

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Monday, May 30, 1988 2:30 p.m.**

Date: 88/05/30

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

[Mr. Deputy Speaker in the Chair]

**PRAYERS**

MR. DEPUTY SPEAKER: Let us pray.

Lord, we thank You for the opportunity of serving our people.

We ask You for the strength to make laws that will benefit all Albertans and for the courage to resist making laws that do not and, finally, for the wisdom to know the difference.

Amen.

**head: INTRODUCTION OF VISITORS**

MR. RUSSELL: Mr. Speaker, in your gallery today is a special visitor to Alberta. He is visiting our province for the first time. I'd like to introduce to you and to members of the Legislature, His Excellency Gilberto Carrasquero, Venezuelan ambassador to Canada. We're delighted that he could be here with us today. If he'd rise.

**head: INTRODUCTION OF SPECIAL GUESTS**

MR. KOWALSKI: Mr. Speaker, earlier today it was my pleasure to present the second annual Alberta Environment Awards. The award recipients were selected by a committee which included representatives from Alberta Environment, the Environment Council of Alberta, and two Members of the Legislative Assembly of Alberta, the hon. Member for Calgary-Glenmore and the hon. Member for Innisfail.

This year one award was presented in each of four categories, and I'd like to introduce the winners in your gallery, Mr. Speaker. I would ask all of our guests to remain standing until all are introduced. First is Mrs. Joyce Docken, who received an award of behalf of her husband, Gordon, who was recognized posthumously in the individual citizen category. Also here are Mr. Docken's son Clint and daughter Gail.

In the category of business, industry, and government agency I was pleased to present an award to the Eastern Irrigation District. Representing the Eastern Irrigation District are Mr. Bill Martenson, chairman of the board, and EID general manager, Mr. Jim Webber.

The third award, for contributions in environmental education, was presented to the 4-H Clubs of Alberta. Lisa Properzi, 4-H club member, and Gordon Schaber, who is a member of the Alberta 4-H council and a volunteer 4-H adult leader, accepted the award on behalf of the 4-H Clubs of Alberta.

In the newly created category of volunteer organization the Prairie Association for Water Management was the award recipient, I would like to introduce Mr. Harry Gordon, president of the Prairie Association for Water Management, and his wife, Agnes.

Mr. Speaker, I would ask that our colleagues provide to these very special Albertans a most warm welcome.

MR. DEPUTY SPEAKER: Hon. Member for Edmonton-Beverly,

MR. EWASIUK: Thank you, Mr. Speaker. It's a pleasure for me this afternoon to introduce to you and to members of the Assembly, 40 grade 6 students from St. Maria Goretti school, which is located in the Edmonton-Beverly constituency. The pupils are joined by their teachers Tom Hughes and Bob Boyechko. They're seated in the public gallery. I'd ask them to rise and receive the warm welcome of the Legislature.

MR. DEPUTY SPEAKER: Hon. Member for Rocky Mountain House.

MR. CAMPBELL: Thank you very much, Mr. Speaker. This afternoon I have the privilege, on behalf of the Member for Drayton Valley, to introduce to you and through you to the rest of the Assembly, 27 students from the Breton elementary school. They're accompanied by their teacher Ron Flanders, and parents Linda Williams, Hilda Freeson, Margaret LaChance, and Dorothy Westlin. They're seated in the members' gallery, and I ask them to rise and receive the warm welcome of the Assembly.

MR. DEPUTY SPEAKER: Hon. Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Speaker. I rise to introduce to you and through you to the members of the Legislature, two classes, grades 5 and 6, 46 students from Callingwood elementary school. They are accompanied today by their teachers Mrs. Johnson and Mr. Frizzel and by a teachers' aide Miss Zapisocki. I would ask that they rise in the gallery and receive the welcome of the Legislature.

MR. DEPUTY SPEAKER: Hon. Member for Edmonton-Calder.

MS MJOLSNES: Thank you, Mr. Speaker. It is my pleasure today to introduce to you and to members of the Assembly, 20 grades 10 and 11 students from St. Luke's school, in the constituency of Edmonton-Calder. This is a very special school in that most of the students come from Hong Kong. They are accompanied by their teachers Terry Fletcher and Robert Vaudan. They are seated in the public gallery, and I would ask that they rise and receive the warm welcome of the Assembly.

**head: ORAL QUESTION PERIOD****head: Inner-City Housing and Policing**

MS BARRETT: Mr. Speaker, I'd like to direct my question to the minister responsible for housing. As you know, the inner city in the larger cities in Alberta is characterized by tenements and decaying housing, to say the least. Most of it, as you probably know, is owned by absentee landlords and, therefore, continues to decay. I wonder if the minister responsible for housing will say if his government is considering reviving programs such as the now-defunct neighbourhood improvement program so that decent, affordable shelter can be constructed or refurbished in the area now characterized by decay.

MR. DEPUTY SPEAKER: Solicitor General.

MR. ROSTAD: Thank you, Mr. Speaker. The inner city in Edmonton and Calgary or any other place in Alberta is of great concern to the members on this side as well as to those opposite. A week ago we were reviewing our policing there and now into housing.

