

LEGISLATIVE ASSEMBLY OF ALBERTATitle: **Monday, May 25, 1987 2:30 p.m.**

Date: 87/05/25

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

[Mr. Speaker in the Chair]

PRAYERS

MR. SPEAKER: Let us pray.

At the beginning of this week we ask You, Father, to renew and strengthen in us the awareness of our duty and privilege as members of this Legislature.

We ask You also in Your divine providence to bless and protect the Assembly and the province we are elected to serve.

Amen.

head: **INTRODUCTION OF BILLS****Bill 44****Advanced Education Statutes
Amendment Act, 1987**

MR. DOWNEY: Mr. Speaker, I beg leave to introduce a Bill, being the Advanced Education Statutes Amendment Act, 1987.

The Bill updates the wording and clarifies some ambiguities in the Banff Centre Act, the Universities Act, the Colleges Act, and the Technical Institutes Act. It also adds three more public members to the Banff Centre board and provides for additional public members to be appointed by the Lieutenant Governor in Council to college boards.

[Leave granted; Bill 44 read a first time]

MR. CRAWFORD: Mr. Speaker, I move that Bill 44 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: **TABLING RETURNS AND REPORTS**

MR. RUSSELL: Mr. Speaker, I beg leave to table the annual report of Grant MacEwan Community College, as required by statute.

head: **INTRODUCTION OF SPECIAL GUESTS**

MRS. BETKOWSKI: Mr. Speaker, on behalf of Premier Getty, who is absent from the House due to traveling to Humboldt, Saskatchewan, for an important meeting of western Premiers, I would like to introduce 21 students in the grade 6 class at the St. Teresa school in the Whitemud constituency. They are accompanied by their teacher, Mrs. Malo, and I would ask them to rise and receive the traditional warm welcome from this Assembly.

MR. SPEAKER: Athabasca-Lac La Biche, followed by Lloydminster.

MR. PIQUETTE: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and to the members of this Assembly, 36 grades 7 and 8 students from Fawcett school in the constituency of Athabasca-Lac La Biche. They are accompanied by two teachers, Mr. Jim Laughy and Mrs. Laurie Fullerton, and one parent/bus driver, Mr. Steve Howard. They are seated in the members' gallery. I would request that they rise and receive the warm welcome of this Assembly.

MR. CHERRY: Mr. Speaker, I would like to introduce to you and through you to members of the Assembly, four visitors from the city of Lloydminster today. As I call their names, if they would stand. They are His Worship Mayor Bill Kondro; commissioner, Roger Brekko; chief engineer, Jim Duckworth; and a businessman from the city, John Barajon.

I would say at this time that our illustrious mayor has resigned his position, and I just want to personally say what a great job he's done in the city. I would also ask all members of the Assembly to give them the cordial welcome.

MR. SPEAKER: Vegreville.

MR. FOX: Thank you, Mr. Speaker. It's my pleasure to introduce to you and to members of the Assembly today, 70 students from grades 6, 7, 8, and 9 of the Chipman school in the Vegreville constituency. They're accompanied by their principal, Mrs. Sylvia Zacharkiw, who is known to members of the Assembly as the eldest daughter of the former MLA for Vegreville, Mr. John Batiuk; three other teachers, Mrs. Lorraine Perlik, Mr. Ron Guglich, Mrs. Rita Paquette; and two parents, Mrs. Wendy Janssen and Mrs. Hazel Henderson. They're seated in the public gallery, and I'd ask them to rise and receive the warm welcome of the members of the Assembly.

MR. DINNING: Mr. Speaker, it's not often that I get a chance to introduce someone from the good constituency of Calgary Shaw, but I have that privilege today by way of introducing Mrs. Ute Davies, who is in the members' gallery. She serves us very well on the Social Care Facilities Review Committee. I'd ask her to rise and receive the warm welcome of the House.

head: **ORAL QUESTION PERIOD****Education Funding**

MR. MARTIN: Mr. Speaker, I'd like to direct the first question to the Minister of Education. On May 7, I believe it was, the minister announced that the provincial mill rate under the school foundation program will increase from 14.7 to 15.5. Most homeowners are of course exempt from this tax, but the Alberta small business community, especially those in the retail sector, will have to pay in spades. At the time, the minister described this as a 5.4 percent increase, conveniently forgetting that there are also assessment increases, and the tax bill reflects both the assessment and rate increases. For example, we're told in the city of Calgary that businesses could face up to 13 percent.

My question to the minister now is simply this: will she now acknowledge that the tax increase is actually in double digits for many Alberta businesses?

MRS. BETKOWSKI: Mr. Speaker, I'm pleased to comment -- after the move by the province on May 5, as outlined in the budget on March 20, and now being asked on May 25 -- on the

level of the school foundation program levy. The Leader of the Opposition made one slight error in his introduction when he said most homeowners are exempt from the levy. In fact, all homeowners are exempt from the levy, and it is only applied on nonresidential assessment across the province. The increase is 5.4 percent and is levied on the equalized assessment across the province.

MR. MARTIN: A supplementary question. Yes, we're well aware of the increase. But would the minister also acknowledge that there were assessment increases and that because of these assessment increases, along with the mill rate increase, many businesses are facing increases of up to 13 percent, specifically in Calgary?

MRS. BETKOWSKI: Mr. Speaker, the process of equalizing assessment across this province has been occurring for many, many years. If there was a higher-than-the-levy increase on some businesses, it was because certain properties in other parts of the province were being assessed at a higher level in the previous year. The equalization process itself is neutral. Yes, the effect of the 5.4 percent increase or the application of 15.5 mills is different across the province.

MR. MARTIN: Well, thank you, Mr. Speaker. It's refreshing to understand that the minister now acknowledges that.

My question is simply: did the minister, in view of the economic circumstances faced by many small businesses in this community, look into or think about the circumstances of the retail sector in particular before she brought in these taxes that are going to gouge them even more?

MRS. BETKOWSKI: Yes, Mr. Speaker.

MR. MARTIN: Well, a supplementary question then. I take it by that answer, Mr. Speaker, that the minister doesn't care what happens to the small business sector in this community. I would ask her: in view of the fact that the provincial government is cutting back by 3 percent, why are we taking more money from the retail sector, especially at a time when they can't afford it? What is the logic with charging more in taxes when education is being chopped back by the government?

MRS. BETKOWSKI: Well, Mr. Speaker, education is not being chopped back by the government. Certainly there is a view in this province that the industrial levy or the school foundation levy should not change, and that was in fact exactly what this government did over the past two years.

However, it was our view that because everyone was being called upon to assist in a very difficult economic time in this province, industry should not be exempt from that act. Finally, I would note that on a provincial basis, supplementary requisitions across the province have risen by an average of about 5 percent in a difficult fiscal year, and this levy increase is in keeping with that level as well.

DR. BUCK: Mr. Speaker, a supplementary question to the Provincial Treasurer or the Minister of Education. In light of the fact that we seem to get this horror show about every seven years when we do a reassessment, is the government seriously looking at a system, in the day and age of computers, where we can keep assessment more up-to-date than we presently do?

MR. JOHNSTON: It's been a while, Mr. Speaker, since I've had a chance to deal with municipal assessment, and perhaps it's more appropriate that my colleague the Minister of Municipal Affairs deal with it. In fact, it's true that there are sophisticated systems which would allow for indexing or adjustments to a variety of property classes on an annual basis. It's even more appropriate, Mr. Speaker, that in fact some municipalities are employing those right now, so that the wide variations in assessment which take place, which to some extent may cause some distortions in the allocation, on the impact of certain taxes, can be rectified or at least smoothed over a longer period of time.

MR. TAYLOR: A supplementary, Mr. Speaker, if I may, back to funding of education and the Minister of Education. Could she enlighten the House as to whether or not, in view of the increase in assessment and funds that will be coming in, she will change her mind to fund education for the handicapped and the disabled in our schools that are now being discriminated against by our school boards because the funding is not coming through from the minister to the school boards? Obviously, here in Edmonton, we've had to throw out hundreds . . .

MR. SPEAKER: Hon. member, the question has been asked, please. The Minister.

MRS. BETKOWSKI: Mr. Speaker, it never ceases to amaze me at the misunderstanding of the way in which education is financed in this province, and I welcome an opportunity to speak to the important issue of financing of special education in Alberta. There is, as the member points out, an administrative dispute between the Edmonton public and separate school boards. However, I would note that the only way a parent is required to pay an extra fee for a disabled child is if he has voluntarily removed his child from the school system to which he is a supporter.

MR. SPEAKER: Second main question, Leader of the Opposition.

MR. MARTIN: Yes, Mr. Speaker, I'd like to designate my second question to the Member for Calgary Mountain View.

Canada Safeway Takeover

MR. HAWKESWORTH: Mr. Speaker, my questions this afternoon are to the Minister of Career Development and Employment. At least a hundred workers at Woodward's food floors in Lethbridge, Red Deer, Calgary, and Edmonton have found out that they're going to be laid off despite 20 years and more of service with Woodward's. These stem from the takeover by Canada Safeway of Woodward's food floors. Does the minister propose to sit by and allow this to happen, or will he be intervening to protect the interests of long-time Woodward's employees?

MR. ORMAN: Well, Mr. Speaker, I too am aware of the report with regard to the Woodward's workers, and I certainly am not in a position nor do I have an inclination to intervene. Certainly I will make the full resources of the department available to those individuals who may be losing their jobs as a result of this arrangement. I do not know the final details, Mr. Speaker, and I'll certainly review them. I'd be pleased to report back to the member in that connection at the next sitting of this House.

MR. HAWKESWORTH: Mr. Speaker, I was surprised to learn that the jobs of these employees had not been protected by Investment Canada when they allowed the sale to proceed in the first place. Did the minister or anyone in the provincial government that he could speak for make any representations to Investment Canada to request that the jobs of Woodward's employees be protected in this takeover by this giant American multinational?

MR. ORMAN: Mr. Speaker, we are always concerned. Obviously, both sides of the Legislature are always concerned in the matter of employment and particularly if there are jobs lost based on restructuring of the economy. We certainly are not in a position to be a part of the decision. That's a federal decision with regard to Investment Canada and the arrangement. Obviously, they've reviewed it and have their views.

I'm certainly concerned, as minister responsible for employment, if any arrangements, such as the Woodward's arrangement, result in the loss of jobs, Mr. Speaker. But I'm certainly not going to intervene in a decision that is made in the business community, but I certainly will make the resources of my department available to the individuals who may be dislocated as a result.

MR. HAWKESWORTH: Mr. Speaker, Woodward's foods have in the past purchased their wholesale products through Alberta firms, whereas Safeway, by and large, uses its own giant wholesale arm, Macdonalds Consolidated. Is the minister making any representation or requests to anyone that Safeway maintain the use of the Woodward's wholesale operations and maintain Alberta business and Alberta jobs rather than amalgamating all of its wholesale operations through Macdonalds Consolidated?

MR. ORMAN: Mr. Speaker, I may at the end of my comment turn that question over to the Minister of Agriculture and the Minister of Economic Development and Trade, for they are two individuals that are actively involved in the buy Alberta campaign that is very strongly supported by this government. I'm sure the Minister of Agriculture would certainly be pleased to indicate his efforts in the area of buy Alberta to encourage all companies that are doing business in the produce area to buy their products here in Alberta.

MR. SPEAKER: A supplementary might be asked to the minister.

MR. HAWKESWORTH: Mr. Speaker, my supplementaries are to this minister, who I thought was the one responsible for employment policy and job protection. This minister and indeed this government are quite fond of telling us and Albertans how foreign investment brings jobs to Alberta. In view of the restructuring going on in the food industry because of this takeover and with the store closures and the layoffs announced today, will the minister offer an estimate of the number of jobs that will be created by this takeover by this American giant multinational?

MR. ORMAN: Mr. Speaker, I can't comment on that, but I can comment on the fact that in 1986 there were 22,000 more jobs in Alberta as a result of arrangements, takeovers, mergers. It's a financial arrangement; it's a business arrangement. Certainly if it affects jobs, we are concerned, but I'm not in a position to

intervene into the marketplace in decisions that are made along these lines. As I indicated, I do have a concern for the individuals that could possibly be dislocated as a result of this arrangement, and certainly we'd be willing to provide assistance to them.

MR. SPEAKER: Member for Westlock-Sturgeon, main question or supplementary?

MR. TAYLOR: It's a supplementary, Mr. Speaker, if I may, to the minister. In view of the fact that his national leader, the Prime Minister, and the chief negotiator, Mr. Reisman, have said quite clearly that Canada is up for sale and this is just the tip of the iceberg -- there are already oil companies, Dome and others, going under to the Americans -- will the minister develop some sort of policy, some sort of warning guidelines to these multinational takeovers, that Albertans will just not be thrown out on the street without a job, that they will have to obey certain regulations before they can lay off someone when they take over?

MR. ORMAN: Well, the answer is no, Mr. Speaker. Multinational companies in Alberta employ Albertans. It's not as though a multinational company such as Amoco employs 5,000 Americans. They employ Albertans, and if the hon. member is suggesting that we should treat multinational firms differently than we do Alberta firms, we're talking about treating employees differently that are Albertans. They come here, they do business in this province, they employ Albertans, and they pay taxes, and they contribute to the well-being of the economy of this province.

MR. SPEAKER: Main question, Westlock-Sturgeon, followed by Clover Bar.

MR. TAYLOR: We're talking about fair treatment for Albertans, not fair treatment for multinationals.

MR. SPEAKER: Next question, hon. member.

Employment Alternatives Program

MR. TAYLOR: Main question, Mr. Speaker. To get back to the same minister, the minister of welfare or Minister of Career Development and Employment, or unemployment, whatever he wishes to call it. The minister's program will not solve two fundamental problems in the social security system: the dependence it creates for many recipients and the inability of the social safety nets to catch anyone who finds himself in need. Will the minister not consider halting his program of work for welfare and going back to the drawing board to find some solutions to these major shortcomings; for instance, admission that the work for welfare program is a short-term strategy rather than a long-term strategy?

MR. ORMAN: Mr. Speaker, the hon. Member for Westlock-Sturgeon was reading the question a little too fast for me to hear the first part of it. But let me say that the strategy with regard to the employment alternatives program, which in fact is not work for welfare, is a strategy that deals with a growing number of social assistance recipients who are in the employables category. That number has been growing at a rate faster than we like. We feel that we must provide a bridge between the economic situ-

ation today and what we firmly believe to be the strengthening of the Alberta economy towards the latter part of this year and the beginning of next year.

