

## LEGISLATIVE ASSEMBLY OF ALBERTA

[Leave granted; Bill 65 read a first time]

**Title: Friday, May 24, 1985 10:00 a.m.****Bill 78  
Forestry Profession Act**

[The House met at 10 a.m.]

**PRAYERS**

[Mr. Speaker in the Chair]

**head: INTRODUCTION OF VISITORS**

MR. HORSMAN: Mr. Speaker, it is my honour today to introduce to you and members of the Assembly some distinguished visitors from Korea. His Excellency Jae Won Roh, the Ambassador to Canada from the Republic of Korea, assumed his post in Canada in April of last year and is now on his first familiarization tour to Alberta. Accompanying the ambassador today is Mr. Jung Il Oh, a counsellor from the Korean Embassy in Ottawa, and Mr. Byung Yong Soh, Consul General of Korea in Vancouver. We are very pleased to welcome the ambassador to Alberta.

Korea has become an increasingly important trade partner for Alberta, and we look forward to further developing our bilateral trade and other relations. As all members of the Assembly are aware, Alberta has enjoyed an important sister province relationship with the Korean province of Kangwon since 1974, characterized by useful exchanges in areas of mutual interest, such as agriculture and education. Last September we celebrated the 10th anniversary of our special relationship with Kangwon.

We would like to extend our warmest greetings to His Excellency and hope that his stay in Alberta will be a useful and successful one that will serve to further develop our relationship with Korea. Let me ask all of you to join me in extending to Ambassador Roh and our distinguished Korean guests a very warm welcome.

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

DR. ELLIOTT: Mr. Speaker, this morning I wish to table the report of the Select Standing Committee on Legislative Offices covering the period of the 20th Legislature, Second Session, March 3, 1984, to March 13, 1985.

**head: INTRODUCTION OF BILLS****Bill 65  
Appropriation Act, 1985**

MR. HYNDMAN: Mr. Speaker, I request leave to introduce Bill 65, the Appropriation Act, 1985.

This being a money Bill, Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly. Mr. Speaker, this is the traditional appropriation Bill which provides for voting the dollars proposed in the budget and in the estimates.

MR. APPLEBY: Mr. Speaker, I request leave to introduce Bill 78, the Forestry Profession Act.

This Act will provide right-to-title legislation for the professional foresters in Alberta. In doing so, it will enable the professional foresters in this province to be recognized in a manner similar to those in the other major forest industry provinces of New Brunswick, Quebec, Ontario, and British Columbia.

[Leave granted; Bill 78 read a first time]

MR. CRAWFORD: Mr. Speaker, I move that Bill 78 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

**head: INTRODUCTION OF SPECIAL GUESTS**

MR. MCPHERSON: Mr. speaker, I have the pleasure today to introduce to you, and through you to members of the Assembly, 41 grade 6 students from the Annie L. Gaetz school in the constituency of Red Deer. The students are accompanied by their principal, Ron Hitchings, and teachers Marilyn Ganger and Brent Ruston. The energetic grade 6 students are seated in the members' gallery, and I ask that they now rise and receive the customary welcome of the Assembly.

MR. PAPROSKI: Mr. Speaker, seated in the members' gallery today are some special guests who have developed a unique school for native students in Edmonton Kingsway. The Ben Calf Robe school provides 80 students excellent education at the grades 7 to 10 level. There are a number of major objectives of the Ben Calf Robe school; one major one is to provide a learning environment which will enable students to develop a positive self-concept, a sense of being worthwhile and contributing members of Canadian society, and a greater sense of their unique identity as native people with a rich history and cultural background.

Mr. Speaker, in the members' gallery are the following members of the Ben Calf Robe Society: Alice Gagné, a trustee with the Edmonton separate school board, Louie Lamothe, the director of continuing education for the Edmonton separate school board, Leith Campbell, the supervisor of native education with that board, Joe Linkletter, Pat Shirt, the president of the Calf Robe Society, Maggie Hodgson, the executive director of the Nechi Institute. In addition to the society members, I am pleased to introduce Kathleen Bruno, the first princess of Ben Calf Robe school, and Gary Neault, the cultural co-ordinator of the school. My special guests have already stood up; would you please welcome them to this Assembly.

MR. KROEGER: Mr. Speaker, 34 grade 5 students from the Coronation school are in the public gallery. To indicate the interest the parents and supporting people have, they have brought quite a group, and I'll name them: Mr. Bob Buday, Miss Donna Tupper, Mrs. Arlene Banning, Mrs. Gladys Slempe, Mrs. Donna Golby, Mr. Tom Jones, Mr.

Rick Compton, Mrs. Barb Stephenson, and Mrs. Norma Woods. Would you please stand and be recognized.

MR. PAPROSKI: Mr. Speaker, on behalf of the Member for Edmonton Avonmore I am pleased to introduce to you, and through you to members of this Assembly, seven grade 7 students attending Donnan elementary/junior high school in the constituency of Edmonton Avonmore. I had the pleasure of meeting these energetic, interested, and interesting students this morning. They are seated in the members' gallery, accompanied by their teacher Mrs. June Coutts. I ask them to now rise and receive the warm welcome from all members.

#### head: ORAL QUESTION PERIOD

##### Federal Budget

MR. MARTIN: Mr. Speaker, I'd like to direct the first set of questions to the Treasurer with regard to the federal budget from his kissing cousins. According to the figures in the federal budget, there will be a net increase in individual taxes of some \$2.56 billion over the next 18 months. Does the Treasurer have any preliminary indications of how much of that figure will come out of Alberta taxpayers' pockets?

MR. HYNDMAN: No, not at this time, Mr. Speaker. We're assessing the budget document. It has a large number of interlocking and detailed pieces, and so we wouldn't have that kind of information yet.

MR. MARTIN: A supplementary question, Mr. Speaker. I note that with roughly 10 percent of Canada's population resident in Alberta, we're probably looking at at least \$250 million. My question following from that: as he's studying, has the Treasurer any projections of how many jobs will be lost in Alberta? Are they looking at this? I'm talking about specifically the retail and service sectors.

MR. HYNDMAN: Of course, Mr. Speaker, the budget has a number of elements in it which will encourage private-sector investment and, I believe, create jobs. Certainly, that is the stated principal objective of the federal budget. We in this province through our budget, which is still very current, have indicated that the provision of lasting jobs will come through the private sector. That's the objective of our budget. That is proceeding, as the momentum of the recovery moves ahead. I believe that will be the net effect of the federal budget as well.

MR. MARTIN: Just because Mr. Wilson says it doesn't necessarily make it so. If the Treasurer would look, the federal treasurer is not projecting any substantial decrease in unemployment through 1986, which would counter what we just talked about. My question to the Treasurer: does the Alberta Treasurer have any studies to show that Alberta unemployment figures will be any different, flowing from this budget?

MR. SPEAKER: I have a little difficulty with this line of questioning. The hon. Treasurer has indicated that he hasn't had a chance to assess the impact of the budget, and it would seem under those circumstances that we should question the wisdom of devoting time to asking questions directed to eliciting his assessment of the budget.

MR. MARTIN: On a point of order, Mr. Speaker. The federal budget just came down. We want to know what preliminary work has been done. I can't judge each time in question period whether he's going to be prepared or not. It's very much in the news. So my question is simply: does the Treasurer have any estimation of what is going to happen in Alberta in regard to unemployment in the next 12 months?

MR. HYNDMAN: Certainly, in our budget speech we indicated that a structural problem is gradually being eased in Alberta, Mr. Speaker, and that same kind of approach is alluded to in the federal budget. Certainly, though, the increase in investor confidence in the province and in the country is a plus in terms of employment in Canada and in Alberta in the months ahead.

MR. MARTIN: A supplementary question. To go into the recent budget a little more specifically, we notice the home ownership plan and the new taxes on construction materials. What assessment has the Treasurer made of this particular move as it affects Alberta?

MR. HYNDMAN: Those are among the virtually hundreds of matters being assessed not only by the Treasury Department but other departments, as relevant, Mr. Speaker, and it would probably be some time before an assessment or a prediction can be made as to the impact. Overall, though, with the moves that have been taken to begin to tackle the very worrying deficit problem and with the increase in investor confidence in Canada, the certainty that is now available for small, medium, and large businesses in terms of their future, we think there is a new stability which will assist and improve the situation here and across the country.

MR. MARTIN: A supplementary question to the Treasurer, Mr. Speaker. In the federal budget I notice particularly that leaps in personal income tax, sales, excise, and other taxes far outweigh increases in corporate taxes. It seems to me, and I think the Treasurer would have to agree, that ordinary taxpayers ...

MR. SPEAKER: Perhaps we could come to the question.

MR. MARTIN: My question to the Treasurer: has he any plans at this moment to compensate individual Alberta taxpayers for this unfair balance in the taxation system in both Alberta and the federal arena?

MR. HYNDMAN: No, Mr. Speaker, there'd be no plans in that regard. The Alberta budget was brought down, and it was the plan for the year. That remains. It would not be appropriate for the Alberta government to take steps, with respect to the steps in the federal budget, to cancel out decisions made by Parliament or proposals that have been made by the government in Ottawa. Of course, personal income tax in Alberta is the lowest in the country, and that continues to be a factor in investor confidence.

MR. MARTIN: That's all very well and dandy, Mr. Speaker, but the point is that ordinary Albertans are going to be hit hardest by this budget.

SOME HON. MEMBERS: Question.

MR. MARTIN: Question, question. You want to ask a question? Feel free.

My question is to the Treasurer. We notice in Alberta's public accounts that personal income taxes account for more and more of the province's revenues, while corporate tax revenues and royalties are declining. Is government considering any special measures in this province to lessen this increasing reliance on personal income tax?

MR. HYNDMAN: Mr. Speaker, the amount of the budget that pays for the services in the province of Alberta from personal income tax is, of course, the lowest in Canada, by reason of our resource revenues. Most typical Albertans pay less tax and have greater take-home pay every two weeks than in any other province in the country. So we want to continue that form of stability and continue that largest per capita take-home pay in Canada.

MR. MARTIN: A supplementary question. I pointed out to the Treasurer that less and less is coming from the corporate sector and the royalty part of it and more is coming from personal income tax from individuals, whether it's the lowest or not.

MR. SPEAKER: Order please. This is the identical preamble we had to the previous question. If it's going to be a real question, the preamble should ordinarily be a minor part of it, and the question, of course, should be the main part. Otherwise, it's not a question; it's a speech. In the previous question we had this exact preamble we just heard now. It would seem to me that even though preambles are often irregular, at least if they've been given once, they shouldn't have to be given twice or thrice.

MR. MARTIN: My question was: is he going to redress this? He didn't answer that, and I'm asking that question.

MR. STEVENS: Mr. Speaker, on a point of order. In the preamble to a question two questions ago, the Leader of the Opposition indicated that in public accounts personal income taxes have increased. The Leader of the Opposition is the chairman of the Public Accounts Committee. I refer him to page 5 of the report, which indicates exactly the reverse.

MR. SPEAKER: With regard to the point of order, my understanding is that the hon. Leader of the Opposition wasn't referring to an increase in personal tax but to the alleged increase in personal income tax as compared to the corporate tax.

MR. MARTIN: Yes, that's right, Mr. Speaker. He has a little trouble hearing, I guess. But that's all right; he was trying to be clever.

My question to the Treasurer: are there any plans in the immediate future to take a look at the overall budget and how much is dependent on personal taxes and how much on corporate taxes?

MR. HYNDMAN: Mr. Speaker, that's dealt with every year in the budget, and the plan is set forth. This year, in order to try to create jobs through the small business sector, there were specific, added benefits for the small business sector — the manufacturing and processing tax reduction, for example — that will assist in creating meaningful jobs in the private sector. So if the hon. gentleman is suggesting increasing those taxes or doing away with those existing benefits or new benefits for small business, I think that's a very doubtful proposition.

MR. MARTIN: The Treasurer may try to flimflam around it, but he knows ...

MR. SPEAKER: Order please.

MR. MARTIN: The question to the Treasurer — if he wants to stick his finger out, I can do that too. The federal budget forecasts that national consumer demand will be cut in half by 1986. To me that spells serious trouble.

MR. SPEAKER: Let's get to the question.

MR. MARTIN: Well, I have to explain it to him. He hasn't read it, obviously. My question to the Treasurer is simply this: to promote consumer demand in this province as a result of this, is the hon. Treasurer now prepared to repeal the 13 percent personal income tax increase he imposed on Albertans for this year?

MR. HYNDMAN: No, Mr. Speaker, but I would certainly be concerned if Alberta ranked near the bottom or in some lower category with regard to consumer demand. Of course, exactly the opposite is the case. The highest per capita retail sales in Canada are in the province of Alberta, month after month. Albertans are buying more services, more goods per person, every day, every week, every month, than in any other province of the country.

MR. SPEAKER: Might this be the final supplementary in this series.

MR. MARTIN: That's just the type of drivel that Albertans love to hear. [interjections]

MR. SPEAKER: Order please.

MR. MARTIN: My question is to the Treasurer. Boy, they're getting a little rambunctious today, aren't they? They must not have liked what their Conservative cousins did to them.

Has the Treasurer assessed the initial impact to the Alberta Treasury, because he talked about it yesterday, of the 5 percent personal income tax surcharge on people whose taxable income is over \$26,240?

MR. HYNDMAN: Mr. Speaker, my information to date is that that would have no impact on revenues, because that is a surtax on the basic federal tax. It would not bring any extra dollars to the province of Alberta under our personal income tax arrangement.