We have a number of programs that we presently deliver that are used to house people in the inner city: the hard-to-house, special purpose housing, of which we have 438 units in Edmonton, 435 in Calgary; we have subsidized housing for lower income families and individuals in our community housing and CHIP and MAP programs, of which we have in excess of 800 in Edmonton, 1,486 in Calgary; and we have a number of seniors' projects, where we have over 1,000 units in Edmonton and 1,400 in Calgary. I think it shows that we have a great contribution to the housing for those who are hard to house.

I might point out that in those special purpose projects it's the private sector, the nonprofit group that should come forward with an application on how they would like to house the particular community that they see needs that help.

MS BARRETT: Well, Mr. Speaker, the minister recites existing projects and fails to note that he's got nothing on the drawing board. Is the minister considering kick-starting programs such as that initiated by, say, the Mennonite Central Committee, which gets people who are currently on unemployment insurance or welfare working on refurbishing to create affordable, not-for-profit housing for those people in their inner city who currently have no other place to go but to the slumlords?

MR. ROSTAD: Mr. Speaker, the hon. member wasn't listening. The special purpose housing projects have not been fully taken up for this current year. Those are nonprofit groups that can come forward with an application to show how they would like to house the hard-to-house in the inner cities.

Edmonton currently has a 6.9 percent vacancy rate in their apartments; the majority of those apartments are the CHIP/MAP, which are subsidized 50 percent by an agreement when these buildings were built. They're available; there are many, many. We have number of other projects that are under way within the community. We're concerned, but also there has to be some initiative by the agencies and groups that want these.

MS BARRETT: Well, Mr. Speaker, I know of agencies that have gone to the minister and been turned down for funding.

Mr. Speaker, is the minister prepared to act upon any of the recommendations that were made last year by the Edmonton Coalition on Homelessness so that people are not forced to stay in slum environments, so that they've got some decent alternatives to turn to?

MR. ROSTAD: Mr. Speaker, if there is an agency that has had an application and feels they were unjustly treated and did in fact have it turned down, I'd be more than willing to discuss that with the member if she wishes to bring forward the application.

MS BARRETT: A final supplementary. The minister's had my letter for months, Mr. Speaker. My question to the minister is this: is he saying that his government is prepared to let these absentee landlords continue to rake money in hand over fist while his government is not going to take any further steps to stop the decaying of inner cities?

MR. ROSTAD: Mr. Speaker, again the member has her earplugs in. I just reiterated a number of initiatives that are

available for people to access. If the member wishes to discuss this alleged letter with me that's been in my office for months, I'd be more than happy. But I would ask that she bring the answer with her.

DR. BUCK: Mr. Speaker, a supplementary question to the minister. This comes out of the response he made about housing and policing. My question to the minister is: what effect have the foot patrols had in these areas of high crime where the foot patrol officers are on the street interacting with the people? What effect has that had in some of these areas?

MR. ROSTAD: Thank you. The neighbourhood policing is a relatively new concept in Edmonton, but the initial statistics show that it's helped to keep the level of crime down somewhat and has developed an extremely close rapport between the citizens of that area, the businessmen of that area, and the police force, which is certainly a step in the right direction.

MR. TAYLOR: Mr. Speaker, to the hon. minister. Would not now be a very good time for the minister to consider pushing on his colleagues to reinstitute the rental tax credit, which would be of particularly great help to the very low income people and people in this type of a distress?

MR. ROSTAD: Mr. Speaker, the rental tax credit is under the jurisdiction of my associate the Minister of Municipal Affairs. However, for the people who are hard to house, I don't feel that's the answer, a rental tax credit. We need to fill more of our vacancies that there are now with subsidized housing.

MR. MUSGREAVE: Mr. Speaker, as one member who happens to live in one of the oldest parts of Calgary, I wonder if the hon. minister could confirm whether or not there's been any agency that has requested funds for the construction of a single-women's shelter in the city of Calgary?

MR. ROSTAD: I can't really answer that, as women's shelters come under the jurisdiction of the Minister of Social Services.

MR. DEPUTY SPEAKER: Second question, Official Opposition.

MS BARRETT: Mr. Speaker, I'd like to designate that second question to the Member for Edmonton-Strathcona.

#### head: Landowners' Royalty Trust Agreements

MR. WRIGHT: My question is not to the Solicitor General but to the Acting Attorney General. Perhaps the Acting Attorney General is familiar with the Hetherington case, which deals with gross royalty trusts and the difficulties that have arisen in the decision that said they could not be registered on the title. Consequently, the trust companies, for the most part, to administer these trusts aren't able to pay out to the beneficiaries of the trust who for the most part, Mr. Speaker, are fairly humble people with a bit extra on the old age pension and so on. Will the Acting Attorney General agree that the decision may be perfectly legal and correct in law but is an unjust one in its effects?

MR. ROSTAD: Mr. Speaker, I thank the member for his question, but I don't think it's the place for the Attorney General or the Acting Attorney General to cast aspersions or congratulate

tions on a court decision. There's no doubt that the Hetherington case has put a number of people into a flux because they don't know whether they have their gross royalty trust agreements that can be held up or not.

I might point out that the matter at issue in this case revolves around an agreement between the trust companies and the original landowner. In the Hetherington case it was decided by Mr. Justice O'Leary that these particular royalty trust agreements did not create an interest in land; therefore, we're not caveatable, we're not protected, and that has put some people into a flux. I can also point out that the case is being appealed, and the appeal will be heard in October. We as a government are of course monitoring this very, very closely, because there are a lot of people who are put into flux. But the nub of the matter is the agreement between the trust company and the original landowner.