We want to be able to be sure that our Alberta work force has the skills and has recent work experience to match the demand that we see happening later on this year. To sit back, Mr. Speaker, and do nothing and just allow individuals who would prefer to be working no alternative, I think would be unreasonable. This program is to give them an alternative to acquire recent work experience so that when the demand for jobs picks up in the province, they will be ready, willing, and able to work.

MR. TAYLOR: Mr. Speaker, I'm sorry I was so fast. I don't get the luxury he has to ramble on and on before I can get into the question. The minister says that a bonus will be offered to the employers who significantly upgrade the skills of an employee. What test will be applied to determine if upgrading offered qualifies for a bonus?

MR. ORMAN: Mr. Speaker, a very important component of the program will be a training grant to companies that agree to provide training to individuals while they're on the job. They must submit to us their plan with regard to the training. It must meet our approval, and we must be satisfied at the end of the training program that that training did occur. If in fact it did not occur, we will not pay out the training bonus. But it is an added incentive for employers to bring people into the labour force and give them enhanced skills which are so very important to be marketable in the labour force today.

MR. TAYLOR: Mr. Speaker, a supplementary. I would think it difficult to meet a plan whose regulations haven't been put out yet. Would the minister not admit really that if he takes a worker from welfare and puts him onto a job for a while, all he is doing is shoving over onto the federal government the responsibility for unemployment insurance? In effect, he's not interested in training people; he's just trying to get rid of some of the load onto the back of the federal government.

MR. ORMAN: Well, Mr. Speaker, obviously the hon. member doesn't understand how the system works. The people that are working today pay part of the unemployment insurance, as does the company. The federal government doesn't pay the unemployment insurance. So if in fact individuals are working today and they lose their jobs, or in this case they go off the program and must go to UI, they have contributed to it. So I don't see how it's shifted to the back of the federal government. The hon. gentleman obviously doesn't know how unemployment insurance works.

MR. TAYLOR: For his information, the federal government does backstop the UIC. Maybe the minister could share with the House, Mr. Speaker, what percentage of the participants in his program he estimates will end up with permanent jobs after this is over.

MR. ORMAN: Mr. Speaker, I'm glad the hon. member brought that up, because it's obviously something that is very important to the success of the program. We can only go by the successes that we've had in existing programs. Certainly we have had a program, as a matter of fact, called the employment skills program, that has dealt with moving social assistance recipients

into the labour force. Between 1984 and 1987, the beginning of this year, we have moved some 2,000 people from social assistance into jobs as a result of the employment skills program. I would hope that we can have the same kind of success, and I really believe we will, Mr. Speaker, under the employment alternatives program.

MR. SPEAKER: Supplementary, Edmonton Belmont, followed by Red Deer South.

MR. SIGURDSON: Thank you, Mr. Speaker. This should be a rather easy one for the minister; it's a simple yes or no answer.

There are a number of injured workers who are awaiting their appeal to the Workers' Compensation Board and have been referred to social services. They are deemed single employables. Is the minister aware that perhaps this program may damage the health of some of those injured workers?

MR. ORMAN: Well, the question was not as simple as to solicit a yes or no answer, Mr. Speaker. I can assure the hon. member, though, that individuals working under this program will be subject to the Individual's Rights Protection Act, the Workers' Compensation Act, just the same as any other individual. As the hon. member knows, this program is completely voluntary, and if individuals are wishing to access it, they have that opportunity.

MR. SPEAKER: Red Deer South.

MR. OLDRING: Thank you, Mr. Speaker. My supplementary is to the minister for career development. I want to begin by saying that I applaud the initiatives and directives being taken by this minister. But more specifically, can he advise this Assembly what types of jobs will be made available for single employables and what types of pay levels they will be able to expect through this particular program?

MR. ORMAN: Thank you, Mr. Speaker. I should indicate that again we must look at the programs which we have in place to determine the successes. That is really what we're doing. We're looking at the successes of the existing programs to try and determine the success we will have under the employment alternatives program.

Under the wage subsidy program, which I have referred to, Mr. Speaker, which is a program that is strictly for the private sector, we found that a number of the types of jobs included the service sector, sales, product fabricating, clerical and related, farming, and horticulture. I should say that we expect much the same types of job opportunities under our existing programs with the private sector.

I should also say, Mr. Speaker, that under the wage subsidy program, we subsidize \$2.50 of an individual's wages. The average wage under that program was \$6.28 last year, I would be pleased to see and I would hope that the same level of top up would occur under the employment alternatives program.

Loan to Olympic Organizing Committee

DR. BUCK: Mr. Speaker, this question is for my favourite minister, the Provincial Treasurer. In light of the fact that the provincial Treasury Branches are going to loan the Winter Olympics \$60 million at 8 percent for linkage financing, can the Provincial Treasurer indicate if this is going to be the only loan

made to the Olympic Organizing Committee?

MR. JOHNSTON: Mr. Speaker, it's not normal that I am consulted on the normal kinds of business transactions which the Treasury Branch would have with a client. Yet in this case in a casual conversation I was told that in fact this offer had been made to the Treasury Branches, and they thought, in the spirit of the Alberta Olympic Games and the importance of the Alberta Olympic Games to this province, that they would participate in providing a short-term loan to the OCO '88 committee.

Mr. Speaker, it should be noted that the rate was essentially perhaps preferred but close to the market rate and, secondly, that should there be any difficulty with some of the key countries participating in the Olympics, such as we saw during the Los Angeles Olympics, the revenue has been guaranteed by way of insurance and the Treasury Branches have accepted a transfer of that indemnity to themselves to protect the full amount of the loan.

DR. BUCK: Mr. Speaker, in the minister's casual conversation with one of the Treasury Branch people or the members of the Treasury Branch that he touched on very briefly, can the Treasurer indicate how it was that the Olympic Organizing Committee got their loan at 8 percent when the Bank of Canada rate is about 8.5 or thereabouts and prime is well over 9? Can the Provincial Treasurer indicate how they got such a preferred rate of interest?

MR. JOHNSTON: Well, Mr. Speaker, first of all, as I've indicated to you, this negotiation, as I understand it, took place some time ago, perhaps as early as the early part of May. In the context of the rates of the time, it was a very appropriate rate. Secondly, as I understand the financial institutions, they do take guidance from the so-called prime rate, but there are cases when in fact major loans are provided to key clients or key customers of the banking system below the prime rate, depending on the class of security. As I've indicated here, this is a fully guaranteed loan in that there is no possibility that there will be a loss involved, and because it was important to the success of the Olympic activities in February 1988, this loan was seen to be appropriate, both in terms of the spirit of what the Treasury Branch should do for the private sector and for the activities in this province but also was fairly reasonable in terms of the rate expected for a prime or preferred customer.

DR. BUCK: Mr. Speaker, to the Provincial Treasurer. I guess we all remember that famous quote by the mayor of Montreal about the deficit.

To the Minister of Recreation and Parks. Is the minister or the Treasurer in a position to indicate, of the \$350 million that's going to be supplied by all three levels of government, what the Alberta share is and who is looking after that to make sure the Olympic committee does not go over the amount that we have promised that we would help them?

MR. WEISS: Well, I'd be pleased to supply the answer to that, Mr. Speaker, through to the hon. Member for Clover Bar. We should be aware with the three levels of government participating, that the city of Calgary is the host city and they're responsible for putting on the Olympics. We as a province are providing infrastructure dollars for our commitment in such facilities as the development in the Canmore centre and at Mount Allan, but that is our limitation. There will be no further dollars expended,

and we do not anticipate any shortfall.

MR. MITCHELL: Mr. Speaker, to the Treasurer. Could he please inform the House what the total government of Alberta commitment is to this Olympics project through Treasury Branch loans and loan guarantees on a variety of resort projects, as well as other Treasury Branch loans in addition to the \$60 million which we're discussing today?

MR. JOHNSTON: Well, Mr. Speaker, I think it's fair to say that the policy position of the government over the past four to five years has been fairly well presented to the Legislative Assembly. I think the key document has been Premier Lougheed's position going back to the early negotiations, where in fact the government's commitment was clearly and specifically pointed out. At the same time, we were the first ones to the table, as I'm sure the member recognizes, and after some reluctance on behalf of the federal Liberal Party to come to the table, after some coaxing and some work with them, they actually saw the light of investing in the Olympics in Alberta. It was a very soft position they'd taken historically. They tried to transfer the responsibility back onto everyone they could see imaginable, but after all possibilities had been eclipsed, they finally did commit.

Now, Mr. Speaker, it should be clear that our expenditures with respect to the Olympics take several forms. We've shown up front where our commitment will be with respect to the major institutions. Moreover, it is clear that through the University of Calgary in particular, where in fact significant investments have taken place with the assistance of the federal government, in fact those projects are now in place, are essentially ready to go, and moreover are below budget.

Now, with respect to the guarantees, there are some guarantees which are required. There has been some assistance provided to developers in the Kananaskis area. Mr. Speaker, the solution to the problem is clear: we must remember that the Olympics in this province will leave a long-lasting legacy for all Albertans. Millions and millions of dollars will be invested in important infrastructure -- sports infrastructure, tourist infrastructure -- and that has a long-lasting... [interjections]

MR. SPEAKER: Calgary Mountain View and Red Deer North.

MR. HAWKESWORTH: Mr. Speaker, to the Provincial Treasurer. A question of clarification in view of the answer given by the Minister of Recreation and Parks: will the city of Calgary be responsible for repaying this loan if OCO '88 should for any reason default on this loan to the Alberta Treasury Branches?

MR. JOHNSTON: Mr. Speaker, I'll simply attempt to cast the terms of this loan so the member can understand it. Assuming that there is a maximum default on the operating side, then of course any default caused by a variety of disruptions, including the loss of five major countries as players in the games, would then trigger an insurance policy which was taken with a major London insurer, and that policy has guaranteed the \$60 million loan. So there is no possibility that anyone will lose except an insurance company. The city of Calgary, as far as I know, would not be part of that loss.

They would obviously stand to lose in terms of their major investment, as would all the players, but I don't think anyone is looking forward to that kind of difficult situation. I think the current international events are such that there is more harmony,

more discussion, and more openness, and unless the Member for Calgary Mountain View knows something I do not know, I would expect that it would be one of the most successful Olympics ever put forward by any organization, at reduced prices, with a large participation by the population, and a major success story for this province. Let's not look at the negative side; let's look at the positive side, Mr. Speaker.

MR. SPEAKER: Red Deer North.

MR. DAY: Thank you, Mr. Speaker. [interjections] Once the rabble has settled down . . . To the Provincial Treasurer. On the main question of interest rates, is the minister aware whether similar rates were available to OCO from other financial institutions in the province?

MR. JOHNSTON: Mr. Speaker, I have no information as to whether or not the rate was shopped. I can only give you the facts as I have them, and whether or not the rate was a comparative rate or shopped in the institutions, I'm not sure. I would think, though, that the Treasury Branch, understanding the spirit in which they operate, being an Alberta institution, probably took it upon themselves to be very competitive and to ensure that this loan was provided to OCO, because they sense the spirit of the games and want to continue with that spirit.

Energy Policies

MR. PASHAK: Mr. Speaker, last June 25, I asked the Minister of Energy questions about the economic consequences for the people of Alberta of his energy policies. Although it's a little short of the anniversary date, but given that we may not be sitting on June 25, it's now time for an accounting. What steps has the minister taken to recover the historic share of revenues that once went to Alberta producers and to the Alberta Treasury but which now flow to the federal government and to the refineries?

DR. WEBBER: Mr. Speaker, it's tough to get a handle on exactly what the question is that the hon. member is asking. Could I ask him to repeat it?

MR. PASHAK: As the main question, I'm just informing the minister that a lot of the revenues that once flowed to the government of Alberta, to the Treasury, and to Alberta producers are now going to the federal government and to refineries. What steps is the minister taking to reverse that situation?

DR. WEBBER: Well, that's not any better, Mr. Speaker. However, for the hon. member, I would hope that he recognizes the difficult times that industry has gone through in the past year with the downfall of world prices last spring and the dramatic impact that resulted in terms of industry not being able to reinvest the kind of money that they had been investing, say, in 1985, and certainly the impact on the Alberta Treasury.

This government responded to the concerns of the industry in a number of ways, and I think the hon. member could go back and look at *Hansard* and at the answers to a number of questions that I had given previously on the steps this government has taken to first of all, in the short term, address the concerns of the industry, to try to create activity and jobs. Then later in the year 1986 we announced a \$1 billion package to assist industry in the longer term with royalty reductions and royalty holidays. All those steps of course have resulted in -- we are starting to

see a significant increase in activity now, as we did at the end of last year. We anticipate that during the course of the summer and the fall and the winter we will see a significant increase in the number of rigs that are out there drilling.

Now, Mr. Speaker, I could go on and talk about the take of the refineries or the federal government or the provincial government, but maybe it would be better if the hon. member would be more specific when he asks his questions.

MR. PASHAK: A supplementary to the Minister of Energy, Mr. Speaker. I will give him a specific question then. Can the minister advise whether or not all refineries in Alberta are paying the west Texas intermediate crude price or its equivalent at this point?

DR. WEBBER: Mr. Speaker, that's a question that's getting down to basics and a good one. I recall that last year after the downfall in the world price a concern was expressed by the producers in this province that the refiners had not been tracking the west Texas intermediate spot price. In discussions with the major companies we were assured that in the future they would be attempting to track the WTI spot price. Over the course of the last year the difference between the Canadian postings netted back to Edmonton with the WTI spot have been very close, up until the end of April of this year, and at that time the gap started to widen. I then contacted the same companies I had been in touch with the year before to find out why they were not tracking the WTI spot. A number of reasons have been given, not all satisfactory to me. I have written a letter to these major companies indicating that we expect that in the future they would make greater attempts to track the WTI spot.

MR. PASHAK: Mr. Speaker, a supplementary to the Minister of Energy. Will he confirm that royalty cuts have reduced Alberta's take on a litre of gasoline to 4.5 cents while the federal government is collecting at least twice as much as that on every litre of gasoline that comes from Alberta crude?

DR. WEBBER: Well, Mr. Speaker, I assume the hon. member's arithmetic is all right. Certainly when we reduced our royalties, we reduced OUR take provincially. My memory is such that I believe the take works out to about 4.5 cents per litre provincially and that the take federally is about 10 cents per litre. However, going back prior to deregulation or even before the downfall in prices, the federal government was taking substantially more than the province at that time, even then.

MR. PASHAK: Final supplementary, Mr. Speaker. Will the minister finally admit what is obvious to all Albertans, that deregulation and decontrol of oil prices has been a unmitigated disaster for all Albertans? It has boosted refinery profits and federal government revenues and denied Albertans a fair return on its resource.