MR. MARTIN: Well, that's good if the Treasurer realizes that.

My second question to the ... [interjections] Boy, aren't they getting excited today? My goodness. What did you feed them today, Mr. Premier?

Mr. question to the Treasurer has to do with transfer payments. I think we know the amount, because he announced yesterday that the federal government plans to reduce transfer payments to the provinces by some \$2 billion by 1990. Can the government assure this Assembly that strong representations will be made to Ottawa to prevent this further cut?

MR. HYNDMAN: Mr. Speaker, I'm not sure the hon. Opposition Leader is correct in his preamble. Certainly, more detail is needed here. The federal government's declared intention is to reduce the rate of increase in transfer payments

to the various provinces, and of course those comprise equalization as well as established programs payments.

As I indicated yesterday when questioned, I do have some concern if the federal government is proposing to shift a portion of the federal deficit to the provinces. We will be taking the position that that would be inappropriate, and we'll be trying to get more information as to what plans there are. There will doubtless need to be negotiations amongst the 11 governments over the next five years with regard to the transfers to the provinces.

MR. MARTIN: A supplementary question. You may not want to call it a cut, but there will be \$2 billion less, according to page 18. Flowing from the Treasurer's answer, my question is, for clarification: is the Treasurer saying at this time that the government will not take any prompt action to deal with this matter? It's fairly clear that they're going ahead with this.

MR. HYNDMAN: We intend to respond as appropriate. If there are suggestions that there simply be a transfer of the federal deficit to the provinces or to the people of Alberta, we'll make appropriate representations as vigorously as necessary.

MR. MARTIN: Mr. Speaker, a supplementary question to the Premier as head of the Alberta government. Will the Premier assure this Assembly as a matter of principle and policy that if they go ahead with the transfer cuts announced yesterday and the Treasurer is unsuccessful in changing their minds, they will not be passed on in direct cuts to people services in this province?

MR. LOUGHEED: Mr. Speaker, as usual in the Legislative Assembly, the word "cuts" that the hon. Leader of the Opposition raises causes me some difficulty. The precise wording in the federal Budget Speech is: limiting the rate of increase. I still have difficulty contemplating that as a cut. We will always sustain the people services in this province; we've shown that over the course of many years. We are fortunate in Alberta, as the hon. leader is aware, that federal transfer payments are a smaller proportion of the total budget of our province than in many other provinces. I'm sure that the Treasurer will follow through with the undertaking he just gave the Legislature.

MR. MARTIN: A supplementary question. The point remains that if you're expecting \$2 billion more by the end of the decade, you're not getting that. We can call it what we want. Can the Premier confirm that a reduction, slowing down, or however he wants to put it, of transfers from Ottawa will significantly reduce fiscal options for this province?

MR. LOUGHEED: Mr. Speaker, it's the same issue again. The concept that there's somehow a cutback because people seeking an increase do not get all they seek: it's that very thinking that has created the financial mess that the federal government is in, where one of three federal dollars goes to service debt. When we look at the federal budget and their effort to turn the corner on that, the Leader of the Opposition and those that espouse his particular view must remember that when you talk about jobs and you leave a situation which is compounding debt federally in this country, there will not be the public services 10 years from now.

MR. MARTIN: A supplementary question. I remind the Premier that he's the Premier of this government, not the

Prime Minister. My question had to do with money coming into this Treasury. My question to either hon. gentleman: if this \$2 billion doesn't come into the provincial Treasury by the end of the decade, do we have any quick calculations, a rough, ballpark figure, of how much will this mean in terms of money coming into this province?

MR. LOUGHEED: Mr. Speaker, first of all, the \$2 billion is spread across the country is not related directly to the province of Alberta. I can assure the hon. leader that this government intends to continue with the highest level of public services and to maintain the situation where 1 percent — not 33 percent, following the policies the hon. leader prescribes; not 33 cents on every dollar — is to pay debt. That's not the legacy we want to leave Albertans.

MR. MARTIN: I guess the legacy the Premier wants to leave Albertans is 12 percent unemployment. That's the legacy ... [interjections]

MR. SPEAKER: Order please.

MR. MARTIN: He can get up all he wants, but that's the point and the reality for this Premier. So rather than make those speeches, let's answer the questions. [interjections]

MR. SPEAKER: Order please. I realize that one example of being out of order doesn't justify another. If I might be able to hear the hon. leader a little better, I might be able perhaps to know whether or not his preambles are in order.

MR. MARTIN: Thank you, Mr. Speaker. My question, then, to deal with one of the Premier's favourite topics, has to do with trade. I notice on pages 16 and 17 of Finance minister's forecast, Canada's Economic Prospects, that it's predicted that net Canadian exports will sharply decline this year and next. Does the Premier plan any meetings with federal officials to review what effect that drop in exports will have on this province, which is quite reliant on export trade, as the Premier often notes?

MR. LOUGHEED: Mr. Speaker, there's no question that the prosperity of Canadians and Albertans depends upon export trade and access to markets, particularly in the United States. That's why our government has been working very hard to try to improve access. That's why we have a lot of people travelling throughout the world and the United States to improve the access.

I haven't any question about the difficulty we're in, in a political environment. The hon. Leader of the Opposition's party has a document with regard to trade access to the United States that should be required reading in this Legislative Assembly. It's that sort of result — the hon. leader's federal party document on trade would cause a very serious situation of unemployment, not just in Canada but Alberta as well.

MR. MARTIN: A supplementary question. That has nothing to do with what we're talking about. [interjections] We're talking about pages 16 and 17 of this document from his federal party that is predicting this decline. They are in power, Mr. Premier. What are you saying to them about this? That's the answer I'm looking for.

MR. LOUGHEED: Mr. Speaker, we're hoping that within the province of Ontario there will be some support for access to the United States, and we'll watch with interest the political developments and philosophies in that province.

MR. MARTIN: A supplementary question. It's nice . . .

MR. SPEAKER: Order please.

MR. MARTIN: We can blame everybody else but the federal Conservative Party in power.

MR. SPEAKER: Order please.

MR. MARTIN: My question to the Premier is simply this.

MR. SPEAKER: Order please. I regret to have to say that if the hon. Leader of the Opposition persists in disregarding my pleas for order when it would appear that my duties require me to intervene, that would inhibit my freedom in recognizing him. All I really wanted to say was to ask the hon. leader if this might be the last supplementary in this series, but I didn't get a chance to say it.

MR. MARTIN: Mr. Speaker, I don't mind being out of order, because the Premier has been out of order on almost every question also. [interjections]

MR. SPEAKER: It may not be a necessary observation, but being out of order doesn't depend on being in distinguished company.

MR. MARTIN: It depends on how you look at the term "distinguished", Mr. Speaker. We're in company anyhow.

In regard to those statements, my question to the Premier is: what discussions has the Premier had with the Prime Minister, leading up to this budget, that would indicate why they are looking at such a drastic cut?

MR. LOUGHEED: Mr. Speaker, as the hon. Leader of the Opposition knows, we've had discussions with regard to exports and trade. My communication to the Prime Minister with regard to my recent visit to Washington was tabled in the Assembly a week ago, urging a comprehensive bilateral free-trade arrangement, which I presume the federal government will have to come to grips with by this summer. It is important that support be developed in the Legislative Assembly.

I'm delighted that questions have come. I've been waiting perhaps two or three weeks for the Leader of the Opposition to finally join with most Albertans, as with the Premier of Manitoba, in supporting a comprehensive bilateral free-trade arrangement with the United States. It makes a very good day for me today.

MR. MARTIN: Mr. Speaker, we talked about "fair" trade.

#### **Driver's Licence Suspension**

DR. BUCK: I would like to ask a question of the hon. Solicitor General. This is particularly an Alberta problem. Mr. Speaker, with your indulgence I would like to explain to the Solicitor General and members of the Assembly what my concern is. I had breakfast this morning with several law enforcement officers. The concern was brought to my attention that a person who has a suspended driver's licence can walk into a local licensing agency, say he has lost his licence, and get a new one issued on the spot. Is the Solicitor General aware that this practice is going on in this province?

DR. REID: Mr. Speaker, that can only happen if the suspension of the licence has not yet been recorded on the computer.

DR. BUCK: Mr. Speaker, I think the hon. Solicitor General had better check what is going on in his department. The enforcement officers told me that you can have your licence suspended, walk in, say you've lost it, and the local agency will give you a new licence, sir. Once again, can the hon. Solicitor General reiterate what the practice and policy of the department are in that instance?

DR. REID: Mr. Speaker, in the event that a duplicate licence has been issued, that information is recorded on the computer as well. Once the suspension is registered, in the event that the licence has been taken away in court, then they are sent a registered letter requiring the submission of the duplicate licence, as described by the member. They are requested to return that either directly to the department or to an issuing office.

DR. BUCK: Mr. Speaker, is the Attorney General aware that a person who has had their licence suspended or is about to be suspended can go to a local licensing outlet and ask for a new licence because they lost it, knowing that they're going to appear in court and have to surrender their licence? Is the minister aware that this is happening?

MR. CRAWFORD: Mr. Speaker, that's a very difficult question to answer. What the hon. member is informing the House of is that through his conversations with some police officers he's discovered that some people cheat.

MR. MARTIN: That's why we have an Attorney General.

MR. CRAWFORD: I would want to know which side of the issue the hon. leader is on.

Mr. Speaker, I think all hon. members would very much agree with the need to have as meticulous and careful a system for checking as can be done. I think the Solicitor General has responded with that in mind.

DR. BUCK: Mr. Speaker, can the Solicitor General indicate if the problem is of recent vintage or if it happened when the surplus people from Alberta Health Care were moved over to start up the new computer program with the motor vehicles branch? Is that when the problem of duplication occurred, where you could just walk in off the street and say your licence was lost?

DR. REID: Mr. Speaker, the computer system did not result in transfer of employees from Alberta Health Care. In fact, it has already resulted in some decrease due to the decreased requirements in staff with the new computer system.

My understanding is that there have always been some people who have been willing to cheat, as expressed by the Attorney General. The other thing is, of course, that even if they do have a second licence in their pocket, their right to drive is still suspended and they are breaking the law in another fashion. If they are detected, then subsequent penalties will be assessed.

DR. BUCK: Mr. Speaker, can the Solicitor General indicate what the policy and the directives are to the enforcement officers? Are all drivers' licences checked through the central

computer system, or does the officer just believe the person's licence is valid?

DR. REID: Mr. Speaker, by my understanding, the usual thing is that if somebody is picked up for, say, a speeding offence, their driver's licence is checked with the computer very rapidly. If it's found that they are indeed suspended, whether or not they have a licence in their pocket they will then be charged with driving while suspended.

DR. BUCK: Mr. Speaker, to the hon. Solicitor General. Just the random sampling and the random checking; the licence is not checked: is that the policy in place?

DR. REID: I'm not sure I understand what the member is referring to as a random check.

DR. BUCK: Mr. Speaker, the hon. Solicitor General said that if a person is caught for speeding, they will check the driver's licence. But if it's just a random check program, the enforcement officers have informed me that they do not go through the computer. They just assume that that licence is valid.

DR. REID: Mr. Speaker, if the hon. member is referring to the Check Stop program, it's true that at a Check Stop we do not verify the validity of the insurance certificate or of the driver's permit. On occasion, the Alberta Highway Patrol will also stop people to check that they have insurance certificates and a driver's permit. Again, they do not check with everybody on those occasions. If they have any suspicion, then they can check.

DR. BUCK: Mr. Speaker, a further supplementary to the Solicitor General. This has to do with uninsured vehicles. With the new program that the Solicitor General's department has in place, is that problem being cleaned up and are we having fewer people driving without proper insurance?

DR. REID: It's difficult to know unless there's an accident, Mr. Speaker. There are indications of a decrease in the drawdown on the unsatisfied judgment fund, which presumably is related to more people carrying insurance, but I can't give that as a factual statement.

#### **Energy Agreement**

MR. McPHERSON: Mr. Speaker, my question this morning is to the Minister of Energy and Natural Resources. Could the minister advise the Assembly if the western accord signed between the federal government and the western producing provinces considered or incorporated a tax of 2 cents per litre to replace the phasing out of the petroleum and gas revenue tax?

MR. ZAOZIRNY: An important question, Mr. Speaker, and the answer is no. It should be clearly understood that the 2 cents a litre gasoline tax that is part and parcel of the new federal budget in no way relates to revenues previously received by the federal government from the producing industry. In fact, the 2 cents a litre levy is simply a replacement by the federal government of a tax that they previously were receiving from the Canadian public by way of the Canadian ownership special charge. That special charge was put in place to finance the acquisition of oil companies, notably Petrofina, and was levied on fuels. It was levied at the refinery gate on oil and by distributors

on natural gas. It generated a significant amount of revenue for that purpose, which was subsequently attributed to the general revenue fund of the federal government. They have simply replaced that Canadian ownership special charge with a new levy. It in no way relates to revenues previously received by or from the producing industry.

MR. McPHERSON: A supplementary question to the Premier, Mr. Speaker. Could the Premier advise if any studies have been conducted to assess the contribution made by the Alberta petroleum industry to the rest of Canada by virtue of the petroleum and gas revenue tax?