MR. WRIGHT: We won't get into a legal argument, Mr. Speaker, at all. As the Acting Attorney General has indicated, the fact is that there is a state of flux. Will he not agree that this state of flux can be easily remedied in the way of justice by a ample amendment to the Land Titles Act?

MR. ROSTAD: Mr. Speaker, that may help or gloss over the problem with a number of the landowners that have a relationship to the original agreement and the present owner of the mines and minerals. However, from the '40s and '50s, when these trust agreements first came into effect, there's been a number of new interests that have been and are presently under control. I think it's very important that when you're addressing this matter, you look at the entire picture so that you don't help one person by destroying somebody else's interest. The remedy has to adjust beneficially for everyone.

MR. WRIGHT: But, Mr. Speaker, that was the point of my original question: that the status quo ante was just, and the present situation has nothing to be said for it. In those circumstances what does the government propose to do?

MR. ROSTAD: Again, the hon. member missed the first point of my first answer too: the decision in this matter was made by Mr. Justice O'Leary based on the law. Until the Court of Appeal has had a chance to investigate and review the material in this case and make their judgment in October -- we'll have to wait for that and in the meantime are monitoring and assuring people that their interests are being looked into.

MR. DEPUTY SPEAKER: Order please. The Chair is beginning to get fidgety itself, whether or not this matter would, because it's before the courts, fall under the rule of sub judice. So perhaps the hon. Member for Edmonton-Strathcona could phrase his next question to set the Chair at ease.

MR. WRIGHT: Yes. We're not discussing the case before the court at all, Mr. Speaker, but simply a government policy on the Land Titles Act. In that connection, should the appeal fail, does the government undertake to amend the Land Titles Act to make what people have considered to be the rules -- and have been obeying them for 40 or 50 years -- still continue to be the case?

MR. ROSTAD: Mr. Speaker, that's somewhat hypothetical, but this government has always had the people's interests at heart. If it's found that the court determines that there is a defect that

can be remedied, we'll have our answer prepared at that time.

MR. DEPUTY SPEAKER: Hon. Member for Calgary-Buffalo, supplementary.

MR. CHUMIR: Well, thank you, Mr. Speaker. It's a duty of the government to ensure that the law is clear in important commercial areas affecting large numbers of people. The current case before the courts may be appealed to the Supreme Court of Canada, and there may be a long delay. Since fairness seems to favour the royalty owners, would it not be better to move immediately to protect the royalty holders at least in respect of transfers or leases which take place subsequent to the present time?

MR. ROSTAD: Mr. Speaker, this member also did not listen to the entire answer previously. Those interests are being looked into, but there are subsequent interests that have arisen from the period of the '40s and '50s to now, and you don't want to erase those interests to protect some of the others. I think you have to look at the entire picture to make sure that everyone's interests are addressed.

MR. STEWART: Mr. Speaker, a supplementary to the Acting Attorney General. Is it fair to say that the difficulties may have arisen by virtue of a deficiency in the particular agreements rather than a deficiency in the law?

MR. ROSTAD: That's true.

MR. DEPUTY SPEAKER: Leader of the Liberal Party.

#### head: *Alberta Report Advertising Solicitation*

MR. TAYLOR: Thank you, Mr. Speaker. The Treasury Branches are preparing to celebrate their 50th anniversary here in Alberta, and to commemorate that event a rather well known right-wing publication called the *Alberta Report* is preparing a special edition of their magazine. I've received a copy of a form letter prepared and distributed by the Treasury Branch managers, sent to customers suggesting that they purchase advertising from the *Alberta Report* for this special edition. My question is to the Provincial Treasurer. Why are the Treasury Branch managers soliciting advertising on behalf of the *Alberta Report*?

MR. JOHNSTON: Mr. Speaker, I'm not too sure just what the answer to that question is. I must say that I am unaware that the Treasury Branches are doing what you've indicated. I'm not too sure it's inappropriate, if in fact along with 2.3 million Albertans we are celebrating a unique year with the history of the Treasury Branches' serving the people of Alberta in a very efficient and effective manner. That is a record, one which is admired across Canada. I'm sure that what we're trying to do in the case of making sure that's understood is to recognize a significant event, and we're doing that ourselves.

MR. TAYLOR: Mr. Speaker, I may table this letter, and that way he can see it.

When your friendly banker calls you up to buy an ad, it's like a policeman asking you to buy tickets to the ball after speeding, so I think, Mr. Speaker, there is no doubt that the Provincial Treasurer -- I wonder if he is exercising some effect. Now would . . .

MR. DEPUTY SPEAKER: Order, please.

What is the hon. leader intending to do with this?

MR. TAYLOR: Table it.

MR. DEPUTY SPEAKER: I'm sorry; you'll have to revert back to daily Routine to do that.

MR. TAYLOR: I can keep it. It's just that usually the Speaker asks for the letter I'm referring to. I'll keep it, then, unless I'm asked. Mr. Speaker, I will then see that he gets a copy of the letter.

What assurance does the Treasurer have that those customers not wanting to purchase advertising in the *Alberta Report* will not be discriminated against in their banking practices?