MR. TAYLOR: Bring back the NEP.

DR. WEBBER: There's the answer that they have. The answer to the question there is no.

MR. SPEAKER: Supplementary, Calgary Buffalo.

MR. CHUMIR: Thank you, Mr. Speaker. To the minister. Alberta consumers are definitely being gouged at the gas pumps

with gasoline prices being 5 cents a litre more than in Toronto, even after taking taxes into account. I would ask the minister what the government is doing with respect to this issue, and particularly whether it intends to give the Public Utilities Board jurisdiction to review the matter as it has in Manitoba and in Nova Scotia, in which latter province prices have actually been rolled back.

DR. WEBBER: First of all, Mr. Speaker, the hon. member, I believe, is inaccurate with the numbers that he states. In fact, we don't know what the difference is going to be until after June 1. We have let the marketplace determine what the prices are going to be at the pumps in this province, and we'll continue to do so. Because the socialist province of Manitoba decides they're going to try to interfere with the marketplace doesn't mean that we should here; likewise in Nova Scotia, where they have a regulated system. Prices in Nova Scotia are much higher than they are out here.

So, Mr. Speaker, I believe we have to wait to see what the prices are going to be after June 1. Obviously, with the fact that we have no tax at the pump, the prices were lower in Alberta than anywhere in the country, and with the protection that we have in place for farmers in this province, we will continue to have the lowest prices in the country.

MR. SPEAKER: Red Deer South.

Natural Gas Pricing

MR. OLDRING: Thank you, Mr. Speaker. My question, too, is to the Minister of Energy. As a result of gas deregulation, gas prices in Canada have become a lot more complicated. There is no longer a single Alberta border price for domestic sales or a single Canadian border price for exports. It appears that the Manitoba government is claiming that Alberta's domestic natural gas prices for them are actually higher than Alberta's prices for export to our U.S. customers. Could the minister advise this Assembly whether these claims are accurate or not?

DR. WEBBER: Well, Mr. Speaker, when we went to deregulation, there was the removal of the border price test, and in its place a monitoring system was established, a system of monitoring the prices of natural gas into the United States and of course prices here in Canada, so that we can see whether or not prices are in fact going into the United States at a lower level than what they are here in Canada.

The first official report is not available yet and should be available in June. However, our Alberta Petroleum Marketing Commission has been tracking these prices from information obtained from producers, and at this time the average price for domestic ex-Alberta gas is in fact lower than the average export price into the United States. So prices into the United States are still higher than they are in Canada. In other words, our return is higher on the gas into the U.S. than what our return is here in Canada.

I would simply comment, Mr. Speaker, that if Manitoba were to take off their motor fuel tax, then they wouldn't have to worry about whether there's a difference in price.

MR. OLDRING: A supplementary, Mr. Speaker, again to the Minister of Energy. Most recently, the Public Utilities Board of Manitoba handed down a decision approving a gas contract between Western Gas Marketing and Manitoba gas utilities only

until October 1, 1987. I understand that the contract is a long-term agreement extending into the 1990s. Could the minister advise this Assembly what impact the decision of the Manitoba Public Utilities Board would have on our existing long-term agreements?

DR. WEBBER: Well, Mr. Speaker, the hon. member is accurate in that they are long-term contracts with respect to volumes that would be taken, but the pricing aspect of those contracts is a two-year agreement. It was the pricing aspect that was before the Public Utilities Board in Manitoba, and that board did approve the price that was negotiated between Western Gas Marketing and the utilities in Manitoba, approved those prices until the end of October of this year. The Public Utilities Board then suggested that the Manitoba utilities go out and tender and try to get prices at a lower price than what the contract stated between Western Gas Marketing and the utilities.

Mr. Speaker, we are concerned that governments such as Manitoba may be attempting to undermine the long-term contracts that are in place, and it's our intention to try to make sure those provinces are unable to do so. In fact, Mr. Speaker, we've gone from a system of border pricing in this province, where we establish the price of natural gas, to a system of deregulation, where consumers and producers could enter into contracts, of course respecting existing contracts, and we intend to see that those long-term contracts are kept in place.

MR. SPEAKER: Supplementary, Calgary Buffalo.

MR. CHUMIR: Thank you. Well, it's some deregulation, Mr. Speaker. We have government support for 15-year surpluses in the core markets, and we have opposition to open sales in Manitoba, Ontario, and Alberta in the core markets. Will the minister tell the House the state of his plans and discussions with the industry to impose a fixed, administered price for natural gas leaving the province in order to protect provincial revenues, another admission of the failure of the deregulation policy?

DR. WEBBER: Well, Mr. Speaker, I know that the hon. member and some of the members over in the centre here -- they are not really in the centre; they're really off to the left -- would love to think that deregulation has been a failure. The prices of natural gas certainly did decline, and there are many people in the industry who would tell these honourable ladies and gentlemen that we would have been unable to achieve deregulation in a different environment. We still support and are working towards the objectives of deregulation.

However, there are a number of obstacles, as most members here recognize, that have come into place, and we're trying to remove those obstacles as quickly as we can. Certainly the consumers in central Canada would love to see deregulation occur immediately so that there would be a significant further downward pressure on prices to their benefit, and Alberta-elected members here seem to support that position. We intend to work towards the whole process of deregulation but want to slow that process down to some degree so that we don't see a complete collapse in prices, and we intend to make sure that there isn't.

MR. SPEAKER: The time for question period has expired. Might we have unanimous consent to complete this series of questions and also to have one minister give additional

information?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed?

Leader of the Opposition on a supplementary.

MR. MARTIN: A supplementary. I'm trying to understand the minister's answers and am having a great deal of difficulty. Is there a point where the minister would say that deregulation is not working, especially in the gas area, and that enough consumers in Alberta have been hurt, enough producers, and that there's a point along where they would say that they would give up on deregulation, period?

DR. WEBBER: Well, Mr. Speaker, when the federal minister and the Alberta government, through myself, exchanged letters last November 1 with respect to deregulation and the conditions we wanted to see removed before we would be satisfied that there was deregulation, we put in place conditions on gas removal permits, that if by the end of June 1987 we were not satisfied with the results of a number of steps -- namely, the National Energy Board surplus test hearings, which have just about been completed, and the results of the Ontario Energy Board decision on the negotiations between the utilities and consumers there, as well as the results of the Public Utilities Board decision in Manitoba, plus the results of the negotiations between our own utilities and producers in this province -- if at that stage we were not satisfied that deregulation was moving in the direction we wanted, then we would make those removal permits null and void.

There obviously are other steps that could be taken, but, Mr. Speaker, we have to be satisfied that the conditions are out there for the marketplace to work, and we ensure to see that they are.

MR. SPEAKER: Minister of Recreation and Parks, supplementary information.

Loan to Olympic Organizing Committee (continued)

MR. WEISS: Well, thank you, Mr. Speaker. I wouldn't want the House to close off question period without leaving some clarification of the doubt that was cast by the hon. members across the way. I say that doubt was cast, because they asked the question about the dollars and expenditure to the Olympic program, and in doing so, there was an inference that there was something secretive about the amount of moneys being allocated or spent. That's certainly not the case, Mr. Speaker.

To all members of the Assembly, there have been many stages of expenditures over the last number of years in particular. They're all public. They're in the government estimates, and if all hon. members would happen to notice, under 1987-88 there's some \$3,644,000 being allocated. The ongoing economic benefits, of course, are many: the development of the Alberta athletes through their ongoing programs and particularly to the communities such as Calgary and southern Alberta.

I don't want to question the members' ability to add up those figures. If they wish to do so, they're there for a number of years. They're not private. They're not confidential. They're all available. The total dollar expenditure to date is some \$129 million. I don't think it's an expenditure; I think it's investment for all Albertans, all Canadians, and as the Provincial Treasurer

has said, a legacy that will be left for Albertans for many years to come.

[Mr. Mitchell rose]

MR. SPEAKER: No, hon. member. The member that raised the issue was Calgary Mountain View, or it was actually Clover Bar, although there was a subsequent follow-up there. Therefore, the member is not in the House to respond, and it's back to the member who initially raised the issue.

ORDERS OF THE DAY

head: **COMMITTEE OF SUPPLY**

[Mr. Gogo in the Chair]

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

ALBERTA HERITAGE SAVINGS TRUST FUND CAPITAL PROJECTS DIVISION 1987-88 ESTIMATES OF PROPOSED INVESTMENTS

Department of the Environment

MR. CHAIRMAN: Members of the committee, it's traditional that the minister responsible for the estimates make opening comments. The minister is the Hon. Ken Kowalski. Hon. minister, do you have comments to address to the committee with regard to your estimates?

MR. KOWALSKI: Thank you very much, Mr. Chairman. [some applause] I really appreciate that warm welcome. I've always enjoyed my opportunity to address my colleagues. I've had the pages circulate two visuals to all the members, and I think it's important that members have an opportunity to see them. What we'll be doing this afternoon in the few short minutes available to us is looking at the section dealing with irrigation headworks, the main irrigation systems improvement. The request that I'm making this afternoon is that the Assembly allocate \$45 million with respect to that project under the capital projects division. The second item deals with land reclamation, an amount to be voted of \$2,350,000.

Mr. Chairman, on August 19, 1986, I had an opportunity during these very same estimates for last year to give a rather lengthy overview with respect to these two programs, and those remarks and the questions as well are contained in *Alberta Hansard*, pages 1205 through 1211. Then in the fall of 1986, on November 14 to be specific, I had an opportunity to attend to the Alberta Heritage Savings Trust Fund select committee and at that time had an opportunity to give a very lengthy and specific overview of the various projects that are contained under these two estimates. So this afternoon what I'd like to do at the outset, Mr. Chairman, is just make a few brief comments with respect to the importance of irrigation in our province and the reality that half the irrigated land in the country of Canada really does exist within the province of Alberta.

The pages are circulating a visual that hopefully all members will get very quickly. It's a visual that was taken by a very unique new technology invented in 1972 called remote sensing images. Recently a geographic magazine in Canada called *Canadian Geographic* had in its December 1986 and January

1987 issue a picture that contained southern Alberta and northern Montana. It took from a Landsat 3 satellite a picture from 700 kilometres up in the sky, and that particular visual showed the importance of water and what it really means to irrigation. In particular, it showed the importance of irrigation in the southern part of Alberta and where the American border is. I think, Mr. Chairman, individuals often talk about the unmarked border between Canada and the United States and the undefended border between Canada and the United States, and the visual all members will soon get, being circulated right now, shows you this visual. Now, the importance of bringing it here is to amplify once more the important need with respect to water management, water control, and water improvement.

The visual that all members will have, I repeat, was taken from 700 kilometres in the sky by a Landsat satellite. All members will recall that the first one went up in 1972. In Alberta Environment we have a mechanism called remote sensing that ties us into the American satellites and feeds us on a purchase basis information with respect to this. The visual that you have shows water management in Montana, and it shows the lack of it in one southern part of the province of Alberta. The river that goes through the centre of the visual is the Milk River. I think it is very important to recognize at the outset the importance of this element we are talking about today, namely water management, water control and irrigation and what it really means. I think that visual really tells you more than a thousand words could tell you in explaining this, so I'm not going to give you the thousand words; I'm going to leave with you the visual that is very important.

The second document, that was just recently circulated, Mr. Chairman, is an addendum to the piece of paper I circulated last year when I appeared before the Alberta Heritage Savings Trust Fund select committee. At the point in time I had gone over the economic history with respect to the irrigation headworks and main irrigation systems improvement program, and I brought forth really the synopsis and the dollar allocations that would be maintained into the year 1994-95. At that time I gave all members the update to October 31, 1986. What I would like to do today is leave all members with the updated cash flow requirements based in 1987-88 dollars as at March 31, 1987, with respect to the various components of this element that we have in front of us. If all members were to take a look at the sheet, they would note that the cost under irrigation headworks and main irrigation systems improvement program to March 31, 1987, is \$312.2 million. You will see an asterisk there was well; a few dollars were expended prior to 1980 -- the total expenditure to March 31, 1987, of \$321.7 million.

Then I have broken down what our requirements will be for the fiscal year 1987-88. Members will know that in the book, on page 6, my request is for \$45 million, but there is an asterisk indicating that we anticipate expending \$38.7 million in this fiscal year because, as the way all construction projects really go, when you've got a good construction program going, when the weather is fine and you can move dirt and get work done as we were able to do during this last winter because of the very unique climate and climatic conditions we had, we in fact expended \$6.3 million more. We funded that under the General Revenue Fund, but I then had to repay that; it had to be paid back on April 1, 1987. So while the request is being made for a costing factor of \$45 million in fiscal '87-88, actual expenditures in this fiscal year will be \$38.7 million. Then members can look at the expenditure requests that will be made in '88-89 through to '94-95, and you can see the dollar figures have been

maintained in there. In essence, we anticipate that by the time we come to the completion of this program in 1994-95, we will have expended some \$551.6 million, now in 1987-88 dollars, and to add the dollars that were expended prior to 1980, to give a total expenditure level of \$561.1 million.

Now, I should point out as well that the figures hon. members will see -- if they compare this to the documentation I circulated when I met with the select committee last November, they will note that a few of the dollar figures at the bottom of the page have been reallocated because of the current situation in the province. When I met with the select committee last fall, the figure that was identified in terms of the request for '87-88 was \$55 million. The request being made this year is \$45 million. Last year I indicated that the request being made for '88-89 would be \$50 million; the request in this program is for \$45 million. I indicated at that time the request that would be made for '89-90 would be \$40 million; we've revised it up to \$45 million now. The request that would be made in the future for '90-91, identified last fall, would be for \$35 million; it's now being adjusted to \$45 million. The request for '91-92 last fall was for \$25 million; it's now being adjusted to \$28 million. The request that was identified last fall for '92-93 was for \$18 million; it's now being adjusted to \$20 million. The figure for '93-94 would remain the same, and the figure for '94-95 -- last fall's figure was \$6 million, to be adjusted to \$7.2 million.

So it's essentially because of the current deficit position we have that we've reallocated a few of these subject matters within several years. But the whole target still has been identified as a target we want to meet, a target we want to attend to by the year 1994-95. Just a brief summary there, Mr. Chairman, is that it will amount to \$561.1 million in terms of that.