MR. LOUGHEED: Mr. Speaker, I don't have information of that nature. I believe it has been answered on other occasions in the House that the contributions made by this province to Canada by way of taking less than market value, compounded by a gross royalty tax such as the petroleum gas revenue tax, is unparalleled in the history of our country. I make that response with reference to the previous answer given by the minister of energy and the positive reaction we have that the budget followed through on the western energy accord and that the increase in tax at the pump in no way relates, as the minister of energy has just said, to some alleged benefit to the energy producing industry in western Canada.

#### **Federal Budget's Impact on Agriculture**

MR. GURNETT: Mr. Speaker, my question is for the Minister of Agriculture and follows again out of the federal budget documents that were presented yesterday where, in more than 500 pages of information, I can only find somewhere around nine that relate in any way to agriculture. As part of that, there is the announcement of this \$50 million cut in the budget of the federal Department of Agriculture. Since that was left so vague in the documents, my question is whether the minister has any information at all as to how and how much that \$50 million in cuts will effect producers in Alberta.

MR. FJORDBOTTEN: No, Mr. Speaker. Of course, we are doing a comprehensive review at the moment, an in-depth assessment of all the proposals contained in the budget, and we'll certainly be looking with respect to that and the other issues mentioned to see what impact it will have on Alberta.

MR. GURNETT: A supplementary question, Mr. Speaker, to the minister. One thing we all noted was the increase in federal fuel taxes. Using 1983 figures, it looks to me like it will cost producers in Alberta close to \$12 million more. My question is whether the minister has any intention to consult with the Provincial Treasurer to enrich the farm fuel distribution allowance here, to at least fully offset that increase in federal fuel taxes.

MR. FJORDBOTTEN: Mr. Speaker, it's been our view for some time that the taxes on input costs by the federal government are areas they certainly should recognize and remove, as we have done in the province of Alberta, recognizing that input costs are very, very important now that margins are very narrow. So there's an ongoing review with respect to that program, as with all programs we have in the government, and we'll respond after we've had a more complete assessment of the federal budget and what impact that will really have.

MR. GURNETT: A supplementary question. Nowhere in the documents is there any mention of the farm debt crisis. In view of the absence of any indication there, I wonder whether the minister is now prepared to look at the possibility of debt adjustment legislation at the provincial level to deal with that debt crisis.

MR. FJORDBOTTEN: Mr. Speaker, I have responded many times in the House that debt adjustment or debt moratoriums are something that we don't have under consideration at all. However, we are reviewing our programs in the province to make sure that they are the best possible. Also, I remind hon. members that we have had many discussions with the federal government over the past year, starting last July at the ministers' conference when we identified the whole area of agricultural credit as being one of primary importance to all ministers of agriculture in this country. We have been working since that time to look at all new options and improvement of present programs to see what could be done. So I certainly will continue personally to have those discussions with the federal minister as well as ministers from other provinces to see what action we can take on a national basis.

MR. GURNETT: A supplementary question, Mr. Speaker. In view of the anxiety that producers have, seeing nothing in the federal budget, and the minister's rejection of the concept of debt adjustment, could the minister specify what new programs are being considered for the immediate future to alleviate that anxiety and provide some effective assistance to farmers, rather than just the indications he has given of the ongoing review?

MR. FJORDBOTTEN: Mr. Speaker, we not only have talked about it but we've acted in this province, coming in with very comprehensive changes to the Agricultural Development Corporation programs that now seem to be working very well. We'll review, on a continuing basis, what areas we could look at. One that is being reviewed with the federal government at the moment is an agricultural credit bank, which may or may not achieve the goals we all want to achieve. So we will continue to work and take action, as we always have.

MR. GURNETT: Mr. Speaker, a supplementary question to the minister about one of the specific items mentioned in the budget documents, the intention to have the Canadian Grain Commission take steps to achieve full cost recovery on an overall basis by March 31, 1986, which I take to mean that producers will be paying the full cost of grain inspection and grading, et cetera. Has the minister any estimate of the cost to Alberta producers of this full cost recovery?

MR. FJORDBOTTEN: No, we don't at this point, Mr. Speaker. That's part of the in-depth review we're doing with respect to all parts of the federal budget.

MR. GURNETT: A supplementary question, Mr. Speaker, about another area that's referred to in a very vague way in the federal Budget Papers. A statement there says individuals will no longer be able to shelter other income with losses created by capital cost allowance from such property used in businesses that offer services combined with the use of the property.

Can the minister advise whether he has any information as to whether that oblique statement has any kind of implications

for agricultural producers; for example, farmers who may also operate oil companies, service businesses, or equipment dealerships?

MR. FJORDBOTTEN: Mr. Speaker, that's one area we are certainly looking at. We're also looking at areas with respect to part-time farmers and the impact under the different sections of federal taxation Acts. That's part of the review.

#### **Regulation of Business Hours**

DR. BUCK: Mr. Speaker, my question is to the hon. Attorney General. In light of the meeting the mayor of the city of Edmonton had with the reeves and mayors in surrounding communities, is the government giving any consideration to amendments to the Landlord and Tenant Act and the Employment Standards Act that would prevent the forcing of stores to remain open seven days a week and would permit employees to refuse to work on their day of rest without any fear of retribution?

MR. CRAWFORD: Mr. Speaker, the hon. member is asking me about proposals that ministers who are responsible for those areas of administration of provincial statutes could perhaps better answer. The short answer to his question, if I might respond to him as House leader, is that there are no proposals to introduce legislation of the type the hon. member asks about.

DR. BUCK: Mr. Speaker, a supplementary question. Would the Attorney General give consideration or has he made arrangements to meet with the executive of the AUMA — they are meeting in the city at this time — to look at and discuss the possibility of bringing amendments to those two Acts to clarify the situation about Sunday closing?

MR. CRAWFORD: Mr. Speaker, I think the situation relative to Sundays is entirely clear, and I think the members of the executive of the Alberta Urban Municipalities Association know that. The recent decision of the Supreme Court of Canada settled the law on the question of Sundays. As far as I know, I have had no invitation to meet with them.

#### **Federal Budget** *(continued)*

MR. HYLAND: My question is to either the Premier or the Treasurer. In their review of the federal budget delivered yesterday afternoon, have they been able to find anywhere a specific tax on either Alberta's people or resources, as there have been in other budgets?

MR. HYNDMAN: No, Mr. Speaker. In fact, one of the very positive features of the federal budget is that, unlike some previous federal budgets, there is no direct discrimination against Alberta or Alberta citizens. We as a province, as our citizens know, have been subject to that all too frequently over the past decade. However, in the initiatives taken with respect to either expenditure reductions or increases in revenue, in this budget the burden is shared equally across the country in every province, and that is certainly a plus.

**ORDERS OF THE DAY**

MR. SPEAKER: Might we revert briefly to Introduction of Special Guests?

HON. MEMBERS: Agreed.

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

MR. PURDY: Mr. Speaker, it's my pleasure today to introduce to you and to hon. members of the Assembly 54 students from the Brookwood elementary school located in Spruce Grove. They're accompanied by their teachers Mrs. Arnold, Miss Fry, and Miss Maciaha, and parent Mr. Giesbrecht. They are in the public gallery. I'd ask them to rise and receive the warm welcome of the Assembly.

DR. REID: Mr. Speaker, it's my pleasure this morning to introduce 10 students from grade 6 at Mountain View school in Hinton. They're accompanied by their teacher, Vicki Brassard, and three parents, Marilyn Bulger, Judy Grigat, and Anita Raymer. I would ask them to rise and receive the welcome of the Assembly.

MR. BATIUK: Mr. Speaker, it's a pleasure for me to introduce to you, and through you to the members of the Assembly, 45 enthusiastic, bright-eyed grade 5 students from St. Martin's separate school in Vegreville. They are accompanied by their teachers Mrs. Yackimec and Mrs. Kulak. They are seated in the members' gallery, and I would ask that they rise and receive the welcome of the Assembly.

head: **GOVERNMENT MOTIONS**

14. Moved by Mr. Hyndman:

Be it resolved that the Legislative Assembly do resolve itself into Committee of Supply, when called, to consider the Supplementary Estimates of Investment (A) 1985-86 and the 1985-86 Estimates of Proposed Investments of the Alberta Heritage Savings Trust Fund, capital projects division.

[Motion carried]

15. Moved by Mr. Hyndman:

Be it resolved that the messages of Her Honour, the Honourable the Lieutenant Governor, the Supplementary Estimate of Investment (A) 1985-86 and the 1985-86 Estimates of Proposed Investments of the Alberta Heritage Savings Trust Fund, capital projects division, and all matters connected therewith be referred to the Committee of Supply.

[Motion carried]

16. Moved by Mr. Hyndman:

Be it resolved that the messages of Her Honour, the Honourable the Lieutenant Governor, the Supplementary Estimates of Expenditure 1985-86 and all matters connected therewith be referred to the Committee of Supply.

[Motion carried]

[On motion, the Assembly resolved itself into Committee of the Whole]

head: **GOVERNMENT BILLS AND ORDERS**  
(**Committee of the Whole**)

[Mr. Purdy in the Chair]

MR. DEPUTY CHAIRMAN: The Committee of the Whole Assembly will please come to order.

**Bill 10**  
**Election Amendment Act, 1985**

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

There is an amendment. Are there any questions or comments regarding the amendment?

[Motion on amendment carried]

[Title and preamble agreed to]

MR. CRAWFORD: Mr. Chairman, I move that Bill 10 be reported as amended.

[Motion carried]

**Bill 55**  
**Electoral Divisions Amendment Act, 1985**

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

There is an amendment. Any questions or comments regarding the amendment?

[Motion on amendment carried]

[Title and preamble agreed to]

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

[Motion carried]

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. PURDY: Mr. Speaker, the Committee of the Whole Assembly has had under consideration and reports Bills 10 and 55 with amendments.

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

HON. MEMBERS: Agreed.

head: **COMMITTEE OF SUPPLY**

[Mr. Appleby in the Chair]

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



**1985-86  
Supplementary Estimates (A)**

MR. CHAIRMAN: We have some supplementary estimates to consider this morning for various departments. The first one is the Department of Agriculture.

MR. MARTIN: Is the Minister of Agriculture here? I have some questions.

MR. CRAWFORD: Mr. Chairman, I might note for hon. members that the Minister of Agriculture will be here for that item. Perhaps we could go on to the next one. The Minister of Agriculture will be with us shortly.

**Economic Development**

**1.42 — Export Services Support**

MR. MARTIN: I know we've briefly talked about this through the ministerial announcement. I believe it's the same program. At the time, I said I would like to have a little more detail about the program. I wonder if the minister could take this opportunity to update us and give us a little more detail on this matter.

MR. PLANCHE: Mr. Chairman, the purpose of this program is to encourage activity in foreign markets by those in engineering, architecture, franchising, and other so-called invisible exports. It's common now in other jurisdictions, not only in Canada but internationally, to support that kind of activity. It seemed very urgent, particularly in times of restricted domestic activity, that we give this kind of support to employ our engineers, architects, and others. The program is designed in such a way that there is a maximum amount of dollars for each concern and for each particular project. If they are successful, we expect to cost recover. If they're not, we expect to participate in up to 50 percent of the cost.

MR. MARTIN: One supplementary question, Mr. Chairman. Does the minister have any estimate of how many companies might be affected by this program? What sort of scope are we looking at?

MR. PLANCHE: Mr. Chairman, one of the interesting parts about developing a program like this is to be certain Alberta engineers, architects, and businesspeople are involved. The member knows that many of the people who are active in that sector in Alberta are employed by multinationals and those with head offices out of the country. So there are going to be some subjective assessments, depending on who is involved. But I think it will be very well received. As a matter of fact, I think we have approved three since the inception of this program. One that comes to mind is engineering and architecture for a resort in the British West Indies. I think there will be good take-up, and it's well received. I have met with the engineering association and the Association of Professional Engineers, Geologists, and Geophysicists of Alberta, and they're very enthusiastic about the program. It simply puts our professionals on the same footing as those from other jurisdictions across the country.

MR. MARTIN: A final comment following from that, Mr. Chairman. Are most provinces into some sort of subsidy, I suppose, in terms of bidding and that, and we felt we had to do the same thing in order to compete?

MR. PLANCHE: I missed the question.

MR. MARTIN: You indicated that we had to follow along to get into a program like this. My question is: is it fairly common that other provinces are into doing almost a subsidy thing? Did we feel this step was necessary at this particular time for our companies to be competitive?

MR. PLANCHE: Yes, it is. It's important to note, too, that the federal government has a program similar to this for activity in Third World countries, and we've been able to make some use of that. But with our background primarily in oil and gas expertise, many of the countries we'd like to become active in are not Third World countries and therefore don't fall under the federal program. Ontario has a program like this; Quebec has. You know that the three major engineering companies in Canada are from Quebec. They've been active internationally for many years, and we've got some catching up to do.

MR. MARTIN: I know the minister has talked about it having to do with interprovincial competition. I gather from this that we would rather not be doing this. We would rather have all the companies compete equally across the country, be they from Ontario or Quebec, but we're forced into this sort of measure because that's not happening. Would that be a fair assessment?

MR. PLANCHE: It's partly true, Mr. Chairman. Of course, it's also true internationally. We've got to be competitive internationally. Most of the retained earnings from this sector were depleted over the last three or four years. Until our economy is humming again, we've got to encourage our folks to look to markets outside Alberta, as well as Alberta, in order to be gainfully employed. From now on whenever opportunities occur internationally, we'd like our people to be part of it. It's important not only for the associations they develop but to broaden their area of expertise for use at home. So we think it's a good thing to do. It wasn't necessarily intended primarily to balkanize the nation or be interprovincially competitive. It's just that they need the same opportunities others have.