MR. JOHNSTON: Mr. Speaker, I have indicated before in this House that the policy of the government is to leave the administrative responsibilities to the very capable managers who run the Treasury Branches. I can assure you that without knowing the details of this procedure -- and I will check it to confirm -- I would say that it's a 90 percent probability there's nothing untoward in terms of this process. In fact, I doubt very much there's any indication that there's any kind of retribution should you not participate in this proposal. I'm sure it's simply done in a way to recognize those people who are participating now in the Treasury Branch, because there's a vast number of people who are enjoying the benefits of operating there.

MR. TAYLOR: Mr. Speaker, I will then file this letter -- I think that's the proper word -- rather than table it.

Mr. Speaker, I would think that the employees of the government would have more to do than shill for some right-wing magazine selling advertising. Could you share with the House how much this special edition of the *Alberta Report* will cost the taxpayers of Alberta and the Treasury Branches?

MR. JOHNSTON: Mr. Speaker, it would seem to me that here we have, first of all, on the record the fact that the Treasury Branches are celebrating their 50th anniversary. It isn't any secret; the Treasury Branches have been very successful, not just in Alberta but are probably about the 17th or 18th largest financial institution in Canada. They have grown fairly rapidly. It would seem to me, if you're looking at the policy consideration with respect to Treasury Branches as opposed to some sort of [inaudible] -- which we're not too sure how it's taking place -- it would be to deal with how we can expand the Treasury Branches, how we can make them healthier in the context of the economic climate, and to use the words of the Liberal Party across the way, how we can ensure that the Treasury Branches become a vehicle of diversification and assistance to small business.

Now, those are the issues, Mr. Speaker, that I concern myself with and this government takes as part of our fundamental policy with respect to diversification. It's in that sense that the government is serving Albertans. I think the Treasury Branches have been considered to be one of the remarkable success stories going back to my colleague's days -- 1933, I guess -- the Social Credit Party, who saw . . .

MR. DEPUTY SPEAKER: Thank you, hon. minister.

Final supplementary.

MR. TAYLOR: Mr. Speaker, these people are twisting the legs of small-town business and taking money away from the local publishers. Given the fact that the *Alberta Report* and associated companies over the years have benefited quite handsomely from the Alberta Opportunity Company and bank guarantees by these people, will he not get on the blower as soon as possible and tell the manager of the Treasury Branches to cease and desist threatening small-town businessmen in order to buy ads in the *Alberta Report*?

MR. JOHNSTON: Again, Mr. Speaker, I know that sophisticated people in this province who deal with the Treasury Branches know very well that this is not a threat; this is simply a way to celebrate a remarkable success story.

Now, the member across the way should be more thankful that in fact this institution has worked, going back to the Depression of 1933, seeing its rise in difficult times, building on the populous movement these are the things that you should be arguing, not the ones that we should be arguing. But the thing is that we are the ones who have made it successful. We are the ones who have made it work in the last 15 years . . .

MR. DEPUTY SPEAKER: Thank you, hon. minister.

Supplementary, Athabasca-Lac La Biche.

MR. PIQUETTE: Yes, Mr. Speaker. To the Treasurer, relating to *Alberta Report*. I wonder if the minister can answer this question: why did the government, in the April 19 special issue of the *Alberta Report*, purchase over \$40,000 worth of advertising, a total of 12 and a half full pages in the one issue of the *Alberta Report*? How can you justify that?

MR. JOHNSTON: Again, Mr. Speaker, there is a framework, a reasonable editorial policy, that takes place in that paper. [interjections] Now, that was a humorous aside, in case the member didn't recognize it.

As a matter of fact, Mr. Speaker, this is an important magazine in western Canada. It happens to be head officed in Alberta, and we are not going out of our way to force-feed that paper, I can assure you. But if there is an opportunity to provide some advertising in that edition to ensure that the objectives of Albertans are recognized and properly noted, then it's a reasonable response of government to do just that.

### Fire and Moisture Conditions

DR. BUCK: Mr. Speaker, I'm sure glad there are a few right-wingers left, because there are sure a lot of left-wingers in this poor country.

Mr. Speaker, my question is on drought to two ministers, one concern on fire hazards and the other about ground conditions. First of all, to the Minister of Forestry, Lands and Wildlife. Can the minister indicate to us what the situation is provincewide as to the drought situation as it affects our forests?

MR. FJORDBOTTEN: Mr. Speaker, the drought certainly is of concern to us not only in the forest area but all across the province. That's changed somewhat overnight with the rains that we've had, but we've positioned our fire attack crews and our monitoring to make sure that we can get quickly at areas where fires do start. We do not have any fires out of control at the moment. I'm very thankful about that. But we're monitoring the weather conditions on an ongoing basis because it is an

area of deep concern to us.

DR. BUCK: Mr. Speaker, can the minister indicate to us what the situation is as far as budgeting? Are we looking at a large overrun that we'll have to have special warrants for, or is there around an average amount?

MR. FJORBOTTEN: Mr. Speaker, if it keeps raining, we shouldn't have to worry, but I have to say that as of the 26th of this month we've expended some \$10.65 million already out of a \$13 million budget. So of course it's an area that we may have to come for special warrants, but we're hopeful that we'll get the rains and everything so that hopefully fire conditions won't be as serious in the future.