The next vote: vote 2, basically dealing with land reclamation. The request being made this year is for \$2.35 million. As the document that's been put out by the Provincial Treasurer clearly indicates, \$1.85 million of that has been allocated for land reclamation, \$500,000 of that to land reclamation research, for a total amount being requested of \$2.35 million. Mr. Chairman, this land reclamation program will allow us to do literally dozens and dozens of small reclamation projects here, there, and throughout the province of Alberta. They're everything from minor reclamation projects of old garbage dumps to small holes in the ground that have been made in terms of getting a product for the construction of roads and the like. It's one of the really excellent programs we have within the province. Next week during Environment Week in the province of Alberta, I'll be providing thanks to a great number of municipalities and communities in the province who have participated in this land reclamation program.

I think, Mr. Chairman, that's probably about as much as I want to say, other than to simply provide to the members the normal visuals that I think are very important. I have one here that basically shows us the irrigation headworks in the main irrigation systems improvement program. As of the fall of 1986, each one of these programs is located in the province and identified, and I'll just leave that here if any member wants to come and take a look at it. As well, I've got several other visuals. There's a very good one here of the west dam site of the Forty Mile Coulee. It's been identified in the target in here where we're basically looking. In terms of the Forty Mile Coulee reservoir, we've expended \$37.9 million to March 31, 1987. We anticipate another \$15 million this year. I think it gives you an excellent visual of what is really happening in that part of Alberta, and I think it's an important one members would want

to take a look at.

I've another visual -- a series of visuals, before and after in terms of construction on the canal and bridge with respect to the Lethbridge Northern Irrigation District main canal. Perhaps one of the pages would like to just put that in front as well. We have another visual here that talks about the canal lining installation. If you recall, members, last year I asked for a million dollars in terms of special projects with respect to canal lining, and we've got a visual here to show you exactly how it's applied and what it really is: unique research brought to the province of Alberta. The Monarch headworks before construction and during construction at Lethbridge Northern Irrigation District main canal show what it is. We have another one here: before and after construction on the Willow Creek flume. This once again is on the Lethbridge Northern Irrigation District main canal. We have before and after construction on a canal, the main canal, on the LNID. A rather impressive amount of dirt has been moved to allow water to be properly managed in the southern part of the province of Alberta. We have the before and after construction of the Oldman River flume on the Peigan Indian Reserve that's been moving along quite successfully and quite well. There's another overview as well, but I think all members would want to take a look at it to get a good view of what we're really talking about.

Mr. Chairman, I'm going to stop now by simply indicating that once again the request being made today is for \$45 million under irrigation headworks and main irrigation systems improvement, \$2.35 million under land reclamation. It's my understanding that I'll have an opportunity to come back to this Assembly a number of days in the future to ask for approval of expenditures with respect to the Oldman River dam, which is a project that will come out of the capital projects aspect and is not identified as either of the two items we've had here for discussion this afternoon.

MR. CHAIRMAN: Thank you, Mr. Minister. Hon. members, the display cards provided by the Minister of the Environment are obviously an integral part of his presentation. Members of the committee may, on this occasion only, parade past the table to observe those displays if they wish. Inasmuch as the minister has presented both votes, the Chair would entertain comments, questions, or amendments on either vote.

The hon. Member for Edmonton Glengarry.

MR. YOUNIE: Thank you, Mr. Chairman. I was interested in the minister's demonstrations. It's not hard to spot someone who was an educator at one time and their delight in using visual aids. I didn't bring any today, recalling the last time I brought in some kind of exhibit for the House as consideration and the reaction of the Sergeant-at-Arms, in that he was afraid it might explode on him, and the Speaker's storage of that substance until the end of that session. I found the picture quite interesting. I have a subscription to that magazine and found the whole article quite interesting. In fact, it's a most delightful magazine.

I'm wondering if the minister did any other checking to ascertain to what extent the difference is a direct result, as he indicated, to irrigation, because it seems to me the amount of irrigation in southern Alberta is quite considerable. I'm wondering if the irrigation on the Montana side of the border is that much more extensive to be the sole explanation of the difference or if there isn't some other kind of difference involving rainfall, climate, or so on. I'm sure it must be a combination of things.

I'm wondering as well -- and the minister may want to comment on this, after which I may have some more questions -- in terms of water management and the minister's insistence that water management is necessary. I agree that in the south especially managing water resources is very important and irrigation is a very integral and important part of farming. I'm wondering to what extent the planning mentioned in subproject 3, which is

To conduct water management planning studies to determine the long range use of the Oldman and South Saskatchewan River Basins.

I'm wondering if there is a parallel or duplication in intent and purpose of that research and the research done in combination with provinces and the federal government by the Saskatchewan-Nelson Basin Board in, I believe, the early '70s, a plan which looked primarily at interbasin transfer. Now, the reason I ask that is that the minister showed many, many pictures of structures that obviously are designed to raise water levels for various reasons. Of course one possible reason is to raise it to a divide of land so it can go from one watershed into another as part of a diversion scheme, and in fact when I looked over some of the Saskatchewan-Nelson Basin Board reports, I saw a lot of irrigation canals and so on that would also be used for moving water from one basin to another. So I'm really concerned that this plan seems to be going ahead after over a decade, even though there is constant government assurance that the plan isn't going ahead.

I was going to see if I couldn't bring in a lot of my concerns about the Oldman dam, but the minister has assured me that I'll get a chance some days in the future under capital projects to do that, so I'll leave it for that time.

Under land reclamation, the minister will certainly find me a supportive colleague for land reclamation, for legislation which will enhance and in fact require land reclamation of industry. He will find me supportive of research which will improve our methods of land reclamation or perhaps research which will allow us to develop better laws and regulations than we presently have to govern land reclamation, because I certainly think that's possible. I see a problem in our present situation as far as land reclamation goes, especially where it deals with the kinds of industrial sites that have been of concern in the last while in Calgary and other places -- some in the Edmonton area, I'm sure, once we get the locations. That is, as I understand the law now -- and I'm sure if I'm even the slightest bit incorrect, the minister will be only too anxious to correct any misconception I have of it -- it seems to me rehabilitation of industrial sites now is done on a very ad hoc basis with criteria being developed on a combination of things, those being the existing site future planned uses or end-use of the next owner and so on. I'm wondering if -- and if not, why -- there are not specific overall, firm criteria that do not change from situation to situation and which look at setting up a set of standards for the condition of these sites once they have been reclaimed, so that regardless of what the site was initially used for, once it has been reclaimed it will have to reach a certain level of cleanliness before it is turned over to another owner for any purpose. Obviously, those who operated the Sprung plant would have liked to have seen something of that sort enforced some time ago.

I would like more detail perhaps on the specific nature of some of the research being done. Before I would want to vote in favour of research, I'd like to know what kind of research it is, what its intent or purpose is, what its end result and benefit to the people of Alberta will be. Obviously, that is very necessary information. To just say "Research is being done" is not quite

sufficient for someone to judge whether or not it is valid or useful to spend the taxpayers' money on the research. So I'd certainly appreciate hearing some of that from the minister.

On that, at least for the time being, I'll await the minister's responses.

MR. CHAIRMAN: Hon. minister.

MR. KOWALSKI: Thank you very much, Mr. Chairman.

There is a series of questions raised by the Member for Edmonton Glengarry. First of all, I would have to suggest to the Member for Edmonton Glengarry that there's more than simply rainfall differences between Montana and Alberta that would account for the situation that would be explained in the visual. Needless to say, initiatives by the Americans with respect to support of their agricultural community, particularly their subsidization program that's been in effect for a great number of years along with the irrigation commitments, have certainly allowed that part of Montana to in fact be developed right to the Canadian border. Rainfall simply doesn't stop on an imaginary 49th parallel.

The second question the member raised was with respect to research and our involvement with Saskatchewan. We work closely with Saskatchewan in terms of water management in the southern part of the province. All members will know that we have agreements in place that basically indicate that 50 percent of the water that flows out of the province of Alberta must be delivered to the government and the people of Saskatchewan. Saskatchewan in turn has an agreement with Manitoba that says 50 percent of the water that flows through Saskatchewan must eventually reach Manitoba. So if we're dealing with those kinds of contractual obligations and we want to forsake an opportunity for provinces to go to war over water, we then have to maximize the utilization of water that we have within our specific province. By the way, I should just make a quick comment with respect to interbasin transfers. There is nothing devious or nothing premeditated with respect to interbasin transfers. With respect to the programs we're talking about, we're talking about water management and the complete utilization of the maximum amount of water we have within our province per se.

I appreciate the positive comments with respect to the reclamation program the member talked about. The member's interested in getting some more detail with respect to research on this particular program, and I'd be very happy to break it down for him. Essentially in a global way, the dollars that have been identified with respect to the research aspect are broken down into a number of general headings on different types of research areas. As an example, of the \$500,000 that's been identified, \$290,000 has been identified for research under the plains coal program. We basically have three projects there. We have the Battle River soil reconstruction project which is being done by Pedology Consultants Ltd., and we estimate the cost of that at \$130,000. We have the Highvale soil reconstruction project -- the consultants there are Monenco Consultants Ltd. -- with an estimated cost of \$130,000. We have another project being done by AECV, titled water balance in sodic spoil: \$30,000 there.

A second type of area that we have for research is that which is being done on oil sands. We have Hardy-BBT Ltd. doing an oil sands tailings soil reconstruction project at a cost of \$45,000. We have AECV doing a study called the biological dewatering of oil sands tailings at a cost of \$30,000.

A third major category of reclamation research that we have

is dealing with the mountains and foothills. We have two major projects there. One is the control of hydrologic impacts due to mining -- the consultant is Hydrocon Engineering Ltd. -- at a cost of \$50,000. We're going to be putting out another small consulting contract shortly dealing with the subject matter of soils reconstruction, and I think until we do put the contract out and have it back, I shouldn't really tell you what our appraised or estimated value of the contract is.

The last area we're looking at for reclamation research is in the oil and gas field. The subject matter of the research program is called disposal of drilling muds. The Alberta Research Council is doing that on behalf of this program at a cost of \$50,000.

MR. CHAIRMAN: Hon. Member for Cypress-Redcliff.

MR. HYLAND: Thank you, Mr. Chairman. A few words on the amounts before us, but first I should maybe borrow the large photograph from the Minister of Environment because it is my constituency. In answer to the hon. Member for Edmonton Glengarry, the difference is that across the border is grass and other side of the border is farm. But if he would like to support the Milk River dam, a little more of this on the other side would look like the U.S. side in that there would be water diversion west of the Milk River allowing some irrigation along the river as it comes through Alberta, and also once it gets into the States would provide for more irrigation on that river. The one thing about much of that area that's looked at in this photograph, or at least that along the border: it's very sandy, so you can see that because of the prevailing winds the strips are narrow to keep the soil from blowing.

Mr. Chairman, firstly the members of the trust fund committee took a tour, not last year but the year before. I'm sure many of the pictures lined up along the front bench there are familiar to many, because we saw and stopped at many of the areas the pictures were taken of. To those members who haven't been there and to the Member for Edmonton Kingsway: he and I have had discussions about a tour of the irrigation districts, and those involved in irrigation in southern Alberta are more than willing to arrange a tour and would gladly do that at any time for either the trust fund members of the committee or any members of the committee who find time to be able to tour the areas.

Mr. Chairman, I made reference to the Milk River dam. I wonder -- though it isn't in the allotments here -- if the minister can shed any more light on where that dam stands in the negotiations with the federal government and the American state of Montana toward progress of possibly building a dam.

The Forty Mile reservoir which comes out of this allotment is being built south of Bow Island between Bow Island and Foremost. I would like to report that -- the minister can maybe give any figures of when the project will be finished, but it appears from looking at the site that work is progressing well on that internal reservoir and it should be finished sometime in August. I wonder if the minister can estimate the time of finishing and how we stand budgetwise according to the contract on that internal storage project.

Mr. Chairman, coming up this morning on the plane, I sat beside an engineer from Lethbridge, Ken Craig, who is the senior engineer in Underwood, McLellan and associates. In general discussion with him, I found that he was leaving for Egypt on the second tour of a contract in Egypt shared between a Canadian firm and two American firms, a contract dealing with irrigation and the expertise we've developed in irrigation. Mr. Chairman, I think we should note that through all our upgrading

of irrigation systems, main canal and the other portions of the systems, that we talked about a few days ago relating to the agricultural portion, this expertise that was developed is being shipped all over the world now in the form of knowledge. Canadian and Alberta engineering companies are indeed getting contracts as consultants to study and develop and improve irrigation systems throughout the world. I think we have often been asked what is exportable out of these systems, and what is exportable is the knowledge. Obviously, Mr. Chairman, this isn't the first export of such knowledge, but it is one that, because of finding out about it today, I thought should be brought forward and shown that there are some hidden advantages to what was gained through the upgrading, and that people such as Ken are able to go throughout the world and sell the expertise they have gained and export that knowledge from Alberta and hopefully build it into larger contracts and employ more of our citizens elsewhere in the world.

Thank you, Mr. Chairman.

MR. KOWALSKI: Mr. Chairman, first of all with respect to the Milk River dam, there's no doubt at all in my mind that at some time in the future we're going to have to move ahead with water control and water management with respect to the Milk River. That's a project the Member for Taber-Warner certainly talked to me about in the last year. We have a more interesting approach with the proposed Milk River dam than a normal dam simply within the province of Alberta, because as the Member for Cypress-Redcliff has very clearly pointed out, we have basically four jurisdictions. We have the province of Alberta, the state of Montana, the government of Canada, and the government of America. It's not quite the simple little negotiation that we could have internally here within the province of Alberta with respect to that. But there's absolutely no doubt at all in my mind that if everybody would take a good close look at the visual and see the importance and the dominance of the Milk River -- at least in the visual I've provided this afternoon -- they could really see the importance of proper water management on that river, weighing that river course.

With respect to the Forty Mile reservoir, that's a 70,000 acre foot off-stream reservoir in the St. Mary River Irrigation District, and I do have a visual here that shows it up to date and where its construction is to the fall of 1986. Members will recall that the engineering design and the land assembly for this project was completed in 1983-84. Construction began in 1985 and is progressing well. The west and east dams have been completed up to the contracted elevation for this year. The construction of the pump station, the inlet canal, and the inlet structure is progressing well as well. Pumps are being installed at the current time. Overall the project is approximately 65 percent complete, and as members will know, on the piece of paper I put out as well the total expenditure to March 31, 1987, was \$37.9 million and we anticipate the final completion of this project in the fiscal year 1988-89.