MR. MARTIN: One follow-up question in terms of numbers. I take it that there's probably some background that indicates that the types of bidding and feasibility studies we've been looking at are roughly \$7 million a year. I wonder if feasibility studies led up to that. We're budgeting \$3.5 million. I wonder how we came to that. Is it because of what we've looked at in the past? Have we taken that into consideration? It seems to me that if I were a company and there was a possibility of getting 50 percent back, it might actually increase the number of companies. I suppose that's the reality of what we want in the program.

MR. PLANCHE: That's right, Mr. Chairman. The Treasurer tends to run his department with a mailed fist. As a result, the numbers we initially suggested were pared down with the understanding that if the program were well received, we could discuss the size of the numbers in the estimates in the future. It isn't so much a question of the amount of money. It's a question of whether or not the program will be effective and whether it will be used. If you're forecasting programs, you've got to have the experience to understand from the preliminary time whether or not you're going to need more or less money. The number was picked empirically.

MR. MARTIN: I like that analysis and the shrewd way we do business. I take it it was something like that. I appreciate that that has to happen when you're going into a new program; I'm not overly critical. I take it this program will go to the budget year. Is there the possibility that if it goes better than \$3.5 million, as we've had with the minister and his equity development program — is that the absolute? Let's say it happens by the fall. All of a sudden there's an influx, and we're up to that \$3.5 million. I wonder if the minister is thinking about coming back to the hon. Treasurer and looking at what might happen at that point?

MR. PLANCHE: Yes, Mr. Chairman, we are. But it's impossible to forecast his parsimonious bent.

Agreed to:

Total Vote 1(a) — Economic Development and International Trade	\$3,500,000
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MR. PLANCHE: Mr. Chairman, I move that the funds be reported.

[Motion carried]

MR. CHAIRMAN: We'll go to the Department of Agriculture. We have two votes.

Agreed to:

2.4.7 — Farm Fertilizer Price Protection Plan	\$21,800,000
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2.4.8 — Financial Assistance to Sugar Beet Producers \$6,000,000
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[Mr. Purdy in the Chair]

MR. GURNETT: Mr. Chairman, just a few comments and a couple of questions about the two votes we're looking at. First, the \$6 million financial assistance indicated for sugar beet producers: I wonder if the minister could indicate whether that money will in fact have any reason to be spent this year in view of the information we've had the last little while. As he indicated earlier this week, we probably aren't looking at a sugar beet crop in the province of any significance. We've dealt with that issue at some length: the implications it has for producers and also for the general economy in that area of the province. I see that we're still planning to vote the \$6 million for financial assistance. I wonder how that's going to be used and whether or not the minister has any more recent information than he had a few days ago about the sugar beet industry.

In addition to the actual producers, I still have some concern about the effect on that area of the province in general. I don't know what the multiplier effect is, but obviously when you have a crop that has the value that does, it must have a greater impact than just the people directly involved in production. Maybe the minister could update us a bit on what's happening with the producers in that area of the province.

In connection with the farm fertilizer price protection plan and the money being voted for that, Mr. Chairman, again it's a program I was happy to see come in. I know it is providing a little assistance on every acre of land that's being put into production this spring. Every dollar saved on input costs is a useful thing to see. Earlier this morning the minister indicated his ongoing concern that input costs are still very high and still serious. In connection with this

plan, I wonder if the minister could tell us, again by way of update, if anything more is happening in some of the other areas we've talked about on other occasions with the Agriculture estimates. I'm thinking, for example, about whether or not there's been any further look at why the program is available for fertilizer regardless of its source, the fact that it doesn't just benefit those organizations that are manufacturing fertilizer in Alberta.

Of particular concern to me is whether this program is going to be tied with increased money being available in the whole research area, particularly to assist in alternatives to heavy fertilizer use. Obviously, the significance of that varies in different parts of the province, depending on the soils, but while it is valuable in the short term to make an impact on input costs by a program such as this, it seems to me that we need to pay particular attention to improvements in practices that will encourage less use of fertilizer in the long run. That could be tied into research, as I mentioned, but on an even larger scale it could also be tied into what we can do about the agricultural economy in this province so the continual push for immediate efficiency doesn't dominate to the extent that we destroy resources that take long periods of time to recover and that can't be salvaged once they've been overly damaged. I wonder about the support for that. I know there is money going into research projects that work in this area, particularly through the Farming for the Future program, but I wonder if the minister is looking at a significant new incentive in that particular area of research so a program like this will only have a limited life and we'll see the day when it's a less significant part of input costs.

My other concern about the fertilizer program — and perhaps now that another couple of weeks have gone by the minister has some more information — is what has happened as far as whether or not the benefit of the program is taken up by various increases. In the newspapers I receive in my area, I continue to see letters to the editor where producers are saying that their perception is that that's the case. I know the minister told us earlier this spring that that was being monitored around the province. I wonder if we have any better picture of whether this program has ended up providing a real benefit or has simply prevented a further increase in input costs for producers.

As I said at the beginning, it's certainly a program that was needed and is good to see. I still remember the experience of talking about a similar motion and having all the shortcomings of it pointed out and then seeing this program come in a little later, and I was glad to see that. But I would appreciate those updates about the status of the two programs.

Thanks, Mr. Chairman.

MR. BOGLE: Mr. Chairman, the sugar beet industry has been synonymous with agriculture in southern Alberta over the past 60 years. In fact, you can trace the first stages of development of the industry to a period shortly after the turn of the century. There was a period of time when no beets were grown, but for the past 60 years we've consistently had beets grown in southern Alberta. This has become one of the very strong, stabilizing crops for farmers in the irrigation belt. We're looking primarily at the area from Bow Island in the east, Vauxhall, Taber, over to Barnwell, Coaldale, up into the Picture Butte area, and to some extent down into the Raymond area.

At the end of each growing season, the growers in the various parts of southern Alberta have a wrap-up banquet. At that banquet, first of all, recognition is given to those

producers who have had high yields on a per acre basis. It's also an opportunity to make plans for the future. The Taber banquet, which is normally attended by between 700 and 850 growers and their spouses or friends, is a highlight of the season and one that I've had the honour of attending on each occasion over the past 10 years.

During the Taber beet growers banquet this year, which was held December 7, 1984, Mayor Van Van Orman of Taber suggested in his welcoming remarks that with a new Conservative government in Ottawa, elected on September 4 of the same year, it was time that Canada put a national sugar policy in place and that as one of the 42 countries in the world that produces sugar, there should be recognition by Canada that there should be some protection for its own domestic production. I might mention that the 41 other countries that have sugar production have such a policy in place.

It's important to recognize, Mr. Chairman, that what the mayor was suggesting was not a subsidy or a special consideration but merely that the growers in this country, particularly in Alberta, be afforded the opportunity to grow beets at a competitive price. It is important to recognize that while 85 percent of the world's sugar production is protected by contract, the remaining 15 percent, which at this time is oversupply, overproduction, is dumped on the world market and is therefore sold at a very depressed price. That's the kind of sugar we're trying to compete against.

Mayor Van Van Orman put forward a suggestion. I brought greetings on behalf of the province of Alberta. In my remarks I picked up on what the mayor had said and suggested that we should have a half-day meeting in Taber and that we should invite to the meeting civic leaders from the communities involved in sugar production, the presidents of the chambers of commerce, our two Members of Parliament for Medicine Hat and Lethbridge-Foothills, and the MLAs in the surrounding areas. The meeting was called and held on February 23, 1985. I might mention that in addition to the civic and government leaders I previously mentioned, the president and senior officials from B.C. Sugar were asked to come, and they did.

During the meeting, attended by colleagues from this Assembly — the members for Cypress, Bow Valley, Little Bow, Lethbridge West as well as myself — a bombshell was dropped by the president of B.C. Sugar. The bombshell was that in 1985 there might not be a crop. His concern related to the price of sugar. Remember that we're talking about the 15 percent of sugar production in the world that's being dumped and the fact that his company, B.C. Sugar, could pick up the semirefined sugar at a wholesale price, finish the processing at their plant in Vancouver, supply the needs of the prairie provinces from that one plant, and therefore close the beet processing plants in Winnipeg and Taber.

I was aware from my earlier discussions with both the Minister of Agriculture and the Minister of Economic Development that discussions had occurred with the president and other officials of the company. I reiterated a position taken by my colleague the Minister of Economic Development that while it may be economically possible for B.C. Sugar to close a plant in Alberta and replace the market, the government of Alberta had no intention of standing idly by and watching that happen and that we would be there to assist the 650 producers in this province and to ensure that our industry remained viable. I said that rather than talking about the things we're not going to allow to happen, let's talk about what we can do to assist the federal government

in the development of a national sugar policy, so that not only the 10 percent of sugar consumed in Canada that we produce domestically, and Alberta produces about half of that — let's talk about how we not only can protect our own production but can expand it somewhat. Obviously, following that meeting the issue became public, and public debate ensued.

It is ironic that on March 8, 1985, a 60th anniversary banquet was set for Lethbridge. That was really a celebration banquet. Representatives of the sugar industry were invited from both Manitoba and Quebec. We were celebrating 60 years of continuous growth in Alberta, while at the same time we had clouds hanging over our heads: the problems faced by the company, the lack of a national sugar policy, and a lot of question marks as to the future of the industry. In addition to the members who were present at the meeting in Taber, we were pleased to be joined by our colleague the hon. Member for Cardston. In my remarks on behalf of my colleague the Minister of Agriculture, who unfortunately was unable to attend the meeting in Lethbridge due to a commitment — I believe it was a food promotion visit to the southwestern U.S. in conjunction with Safeway Stores; we're trying to market more of our agricultural products from Alberta in the U.S. — I again reiterated our strong position as a government and the fact that we intended to work with both the company and the growers to find a way around the short-term problem and give the federal government some time to develop a national sugar policy.

On March 16 the ministers of Agriculture and Economic Development along with myself met with Charlie Mayer, the federal minister responsible for the Wheat Board and the minister who had assumed responsibility for action by the federal government. During that meeting, on what was, I believe, a Saturday morning, we shared ideas on what the province intended to do, and we sought input as to what the federal government intended to do, because it was important that we have a co-ordinated effort.

In addition, we met with the president and two senior vice-presidents of B.C. Sugar and discussed plans with the company. That meeting was followed by a private meeting I had with the three gentlemen on Monday, March 18. At that meeting I pressed the three gentlemen as to whether or not they had yet opened negotiations with the growers. They had not, and their rationale was that they were waiting for some action by governments before meeting with the growers. I strongly urged them to sit down with members of the Sugar Beet Growers Marketing Board. I thought it imperative that those discussions take place and that any assistance governments might provide be outside the context of the contract between the growers and the board.

Two days later, on March 20, negotiations began between the company and the marketing board. We continued our efforts to work with the federal government. I recall, for instance, one telephone conversation that occurred on March 26 between Charlie Mayer and the Minister of Economic Development and myself over where the federal government was with putting in place its plans. We kept stressing the urgency of action by governments, because we were fast approaching a time when farmers would have to make a decision to seed, and that was vitally important.

On March 22, I believe, the Minister of Agriculture and I met with the beet growers in Lethbridge at the airport. We were both returning to our constituencies. The Minister of Agriculture restated very clearly, and I supported him, that while we did not intend to become part of the actual negotiations, we were certainly going to continue to closely

monitor what was happening and provide whatever assistance we could.

An extremely important meeting occurred in Lethbridge on April 2, Mr. Chairman. The meeting had been arranged by the Chamber of Commerce and the city council of Lethbridge. I might mention that at that meeting, which was attended by members of this Assembly for Bow Valley, Lethbridge West, Little Bow, the Minister of Agriculture and myself, we learned that the federal government had not yet put in place its plan. We were all very proud of our colleague the Minister of Agriculture, who announced on behalf of the government of Alberta a \$6 million incentive that would be aimed directly at the beet growers. We very deliberately developed the program to be simple and straightforward. It is a program that will not flow through the federal stabilization program, will not have a sugar content, will be paid in the fall directly from the Department of Agriculture to the farmer on a per tonne basis, so we eliminate middlemen and red tape and get the dollars in the hands of the farmers as quickly as possible. That was extremely well received by all at the meeting. In fact, I remember the remarks made by various members, including the Member for Little Bow. It's unfortunate he's not in the Assembly today, but I remember how pleased he was by the fact that the payment was going directly to the farmer and, as I have said before, that the program eliminated red tape. I remember the member asking me who developed the program, and I said that we did, the members in conjunction with our colleague the Minister of Agriculture. We appreciated the opportunity to work with the minister in that way.

The conclusion of the meeting in Lethbridge was that a delegation had to go to Ottawa to press the case, that without assistance and leadership from the federal government the industry would certainly be in trouble. A trip was arranged for April 15 and 16. About 50 delegates left from southern Alberta, a delegation made up of farmers, civic leaders, and businessmen. I recall that my colleague the Member for Cypress went with the delegation. I travelled a bit later and joined the delegation in Ottawa. We had meetings with various cabinet ministers who were part of the cabinet committee that would be dealing with the issue; we also met with Members of Parliament. I was very pleased with the work done by our colleagues the federal Members of Parliament for Medicine Hat and Lethbridge-Foothills in arranging meetings and assisting in every way possible. While in Ottawa I had a separate meeting with the Minister of Communications over departmental responsibilities. I might mention that that minister, Marcel Masse, is a member of the economic planning cabinet committee in the federal government, so a delegation met with Mr. Masse as well. We were pleased that just over a week later the federal government did, in fact, announce its assistance, which worked out to about \$8 per tonne. The provincial assistance that had been announced by the Minister of Agriculture was \$10 per tonne.