DR. BUCK: Mr. Speaker, a supplementary to the Minister of the Environment. When you speak to old-timers as old as the Liberal leader, they will tell you, Mr. Minister, that the ground conditions are probably as bad as they've been for many, many years. Can the Minister of the Environment indicate if the department has done any studies across the province to indicate what the surface moisture conditions and, just as importantly, the subsurface conditions are, provincewide?

MR. KOWALSKI: Yes, Mr. Speaker. We monitor that and have been monitoring that on a weekly basis, and the situation in the province of Alberta in a quick overview nutshell is that particularly with the groundwater conditions -- and groundwater refers to that water which is beneath the surface of the earth -- Alberta Environment has 250 test wells throughout the province of Alberta, and more than half of them are now recording the lowest levels in their recorded history. That's been monitored, as I indicated, on a week-to-week basis.

In addition to that, Mr. Speaker, we put out an advisory now once every two weeks which indicates what the water condition is in all those waterways in the province of Alberta. In essence, prior to this weekend every one of them showed a very low level in terms of waterways in our province. We've monitored throughout the province of Alberta dugouts, lakes, and the like, and it's easy to generalize and to basically say that all of them have deteriorated and all of them have depleted themselves in the last 12 months. In addition to that, Mr. Speaker, we have sophisticated monitoring equipment in the Rocky Mountains that judges the snowcap, and that snowcap that we've just gone through this last winter was the lowest snowcap in recorded history in our province.

DR. BUCK: Mr. Speaker, to the Minister of Agriculture. In light of the fact that many farmers and cattlemen especially are in a crisis situation, could the Agriculture minister indicate if the piping and water transfer program is making any progress in catching up to the crisis situation?

MR. ELZINGA: Yes, Mr. Speaker, we're making a considerable amount of progress as it relates to filling dugouts with our piping equipment. As I've indicated in the past to hon. members, the hon. Member for Clover Bar included and other hon. members, if they are aware of individual circumstances whereby there is a peculiar difficulty, we're more than happy to give special consideration to those areas.

MR. DEPUTY SPEAKER: Edmonton-Glengarry, supplementary.

MR. YOUNIE: Thank you. For the Minister of the Environment. The minister of forestry isn't the only one who's been facing some unexpected expenditures for fighting forest fires. Is the minister considering any extra assistance for municipalities that have had inordinate expenditures fighting forest fires?

MR. KOWALSKI: Mr. Speaker, that would come to me, I guess, as minister of Alberta Public Safety Services. In recent weeks contact has been made with a number of municipalities to the west of the city of Edmonton, and contact has also been made with the reeve of the county of Athabasca. In all cases we've indicated to them that I would look forward to receiving definitive information from them as to the extent of these local expenditures that they've had with respect to fire fighting. Once I've received that, I'll sit down and talk to them about any special consideration that may be forthcoming.

MR. TAYLOR: A supplementary, Mr. Speaker, to the Minister of the Environment. It was with some surprise that I heard him admit that the water pressure and levels of the groundwaters are dropping in Alberta, and he's quite correct. Further to that, in view of the fact that Cargill is depending on groundwater in the High River area -- and my reports are that the High River pressure is dropping in the groundwater also -- does he still think there's enough water in the groundwater under High River to run the Cargill plant?

MR. KOWALSKI: Well, Mr. Speaker. I'm surprised that the hon. leader of the Liberal Party would say that he's surprised that I would have said what I've said today. I've been saying this since the third week of January 1988. In fact, I said it first of all at the public meeting of the Alberta Association of Improvement Districts, which was reported, six months . . .

MR. DEPUTY SPEAKER: Hon. minister, can the Chair then assume the question has been answered many times?

Hon. Member for Grande Prairie.

#### head: **Highways Cleanup Campaign**

DR. ELLIOTT: Thank you, Mr. Speaker. My question is to the Minister of Transportation and Utilities. My topic is the 4-H cleanup program we've had along our highways. In the Grande Prairie area we had an exceptionally successful cleanup program. All the area was covered, and an immense amount of garbage was gathered. I was wondering if the minister could give us an indication of how the program continued through the province in terms of the number of people involved and the amount of miles covered or what other information he might have on it.

MR. ADAIR: Yes, Mr. Speaker. We have the figures in for the 1988 cleanup. There were some 67,343 bags of garbage picked up. I'm not sure that's something Albertans should be totally proud of. The number of miles covered, 5,735; the number of young people involved in the program, 10,636.

MR. TAYLOR: How many cabinet ministers?

MR. ADAIR: I was speaking of young people. The number of clubs involved, the highest ever, 616.

While we have a number of people in the Speaker's gallery from the 4-H movement of Alberta, I would like to publicly

thank them for the excellent job they do in cleaning up Alberta's highways.

DR. ELLIOTT: Mr. Speaker, were there any injuries or near misses this year in the program on the highways?

MR. ADAIR: Not that I'm aware of. It was a good program, and everything went according to Hoyle.

DR. ELLIOTT: Final supplementary. Is there any thought being given to a continuing cleanup program that would keep our highways clean so that we don't have to go into an annual cleanup, as we've been doing, Mr. Speaker.

MR. ADAIR: No. Although I think if all Albertans, particularly Albertans, were to exercise restraint in throwing things out the windows of vehicles, it would certainly go a long way toward cleaning up our province. I think we have probably the cleanest province in Canada and possibly one of the cleanest areas in North America, and that tribute goes to the 4-H movement for the backbone that they have been. They have been really the backbone of the program. It's not all 4-H, I might say, but the 4-H have the first choice because they were first in, and then it's the movement of the JFW people as well as school groups, and for that we thank them again.