The comment the member made with respect to the expertise that has been developed in the engineering community, the consulting engineering community, the private sector in this province, with respect to irrigation is now known worldwide. Every year the southern part of our province plays host to numerous delegations that come from around the world to see what has been developed by way of expertise with respect to water management and, in particular, irrigation construction in the southern part of the province of Alberta. And it was not too many months ago that in fact a very senior high-level delegation

came to visit southern Alberta from the government in the country of Egypt, and I'm just delighted it was only this morning that the Member for Cypress-Redcliff met with a private-sector engineer who is now departing once again for Egypt to provide expertise there. It's a high-talent, brain-power export that we have developed in our province, and I'll repeat once again that half the irrigated land in the country of Canada rests within the province of Alberta. It's a very unique technology. There's a visual here as well, talking about the liner technology that has been developed by an Alberta-based firm, an engineering firm in Alberta once again. In fact, I'm even looking at the possibility of expanding that area of work in the current fiscal year -- more research with respect to liner control.

Members will recall that when we had our estimates and dealt with our estimates in those two days I talked about a little earlier this afternoon, I made considerable numbers of comments with respect to the research on liners, and I know that I was assisted by the Member for Chinook as well as the Member for Cypress-Redcliff, who also was our caucus chairman in irrigation with respect to this very important new initiative with respect to research and water control and management.

MR. CHAIRMAN: Hon. leader of the Liberal Party.

MR. TAYLOR: Yes, Mr. Chairman. I just have a few questions I would like to ask the minister. Of course, like the Member for Cypress-Redcliff, I was raised down in the country where water was very, very important. As a matter of fact, when I was just a little tad, long before the Member for Cypress-Redcliff was much more than a gleam in anybody's eye, I remember trees were so rare and so unusual that my father loaded up the old sheepdog we had when he neared the age of 12 years or so and transported him all the way to Lethbridge so he could see a tree before he died. Now we have irrigation down there, and the minister has rightfully pointed out that it does a great deal.

But I have some problems. One must remember we're putting a terrific investment in here. If the dam indeed costs \$1.4 billion overall by the time it's all finished -- a \$1.4 billion investment: roads, headworks, everything else that goes in there -- well, we'll check that back. But let's even cut it in half. That's still 7,000 farmers at \$100,000 each, if you cut it into the \$700 million area by the time it's finished.

But let's look at a few areas, realizing that one of the things I'm not sure our Department of the Environment has looked at is that you do raise the temperature of water. You have an algae problem that you can transport throughout the area. Algae is very much of a problem. I know I heard the Member for Cypress-Redcliff and also the minister mention Egypt. Well, it's a country I'm very familiar with, having spent some years there exploring for oil and gas -- and water, as a matter of fact. In fact, I recall first starting in the oil development over there. You wouldn't start a well unless you could find a water well first in order to get the water to make the chemical muds in order to drill it. Nevertheless, one of the things I found there: when the water flows over the land, you raise the temperature of water and you get an entirely different problem of algal growth in water than you do now. And I don't see anything -- maybe the minister could be asked just what kinds of research he's doing to make sure that doesn't spread out through the whole basin.

There is the problem of replacing fishing streams that go to make up the [Three] Rivers dam area, some of the best fishing

in the province, and although he can replace fishing -- and lake fishing isn't the same as stream fishing -- it would be nice to know that the minister was actually substituting and maybe doing more to enhance some other streams in other areas of the province to make up for the stream fishing lost here. It is something that's going to be of concern in the future, and the Minister of Tourism I'm sure would support me when he says that although admittedly a lake reservoir is a tourist attraction, maybe even more so it's a good fishing stream. So let's not wipe out one without trying to substitute or bring on some other areas of the province where we could do more for our fishing. I'd be interested in the minister's comment there.

He mentions lake reservoirs. Forty Mile Coulee, and a few other areas. I think the runoff probably in this area might go as far as Seven Persons. I don't know. I can't remember on this particular [Three] Rivers project, but there will be off-stream storage and dams occasionally. What is the minister doing to analyze and test water that flows back off the land? The fact that we're not metering the water, which I'll touch on later -- quite often excess water is used in irrigation and flows over into the ditches and streams back onto the reservoir. Is there going to be any sort of monitoring effect to check whether or not excess water flowing off a farmer's land isn't too heavily contaminated with herbicides, pesticides, and fertilizer to really have a detrimental effect on the reservoir down the road? It's all right to look at lake reservoirs and irrigation reservoirs in the past as great places to sport and cavort and have tourist attractions, but if indeed they become nothing but a cesspool for excess chemicals from the farmland, we're in trouble.

Salinization. There again, I spent a great deal of time in Egypt and in China, and both areas of course were irrigating land long before there was any appearance of a white man in western Canada or irrigation in Canada of any sort. The salinization of the soils has to be a great deal of concern, and of course it's tied into the management of water and how it's put on the land. Are we doing enough in the education of the use of water? I touched on meters, or a method of measuring the water, particularly in view of the fact that the surplus waters washing off the land carry a great deal of chemicals back into the mainstream.

[Mr. Musgreave in the Chair]

But maybe more than anything else I'll touch on -- and this may be out of the Minister of the Environment's prerogative; it may be more with the minister of economics. But when we're spending the kind of money we're talking about spending on the dam here, and we see what it's used for -- my understanding is that 35 percent of the water that's used in irrigation still goes to raise pasturelands and raise beef; we're trying to establish a beef industry in this province -- is it really fair to the farmers of central and northern Alberta that cow/calf operators and cattle operators that go out there, buy their barley, buy their food, raise a certain amount of it, raise cattle, and sell, have such a terrifically subsidized venture such as this raising hay with water that is much less than cost to the farmer? Is that, in fact, good sense?

I'll go on a bit further. Nearly 40 percent, I gather, of the land that's irrigated down there goes into grain farming. Is that fair? Is that type of subsidization fair to the grain farmer in the dryland areas? Now, I'm not suggesting that you blow up the dam. Far be it from me to be called a dambuster. But I am suggesting that possibly the Department of Agriculture and the Department of the Environment should take a close [look] at what

use the water is moved for. Because it could be very counterproductive if we're indeed subsidizing up to the extent of what people say -- roughly \$100,000 per farmer -- to raise beef in competition with areas that are having trouble selling their beef, to raise grain in competition with areas that are dryland grain. In other words, possibly we should have some sort of mechanism to make sure that water is used for the highest end use possible, and that means, of course, specialty crops, vegetables, and other areas. So if we're going to use water, let's make sure we get the maximum amount of benefit out of it and that it's not used to undermine the dryland farmer that is not getting anywhere near that type of subsidy per farmer.

Lastly, I'd like to touch on another area that I don't think this government has shown that much planning down the road. Here again is an observation as an earth scientist that's spent a great deal of my time around the world. I notice that when a dam is built, quite often it attracts into the area industries and consequently people that were not there to begin with. And after the course of two generations or so, 40 to 50 years, most of the water is being pre-empted by people to take showers, flush the toilets, and keep the lawns green, rather than the farmers, which was the original intent.

So do we have any long-term plan that will try to divert population growth away from this basin? Because it has been said that for every person that moves into an area, it's equivalent to the same amount of water that is necessary to irrigate one acre of land. You move 40,000 people into an area; that's 40,000 acres of land that'll never see irrigation. So do we have a long-term plan? I'm afraid here, Mr. Chairman, that we have a minister that's very happy. He's playing with his toy, with the dams. We have a government that believes in the laissez-faire market economy. We have no plan, no idea of where the dickens we are going, and it's just lovely to have a dam and show coloured pictures and really feel enthusiastic about it without any plan, whether in the long run we are making money out of it, whether we're getting the highest end use.

In other words, he's a little bit like the sorcerer's apprentice. I heard the other day he was so enthusiastic about the dam he's suggesting moving up into Westlock and putting one up there on the Pembina River, when that's out of the way. Any of your constituents -- I wouldn't consider any of your streams are safe. This man can go berserk on building dams, if you don't watch. And I would just suggest that you have a good cost/benefit analysis on the use of dams, and we should be doing it right here. Look at it. I agree with the use of water, but it has to be done to the highest end use possible, and secondly, it has to make sure that it doesn't attract in a number of industries and, consequently, people that then use up the water you've taken away from the farmers, the reason you put the dam there in the first place.

Thank you, Mr. Chairman. If that doesn't blow his gasket and keep him going until time is over, I don't know what does.

MR. DEPUTY CHAIRMAN: Mr. Minister.

MR. KOWALSKI: Thank you very much, Mr. Chairman. This is indeed embarrassing. The two subject matters we're dealing with this afternoon are, one, irrigation headworks and main irrigation systems improvement, and the second is land reclamation. The last 20 minutes have been taken up by the leader of the Liberal Party talking about the Oldman River dam, which is not a subject matter for discussion with the Assembly this afternoon. I have also indicated in the opening remarks I gave that

there will be an opportunity for all members to discuss the Oldman River dam on another occasion when we deal with the capital fund.

Mr. Chairman, there are no questions that I can respond to this afternoon and I simply don't know where on the map the homestead of the Taylors' was originally, but I suspect it was part of that visual.

I should point out as well that in terms of salinization, Egypt of course has no agriculture except irrigation agriculture. Egypt has been irrigating now for several thousands of years and my understanding is that the long-term rehabilitation irrigation program is basically budgeted for some \$4 billion dollars.

MR. DEPUTY CHAIRMAN: The Member for Edmonton Kingsway.

MR. McEACHERN: Thank you, Mr. Chairman. I was very pleased to see the visuals. I guess like my colleague from Edmonton Glengarry I thought: here is an old teacher that has some good ways of helping to make some points. I was going to compliment the minister on bringing us the updated information and the visuals, but after his rather terse answer to the leader of the Liberal Party, I'm not so sure I should compliment him but say he should not really be quite so narrow. I think some of the points raised by the Member for Westlock-Sturgeon were quite important questions, whether they specifically address this -- he wasn't talking just about the Oldman dam. He was talking about irrigation and the benefits of irrigation generally. And I am pleased, actually, that the Member for Chinook in the discussion on the agricultural section -- which, by the way, we didn't quite finish -- took great pains to explain a lot of things and had a lot of good answers.

I guess I want to pursue some questions along that line, and whether this minister answers them or whether the Member for Chinook would feel constrained to get back into the discussion a little bit, so be it. I don't really mind who puts forward some of the other points that I think need to be brought out in this discussion.

Before I get into those kinds of questions though, I did want to just go through a few technical points. A couple of things bothered me. In the heritage trust fund capital projects book -- I did ask this question the other day but didn't get an answer yet, so I don't know who on the government bench is going to answer this. But I don't see any reasons it shouldn't be brought up now as a contrast. If you look at vote 1 under Agriculture there is an anomaly here that was not explained, and I'll contrast it with, to relate it to Environment, that Environment is much clearer on the same point. Where it says "Implementation" under vote 1, let's say, on page 6, it says: "Environment administers the program." Now, that makes it clearer to me, or at least I think it does, from reading the other information there and the fact that this is taken from the heritage trust fund, that the heritage trust fund puts up the money but the Environment department administers the program.

Now, contrast that with what is said on vote 1, page 2, under Agriculture, where again we are assuming that this is heritage trust fund money, and yet it says: "The Agricultural Research Council of Alberta administers the program." Okay; fair enough so far. But if you go down to the last sentence it says: "Approved projects are either funded by a research grant from Agriculture" -- which to my mind can only mean the Agriculture department -- "or may be implemented directly by the department," which I assume is the Department of Agriculture. So it's

not clear from there whether the Agriculture department is putting up the money or whether the heritage trust fund is putting up the money, and that raises a fundamental problem with this whole process that we're doing.

We're talking about \$140 million spent by the Alberta government supposedly through the heritage trust fund. Not only do those projects sometimes generate ongoing operating expenses for the departments, but sometimes it does not seem to be clear who is actually funding the projects, whether it's the department funding the project or whether it's the heritage trust fund funding the project. I suppose maybe it doesn't matter an awful lot; it's Alberta government money anyway. But I guess it makes the point that it seems rather silly to me to set \$140 million of our expenditures aside, taking it from the heritage trust fund, money we've set aside, when it should be part of the regular budget. These are expenditures. These are things that are going to require ongoing operating expenses to keep them going. And so we're building up artificial divisions here and then confusing the issue by not keeping it clear in the wording of the various estimates that are before the House.

I hope somebody in Agriculture will at least address that, if the Minister of the Environment cannot. It does seem to me a rather odd anomaly. The same thing, by the way, is true of the second vote in Agriculture. It has the same problem with it.

It was nice to get the update that the \$45 million stands. You just said that some of it would have been spent earlier because of the mild winter, that's right. That's quite a lot of money, and that will generate quite a lot of operating expenditures for the Department of Energy or the Department of Agriculture. That is something that, although the update sheet on capital expenditures outlined for us, you've not in any way indicated the over-flow cost for operating expenses into the two departments, Agriculture and Environment, that they will have to pick up as a result of these capital expenditures from the heritage trust fund. It's a shortcoming, I think, of the organization of how we do these estimates, that we deal with estimates of operating costs that are generated by another pool of money that we look at under the heritage trust fund hearings. I guess it bothers me still that we have some 12 days of House time to figure out how to spend \$140 million in these heritage trust fund estimates, and we only took 25 days to spend \$10 billion of the general revenues expenditures of this province.

When we were looking at the heritage trust fund in the fall hearings this minister came forward with a good set of figures and gave us a lot of updated information. He has done that again, and for that I commend him. I would like to see the other ministers do the same thing in their sections. I find that often we don't have the update figures we should have or need, and that's a common failing of many of the ministers in this government.

The Member for Chinook -- when we were looking at the agricultural estimates, one of them there was related to irrigation rehabilitation and expansion, so there's some overlap in the -- okay, we're doing capital works. But we also have to do rehabilitation and expansion, supposedly, of the irrigation works. He said that a problem that was as serious as the one of lack of water in the south was the problem of flood control in the north. To me that raises an idea that seemed to be prevalent in this government some years ago and I thought had been dropped, and that is the idea of water diversion from the north to the south. I just wonder if the minister or the Member for Chinook could give us some assurances that that scheme is not being revived. The idea of grand canals pumping water from

one river basin to another around the province, or huge, big long canals dividing up this province and conveying water from one river system to another -- and I suppose with the long-term drought that we might end up selling water to the States -- really worries me.