We again urged the company and the growers to get back to the negotiating table and work out a contract. It seems to me that one of the sad realities throughout this process was that both sides were looking at support being provided by government and working it into the statistics in one way or another. If the approximately \$18 per tonne support had been set aside and both sides had looked at the price of sugar on the world market, what the company could pay, and what the growers needed in terms of a return on their investment, I like to think that some other conclusion might have developed. But it's important to

recognize, Mr. Chairman, that because the discussions developed so late this year, at least two months later than is normally the case, there was time pressure on both sides that had a very significant contribution to the fact that there will be no beets grown this year.

The long-term answer is a national sugar policy, and that decision rests solely with our federal colleagues. I'm very pleased with the stand taken by our ministers of Agriculture and Economic Development and the support being given by the members for Cypress, Cardston, and Bow Valley, to mention a few, in working with our federal Members of Parliament in urging the establishment of a national sugar policy. Without that policy there is no point in talking about more competition in terms of other plants or more production. It just will not happen. If Canada continues to be the dumping ground for the world, for all those countries that produce sugar, then we're clearly not going to be able to compete, any more than we can compete with the beef from the Common Market countries that's being dumped and that our beef producers are struggling with.

I'd like to conclude my remarks by saying that while it's extremely unfortunate that we're not going to have a crop in 1985, I view this as a setback, not a defeat. I believe we must continue to do everything humanly possible to assist the federal government to come to the conclusion that this country needs a national sugar policy. I firmly believe that can be done over this summer. It's not the kind of thing that can be allowed to wait until a year from now, or we'll be back in the same position we're in at this time — but over the summer, with the leadership of our ministers and our government.

I'd like to remind members of this Assembly that we were the first of the four governments involved — keeping in mind you have three provincial governments — Quebec, Manitoba, and Alberta, and a federal government — to take a position, to announce what kind of help we would provide. The federal government followed some weeks later. The government in Manitoba seemed to be reluctant to get involved but finally came to the table and provided some help later on. With the leadership shown by our government, I'm very pleased to support the supplementary estimates put forward by the Minister of Agriculture.

MR. HYLAND: Mr. Chairman, a few words regarding the sugar industry. The Member for Taber-Warner has covered the actions in the buildup of what has happened in the industry in the last few months, so I'll deal with the need for a national sugar policy. I'm a little concerned about reports that people have said that what we need to do now is build a new factory beside the other factory and go into production; i.e., either the government of Alberta supply it out of the trust fund or a combination of provincial and federal money build this factory. In my opinion, the stupidest thing we could do is build another factory when we don't have a national sugar policy in place. The key to saving the sugar industry is the need for a national sugar policy. We could build a hundred factories, but if we don't have a national sugar policy, none of them is going to work and none is going to be able to produce at a profit, and that is a basic part of our system. I'm sure the minister agrees that we might as well forget about building another factory and all the other things, and work and push towards a national sugar policy so we have this policy in place before the negotiations for next year's crop.

Mr. Chairman, I'd like to make a few comments as well on the fertilizer protection plan. The minister well

knows my concern. I've asked supplementaries in question period relating to the increase in the price of fertilizer. I communicated my concerns to at least two of the principals in the industry. The response I got is that they don't deny the price went up, but they say it was planned a long time in advance and just happened to go up at the same time we announced the protection plan; it's just coincidence that some of them seem to come to about the same amount. I guess there's nothing we can do about that. I would like the minister to make some brief comments on it, if he sees anything we can do about it. I guess one could say it would have been nice if the industry found that they could cut some of their costs in the fall. Granted, they saved storage and that on their product, but they could at least have passed part of that cost on in the spring, after the program was announced.

Thank you.

MR. DEPUTY CHAIRMAN: Would the Minister of Agriculture like to respond?

MR. FJORDBOTTEN: Mr. Chairman, I very much appreciate the overview given by the Member for Taber-Warner, the Minister of Utilities and Telecommunications, on what has developed over the past year in particular with the sugar beet industry. I appreciate all the efforts he put into working with the growers and for his constituents. The Member for Cypress represented me in Ottawa in the discussions with the federal government. As well, the members for Little Bow, Bow Valley, and Cardston were also very much involved in that process. I thank them all very much, because they did what good representatives are supposed to do: they represented their constituents and made the strongest possible representations and did it as honestly and diligently as they possibly could. I thank each one of them.

I also thank the Minister of Economic Development. He and I worked very closely together trying to see what assistance could be provided. Between the Minister of Economic Development, the Minister of Utilities and Telecommunications, and myself, we spent a lot of time discussing with federal ministers what action can and should be taken. As the minister of utilities stated, the battle may have been lost but the war isn't over. It reminds me somewhat of what Mark Twain said about democracy: democracy is like a raft; it never sinks but your feet are always wet. In the case of negotiations between the growers and the plant, our feet are wet on our raft but the raft hasn't sunk yet.

The Member for Spirit River-Fairview, who has shown an interest in the growers' and industry's concerns, asked the question: will the money we're voting on today be spent? It doesn't look as if will. However, a commitment to the growers was made in Lethbridge that that money would be there. Negotiations have fallen down, true. However, that money would not have been paid out until the crop came in.

When I was asked if the estimates, the dollars, should still go in, my answer was yes. We made a commitment. That commitment has to be honoured. Just because negotiations have fallen down — if we make a commitment, we have to follow through on it and the money should be there. If it's not spent, of course, it will go into general revenue and that will be it. However, I don't believe you should ever make a threat or commitment you have no intention of following through on. So the dollars will certainly be there.

I don't have any new information. I met with the marketing board on a Saturday night a couple of weeks

ago in a blizzard that took me about two-and-a-half hours to get home from at 30 kilometres an hour. My wife was a little upset, because I had promised to take her out for supper that night and didn't get home in time to have even a late lunch. At that meeting we had a discussion about where we go from here. Where we go is that, as the Member for Taber-Warner, the minister of utilities, stated, we need a sugar policy in this country. It's just ridiculous that we should be traded off all the time and that we should be a dumping ground. We talk about the whole area of trade — a common market in trade, a common agricultural policy with the United States, trying to work on a comprehensive trade arrangement. A comprehensive trade arrangement in my mind means that we don't get dumped on. I think our sugar beet growers and our cattle producers have been put in a very tenuous position because there hasn't been that leadership shown in negotiations in the past that would mean we would have a trade policy that would have that element of fairness to it.

Mr. Chairman, the dollars for the sugar beet producers are there because the commitment was made, and the dollars should be there even though we won't know until the end of the year whether or not they will be spent. Indications are that it doesn't look like they will. However, I want to compliment Walter Boras, the sugar beet marketing board, the mayor of Taber, the Chamber of Commerce in Lethbridge, and everyone who has got so involved in trying to be helpful. Terry Bland from the Terry Bland Talk Show was very involved in trying to communicate to everyone, particularly in southern Alberta, the importance of the sugar beet industry not only to the growers but to the manufacturers of equipment. What do they do now? That's a concern that is recognized.

I've talked to a number of sugar beet growers over the past couple of weeks, and they say, "Well, it's too bad; we've grown other crops now, but we will certainly expect a follow-up on a national sugar policy." I've given my commitment that I will work with my colleagues to impress upon the federal government that we don't have to investigate the feasibility of a sugar policy. That investigation has gone on long enough. What we need to do is get on with developing a sugar policy for Canada so there is an element of fairness for all the industry.

Commenting on the farm fertilizer price protection plan, the Member for Spirit River-Fairview asked: why, regardless of source? The reason is that we produce the fertilizer within the province of Alberta. We utilize only a small portion of it here; I think the figure is about 24 percent. We export to the rest of Canada and to the United States. It is to try to keep everybody honest. If a producer can go into his fertilizer plant and the price is such and such, and he hears he can buy it in Conrad, Montana, for a price that's significantly less, under our program he can buy it in Montana and will still collect. But he's not going to go to Conrad or Billings, Montana, or anywhere else to buy his fertilizer. He's going to go into his dealer and say, "Listen, George; I can get fertilizer that's manufactured here at a lower price in the U.S." It keeps the pressure on. I believe there will be hardly any fertilizer bought outside the province, but it's just pressure to make sure we keep people honest. That's why we put into the program "regardless of source." Most of the fertilizer is produced here, the nitrogen particularly. The blending of phosphates takes place here. To try to make sure we don't have to have people out inspecting and checking as much, the producers will have that lever to try to keep them honest.

The question was asked with respect to what has happened to the price. We are monitoring in 45 locations in nine regions in the province, and we don't see anything to be overly concerned about. There were discounts and significant reductions in fertilizer prices last fall because there wasn't much fertilizer being used. We had a dry year, crops under snow in the north, and a number of things, so there wasn't much fertilizer used. The fertilizer companies came out with special discounts, and then when spring came, they increased back to their normal price. I've had discussions with them and said: "Listen; don't rip us off. That program was for the producers; it wasn't meant for you. You're doing very well, thank you very much. The producers are the ones that are having the difficulty, and that's where the benefit goes. We're going to be watching you, and if we hear anything, you're going to get a call. If a call won't do, you'll get a visit." I meant that, but I haven't seen anything.

There have been some concerns raised by producers because there are different prices for some producers depending on when you pay your bill. Let's be frank when we talk about business. If you know I'm going to pay you right away and my brother won't, I think I can get a better price than he can. So there are those variations in pricing that take place. When we look at the price of fertilizer, we have to recognize there are some variables, so when we're monitoring, we have to be careful what we're really talking about.

In looking at other areas, the whole area of agricultural chemicals is one I've been trying to focus on. The Minister of Agriculture in Saskatchewan is at the present time arranging a meeting with the Canadian Agricultural Chemicals Association. He and I intend to visit and have a chat with them about chemicals. There are no import duties or tariffs on chemicals; in fact, all of them are manufactured in the U.S. We do some blending here but nothing of any consequence. So how can we as a provincial government move in and try to do anything in that area? I want to understand that issue better, and that's one of the reasons we're going to have a very frank and open discussion with them. It bothers me to some degree that the only two things that seem to be able to be advertised on television are agricultural chemicals and booze. So I wonder if the chemical prices are higher than they need to be and our farmers are paying way more than they need to for their chemicals.

Looking at the whole area of research, I believe that should be enhanced. The Member for Spirit River-Fairview raised that we're trying to maximize production in the short term and asked what that does in the longer term. That concerns me also. One prime example is grazing of cattle. If you're in a squeeze, you put more cattle on a piece of land than you should, and then it's overgrazed. When you get a drought, it doesn't recover, and then you have problems trying to maximize that production. I think we have to have research done in that area. I don't think we've done enough. I lean toward the on-farm demonstration program by farmers who are doing some of that actual work, but we have to have their research request come in, and also from researchers who may wish to put in a request to Farming for the Future or other ways. I think that's something that should be looked at. We are looking in areas of trying to increase production, soil salinity being one good example. We have an agreement with the state of Montana, which has done a lot of work on soil salinity. I believe we can do more here in soil salinity over the period of the next few years that will increase production on lands where production has dropped significantly.

Mr. Chairman, with respect to the farm fertilizer price protection plan, we aren't getting a lot of applications at the moment, and I know that's a question you might have. I think the reason is that most of them are around seeding and everything, and as soon as that's done, I'm sure we'll get a flood of them. We set up the administration of the program to try to make it as quick as we can and try not to train new staff. One individual left the department to do other things, and we've taken him back on contract because he was the best individual we could find to set up the program in the most efficient way, without any bureaucratic nightmare of paper flow. So Bruce Jeffery is doing that in the department, and I think it will work out very well with respect to paying out the dollars.

Mr. Chairman, I believe those were the questions that were addressed to me.

MR. GURNETT: Mr. Chairman, just to follow up for a moment on sugar beet producers. I certainly appreciate the information the minister provided, particularly about the fertilizer program and what's happening with it provincially. In view of the fact that it seems to be accepted that the money won't necessarily be needed for the assistance that was originally offered but that as an Assembly we're indicating a concern for that area, I'm wondering if the minister might be open to considering other things to do with that \$6 million that would benefit that area. He has indicated that it's not really clear yet what the overall economic impact of the crop being lost will be in the area this year. It seems to me that if we've approved \$6 million here today, in view of something that is basically to assist those people living in that area, it would be too bad to see it just go back into general revenue at the end of the year if it's not used up. I would at least make the recommendation to the minister, and I suspect he may already be thinking about things like that, that there may be other ways to see that money used; for example, for equipment producers or in other ways, as we see what the impact will be on that area. Although we are voting it specifically for a program, that program at root is a concern for what's happening to producers and people trying to make a living in that part of the province.

I also wonder whether the minister has any indication about how much seeding actually went ahead despite the collapse of the industry. Just out of interest, could he indicate how much land, if any, will in the end be producing beets this year, so we have some picture of the difference between last year and this year?

Thank you.

MR. FJORBOTTEN: Mr. Chairman, with respect to the amount that was seeded, I don't know. It's not very much. Of course, they had some agreement with the sugar factory that would rebate them or refund them some of their costs of planting it and then having to rip it out. I'm not sure what they've done. Maybe some of it will grow anyway; I really don't know. It's information I'm not privy to at this time.