MR. DEPUTY SPEAKER: Supplementary,  
Edmonton-Glengarry.

MR. YOUNIE: Thank you. For the minister of transportation. Does he have any plans to transfer this refuse to the Minister of the Environment for it to be separated and some of it to be recycled?

MR. ADAIR: We have been doing that together for some time, Mr. Speaker.

MR. DEPUTY SPEAKER: Hon. Member for  
Edmonton-Meadowlark.

#### head: **Free Trade**

MR. MITCHELL: Thank you, Mr. Speaker. For years we have fought to protect our energy producers against the interests of eastern Canadian consumers. Now with the free trade agreement and the federal implementation legislation we saw last week, we are giving up powers critical to that battle, and in effect we are adding a third party at our own federal/provincial negotiating table, and that third party is the United States of America.

MR. DEPUTY SPEAKER: What's the question please?

MR. MITCHELL: To the Premier. Will the Premier please admit that the free trade agreement and corresponding federal free trade implementation legislation will result in us giving up provincial power over resource pricing?

MR. GETTY: No, we won't, Mr. Speaker.

MR. MITCHELL: Will the Premier admit that this circumstance also will result in our giving up provincial power over the licensing for extraction and development of energy re-

sources in this province?

MR. GETTY: Absolutely not, Mr. Speaker.

MR. MITCHELL: With 80 percent of Canadian trade with the United States already free why would this government put Alberta in a position of giving up important provincial powers over provincial jurisdictions in order to achieve a small marginal increment in free trade of about 10 percent?

MR. GETTY: Mr. Speaker, the hon. member has now on three successive times started off his questions with a false premise.

MR. MITCHELL: It's frightening that you don't have a better understanding of this particular issue.

Has the Premier received explicit assurances that the Prime Minister will alter his free trade implementation legislation in light of concerns from provincial Premiers -- and hopefully this will be one of those provincial Premiers -- about the erosion of provincial powers over provincial jurisdictions?

MR. GETTY: No, Mr. Speaker.

MR. PASHAK: Mr. Speaker, to the Premier. Would the Premier reassure this Assembly that should the price of gas increase dramatically, the Mulroney trade agreement will not prevent the government of Alberta from reintroducing the Alberta gas rebate plan?

MR. DEPUTY SPEAKER: The Chair has some difficulty with a hypothetical situation. However, I suppose if the hon. Premier wants to answer a hypothetical question, it would be his choice.

MR. GETTY: Well, I should never answer a hypothetical question, although in terms of the free trade agreement I should say that it does not prevent us from providing natural gas rebates.

MR. DAY: Supplementary to the Premier. Mr. Speaker. In light of the worldwide trend to free trade does the Premier have assurances that the free trade agreement will protect Alberta from the future rape of its resources, as we witnessed by the Liberal federal government some years ago?

MR. GETTY: Mr. Speaker, it will certainly provide the basis for doing that, and it will also provide the basis for the producers in Alberta who produce so much more than they use to sell that product in the biggest market in the world: the United States, our friends and neighbours. It ends up with Alberta fanners and ranchers and petrochemical industries and forestry industries all able to reach a market that they have not been able to reach on an assured basis before. Albertans are looking forward to this initiative, looking forward to the economic benefits. It is again interesting that the party that supported the national energy program, which hurt our province, now wants to hit the free trade agreement, which helps our province. You wonder who they represent.

MR. DEPUTY SPEAKER: Hon. Member for  
Edmonton-Calder.

#### head: **Social Allowance Rates**

MS MJOLSNESS: Thank you, Mr. Speaker. My questions are

to the Minister of Social Services. On June 1 food allowances to people on social assistance will increase by approximately \$5 per month, or 50 cents per day. The problem for many welfare recipients is not so much the food allowance that they receive but the fact that the food allowance must be used to cover other basic needs like shelter.

MR. DEPUTY SPEAKER: Question, hon. member.

MS MJOLSNESS: In view of the fact, then, that recent statistics compiled by CMHC indicate that an average one-bedroom apartment in Edmonton costs \$388, will the minister make a commitment to increase the shelter allowance for single employables so that that would reflect the true costs of the rent?

MRS. OSTERMAN: Mr. Speaker, the hon. member obviously asked her question under the premise that we believe that the taxpayers of Alberta should support single employables, each of them in their own apartment. That is not our view. We believe that it is appropriate for people to share accommodation, just like others have to when money is short.

MR. DEPUTY SPEAKER: Supplementary, Edmonton-Calder.

MS MJOLSNESS: Thank you, Mr. Speaker. Well, even if they share, they're not receiving enough money.

In view of the fact that two adults with one child on social assistance receive approximately \$5 each per day for not only food but clothing and all other personal expenses, can the minister prove that this amount is adequate by providing this House with the cost-of-living studies she has used to determine the rates?

MRS. OSTERMAN: Mr. Speaker, obviously the cost of living in various people's eyes is going to be different, in terms of your belief of what it is you require as a need. The definition of need is a very perilous one to embark on; it is different for every single individual that you speak to.

