back into the system, especially with small . . .

MR. COOK: Mr. Speaker, on a point of order. I wonder if I could ask the hon. member what wind generators and electric cars have to do with the topic at hand.

MR. SPEAKER: I'm sure the hon. member could explain that just as well as I could.

MR. STROMBERG: I'm sorry. I missed the remark of the member from Rollieview. Would he repeat it, please?

MR. COOK: I was just enjoying the compressed natural gas. I was wondering, though, whether or not the breeze I'm feeling has anything to do with the motion at hand.

MR. STROMBERG: Mr. Speaker, we've just had a good example of a lot of natural gas coming from the Member for Edmonton Glengarry.

However, speaking of wind power, it was with interest that a few years ago a citizen of Ponoka, I believe, erected a wind-charger right in the town. The town council told him that they had no bylaws that would allow this windcharger. It hit the national news.

It is a thing especially of the future. As the cost of energy rises, I suppose we'll automatically start looking for other alternatives. I don't think we will ever be short of energy. As the price of fuel rises, we will turn to other alternatives. One of the alternatives will be the use of hydrogen fuel. That's from water. Technically it can be used now, but at great cost. Its time will come.

Mr. Speaker, that's about all the notes I have here. I still have 15 minutes, so maybe I'd better finish up with what I know about catching trout, if you would permit me. About a month ago I broke three of my ribs when I was fishing. It was very, very painful. I took my son out fishing on a lake in my constituency called Buffalo Lake. We caught probably the largest pike that has ever been caught in Alberta. It's being officially weighed now.

MR. ANDERSON: Mr. Speaker, on a point of order. I didn't mean to suggest to the hon. member that he supersede the knowledge that he has on the topic. I only suggested that he as a member might have some things to add to this debate that

we should all hear about. We appreciate the contribution we have all made, and I'm sure we'll take it into consideration. Trout fishing, I think . . .

MR. STROMBERG: Thank you. With that, Mr. Speaker, I will turn over the debate and will finish my fish story to you privately some time. I will turn over the debate to the member from Rollieview.

MR. COOK: Mr. Speaker, I wonder if it would be in order to move now to adjourn the debate. I have a lot of things I would like to say, but at a later date.

MR. SPEAKER: That depends on the House. The hon. member has moved that the debate be adjourned. Do you all agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: It is so ordered.

MR. HORSMAN: Mr. Speaker, it is not proposed that the Assembly sit this evening.

[At 5:13 p.m., on motion, the House adjourned to Wednesday at 2:30 p.m.]