The use of other money: you're making the same representation that was made to me by the marketing board, and I said: "Whoa. The commitment was made for \$10 a field tonne of beets delivered. That's the commitment that was made to you, and that money can't be switched around." The Legislature will vote on that amount for that specific purpose. If there is some other area we should be looking at, I'm happy to look at it, but then I would have to take those dollars forward in some other way. I can't reallocate

those funds; I can't switch the money around. The money is specifically for that purpose and is voted for that purpose. If other action needs to be taken, of course I'm always open to that.

Agreed to:

Total Vote 2(a) — Production Assistance \$27,800,000

MR. FJORDBOTTEN: Mr. Chairman, I ask that the dollars be reported.

[Motion carried]

Tourism and Small Business

3.2 — Financial Assistance via Equity Corporations

MR. MARTIN: Just to follow up with the minister, I now have some concerns flowing from the motions for returns. I think the minister would agree that I have certainly spoken in favour of this particular corporation. I have made it very clear that I think it's a good idea. It's an excellent way to get money into small business, and I've been very complimentary.

As the minister is aware, a couple of weeks ago we asked for some information on the grants and investments approved by the program. I want to make it clear, because it was hard in that debate, that we were not asking what happens after. All we wanted to know was whether money, grants, or investments were given to particular individuals or companies. I want to make it clear to the minister that I have no interest in what they do with that money after, because that's basically private business. I accept that. Perhaps we were unclear. We're looking at this as possible diversification, creating jobs, and all the rest of it — a number of other bearings. I thought it would be useful information to see where the investments have gone, but I want to make it clear that that's all we were asking. I wonder if that is still possible.

Perhaps there was some indecision in terms of what we were asking — that sort of thing. That's the type of information I think should be part of the Assembly. I believe the minister said at the time that it might not even be in public accounts. But perhaps there was that confusion, and I'd just like to ask the minister that question, because I want to continue to be supportive of what I think is an excellent concept. I do not think it's asking too much to know where the grants went, but I make the point that after that it is private business and I don't care where it goes. Perhaps there was some confusion and the minister could tell us in these estimates if he would now be prepared to look at that amount.

MR. ADAIR: Mr. Chairman, two things. I did say, for example, that it was in essence the decision-making process of the private-sector corporations and, in short, that it was really none of our business. One of the other things that I think has to be mentioned is the fact that the program started on July 18 a year ago, and the success of the program has been overwhelming. I can't say it any other way. The other factor is that any of the registered SBECs, small business equity corporations, have one year in which to make an investment decision, to a minimum of 40 percent of the moneys they have to invest; i.e., if they have an SBEC for \$100,000, they must invest 40 percent of that somewhere in that first year. That first year has yet to come. In other words, the very first small business equity corporation was registered on August 10, 1984, I believe.

Basically, as I said at that time, the kind of information I can provide is the information that says — and I just happen to have it with me. There are 10 investments in the agricultural area, 13 in manufacturing, one in transportation and communications, 10 in the wholesale/retail area, and 19 in the business and personal services area. That's the information we have right now. If those who made the investments wish to expound upon that, they certainly have the right. I don't think it's our right to indicate what they do as far as the investment itself. Our obligation is obviously to ensure that the corporation is registered and that the investments they make are eligible investments and are in the province of Alberta, subject to the terms and conditions basically set out in the guide we use or the regulations that are in place. That's basically how it's working.

The success of the program has increased beyond what it was when I first suggested that we had to change the Act to remove the \$15 million limit so we could respond much quicker to the private sector, because they were in fact responding to the program. That took place around the end of March, thanks to the support of everybody in the House, and we changed it. We moved the ability to set a level by regulation, and we included an additional \$35 million of incentive funds, bringing the total to \$50 million, which would then see some \$150 million-plus put up by the private sector for corporations. In the supplementary estimates, the best figure we could determine at the time, and that would be the first part of April, was that we should ask for \$18 million, which should carry us through to some time into the end of that first year. I say with mixed emotions — I'm pleased and maybe I'm concerned — that that \$35 million has now actually been committed by way of registered small business equity corporations for the province of Alberta.

The other confusion, Mr. Chairman, is the fact that this appeared to be an additional \$18 million on top of the \$15 million on top of the \$35 million. That's not the case. This is the first part of the \$35 million drawdown. We couldn't include it in our regular estimates at the time because we first had to change the Act. The Act said that the maximum level was \$15 million. Once we changed it, which had to occur after the session started, it allowed us to look at the use of supplementary estimates for the program in its own right.

The only other information I can possibly provide, and I think I'm free to do that, is to indicate the areas from which the actual investments were made: how many in northern Alberta, how many in southern Alberta, and the likes of that. I do have some of that information. Actual investments made to date are seven in northern Alberta, seven in central Alberta, four in southern Alberta, 17 in Edmonton and area, and 20 in Calgary and area. We are aware that there are some proposed investments, but they haven't been made yet. That's only based on the information provided to us by those who indicated when they registered that they were looking at some area of investment. We determined whether it was agriculture or the likes of that. That information, again, comes in the areas of agriculture, manufacturing, wholesale/retail, business and personal services, transportation and communication — all areas that are eligible and have been made to this particular point.

Beyond that, it comes back to the point made by the hon. member and myself, that basically that is private information. What they are putting those funds into and how they would then be used is investment information that has a bearing on, obviously, in some cases their banker,

in other cases their family, in other cases their partners, and the likes of that. We could probably do that at some point, after there's been some time to do that and with their consent. But that is down the road. We have to wait until the first year of the program has been reached until we know, because what has to occur on the actual first year anniversary date of each application is that we have to have from them where the minimum amount of money was invested and where they are looking at potentially investing the balance of it. In year two it goes from 40 percent to a minimum of 70 percent for each year beyond year two. None of that has occurred, other than the fact that we know, as of today, that we have \$20 million invested by the private-sector small business equity corporations and that 565 or 575 jobs have been either protected or created as a result of the program. The success of it is overwhelming. It's been just exceptional.

MR. MARTIN: I appreciate that information, but I still have some confusion over it. I agree that after the money, what we might call the money coming from the provincial government, is at the private sector, wherever that private sector is, they have personal business decisions to make. I can appreciate that if that is public, it creates problems for them. What I don't understand is why we can't know — perhaps that year has something to do with it; maybe it's coming up to the year — who got the grants, not what they did with them, because they are flowing out of the public Treasury. Perhaps it has something to do with that year. Perhaps we can get that information at the end of the year; I don't know. The minister was talking about that. Does he see what I'm driving at? I'm not asking how they invest it, because I appreciate that that does create a problem. I'm just asking for us to know where the money went, period.

MR. ADAIR: I have to reiterate the two analogies I made originally at the time the motion for a return was on the floor; that is, the same principle applies to legal aid. We don't get the information as to who got the actual grants. We get a figure of the sum that was used and provided for legal aid for whoever, in essence, had to use it. We get a sum, again, for welfare payments. We don't get the other information. I guess part of that information is a protection for those who, for whatever reasons, would have to use those systems. Basically, the same applies in part to this, because you develop the logic of the commercially confidential side of that. The sum is there; there's no problem with that. As I said earlier, if, with their permission, we could provide that, I'd be more than happy to seek their permission once the investments have been made.

MR. MARTIN: I understand what the minister is saying by comparing it to legal aid or social assistance. But it seems to me that there are very different purposes for those programs. One is clearly for the protection of the individual. I really suggest that this falls into a whole different area. This is money that the government is spending to stimulate the economy, if I can put it in a general sense. I think there is a very big difference. I go back to the minister and what he said in Public Accounts: we're not going to know this information on what was given out other than a general amount. Flowing directly from the minister's statement, we're not going to know specifically where that money went.

I say to the minister that I do understand. That was the understanding, too, of the Member for Edmonton Whitemud

when we got together after. At the time he said he thought — I hope he hasn't changed his mind — that we should know that information but not what happens to it after. I strongly suggest to the minister that it's a dangerous precedent if we're using government money and we don't know where it is going. I agree that what they do with it after the money has gone out to whoever — company A, company C, company D, or individual A, B, or C — is a very different situation. But it seems to me that that's partly our job here. If there's public money being spent, we should know where that public money is going. That's what my confusion is. I don't understand why it would embarrass a company to know that they're taking advantage of a loan. We don't need to know what they're doing with it at this specific time, because that's part of their private decisions. So that's where my confusion comes.

MR. ADAIR: I wanted to get to my feet while I still had the answer in my head, sir, because the hon. leader has a tendency on occasion to go on. One thing comes which I can point out from this standpoint. Anybody with any ability in math can figure, for example, that if a cheque went to the hon. Leader of the Opposition for \$30,000, that was a \$100,000 investment. Obviously, from that there can be some triggering questions that go back into that particular business for a period of time.

[Mr. Appleby in the Chair]

For example, as I said earlier, if that were to be provided with their permission somewhere down the road after the investments had been made — and all of this would only occur after the investments had been made — there may be a possibility of looking at that. But it's not precedent-setting, because we don't provide the information in quite a number of areas. We provide the general information and the program details. The specifics of them go beyond that. I guess that's one of the beauties of this Legislature. We can have a difference of opinion, and we can still work and do the things and look at each other and carry on from there.

I feel fairly strongly toward the protection of those who would be making those decisions, not for any other reasons than the commercial confidentiality of business investments by the business community, either individually, collectively, or corporatively. What happens is that you can have a small business equity corporation set up with two or three individuals and a company, in essence, a corporation. One gets the grant and one gets a tax credit. A tax credit is confidential information. You can't give part of one and not the other. That's history. That's been in place for many, many years. I guess you could say it's keeping the system uniform and consistent and doing what has been done in the past. That's all we're trying to do.

MR. MARTIN: We're talking about two different principles here. The minister is erring on one side, I think, and I'm talking about accountability, the purse strings and money coming out of the provincial Treasury. Commercial confidentiality is fine. No doubt it's important for companies to operate under that. But when they start to deal with governments, it seems to me that they're not, if I can put it, totally pure in the free-enterprise sense. It seems to me that there are certain limitations they must be aware of when they're dealing with the public purse. If you want total commercial confidentiality, then you should not be involving yourself with government, because the role of all



of us collectively, as the guardians, if I can put it that way, of the taxpayers' purse, is to know where the money goes and to know if it's serving the purposes it's meant to. I strongly suggest, Mr. Minister, that these can start precedents.

There have been so many different things that we could get into in government — the hybrid corporation, as I call it, and all sorts of things where we could use this sort of precedent, where a lot of the money that we deal with here would just come back in a general fund and we'd say that it was generally spent. But surely that's not the purpose of the Legislature or parliament or whatever. The clear tradition of British parliamentary democracy is that we deal with the public purse and that we should know where it's going.

I understand the minister's argument, but I think it's very dangerous. Once companies want to involve themselves with government programs, and so they should, we should know where at least that part of it is going. I've already acknowledged that after they have the money, they have to make those decisions. I appreciate that. That just becomes part of their overall cash flow. I recognize that we may have different opinions. Unfortunately, the minister has the votes in this Assembly, and I know where it will end. But I strongly suggest that we reconsider, because in all fairness to the minister I say that it's a very different principle than dealing with social assistance and legal aid. I think there's an entirely different concept here, entirely different purposes. In the traditions of the past, when we've given out government money to people who have been involved for business reasons, I think the precedent has been that we know where that money went, whether it's a Crown corporation or whatever.

Perhaps it's not worth prolonging here any longer. But I strongly ask the minister to think about that particular aspect of it, because it is worrisome to me. I say that in a sincere way.

MR. ADAIR: If I could make one other comment that would possibly add to that. First of all, the program hasn't seen its first year. That's one thing that obviously has to be taken into consideration. Beyond that and down the road, I'm not aware — and I certainly can say that I don't know everything — of any particular tax credit that has been made public at either the federal or provincial level in any province in the Dominion of Canada. You end up consistent, but they're part and parcel of the same thing. In the case of what happens, you get a certificate of corporate investment, which is a tax credit for the corporation that made the investment, or if you're an individual, you get a grant. So you get either one or the other or both. To be consistent, we're sticking with the past principle of not providing that.

MR. MARTIN: You just want them to be consistent. We will stick up for the Legislature's rights.

Agreed to:

Total Vote 3(a) — Financial Assistance to Alberta Business	\$18,000,000
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MR. ADAIR: Mr. Chairman, I move that the sum of money in the supplementary estimates be approved.

[Motion carried]

Agreed to:

Total 1985-86 Supplementary Estimates (A)	\$49,300,000
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MR. CHAIRMAN: Would somebody like to move that the total be reported? I guess we don't have to. Do we now go to the heritage fund estimates?

MR. CRAWFORD: Mr. Chairman, I would just say that the Supplementary Estimate of Investment (A) under the heritage fund will be next. If you are telling me that I should have made a motion with respect to the previous estimates, I would be glad to so move.

MR. CHAIRMAN: Perhaps we should see if we have agreement. We might as well have that motion on record. Are you all agreed?

HON. MEMBERS: Agreed.

**Alberta Heritage Savings Trust Fund  
Capital Projects Division  
Supplementary Estimate  
of Investment (A) 1985-86**

**Recreation and Parks**

**1 — Kananaskis Country Recreation Development**

MR. GURNETT: Mr. Chairman, I just want to make a brief comment. I'm not sure the minister can respond to it particularly, but he may have some thoughts. I certainly commend the money that we're voting here for this facility. It's important to give some consideration to Albertans with special needs. In all the multimillions of dollars that are being spent in the development of Kananaskis Country, it's good that some is dedicated to this purpose.