Mr. Speaker, I just want to go back to the comment that the hon. member made, again, as a preface to her second question. In fact, two people sharing accommodation can indeed manage to secure a one-bedroom apartment; \$215 times two makes \$430.

MS MJOLSNESS: Well, they're not even given a damage deposit, Mr. Speaker.

In view of the fact that the consumer price index indicates that the average cost of clothing has increased by more than 10 percent and utilities have increased more than 30 percent since 1982, can the minister state what measurement she is using to indicate that social allowance rates are adequate to cover these increases?

MRS. OSTERMAN: Mr. Speaker, if the hon. member would interview many people on social allowance, she would find that there is a very high percentage of those people very successful in securing the daily needs that they require with the amount of money that is provided by government.

In speaking again to the single employables, I think the hon. member has a very interesting view of what it is that this society and all taxpayers must support.

MS MJOLSNESS: Final supplementary. Since many social

allowance recipients have difficulty properly feeding their children because their food money is often used for other necessities, when is this minister going to ensure that children do get three square meals a day, by using objective criteria as a basis to set social allowance rates?

MRS. OSTERMAN: Mr. Speaker, by interviewing many, many families in this province, not only from my own constituency but right across the board, by reading the mail that comes into my office that speaks to the amount of money that is allocated, the dollars with respect to food and shelter are adequate. Now, it is true that if they are not spent on the necessities and they are spent on other things, there will be a shortage. I think the hon. member should encourage those families who may be spending their dollars -- and they're tight; if they spend them on nonessentials, there will not be enough. I don't believe it is up to the taxpayers of this province to supply money to individuals who are not managing their budget properly, but if the hon. member has circumstances that are beyond the control of a family, either through the appeal system or other mechanisms I can assure the hon. member that we would try to speak to those needs.

MR. DEPUTY SPEAKER: Supplementary, Vermilion-Viking.

DR. WEST: Yes, supplemental to the minister. Have you any studies that would indicate what percentage of the single employables would have family ties that probably should and could support them in their day-to-day needs?

MRS. OSTERMAN: Mr. Speaker, I do not have that kind of information, though it may rest in many of the files as people are interviewed, I think it's appropriate to state that given the legislation which governs this area, it is incumbent upon government to supply certain basic needs for those who can't achieve them in other places. But when one looks at the premise, I believe for the hon. Member for Edmonton-Calder, that people would normally be residing some place at this moment when they go in to achieve some type of assistance, surely they would have put a damage deposit on that place. Damage deposits, interestingly enough, also have a habit of . . .

MR. DEPUTY SPEAKER: Thank you, hon. minister.  
A supplementary, leader of the Liberal Party.

MR. TAYLOR: Supplementary, Mr. Speaker, to the minister. I've had a number of phone calls from people that were single parents attending university and postsecondary education institutions. When summer months come, they try to go on social assistance, and they're then cut off being able to apply for loans to go back school.

MR. DEPUTY SPEAKER: Question, hon. leader.

MR. TAYLOR: Tell me that you can make it possible for them to do both.

MRS. OSTERMAN: Mr. Speaker, I'd be happy to look into that situation. I am aware of a number of cases where people have got assistance from my department over the course of the summer as well as accessing student loans. I don't know whether that was done in an improper manner, but we will check into that policy.

MR. DEPUTY SPEAKER: Red Deer-North, followed by Athabasca-Lac La Biche if there's time.

head: **Chiropractic Services**

MR. DAY: Thank you, Mr. Speaker. My question is to the minister of hospitals and health care. It's no secret in Alberta and actually throughout Canada that the level of co-operation between medical physicians and chiropractors is not exactly terrific. One unfortunate example of the fallout that occurs from this lack of co-operation happens when a patient goes to a medical physician, receives a diagnosis and an X ray, then wants to go to a chiropractor for a second opinion but cannot get access to the X ray.

MR. DEPUTY SPEAKER: Question, hon. member.

MR. DAY: Thank you, Mr. Speaker. I'm just on my third sentence now.

That particular practice means the patient has to be X rayed twice at double cost to the system and a double exposure to a harmful X ray. Can the minister please tell us why he allows this situation to exist?

MR. M. MOORE: Mr. Speaker, that matter has been raised with me. It is indeed unfortunate that different members of different professions are not able to somehow or other co-operate adequately to ensure that people do not have to have two X rays at a double cost, I might say, to the system. I'm presently looking into the matter to see if there is something that might be done.

MR. DAY: Supplementary, Mr. Speaker. Another example of this unfortunate circumstance: is the minister prepared to investigate the present policy which does not permit a chiropractor to refer a patient to a medical specialist, so the patient has to go to the chiropractor, then to a general practitioner, and then to the specialist, resulting in great extra cost to the system?

MR. M. MOORE: Mr. Speaker, again that's a matter that is up to the profession and is usually the subject of the code of ethics of the particular profession. I don't believe the government would be able to offer any remedy to that.

With respect to the first question however, specifically about X rays, I can advise that one of the options we are presently considering is to require that X rays which are taken by any health care professional become the property of the individual rather than of the health care professional, in which case the individual could then transport them to whatever other health care professional might be most interested in them.

MR. DAY: A supplementary to the minister. All Albertans are delighted with the Premier's commission on health care. In light of the fact that there is medical representation on the commission but no representation from the chiropractic community, what assurance can the minister give to the chiropractic community that their concerns will indeed have a fair hearing before that commission?