I think back to when I lived on the farm in the Peace River country, and my father used to tell me that the creek that ran through our place -- the water swished through it in about two or three weeks every spring. It nearly flooded the banks sometimes. We often tried to dam it; usually water overflowed the dam and washed it out, and we had to build it again when the main flow had gone by. He assured me that that creek didn't flood in the early years, that it ran gently right through the spring through April, May, June, July, and well into August. And yet in my time -- in a 30-year period or a 40-year period -- it had gone from a flow that took several months to one that took two or three weeks. So when man starts changing the environment and pushing things around, you don't quite know what the results will be and how effective they'll be. Now, I know we are now growing a lot of crops in those same areas, and I guess that's progress to some extent, but I think you have to look at it very, very carefully when you start saying you're going to change the way things are on a massive scale.

I want to reraise the question that the Member for Westlock-Sturgeon raised about the cost-effectiveness of irrigation too. I did raise these questions before in the House, and again in the heritage trust fund hearings, but I've not heard very many good answers. I've heard some reply to those concerns, but not in enough detail to be very satisfactory. So you can grow five times as much land after you've irrigated, but how many times more dollars from, say, the Agriculture department and the Environment department have gone into irrigation compared to other types of agriculture in the province? Have we really looked seriously at the cost-effectiveness of it?

I think of the Diefenbaker dam on the Saskatchewan River. If my memory of the thing serves me right, the idea was that they would build a dam on the Saskatchewan River in sort of central Saskatchewan and get all the farmers to switch from wheat -- which they were having trouble growing; there were always dangers of dust bowls and things like that because of tilling the soil and not getting enough rain, and windstorms and so on -- to growing sugar beets. By the time they got the dam built and were about to start on irrigating, they began to realize that not too many farmers were willing to retrain themselves at that stage in their lives, and that maybe sugar beets wasn't going to be the great crop anyway that was going to save everybody. I suppose by that time they could look at the Taber experience, at the southern Alberta experiences. And they'd learned how to grow wheat on 15 inches of rainfall a year very effectively. They were able to keep a prosperous wheat industry going and found that in fact the dam ended up being used more for recreation purposes than for irrigation purposes. So I think you need to stop and consider the cost-effectiveness of that sort of thing.

Another thing someone was mentioning here -- I think it was the member from... Anyway, it doesn't matter. He was mentioning that we were going to be able to export some of the technologies that we're developing in southern Alberta. We may very well do that, but we did raise a question the other day about irrigation that I think needs to be answered, and that is the problems of salinization that seem to come with years of irrigating. It was pointed out by the Member for Chinook that Egypt has learned how to irrigate for some 4,000 years without the land becoming so salinized that it won't grow a crop, so I'm wonder-

ing if we're also learning some things from other people rather than just thinking that we are going to lead the way and be able to show other people how it should be done.

On vote 2 I just wanted to make the point that the idea of reclamation is a good one, and I guess I have a question for the minister. Just how close are we to being caught up on the backlog of reclamations, and how close are we to the point where we can now see to it that any new disruptions that are done by companies are smoothed over -- the reclamations, that is -- and paid for by the companies doing the disrupting of the surface of the land? When will we get caught up on the backlog? When will we be at a point where that won't be costing us any more money?

I want to just end with a final question. We seem to be moving on from Agriculture and past career development -- we didn't quite finish those. We still had speakers on the speakers' list and I'm wondering if it's the intention to come back to those later, or are we going to get sort of a catchall session at the end, where we get to ask our final questions? Just how are we going to handle that?

With those questions and comments I will let someone else have the floor.

MR. DEPUTY CHAIRMAN: Mr. Minister.

MR. KOWALSKI: Thank you very much, Mr. Chairman.

I hope the Member for Edmonton Kingsway is not going to be angry with me because I basically pointed out to the Member for Westlock-Sturgeon that the subject matter of the Oldman River dam -- while it's a very good subject matter, and it's one that we're going to get to -- today simply isn't the order of business. I would be delighted to talk about the Oldman River dam, and I know I'll have an opportunity during this session of the Legislative Assembly to in fact spend a considerable amount of time dealing with that very important matter.

Secondly, the Member for Edmonton Kingsway said that we had been a little short, and I presume he was talking about the Minister of the Environment being a bit short about talking about the benefits of irrigation. I know that various colleagues of mine have certainly talked about irrigation benefits on a number of occasions in the last year in this Assembly, and I would simply like to draw his attention once again to the comments that I made in *Alberta Hansard* on August 19, 1986, pages 1205 to 1211, and before the Standing Committee on the Alberta Heritage Savings Trust Fund Act on November 14, 1986, pages 165 through to 186. I took considerable length and considerable time talking about the benefits of irrigation, and I'd be very happy to spend the next hour talking about that, but I suspect there'd be some other members of the Assembly who might want to make a few comments with respect to these matters as well.

I simply would reiterate once again that on the third question the member raised with respect to the Agriculture estimates, I'm the Minister of the Environment and the two estimates we're dealing with today are dealing with irrigation headworks and the main irrigation systems improvement. Land reclamation I think would probably be inappropriate, although I would love to talk about the agricultural commitment as well to irrigation.

With respect to flood control in the north, while that's not a subject matter that we have before us today, I would like to point out that as a Member of the Legislative Assembly who represents a seat, I guess in the north central part of Alberta -- because in essence the geographic centre of the province of Al-

berta essentially is on the line that would go east-west from perhaps Athabasca through to Barrhead -- drainage control is a very important parameter. We have a program to assist municipalities under the General Revenue Fund estimates that are housed by Alberta Environment. It's certainly an area that I intend spending a great deal of time and energy on over the next several years to seeing us move in further directions. One step in that will be a conference we will be hosting, along with the Northern Alberta Development Council, in Grande Prairie in the fall of this year to specifically talk about drainage water control in the northern part of the province.

One of the subject matters that is not on that agenda, however, is this whole question of water diversion from north to south. The member should appreciate, however, that without any doubt the M.L.A. for the constituency of Barrhead has talked on numerous occasions about the importance for a water management control structure on the Pembina River. When I stood before the Assembly last year on two occasions I did make mention of my desire to control water flows away from flooding. Members will know that in the July time frame of 1986 that river flooded and flooded massive amounts in areas of agricultural land, and I think that's something we have to take a look at.

Export technology, hon. member, is not something we're working for in the future; it's something that's happening now. Alberta has an excellent base of private entrepreneurs, has an excellent base of public employees who have excellent outstanding knowledge with respect to irrigation, and that is a technology, a brain power, that we're very fortunate to have developed in our province. It's now available to the world, and I hope it's available to the world at a charge. We should certainly not be providing this technology free of charge. I believe the purpose of all of this is that we have a return to the people of Alberta, directly or indirectly.

I made comments a little earlier on the subject matter of salinization in Egypt when I responded to the questions from the Member for Westlock-Sturgeon, and I appreciate the comments that the member has made with respect to reclamation. I think it's very important to point out that in terms of the land reclamation program that we have here before us, essentially what we're talking about is many local projects as well as a research-funded component.

Several weeks ago I tabled in the Legislative Assembly the annual report of the land reclamation council in the province. That particular council by policies of our government demands and dictates that companies who are working on land development projects in our province, specifically coal mining companies -- since the mid-1970s we've had a very aggressive policy whereby companies have to put up a capital amount of dollars at the outset, between \$25,000 and \$75,000, and then have to return to an independent land reclamation council so much per tonne as per the tonne extracted from the soil. And if my memory serves me correctly, the amount of dollars in that land reclamation council at March 31, 1986, was some \$54 million that was there in trust. It's being held in trust by the Provincial Treasurer -- as the company develops a parcel of land and their mine, then they go back and reclaim the first part that had been done -- and is an ongoing revolving fund. That area is being very, very well handled.

Of course, one of the difficulties that the member did very correctly point out was: how do you deal with those projects that occurred before we had these rules and these laws in the province of Alberta? And that remains a significant problem for

us. My approach, basically, to this land reclamation project that we've got here before this committee today is to deal with a lot of these very small minor reclamation concerns that would occur in this area or in this town. Essentially, they are sewage lagoons, waste piles, garbage dumps. There are just really dozens of them that are located here, there, and throughout the province, and they range in value of \$7,000, \$10,000, \$20,000 in order to reclaim. Many of them have been turned into nice little fishing holes or nice little minor parks here and there in their communities. And I repeat once again that recently I've conveyed to all Members of the Legislative Assembly the locations of such reclamation projects by way of a letter from myself to each of these members. It was a little more difficult to convey that to the members who represent ridings in the city of Edmonton, because in essence there are only one or two in the city of Edmonton. But to rural members, they all got a list of those projects, and they would have them in front of them.

MR. DEPUTY CHAIRMAN: The hon. Member for Calgary North West.

DR. CASSIN: Yes, Mr. Chairman. Again, a number of the questions have already been answered by the minister, and like some of the previous speakers, I have no problems with vote 2, dealing with land reclamation. Really this is very much like putting an asset back into a term deposit for future use, and money spent in preserving and maintaining the land is money that is well spent.

I'm also pleased to hear the minister indicate that yes, we've developed a great deal of new technology in Alberta, that technology is being used in other parts of the world, and that we're not going to give it away, that we've developed the expertise. I'd like to think that through our economic development and the other incentives, the very pieces of equipment and supplies that will be developed from this expertise will be something that can be sold on the world market as well.

I quite often have, I guess, asked myself the question, and I have other people that have asked the question: are we right at this point in time to be increasing the productivity of our land at a time when we have difficulty selling that product? Should we in fact be taking land out of production? But I think we all recognize that there are cycles; there are cycles that vary, whether it be the weather or whether it be the business cycles and the opportunities. We'd certainly be wrong if we were not to maintain this infrastructure that has been developed here over a number of years. And I think that again the Member for Westlock-Sturgeon made a very good point, that we should be looking at what is our ultimate goal and the best use for this land.

I'd be very disappointed, if we were developing dams and irrigation, if we did not envision that there might be secondary industry and increased population and there might be other opportunities that would develop from having that infrastructure in place. And I think that in time those things will happen. I think we can look at our neighbour to the south and we can look at the productivity and recognize that when there's that kind of productivity, it not only creates jobs but it creates opportunities and creates markets for secondary industry. I would think the minister and his department certainly would be considering that type of extension of this project from the standpoint of irrigation and improving the productivity of our land, not just for the agricultural sector but for those other types of activities that we envision in the future.

In closing, Mr. Chairman, I appreciate that there'll be an op-

portunity to debate some of the other capital expenditures in this department at a later date, and I would leave any comments until that time.

Thank you.

MR. DEPUTY CHAIRMAN: Mr. Minister.

MR. KOWALSKI: Thank you very much, Mr. Chairman. I think the Member for Calgary North West answered his own question when he raised the question, "Should we do irrigation now?" The difficulty in terms of, I guess, a water management program is that if you only initiate one when there's a period of severe drought, then in essence you're reacting after the fact. What we are doing in our government is being very proactive with respect to the cycles of nature that do occur. When we committed to this program in a massive way in the year 1980, it was to develop and envelop a very major irrigation headworks and irrigation water systems improvement program that would cover a decade and a half, from 1980 through to 1995. We have very clearly outlined what those commitments are at present and our desire to have all of these commitments maintained and completed.

[Mr. Gogo in the Chair]

It would be absolutely redundant, I think, and very inefficient, ineffective government planning and programming if you only got involved when the problem was identified and then you were seven years, eight years, 10 years behind the fact. What we are doing is being very proactive with respect to irrigation and the improvement and the development of the irrigation area.

There's no doubt at all in my mind about the importance of the infrastructure for life associated with irrigation development and particularly outlined under item number one. And to be redundant, I'll repeat again that on two occasions in the last year I've had an opportunity to address the Assembly and the select standing committee of the Alberta Heritage Savings Trust Fund with respect to the importance of irrigation.

But in a nutshell, we are talking about life. In the southern part of our province if we do not have water, we do not have life. Very clearly, those who will remember history will remember that an explorer or surveyor came out a century ago by the name of Palliser and basically wrote off any possibility of life and development in two areas of the central prairies, Saskatchewan and Alberta. He said nothing would ever develop in here because there was no water. Well, we've proven Mr. Palliser wrong and proven him wrong very dramatically.

I should point out as well that the commitment we have to water management and water improvement in the southern part of the province has led to a tremendous renaissance with respect to habitat development in recent years. It was only last fall that myself, along with the Minister of Forestry, Lands and Wildlife and the M.L.A. for Taber-Warner, went down and participated in the opening of a very massive, internationally-funded habitat program at Tyrrell-Rush in the constituency of Taber-Warner. It's only one of many, many examples.

As well, I believe it's extremely important for all members to realize that some 40 to 50 towns and villages in the southern part of the province are dependent on a water supply, and our programming in fact provides them a guaranteed surety that in fact there will be life, more than simply agricultural life. But if we have a bountiful agricultural environment, those people can come to the towns and the villages and the cities, and it allows

for industry to develop as well.

I repeat again: habitat improvement. There's one visual we have here this afternoon that I brought with respect to the Forty Mile Coulee reservoir to point out as well that part of that will be a very unique little recreation area that will be developed in association with the folks who live in that part of the province of Alberta. I was in Lethbridge last fall to address all of the irrigation people, and a number of them came forward and basically pointed out the need to tie in these recreation developments. We're going to have a little lake built where people have never had a lake to go to in the past, and that's being done primarily with local initiative from the folks from Bow Island to Foremost that have basically gotten involved in that particular area.

That's a secondary benefit that we should not ever, ever avoid talking about and thinking about. Without irrigation, without water management, we would not have life in the southern part of the province of Alberta, and this government is committed to all of Alberta, not just one part of Alberta.

MR. CHAIRMAN: May the committee revert briefly to Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Hon. Member for Taber-Warner.

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

MR. BOGLE: Thank you very much, Mr. Chairman. It's indeed a pleasure this afternoon to introduce to you and through you to members of this Assembly who are in the committee this afternoon, four students from the grade 9 class of the Coutts Community school. They are accompanied by their principal, Mr. Gerry Crapo, and by teacher Lori Houton. I'm so pleased that they've been able to travel up from Coutts. As all hon. members are aware, Coutts is located on the international border. It is, I believe, the first time in the 12 years I've been a member of this Assembly that we've had students from this school. It's an extremely active school, having just gone through the five-year evaluation under the community school program, and it came out with flying colours. I would ask the students and their teachers to rise so that members may give them the traditional welcome.

ALBERTA HERITAGE SAVINGS TRUST FUND CAPITAL PROJECTS DIVISION 1987-88 ESTIMATES OF PROPOSED INVESTMENTS

Department of the Environment (*continued*)

MR. CHAIRMAN: Hon. Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. There's a few questions I'd like to direct to the Minister of the Environment in regards to the two votes before us today. On the surface, the intention of vote 1 to rehabilitate irrigation headworks in the main irrigation systems I think is a very good and a very necessary sort of program. Indeed, I was down in that part of the country over the Easter holidays and saw some of the work that's being done. The irrigation systems are there, they're in need of rehabilitation, and we certainly want to do the very best job we can in

providing water and making these systems efficient.