My concern centres on whether or not we're spending as much money and giving as much attention in other areas and other departments to Albertans with special needs in connection with those things that aren't quite as dramatic as this particular project, that don't create the same impression on a day-by-day basis. I'm concerned that as we've gone through all the estimates this spring, there isn't the same commitment on an ongoing basis to assistance for noninstitutional daily living — medical care, vocational, and so on. Although I certainly commend this, I hope this is an indication that the government and all ministers are going to look seriously at more opportunities to really do some useful and significant things for the many different groups of Albertans who have special needs, both adults and young people, and that our approving this particular estimate is one stage of a process that will continue to grow and develop as we consider these people in every aspect of our expenditures in the province.

Agreed to:

Total Vote 1 — Kananaskis Country Recreation Development	\$1,278,000
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MR. TRYNCHY: Mr. Chairman, I move the vote be reported.

[Motion carried]

**Alberta Heritage Savings Trust Fund  
Capital Projects Division  
1985-86 Estimates of  
Proposed Investments (II)**

**Economic Development**

**1 — Microchip Design and Fabrication Facilities**

MR. MARTIN: Just to follow up, this was a ministerial announcement, and as I recall, I commented that I thought it looked like a good program. It was quite vague, as ministerial announcements have to be, of course. Could the minister update us a little bit on where he sees this and what studies were undertaken? I'm curious, because high tech is one of those areas that everybody talks about. It seems to me that in some areas of high tech we will never catch up to Japan, for example, and that we have to maximize our strengths, if I can put it that way, in certain areas. I'll give the minister a chance to update us, as he did with the last program, on where he sees this program going — what areas, and these sorts of things.

MR. PLANCHE: Mr. Chairman, it really does afford me an opportunity to comment for the record on this sector. I was going through my mail today and found that we had again published our Electronics in Alberta Directory. I don't know if hon. members have theirs yet. It's really quite a remarkable document for 2.3 million people to have this high a profile and involvement in this kind of activity. I, too, am troubled with the issue of our taking on Japan. I guess we started the same way the Palo Alto area developed. It developed from the demise of Fairchild and the spin-off of a number of very talented people in a specific area who didn't want to change the locale of their families and wanted to be associated with their alma mater in some manner.

What really gave me a good sense of direction about the activity in Alberta was when we ran into difficulty because of the NEP and all the redundancy caused in geophysics and other things, in middle management, and in the research side of the oil and gas industry. There were an incredible number of people who simply didn't have any outlook for their traditional activities other than going to work for themselves. When you think about it, we have some natural strengths that Japan and others don't have. We've always been the stepping off point for remote and hostile environment activity in communications, transportation, and housing. We've been leaders in sour gas technology, metallurgy, and a variety of things. There's no question that they're niche technologies, but they are done very effectively here. So I decided it was a good thing to do. The question is: how do you pick winners and losers? Who should qualify, and what should you do?

That's why we were really fortunate when the Bell-Northern group came. Of course, they came to service ACT. They came across the country, and they located wherever it was appropriate for them to be close to their customers so that they could collectively develop technology and that kind of thing. The Premier and I had a meeting with those folks when they came and asked them if they wouldn't do something just a little above and beyond simply siting here and help us in terms of prioritizing what kind of infrastructure we might put in place around which these guys in these smaller companies could prosper and grow.

The vote before you is the result of that initiative, along with many of the other things we bring forward one at a time as we're ready, because a lot of thought goes into them. This particular one really draws the Bell-Northern

group, industry, and the universities together. I firmly believe that our future in technology is probably going to be resident in the universities. With two million-plus people and the kind of industry we have here, the number of multinationals or branch plants involved in what we do are not as likely to do research here as homegrown research. Homegrown research, then, causes you to reflect on how that might happen. They're probably going to be underfinanced. They're probably going to come from our university. They were probably born here. One of the ways that you don't have to select winners and losers in that thing is to be sure that the infrastructure is in place here, as it would be in Kanata, outside of Ottawa, or in the Boston area. You can do those things, and that doesn't interfere with anybody's relative capacity to compete and grow.

The second thing you can do is make some kind of creative financing available, which is what Vencap or the SBECs or the AGT-Nova thing are designed to do. I think we still have some work to do there. Anyhow, this particular vote establishes at our two universities, in terms of design at Calgary and fabrication at Edmonton, the building blocks necessary to bring out of our schools the talent that's going to follow and build on the electronic base now in place. The fabrication won't be done in such a way that it will attack the private sector. These will be specialty chips in small quantities that will be available for specific purposes. They will be fabricated in an environment where our university graduate and postgraduate students can become involved in a hands-on way. So we are going to have the capacity to do things here.

Surprisingly, we're getting a pretty good reputation for this kind of activity. There's been quite a bit of interest in siting and participating here. The problem with anything you do in Alberta is that it's such a small contributor to our Treasury that it tends to be overlooked, but it's becoming quite important in employment. I think there are about 9,000-plus people involved in this activity now. The exports are in the order of \$300 million or \$400 million. So it's coming.

I encourage all members to thumb quickly through this book with some pride. There have to be some stories in here of a lot of heartache. Every startup in business is difficult. There are stories of funding and trying to scramble around from your relatives and wherever else you can get patient capital without any cash flow or security. I guess every story in here reflects that. I'm really proud of this book; I think it's really neat. This vote is a component of that whole sector.

Agreed to:

Total Vote 1 — Microchip Design and  
Fabrication Facilities

\$7,750,000

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

[Motion carried]

**Environment**

**1 — Oldman River Dam**

MR. GURNETT: Mr. Chairman, I'm happy to see the vote that's before us now. I was looking forward to its arrival so I would have the opportunity to put a few questions to the minister and look forward to the information he provides. It's good that the beginning of the money that's going to go to this project is now identified. I hope we can get a

little fuller idea of what's happening with this project as the minister responds to some of the questions.

My basic concern is that we are now proceeding to vote some significant amounts of money to this dam, and I still wonder about the decision to in fact go ahead with the dam. I reviewed the ECA report from 1979 about what should be done in that particular area. I wonder whether the minister can indicate what's changed with regard to that report, which suggested this wasn't a particularly good project to ahead with. I don't know whether anything has changed with regard to that or with the alternatives the ECA suggested as far as other reservoirs.

I have concerns about the entire project in three general areas, Mr. Chairman, and would appreciate the minister's response. One of them, of course, is about whether or not the dam makes economic sense under the circumstances. My understanding is that the ECA report suggested that the cost/benefit ratio for the project was 1 to 6 — in other words, for every dollar invested in the project there was a 60 cent benefit. So I have a real concern about the economics of proceeding with a project that's presented under those kinds of conditions.

I also wonder about the agricultural sense of the project. I'm aware that it will make some new land available for agriculture through irrigation. But in looking back at the Agriculture department's report in the late '70s regarding priorities in irrigation, which was looked at by the ECA report as well, and seeing that the area that would be served by the Oldman River dam ranks quite a way down, at least 14th position out of 25 priorities, I wonder if this is an area where there's a strong agricultural case for proceeding when there may be better places we should be looking at as far as agricultural benefits.

Thirdly, I know that when the dam was originally announced last summer, one of the key areas emphasized was the recreational possibility of the area. Yet when we're looking at a storage reservoir type of dam that's going to have levels that go up and down, depending on demand and the weather conditions of a particular year, I wonder how much we know about whether those recreational benefits will actually be realized or whether we're going to have something that's not very sightly and not very dependable and, in fact, will have some spin-off environmental problems because of the levels going up and down.

Just to pose some specific questions to the minister that come out of the amount of money we have before us, I notice, for example, that there's no sub-breakdown specific to the land acquisition component. I really think there's a responsibility that we be provided with an idea of exactly how much of the money we're voting here will be allocated to the whole area of land acquisition and, even beyond this year, what the total budget for land acquisition will be. I would be interested in knowing from the minister how much land has been purchased already, how much is going to be needed, and how much they're going to be paying for this. I note that there is a breakdown for purchase of fixed assets, but I understand that includes equipment as well. So it seems to me that we don't have any clear idea of what we'll be spending to acquire land this year nor what we'll be spending overall to acquire land.

In connection with land acquisition, Mr. Chairman, I also wonder about the process of going about that acquisition. Are various landowners dealt with as individuals, or is the government negotiating with all the landowners in a group? Is there any time line for finishing the land acquisition part of the project that the minister could tell us about, so we know when that part of the job will be done? Also, in

connection with land acquisition, what consideration is being given in the process of purchasing the land to dealing with the issue of compensation for those farmers who depended on access to the river to water cattle there? Is any special attention given to dealing with new needs that might arise for people because of that?

To move into a somewhat different area, Mr. Chairman, related to what we're proceeding with in working on the dam, I still have a concern about the minister's indication to me some time ago in question period that there would not be any specific, detailed environmental impact assessment. As far as I know, that ECA report in 1979 and various other reports that were referred to in general from the past are the only things that have been done. I don't know if there's anything other than the ECA report, that is independent of the minister's department, that looks at the various aspects of environmental issues related to that. But it seems to me there's still a need for a current, detailed environmental impact assessment on the project at the particular site involved and that that has to play a major role in addition to any studies that primarily look at the economic aspects of the dam. I know the minister has talked about the number of jobs that will be created, but the environmental factors can have an effect for so many years or generations that they certainly have a key role to play in addition to job creation at this time.

Also, in connection with the construction of the dam and the work there, perhaps the minister could tell me something about the policy regarding local procurement and tendering. I know there are examples in other areas of Canada; for example, the Limestone project in Manitoba, where there are quite detailed published requirements for local procurement. I wonder what there will be in this case to actually ensure that local people get the work. We heard some figures earlier about the amount of job creation that exists in the entire project, but how much of that can we know will definitely go locally? Are we prepared in proceeding with this project to make some specific, written, published guarantees, not in the sense of a general statement, about local possibilities from the project?

I wonder also if the minister could indicate anything about the total cost of the project at this time. When it was originally talked about, I believe we were looking at just over \$100 million, and last summer there was a figure of \$200 million. I see that for this year we're looking at \$26 million. I wonder what information we could have about the anticipated full cost of the project, given the circumstances we're operating in at this time.

I talked about the recreational reasons for the project. In raising the dam in estimates with the minister some weeks ago, Mr. Chairman, I asked about the whole issue of mercury contamination and buildup. I wonder if there is any more detail yet about that possibility, about the danger of it and what effect it would have on fishing, for example, as a recreational activity there.

Just one specific item, too, to add to the minister's long list of items to respond to: I wonder if the engineering contract for the dam has actually been awarded yet, and if so, if he could provide some information about the company. I don't have any idea whether it was done through a tendering process or otherwise, so any information about the awarding of contracts in relation to the dam would certainly be appreciated as we look at this first significant expenditure in connection with the project.

MR. THOMPSON: Mr. Chairman, water conservation is dear to the hearts of all the people in southern Alberta. I

am very pleased to see that we are finally going on with this dam. I've supported it for over 10 years. The people of my constituency have supported it for over 10 years. With the kind of weather conditions we've had the last two or three years in southern Alberta, irrigation has become more and more important. So with that out of the way, I really do believe that this is one of the projects that's been studied and restudied. If the Member for Spirit River-Fairview really has questions, I can supply him with about a foot and a half of material that's gone into the makeup of this dam. [interjection] Well, he should read it, then. I don't think the Member for Spirit River-Fairview is very conversant with this part of the country.

I believe every river on the Eastern Slopes of the Rockies in southern Alberta should be controlled, for the very simple reason that we need the water. It runs out of there in about a month or six weeks, and we have no actual way of getting it back. I know the environmentalists have opposed this dam; they oppose every dam. They believe there shouldn't be any dams. But honestly, if you look at the economy of southern Alberta, Mr. Chairman, you realize that we live and die with irrigation and water.

So I really believe, Mr. Minister, that it is time this project came on stream, and I am glad to see it happening. Look at the furor that was created over the Dickson dam until it was built. Then people saw the advantages of it. Nobody says anything, not even the famous ECA people. It's a dead issue. They enjoy opposing, but what do they support?

With those few words, Mr. Minister, I support this project, and I hope to see it completed in the near future.

Thank you.

MR. HYLAND: Mr. Chairman, a few questions to the minister. The Member for Spirit River-Fairview asked about the cost/price return ratio on the dam. As I remember, many of them were attributed just to agriculture. Does the minister have anything that outlines the benefit to other industries and the general benefit to the province as a whole? We often hear that there is going to be a tremendous effect on fishing in the river. As I remember, the Bow River and/or its tributaries have something like six or seven dams, and we're told by fishermen that there are spots in it that have some of the best trout fishing in the world. The wide fluctuations in the levels of reservoirs may be strange to people in other parts of the province that are used to common and stable water levels, but to us in the dry south, as the Member for Cardston said — I think, for example, of the fluctuation on Chin Coulee reservoir and, even with this fluctuation, the tremendous amount of recreation that goes on on that reservoir. It's easy for others in other parts of the province that are used to seeing lots of water to worry about fluctuation. We're just glad to have water, no matter what level it's at.

I also heard a question about the jobs created. I hope the minister will expand on that. I find it interesting that the members of the opposition have moved a little bit towards at least thinking about the great benefits of the dam and are expressing concerns now instead of outright opposition to it. I'm sure they find it awkward because of their candidate in the area being opposed to the dam, yet it's being a tremendous producer of jobs over the short term and great benefits throughout the area in the long term.

I'd like to say to the minister that I support it, and I hope we get on with building it.

MR. BRADLEY: I'd intended to make some opening remarks and didn't quite get the opportunity, Mr. Chairman, so I'll proceed with some comments. Then I will answer some of the questions.

I think it's important in terms of a project like this to review what, in fact, the benefits of a dam on the Oldman River will be to southern Alberta. It will provide a secure supply of water for multipurpose uses for municipalities, agriculture, recreation, in-stream flows, improving water quality. It will permit a substantial expansion of irrigation and add to the stability of the economic base in southern Alberta. There is a need for greater stability in the agricultural economy in southern Alberta as witnessed by the recent drought conditions there. Without irrigation the entire area would have been much more vulnerable. Improving and increasing our security of supply of water for irrigation purposes reduces that vulnerability of the agricultural economy.

Mr. Chairman, in addition, we must manage our water resources in the best interests of all Albertans to meet our downstream commitments. The on-stream storage reservoir provides us with flexibility in the management of our water resources to meet our apportionment commitments at the Saskatchewan border, where we have to pass on 50 percent of the flow of all the waters in the South Saskatchewan River basin. A very important consideration in the government's decision to proceed with on-stream storage is our ability to meet those commitments in Saskatchewan from the Oldman, Bow, and Red Deer rivers. Each river must make up some portion of the flows which we pass on at the Saskatchewan border.

I alluded to some of the downstream requirements, but in addition the improvement in water quality in the Oldman system is important for municipalities. By having on-stream storage and regulation, we're able to increase flows in the in-stream downstream of the reservoir for fisheries and recreation. I think those are important considerations that had to be taken much beyond the narrow focus which the Environment Council itself looked at. The Environment Council didn't really look at the question of security of supply for the longer term needs in meeting apportionment and those types of things. They made some strong arguments for off-stream storage. We have implemented a program which includes both off-stream and on-stream storage. I might go into some more details on those components later.

I think the economic impact is a very important area to look at. During the construction phase some 1,400 new jobs will be created for a total of 1,900 man-years of employment during the project itself. In the longer term it will provide some additional 170,000 acres of irrigated agriculture in southern Alberta. I know that all members of the Assembly are concerned about job creation. This will provide some 1,700 permanent, long-term jobs once the water is allocated and the total irrigation that's anticipated by this project comes on stream. I've seen some estimates of what that means on an annual basis in net agricultural benefits directly and indirectly to the province — some additional \$45 million annually in the total agricultural product.

Currently we're involved in three phases of this project. There is the engineering phase, an environmental mitigation opportunity planning phase, which addresses the environmental impacts and the assessment of the environmental impacts, and the land acquisition phase. In terms of engineering, we advertised last fall for requests for proposals from private-sector engineering firms for two aspects of the project. One was for the dam itself; the other was for the

reservoir. The dam project has been awarded to Underwood McLellan and associates, and the reservoir project has been awarded to Stanley Associates. They are currently undertaking their engineering investigations for the project. It is anticipated that will be completed within the next year to year and a half. The construction will not start, of course, until the engineering has been completed and the contract documents have been put out for tender.

The environmental mitigation opportunity planning is a very important part of this project. The initial studies, which were conducted prior to the government's making its decision in 1980, looked at the environmental impacts of the reservoir project on different sites. That is generally considered to be the environmental overview phase of the environmental impact assessment. We're now into detailed environmental mitigation opportunity planning. We have a number of components there: looking at the reservoir operation, agricultural impacts, the potential for local irrigation, the ecological impacts on both fisheries and wildlife, historical resources, recreational potential and tourism development that may be possible from this project, longer term land use, and the social impacts. We've appointed a local advisory committee which will be involved in reviewing these and providing us with advice and input on all those stages of the environmental mitigation opportunity planning which will take place.

Land acquisition is always a very difficult area. I must say, personally and from the government's point of view, that it is difficult when you look at relocating the homes of a number of people who have occupied farms for a number of years. It's a difficult area. The government is sensitive to the needs of these people. When you have a project such as this, where certain individuals must give up their homes for the greater public good, we must be sensitive and sympathetic to their concerns. We're committed to seeing that the compensation paid to them for the land they must give up for this project is fair and equitable.

Perhaps I could spend a little more time on where we are on land acquisition. We have acquired some 30 percent of the land required for the project at this time, just over 2,000 acres within the reservoir area itself. We've also purchased lands in addition to that because of our commitment to the landowners. If, in their judgment, the project would have a negative impact on their farming operation by taking just the part that's required for the reservoir, we've purchased their entire operation. We've done that in a number of cases. We have purchased land in excess of the requirements for the reservoir and have used it for trading with some landowners. We've had some land exchanges because of the excess land that we have for the project.

I think I'll now get into some specifics. I've alluded to the first question from the Member for Spirit River-Fairview with regard to the Environment Council report. There has been discussion with regard to on-stream versus off-stream storage. What it basically comes down to is that off-stream storage cannot store the requirements of supply that are required for a river basin like the Oldman. The option that was looked at was Mud Lake. It was suggested that it would store some 65,000 acres of water. The dam itself will store some 400,000, so there is six times the storage on the on-stream versus the off-stream option.

In terms of off-stream you're limited to the size of your diversion works. In terms of the upgrading that's been done, we have a canal that will divert some 1,500 cubic feet per second of water from the Oldman system. The average flows in the Oldman system are somewhere around 5,400.

So we're only able to divert a very small portion of the average flows by off-stream. In the peak flows there are some 14,000 cubic feet per second, so the off-stream storage works would be able to store only some 10 percent of the flow that's going by. One must remember that 60 percent of the flow in the Oldman system goes by in a six-week period in May-June. Off-stream is limited to the diversion works you have and what we're upgrading now to some 1,500 cubic feet per second.

For example, this past year the capacity of the LNID diversion works was somewhere between 650 and 750 cubic feet per second. The actual in-stream flows were less than that during the period which is required for irrigation in that area. If you have on-stream storage, you're able to store not only this year's flows; you're able to carry that over, and in the next year you're able to release water and put it into the works. If we'd had on-stream storage, we wouldn't have had the shortage of supply in the LNID district in the past year. Even having 1,500 cfs diversion would not have solved the problem in the LNID, because the problem was basically in terms of what were actually the in-stream flows in the river at that time during the high-demand periods. You wouldn't have been able to divert the water necessary to meet those demands. I think that covers that area.

The ECA looked at but didn't really do an independent benefit/cost study of this project. They took the benefit/cost study we did and used different factors from what we had used. Our judgment came down to looking at the indirect and direct benefits to Albertans, that the benefit/cost ratio was 3 to 1, much greater than what the Environment Council was suggesting. We've had that disagreement of fact. That was taken into consideration when the government made its announcement in 1980 that there would be on-stream storage. We reviewed all those matters. We reviewed our benefit/cost ratios at that time, and those are the ones we believe should be looked at in this project.

In terms of agriculture, I've already indicated what the jobs were and the number of acres that would be irrigated. In the announcement I think we said we would be looking at enhancing the recreational opportunities of this project. Given that its main purpose would be for an irrigation supply reservoir, we would maximize the recreational potential of the reservoir. It wasn't suggested that the structure was being built for recreation alone.

There was a question in regard to land acquisition. The figure of \$9,863,800 in the budget documents is the total being requested for land acquisition this year and also covers the amount of land which was required in the previous fiscal year. The estimates we have before us include those moneys which were spent from the General Revenue Fund in the previous year and which will be paid back to the General Revenue Fund out of the Heritage Savings Trust Fund. So we have some \$9.863 million allocated for land acquisition. If the hon. member requires greater details on what was spent last year and this year, I can give that to him.

In terms of an overall figure for land costs down the road, this is a matter subject to negotiations with the landowners. It's not something I can give a firm figure on, because we haven't received the wishes of all the landowners on how they wish to proceed. In fact, some landowners may require us to purchase their entire holdings. Others may wish us to take just to the quarter section line. Others may wish us to take just to the reservoir line. So it's very difficult to predict exactly the total dollars required for the project in the longer term. What those final prices will be

is also subject to individual negotiations with the landowners. We haven't done appraisals on all the properties at this point. We have some general ballpark ideas of what the land would be worth. But I don't think it would be useful in terms of negotiations for us to say what we believe the total land costs of the project will be until we have done the appraisals and get into the individual negotiations. Each landholding is different. There are different factors with each landholding, different things each landowner believes are important to his operations, which he feels he has to be compensated for.

In terms of the process to date, we are only purchasing lands from landowners who have come to us and requested us to initiate negotiations. We are only dealing with those landowners who have said they would like, at this point in time, to start negotiations with us. We have completed purchases of the lands required for the damsite itself. We have completed negotiations with a total of eight landowners, and negotiations are under way with a number of others. In terms of the land requirements, we really don't have to conclude those until the last year prior to filling the reservoir. So we're looking at a 1989-1990 time frame for concluding the land negotiations and requirements for the project. All those lands at that time will be required to be in the hands of the Crown.

The member alluded to the question of access to water in terms of the land negotiations. We have developed a policy with regard to replacing water supplies for landowners affected by the project. That has been circulated to the landowners. We are awaiting comments back from them in terms of how we intend to approach that. When the project was announced, I met with the landowners on September 6. One of the principles we outlined to them at that time was that we would replace water supplies for those landowners affected by the reservoir. If their stock-watering or domestic water requirements were disrupted by the reservoir, we would replace those if they were going to resettle on lands adjacent to the reservoir. That was a commitment made. It's more definitive in the water policy we have put forward to them.

I think I've dealt with the question of the environmental impact assessment, because we're doing this environmental mitigation opportunity planning.

With regard to a policy of local tendering and procurement, we have estimated — and I think that's been put out publicly — that some 30 percent of the jobs generated by this project would be in the local area and that some \$30 million of local supplies and services would be purchased. We are currently reviewing our policy of tendering practices to ensure that, as much as possible, local procurement and local employment will be considered in any of the contract documents. We don't have that review finalized at this time, but our commitment has been that, where possible, we will maximize those opportunities for local employment and purchase of services.

The total cost of the dam is some \$200 million in 1984 dollars. That was the estimate made last year in the announcement of the project. Until the detailed engineering is done, I will stay with that figure. If the detailed engineering shows that there are additions or deletions from that, we will have a firmer figure at that time. But that's our best estimate based on the experience we had with the construction of the Dickson dam.

There was some mention of fluctuations with regard to recreation. I think I stated that in terms of the recreation possibilities for the reservoir, in the environmental mitigation opportunity planning we will be looking at maximizing the

recreational potential. There may be a number of different options for how you site facilities for boat launches and accessing the reservoir. Those will be thoroughly considered. We will be looking at the fluctuation question in terms of the operation of the reservoir. We anticipate there will still be significant recreational opportunities with this project with regard to boating, sailing, fishing, and day-use areas.

The member brought up his concern about mercury and what effect that might have. I think I've answered that in the House on previous occasions with regard to our Dickson experience. We are doing water quality studies initially so we will know the levels of mercury in the system before the reservoir is constructed. There are naturally high levels of mercury in the soils in southern Alberta or throughout Alberta. We're in a high-mercury belt. I think the natural buildup of mercury in some fish species in the rivers of the province has been discussed in the House. For example, even today on the Oldman system there is an advisory with regard to consumption of fish because of the mercury that has occurred from natural sources.

In the first year in the Dickson experience, we found that there were lower levels of mercury in fish in the reservoir than downstream. Some of the other theories were that you would have higher levels of mercury in the fish in the reservoir itself. To date the Dickson experience has gone opposite to that. We'll be monitoring that over the longer term. In other areas where they've noticed this increase in mercury, after a number of years the levels of mercury actually decrease and come back to where they were previously. We don't believe that's a significant problem. I've already said there is currently an advisory with regard to mercury in fish in the Oldman river.

I think I reviewed the engineering components and how that was handled.

MR. CHAIRMAN: I hesitate to interrupt the minister, but the committee will have to report.

MR. BRADLEY: I just want to conclude very quickly, because I've answered the questions from the hon. members from Cardston and Spirit River-Fairview.

MR. CHAIRMAN: The committee can't resolve itself to go beyond the allotted time.

SOME HON. MEMBERS: Question.

Agreed to:

Total Vote 1 — Oldman River Dam

\$25,839,212

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

[Motion carried]

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

[Motion carried]

[Mr. Speaker in the Chair]

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

Resolved that sums not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1986,

for the purposes and departments shown: \$3,500,000 for economic development and international trade for the Department of Economic Development, \$27,800,000 for production assistance for the Department of Agriculture, \$18,000,000 for the financial assistance to Alberta business for the Department of Tourism and Small Business.

Resolved also that from the Alberta Heritage Savings Trust Fund sums not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1986, for the purposes of making investments in the following projects to be administered by:

The Minister of Recreation and Parks, \$1,278,000 for Kananaskis Country recreation development; the Minister of Economic Development, \$7,750,000 for microchip design and fabrication facilities; the Minister of the Environment, \$25,839,212 for the Oldman River dam.

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

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, it is proposed that the Assembly sit on Monday evening but not on Tuesday evening next week. On Monday, both afternoon and evening, we will undertake the debate of Government Motion 7. If there's time after that, presumably in the evening, we would do second readings of Bills on the Order Paper but not including Bills 42, 43, 54, 59, 62, 63, 64, and 71. Those would be called on another occasion or occasions, based on discussion I've had with the Leader of the Opposition.

[At 1 p.m., pursuant to Standing Order 4, the House adjourned to Monday at 2:30 p.m.]