MR. STEVENS: Is that a pun? On the surface?

MR. FOX: I'm all wet on the surface. Anyway, I think it's a good program, and I support it.

But I think it's important that we, in the context of this vote, do take a look at some of the controversy that surrounds irrigation because we're advocating spending money on irrigation systems. Part of the, I guess, confusion surrounding this situation was illustrated in conversations between members earlier. There are some votes before us under the Department of Agriculture, irrigation rehabilitation and expansion, and some before us in Environment, for irrigation headworks and main irrigation systems improvement. I'm wondering if the minister could explain to us why some of these projects are under his department, rather than having the total responsibility for irrigation systems -- their design, their construction, and their maintenance and operation -- under the Department of Agriculture.

It seems to me that there is a bit of room here for potential conflict of interest. There may be in the future a case to be made for the fact that irrigation could have some environmental consequences, all of which aren't necessarily desirable. They're having good agricultural benefits, but they may raise concerns within the environmental community about the effects on other sorts of things, and I'm just wondering what the minister's thoughts are on this. Is there not a case to be made for having everything to do with irrigation under the Department of Agriculture so that the minister can be a strong advocate of the benefits of irrigation in terms of increasing productivity and making the farming more economically viable there, while the Minister of the Environment is there as an advocate for environmental concerns and groups that represent those interests, and they go head-to-head and work things out? So I'd sure be interested in hearing the minister's comments on that.

In the comments earlier the minister was trying to explain to us why there's such a dramatic difference in the infrared photograph that he presented to hon. members between the land on the Alberta side and the land on the Montana side and alluded to the fact that there are more subsidies there. I'm wondering: are American farmers subsidized more for irrigation than Alberta farmers? Are there more extensive irrigation systems in the northern part of Montana than there are in the southern part of Alberta? Is all of the difference here in fact due to more extensive irrigation on their side? And is he presenting this to us to highlight a need for further irrigation on our side of the border? Or beyond that, is the minister suggesting that we ought to be doing more to subsidize production and encourage development in this province?

I'm wondering: in terms of the amount of money that the Montana government may put into developing irrigation and subsidizing production in their state, is the minister suggesting through his comments that this may perhaps be an issue in the context of a free trade agreement, that it's an unfair subsidy to American producers to boost production and make them unfairly competitive to Alberta producers? I'd be interested in his comments on that too. Perhaps the Member for Taber-Warner, the government critic of the opposition agriculture critic, would comment too. I would be interested in hearing what he has to say about that.

In terms of vote 2, land reclamation, I thank the minister for making all hon. members aware of the impact of that program in each constituency. There has certainly been a number of very

good programs undertaken under vote 2 to enable municipalities, different communities, to reclaim parcels of land that were rendered unproductive, either gravel pits, dump sites, whatever. The department has gone a long way towards helping communities clean up these spots and turn them into useful and productive pieces of real estate, and I think it's a good program.

I'd like the minister to comment, if he would, about how extensive a proactive role he and his department play in this regard, in terms of encouraging research on land reclamation. It's mentioned here that proposals for research and reclamation are solicited from a variety of sources. I'm wondering: does the minister just encourage people to apply in a general sort of way? Or does the department have some desire to see research done in specific areas and then go out and encourage people or groups or organizations to apply with those things in mind?

Some suggestions that the minister might want to look at in terms of land reclamation. Are there any studies that are being done, or does he contemplate any, that will deal with the effect of sulphur pollution on farmland, alpine forest, soils, lakes and things like the fish population in them? We have a tendency in Alberta to a more and more acidic soil, and I am wondering if he has had some thoughts in that regard.

I am wondering if there is an overlap, in terms of the research on land reclamation, with the minister's department and the Department of Forestry, Lands and Wildlife. Does the minister see projects under this vote getting involved in research on land reclamation where forests have been cut? There is a bit of a difference here, a dichotomy between north and south in that regard too. When we see forests cut in southern Alberta, on the Eastern Slopes there in southern Alberta, it can have the effect of making spring runoff more rapid; hence a drier summer in the long run because the runoff is very fast. So we could see problems, with excessive cutting of forests in the south leading to drier summers down there. And in the north the problem is that because we already have so much water, it could promote more serious flooding in spring. I'm just wondering if the minister might comment on his objectives in terms of the kind of projects that the department gets involved with and funds through vote 2, land reclamation.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Hon. Member for Taber-Warner? Minister of the Environment.

MR. KOWALSKI: Thank you very much, Mr. Chairman. With respect to the wide range of research projects that this particular item has funded over the last number of years, the answer to the question that has been raised by the Member for Vegreville is yes. He said: are you anticipating getting involved in this area, this area, and this area? We have been involved in this area, this area, and this area going back into the past, and there have been literally hundreds of projects. I have alluded to some of the research projects a little earlier this afternoon by specific title to them. Within this particular vote of \$2.35 million and within that specific vote of \$1.85 million which is geared to land reclamation, we work hand in hand with a variety of municipalities throughout the province of Alberta. As well, Alberta Forestry, Lands and Wildlife also has some \$65,886 worth of projects that will come under reclamation. And in addition to that, the public lands division under Forestry, Lands and Wildlife -- the first one was the Forest Service -- also has some \$82,500 worth of reclamation projects that will go hand in hand with that. So it's a wide-ranging, all-encompassing, and all-

inclusive approach.

With respect to confusion. I sincerely hoped that there would not be any confusion in the mind of the Member for Vegreville with respect to why shouldn't one department, Alberta Environment, simply get involved and take over the whole thing? Well, quite frankly, I'm a modest fellow, and we're not in the empire-building business. But there is more than simply one other department; Alberta Agriculture is also involved. Well, Environment and Alberta Agriculture are the main water managers. We also work hand in hand with the 13 irrigation districts in the southern part of the province. It should also be known that the departments of Transportation and Utilities, Recreation and Parks, Tourism, and other departments are also involved for the peripheral kinds of benefits that I talked about a little earlier this afternoon when I gave additional answers to questions raised by members.

MR. CHAIRMAN: Hon. Member for Taber-Warner, followed by Calgary Forest Lawn.

MR. BOGLE: Thanks very much, Mr. Chairman. I'd like to direct some remarks to the minister with regard to the heritage fund estimates. I'd like to begin with the mainline agreements that are signed between the Minister of the Environment, on behalf of the government of Alberta, and representatives of the 13 various irrigation districts that are affected in this particular way. The St. Mary River Irrigation District is one of the largest of the irrigation districts, and I believe most actively involved in this process. I wondered if the minister could update the Assembly -- and if he did so in his opening remarks when I was not in my place in the Assembly, then I apologize for that -- but if the minister has not already alluded to the same, if he would briefly update the House on the mainline agreement, the master agreement with the St. Mary River Irrigation District.

As it relates to the St. Mary River Irrigation District, we do have a particular problem in one small corner of that district, and that is known as the Verdigris project. Some years ago when farmers in the area east of the village of Warner and the town of Milk River wanted to become involved in irrigation, a plan was developed that saw approximately 6,000 acres brought under irrigation. The water was brought down from Ridge reservoir through a natural coulee and then eventually spilled into a small lake and then a slough before a stream flowing into the Milk River. What's happened over the years is that whereas the plan was that that system would be flushed out and the salinity -- the salt residues that had collected over a period of time -- would be flushed away, that has not happened. We've found, first in the area around the slough and more recently in Verdigris Lake itself, that the water quality has deteriorated to a point where farmers are indeed doing some damage to the soil by pumping the current water quality from the lake. The solution to the problem is to do some channel work in the coulee itself; therefore, the amount of water that would be going down through the system would be sufficient to achieve the flushing as originally envisaged.

I'm appreciative of the fact that the minister is going to be visiting a number of irrigation districts this summer. St. Mary is on his list, and I believe this part of the project will be reviewed at that time. So I'm merely making the point for the record that that is an area that does need attention. It's not large in terms of the dollar commitment by the irrigation district or the number of farmers involved when looking at the whole district, but it certainly is a concern to a group of farmers who have made a sub-

stantial investment to bring irrigation to their land and now find this problem facing them.

It's unfortunate that the hon. Member for Westlock-Sturgeon is not in his place at this time. He did make reference earlier to the feasibility of a farmer growing grain under irrigated land when we have such a surplus of grain. I'm certain that was a slip of the tongue by the hon. member, for I know that since he was raised in the Bow Island area, which has had irrigation for some time, he is fully aware of the fact that the kind of wheat grown under irrigation is primarily soft spring wheat, whereas the grains that we grow on our dry lands through the province are traditionally hard spring wheat or winter grains. They are different grains used for different purposes. Clearly, we're not in the area of compounding the problem we have. It's a matter of having a greater diversity so that we can meet our needs both here at home domestically as well as abroad, in terms of our export commitments.

I'd like to conclude by reiterating some remarks made by my colleague the Member for Cypress-Redcliff and the chairman of the irrigation caucus committee as they related to the proposed dam on the Milk River. I'm extremely pleased that this government saw the reasons why we should commit ourselves to a dam on the Milk River, and that commitment was made some time ago. Because the Milk River is an international stream, we need the co-operation and the involvement of the federal government and we need the approval of both the state government in Montana and of the federal American government. I'm pleased that through the initiative taken by our Minister of Federal and Intergovernmental Affairs and some members of this Assembly who sit on a joint committee with American legislators, we've had excellent co-operation from both our colleagues from Montana and officials from Washington, D.C. All that remains is a commitment by the federal government in Ottawa. As it is an international stream, the funding required to build the dam would be fifty-fifty between Ottawa and Alberta. While Alberta -- at least it's my understanding -- is still at a point where we're ready to commit our funds, we have not been able to obtain a commitment from Ottawa, notwithstanding the fact that the federal government invested over half a million dollars in the last fiscal year alone doing a variety of soil tests on the banks for stability and other things within the Milk River valley.

This project is important, because whereas there are now approximately 10,000 acres along the Milk under irrigation -- that's the Canadian portion of the river -- there are in excess of 100,000 acres in Montana on the lower Milk River. We could expand our acres under irrigation threefold. That's important, because the area along the Milk River, which is traditional cattle country and dryland farming, is a net importer of hay, and this would allow the farmers and the ranchers along that part of the province in the southern part -- it starts in the MD of Cardston, goes through the county of Warner, and spills over into the county of Forty Mile -- to then become self-sufficient in hay production, which of course would enhance their livelihoods in the ranching sector.

So I'll conclude my comments and question, Mr. Chairman, by urging the minister to continue to press his federal counterpart to get a commitment so that this much-needed dam could proceed.

Thank you.

MR. KOWALSKI: Mr. Chairman, the first question raised by the Member for Taber-Warner had to do with the mainline agreements with respect to the St. Mary River Irrigation District

main canal. The rehabilitation and the enlargement program for the St. Mary River Irrigation District main canal extends from Ridge reservoir to Murray reservoir; the total length is some 283 kilometres. The construction work on that project was initiated in the fiscal year 1981-82, and the rehabilitation of approximately 203 kilometres has been completed as of March 31 of 1987. The main canal from Stafford reservoir to Sauder reservoir is functional from the new enlarged capacity. I should point out as well that to March 31, 1987, we have now expended some \$116.4 million on the St. Mary River Irrigation District canal, and the document that I've given out this afternoon outlines the commitments of expenditures through to the conclusion of the fiscal year 1991-1992.

With respect to the Verdigris project, I've had an opportunity to meet with several members of the board of directors of the St. Mary River Irrigation District in recent months, and they certainly brought me up to date and apprised me of the importance of the Verdigris project. I appreciate very much hearing the endorsement and the support of the Member for Taber-Warner with respect to the St. Mary River dam. He can be assured that I will spend all the time necessary on that particular project, but I'm getting a little tired too, so we'll just have to take it as each week goes by.

MR. PASHAK: Mr. Chairman, my first concern is with the irrigation canal as it flows through the city of Calgary. I note with interest the stated objective under vote 1, which is "to rehabilitate, upgrade, or replace existing works", et cetera. Then it goes on to say, "to help assure a water supply for irrigation and other multi-purpose uses in southern Alberta." Now, I've had conversations with the members of the minister's department, before they weren't permitted to talk to me any longer, and they told me that back in the late '70s a plan had been developed for converting the bank of the irrigation canal as it flows through Calgary into a major park. In fact, they were involved with the city. They'd consulted with a lot of groups, including canoe clubs and people that wanted to use the bike paths in that area, and they actually came up with a plan that was really, I think, farsighted and would have met a variety of uses. And as I understand it from talking to members of his department, the department had money at that time that they were prepared to grant to the city to allow this development to go ahead, but it was the city that turned it down. Nevertheless, I think there is a real need for a park along that irrigation canal. Earlier this year members from the canoe club had contacted me to see if I could do anything about increasing the flow in the canal during the months of late May and June so that they could teach young kids from the surrounding schools how to better use canoes, how to use them more safely. Any assistance that the minister could provide in helping with that park would be greatly appreciated, I can assure you, by all of the residents of Calgary Forest Lawn.

Turning my attention now to vote 2, the land reclamation component of Environment's heritage trust fund expenditures, I'm concerned of course about the two sites along the Bow River that are just downstream from the irrigation canal. The first one is a Gulf site. A refinery was located on that site; it was right on a gravel bed. It's a major concern just how much oil seeped into the ground there in the same way that oil seeped into the ground at a site even further down, at the Imperial Oil site. And what's being done to reclaim that site? I would just like to suggest that that should have the highest priority possible in terms of whatever land reclamation the minister's department

is involved in. I would like to know from him just how much of a priority he is attaching to the reclamation of both those sites.

In addition to that, there is a smaller refinery that's located in the east end of my riding; it's a Hub Oil refinery site. No one knows for sure how much oil has leaked into the ground there as well. I think there is a major concern for the whole irrigation system about what is happening there because again, no one really seems to know which way the groundwater flows in that area, but some have expressed the view that there's a good possibility that that water does in fact flow towards Chestermere Lake, which is part of the western irrigation system.

In addition to that, almost adjacent to the Hub Oil site is a park that the city of Calgary is trying to develop. At the moment there is a body of water that really takes the runoff from the storm sewers. When they did tests on that site earlier, they found that it was highly toxic. In addition to that, within a half mile of that site you have a landfill site. You have an area in that landfill site in which toxic chemicals have been dumped. One wonders just to what extent they're contained in that site, or to what extent as these containers decompose that the results of those chemicals decomposing does get again into the groundwater and create potential problems for the irrigation system further down.

Just in conclusion, I'd still like to invite the minister to come to Calgary Forest Lawn, and in addition to touring the Hub Oil site, I'd also invite him to take a look at the irrigation canal that flows through the city there. It's alongside the Bow River, which is one of the most beautiful valleys in the world. It's unfortunate that the city of Calgary chose to build a major highway system through there, but there's still enough left in that area that I think it's beautiful. It's a beautiful site for a park. I think it could be upgraded, and with his co-operation, I'm sure we could make the residents on the east side of the city of Calgary very grateful.

MR. CHAIRMAN: Hon. Minister of the Environment.

MR. KOWALSKI: Thank you very much, Mr. Chairman. First of all, the Member for Calgary Forest Lawn indicated that he was not able to talk to ladies and gentlemen who are employees of Alberta Environment, and that just simply isn't true. I've indicated periodically, and I will indicate again, again, and again, that my office is structured in such a way that its first priority is to provide service to the men and women who are elected representatives of the people, who sit in this Assembly as MLAs. If they choose to contact someone who works in the public service and if they're dissatisfied with the response they get, they should not then come running to me and say, "What's going on in your department?" We have structured it and set it up in such a way that priority will be given to the elected representatives of the people; that is, the MLAs of the province of Alberta. I've done it that way to ensure that all questions raised by my hon. colleagues in this Assembly are indeed responded to and responded to in the amount of detail that we can provide, the greatest amount of detail that we can provide. So please, hon. member, don't use that phraseology, because that certainly isn't the case.

Secondly, we're here to serve you and to be of positive benefit to you when and if we possibly can, and my office would be delighted to receive overtures from you, questions from you, and the like, and we will respond as we are currently able to.

If the hon. member has a fight with the duly elected city council of the city of Calgary with respect to certain pet projects

that he wants established within the confines of the city of Calgary, he certainly has an opportunity as a resident of the city of Calgary to pick up the phone and say, "Mayor, this is what we've got to do." And if the mayor says to buzz off, well then he can simply make an appointment to meet before the elected council of the city of Calgary and present his case. I've always been astounded at certain Members of the Legislative Assembly who somehow believe that it's the duty and the responsibility of the government of Alberta to consistently override and overrule duly elected city councils in this province.

So, hon. member, if the city of Calgary has turned something down, I'm not sure that your only avenue in life is to come to me and say, "Hey, Kowalski, get down there and slap a few of them around and tell them this is what we have to do." I think, hon. member, that you've got a responsibility. You are indeed an elected representative of the people, and if you think that your duly elected council in the city of Calgary is not doing what you think they should be doing, then I think you have a responsibility to tell them exactly what you stand for and what the position of the New Democratic Party is with respect to this project or that project or that project. I'll be happy to serve as a conduit and send the mayor and the council of Calgary a copy of this *Hansard* from today to let them know that you have some concerns with the way they operate, and I'm sure they'd be interested in responding further to you.

With respect to the Western Irrigation District main canal, the hon. member certainly knows that some work was initiated in the fiscal year 1985-86 on the replacement of some existing road bridges and the implementation of minor remedial works. They were initiated; they have now been completed. We're looking at the major rehabilitation work that will have to be done on this canal, and we're currently looking at the canal design capacity that will go hand in hand and will have to be dealt with.

I appreciated the input with respect to the reclamation projects that the hon. member has raised here this afternoon. I should point out as well that Hub Oil is one of only three oil recyclers that exist in the country of Canada. Because of the aggressive nature of recycling used oils that has been exhibited by the government that I'm a member of over recent years, we have two of the three recycling firms in Canada located in the province of Alberta. They provide a very useful, important, ecological and environment clean-up process.

It is indeed unfortunate that Hub Oil is now located close to urban residential development. The matter of fumes and scent coming out of Hub Oil has been one that has been addressed by pollution control scientists in Alberta Environment over recent years, and I follow and monitor the level of complaints that are forthcoming from individuals in the area on a month-to-month basis. Discussions have been held with Hub Oil in recent months, and I know that while there has been a decrease in the number of complaints coming from residents, there still remain a number of complaints coming from residents. Until we can arrive at a solution so that there are not any complaints coming from anybody with respect to Hub Oil, I will not be satisfied, and I want to assure the member that I will not be satisfied with respect to that matter. It is my intent; it is at Hub Oil.

MR. ALGER: Mr. Chairman, the old axiom that a picture is worth a thousand words has been more than unbelievably exemplified today when you consider that in the opening remarks of the minister, had he not had all those pictures, he'd still be describing all the wonderful works he's been doing. I've often

thought that I wish I had more pictures of him, and I'm not too sure -- he's such a beautiful man -- whether I'd rather watch him or listen to him in person, but I think I can stand quite a bit of both.

In any event, Mr. Chairman, I'm not here to discuss the votes so very much as I am to offer a few bouquets or commendations to the minister, who assisted me rather seriously and quickly on February 6 when we had a tremendous grass fire in my ranching area in Highwood. But I was somewhat dismayed by the fact that during the middle of the night he refused to send water bombers for the simple reason that he didn't think there were any lakes nearby, and he said they had to be filled by lakes. I said, "Well, certainly they could fill them at Chain Lakes." He indicated to me then, to my embarrassment, that as beautiful as my constituency is, surely the Chain Lakes were frozen in February. I had to go along with him there and get the water the hard way.

In any event, he and his department were also very helpful to me in the event of another fire, which took our meat processor's plant down in Okotoks, and while there was a fair amount of delay while investigation took place, the minister and his department were very active and quick to appease my constituents, who were quite annoyed with the smells. Once he got word of it, he got it straightened around for me.

With regard to dams, Mr. Chairman, I think we have spoken in years past about dams in Highwood and indeed in Little Bow. I thought there were going to be several of them in the works. I haven't heard them described today, or if I have, I've missed it. I'd like to hear the minister's remarks with regard to possible dams that I thought were going to be along -- some on the Highwood and some further down. There's always been a problem in the summertime, or at least in August, for our water to go down pretty seriously. There's a terrible drawdown from the Highwood River into the Squaw Coulee as well as the Little Bow diversion. That takes a lot of water from that river, and hence it's a little awkward for the water supply to keep up with all the nice things that the Highwood does, particularly the fishing. I think the minister would be well advised to consider a chat with me sometime with regard to some dams on the Highwood, not especially big ones and not especially expensive ones but something that would hold the water back from rushing through there in May and June and leaving us stranded in July and August.

Land reclamation. I don't know whether the minister would describe to me whether or not he's interested in fixing up old quarries. It would cost quite a bit of money, I think, to reclaim and make the land more beautiful. And does he work a lot with people that mine gravel pits and so forth like that that seem to leave the country and we never hear of them again? It leaves the province in a state of pretty bad repair. I would say. I've often wondered why we can't do more about that.

Finally, Mr. Chairman, I'd like the minister to describe to me just gently, if he would, what he feels that organic fertilizer and its advertisement to the farmers of this nation would do with regard to helping stave away erosion of our soil. We have some real good farmers in this land, one of whom is a son of mine who wouldn't put chemicals, number one, on his ground, and he has a great way of holding it together in an organic manner. We take off as good a crop or maybe better than most, albeit it isn't worth any more than anybody else's, but nonetheless that's a problem of marketing. But to prevent land from blowing away and sifting and just generally eroding, Mr. Minister, I'd like for you to give some great deal of thought to maybe just generally

pounding the desk for more organic style fertilizing and a little less heavy chemical fertilizing.

I think that's all I'd like to ask about this afternoon, Mr. Chairman. Thank you.

MR. KOWALSKI: Mr. Chairman, the Member for Highwood's been very kind, and I appreciate him. I thank him for his kind remarks.

He did talk about the need for some water reservoirs. I guess, in the Highwood. Basically, we would be identifying or talking about perhaps one that's been commonly referred to, Pine Coulee; another is Willow Creek; and the third, perhaps, Little Bow. Those are all projects that basically have been looked at. In fact, through the months of December through to February of last year and this spring, public meetings were held in a variety of communities in that part of Alberta to basically discuss those several projects. We've had some documents that we've now reviewed, citizens' advisory committees in the area that have looked at them, and the municipality of Willow Creek as well has been involved in some of these discussions. In fact, I just met with the reeve and several other members from Willow Creek only in the last number of days. There are projects that I think we've identified. No financial commitment has been made in terms of the determined program. But once again, I think we have to continue our ongoing work. And as we conclude this program we're talking about today, the one that will see us expend some \$561.1 million by 1995, it is extremely important that we also look at alternative projects that could become available should the dollars be available as well.

On the matter of gravel pits I appreciate the comments the member made. We're dealing with different phases of history in terms of our reclamation approach. Since the '70s we've had some pretty stringent new rules that we have developed as a government, as a political party, in terms of reclamation and our approach towards the environment. We also have those programs and those projects that were done in the decades before the early 1970s, and basically the rules were different. That's why, basically, we have the land reclamation program that we've got identified, in fact in an attempt to look at a number of these projects. Many of them are small though, and I want to make it very, very clear that they tend basically to range in the \$5,000 to the \$10,000 to \$15,000 to the \$20,000 program level. Perhaps once again, as the future develops and more dollars are available, we might be in the position to clean up some of the scars of the past.

Music to my ears comes with the phraseology "organic fertilizer." and I think that's an area we have to spend a great deal of time on. Just in the last number of days I've made public a very important report on recycling of waste in the province of Alberta, a report that was written by the Environment Council of Alberta, and there certainly are a number of recommendations with respect to that.

The hon. member would be happy to know that on Tuesday, June 2, 1987, I intend on announcing an organic fertilizer pilot project that will be developed in a community in the province of Alberta, a community not very far away from the city of Edmonton. The community came to see me last year and basically said that what they wanted to do was gather up all of the wet garbage in the community and turn it into a major compost pile. The purpose of the compost pile was in fact to utilize then that resource as a soil enhancer, a soil developer. And I'm told in recent discussions with this community that every resident, every home in the community, has signed up to be a participant

in this project. I'm just delighted to say that we will be announcing this on June 2, 1987, during Environment Week.

MR. SHRAKE: Mr. Chairman, I heard the Member for Highwood earlier mention gravel pits. I think the minister should sometime take him on a tour down in Calgary Millican and the Member for Highwood could see what you do with an old gravel pit. We have quite a beautiful community there called River Bend community, which is on top of an old gravel pit, as we call it. It's a very beautiful community, but I guess the ultimate thing to do with a gravel pit is do like the guy did when he got a lemon: he made lemonade. Well, the most beautiful park in the city of Calgary is Corbon park, which was mentioned here earlier this afternoon. We have there two very beautiful lakes and some very nice things. And I think some funding -- but I don't guess it was from your department; I think it was out of the minister of wildlife. But the two lakes and the trees and the things -- that was a gravel pit by the way, and it's stocked with fish now in the old gravel pit, but she is Calgary's most beautiful park.

We had some mention about the Forest Lawn landfill site, and I do have some concerns on that. I do hope that the Member for Calgary Forest Lawn doesn't put out the word, though, that we don't know what's there or that the containers are in bad condition or maybe they're decomposing, because I know the city of Calgary has catalogued all of the material that's stored there. The containers are in good condition. They're indoors, by the way, most of them; they're not buried just in a heap somewhere. And we do have PCBs in there, and we have also some of the old material from the CIL plant. But I would wonder if the minister will eventually be working with the city of Calgary and seeing if we can't ship some of the those up to that fine new plant up near Swan Hills and burn this stuff away, because from time to time it comes up and it does scare the citizens in that east end of the city, the uncertainty. I've been there; I've inspected it. I've seen the books and stuff on it, so I'm not scared myself, but it is a concern for the citizens, and I think we'll all rest a little better knowing that the big landfill site east of the city of Calgary has had all of the toxic materials taken out and sent up there and burned.

The minister was with me -- or I was with him, I guess -- out at the Bonnybrook treatment plant. And I do want to tell him that since the time we were there -- this is the tertiary treatment plant -- the Bow River is probably looking better now than any time I've seen it since I've lived in the city of Calgary. I don't see the weeds and stuff. The tertiary treatment, by the way, for the members who don't know, is the one that removes the soap. The water looks so good you could drink it. I don't advise anybody to try it, because we did have -- I won't mention the cities; two mayors in the province of Alberta were at the opening of a secondary treatment plant, and they decided they would get into a little bet, see who would drink the water. It looked awfully clean and good, and they both drank it. They both got quite sick; one man lost 23 pounds and spent I think it was eight weeks in the hospital. These treatment plants are very crucial. They're very important, but you don't drink the water after it comes out of there -- you CAN still run into a lot of problems -- not unless you've got a mighty tough system.

But in the city of Calgary we do have a real -- oh, it's just a little treasure all it's own, and that is the WID canal. Now, I see that we've spent so far around \$312 million up until this year. It looks like a couple of hundred million more is going to be spent. Well, one of the largest systems is the WID canal, Western Ir-

rigation Development canal, and it runs through Forest Lawn; it runs along the edge of Calgary Millican. But as it comes out of the Bow River, the first mile is the area of the problem. The water in the Bow River is very rapid, very fast. It carries a certain amount of silt, and it carries it right on with it. But as it comes out of the Bow River and hits the canal, the canal flows very slow, at times no flow at all. So the silt then deposits; it deposits within the first mile.

As an alderman in the city of Calgary years ago I was able to get the city, through a lot of finagling and begging and brow-beating -- we dredged a little bit of the canal. But I would hope that the minister would take a hard look. We're not looking at millions of dollars. From the figures I've got from the city of Calgary, for less than \$200,000 you could dredge that out, use the material in adjacent areas for a little bit of berming, a beautiful area there, to perk it up. and yet you would increase the flow of the WID canal. You don't need to line it; it has the good clay underneath there, and it's not a big expense.

But as I see the hour is getting late. I will sit down.

MR. CRAWFORD: Mr. Chairman, I think this department will be back so that members can say their piece.

I'll now move that the committee rise, report progress, and ask leave to sit again.

MR. CHAIRMAN: Moved by the hon. Government House Leader that the committee rise, report progress, and beg leave to sit again. All in favour please say aye.

HON. MEMBERS: Aye.

MR. CHAIRMAN: Those opposed please say no. Carried.

[Mr. Speaker in the Chair]

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

MR. SPEAKER: Do you all agree with the report and the request for leave to sit again?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

[At 5:27 p.m. the House adjourned to Tuesday at 2:30 p.m.]