MR. M. MOORE: Well, Mr. Speaker, I don't think anyone anywhere in this province would suggest that the chairman of the commission, the hon. Mr. Hyndman, would do other than give a fair hearing to anyone who comes before it.

MR. DEPUTY SPEAKER: A supplementary, Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Speaker. To the minister. Has this government not demonstrated a lead in undermining co-operation between the medical and chiropractic professions by focusing on nonmedical services such as chiropractic, podiatry, optometry, et cetera, in cutbacks under the health care system in this province?

MR. M. MOORE: No. The hon. member is mistaken about that. What we did do WAS look to areas that are not covered by the Canada Health Act where health care professionals could direct bill the patient in order to reduce the overall cost to the health care insurance plan. The hon. member may recall that the previous Liberal government in Ottawa implemented an Act called the Canada Health Act that prohibits medical doctors from direct billing patients. That doesn't apply to chiropractors, physiotherapists, podiatrists, optometrists, and others in this system. It's because of that Bill that we were required to move differently with respect to the fees. . . . [interjections]

MR. DEPUTY SPEAKER: Order please. Order please.  
Hon. minister.

MR. M. MOORE: It was because we were required to respond differently to different health care professions.

MR. DEPUTY SPEAKER: The question period has expired. Would the House support that we finish this series of questions?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Any opposed?  
Hon. Member for Clover Bar.

DR. BUCK: Mr. Speaker, to the minister of health. A question was asked by the hon. Member for Red Deer-North. A commission is supposedly an independent organization. Therefore, you couldn't have a chiropractor and a dentist and a nurse and a doctor of veterinary medicine, et cetera, et cetera, representing every viewpoint. Mr. Speaker, the purpose of the committee is to get an independent appraisal right across the province. Is that not the way the mechanism was set up with Mr. Hyndman as the chairman?

MR. M. MOORE: I thank the hon. member for his excellent explanation.

MR. DEPUTY SPEAKER: A supplementary, Edmonton-Belmont.

MR. SIGURDSON: Thank you, Mr. Speaker. To the Minister of Community and Occupational Health, whose responsibility is the Workers' Compensation Board. The same thing happens to workplace accident victims. I'm wondering if the Minister of Community and Occupational Health would advise the Workers' Compensation Board to enforce the right of those unfortunate victims of workplace accidents to choose their choice of method of recovery so that they can choose it without prejudice and without being penalized.

MR. DINNING: If I'm not mistaken, Mr. Speaker, that's the



case now.

MR. DEPUTY SPEAKER: Before we go to Orders of the Day, would the Assembly agree with reverting to Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Hon. Minister of the Environment.

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

MR. KOWALSKI: Thank you very much, Mr. Speaker. In the public gallery are 30 young grade 6 students from the Muir Lake community school. The Muir Lake community school is located just a few miles to the west of the city of Edmonton. In fact, Mr. Speaker, a number of the young people from this school are residents of the constituency of Barrhead, and there are also residents of the constituency of Stony Plain. These 30 young people are accompanied by two teachers Ms Laura Nelubowich and Ms Pam Henry. Mr. Speaker, I'd ask our guests to rise and receive the warm welcome of the Members of the Legislative Assembly.

MR. DEPUTY SPEAKER: Hon. Minister of Recreation and Parks.

MR. WEISS: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to members of the Assembly, 46 grade 8 students from St. Gabriel school, located in the constituency of Fort McMurray and right in the city of Fort McMurray. They're accompanied today by their teachers Marlene Cooper and Jean-Paul Desaulniers, along with parents Dolores Clark and Val Corbin. I've had the pleasure of attending this school on various occasions and invited students to visit myself in our school. So welcome. I'd ask all members of the Assembly to extend a cordial welcome to them as well.

Mr. Speaker, I might indicate that they do as they're told. They weren't asked to rise, and you noticed that they did not. So now they will.

**ORDERS OF THE DAY**

head: **COMMITTEE OF SUPPLY**

[Mr. Musgreave in the Chair]

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

**ALBERTA HERITAGE SAVINGS TRUST FUND  
CAPITAL PROJECTS DIVISION  
1988-89 ESTIMATES OF PROPOSED INVESTMENTS**

**Department of Hospitals and Medical Care**

**Applied Cancer Research**

MR. DEPUTY CHAIRMAN: Hon. minister, any comments?  
No?

Hon. Member for Edmonton-Centre.

REV. ROBERTS: Mr. Chairman, thank you, I just want to finish with a few comments we didn't get in on Friday. One is to thank the minister very much for the annual report of the Alberta Heritage Savings Trust Fund for applied cancer research. It certainly answers a number of questions, and we're pleased that such a thorough report is made each year. It's interesting, of course, that the chairman of the Cancer Board is a very good Progressive Conservative person who has been very active in the party. He's a swell guy as well. We know that Mr. Pop-pitt and others who work on the Cancer Board do serve the province in some very good ways, although it's surprising that they have both a PC membership card and such a key role in determining how cancer funds are spent. But nonetheless, it's good work.

I also want to point out to the minister -- I think he alluded last week to the fact that we have ample opportunity in the Legislature to debate questions about research for health care issues generally. I really don't know where that time is available. Certainly under the Department of Hospitals and Medical Care vote there's not much money devoted to research, and certainly the Heritage Savings Trust Fund for medical research does not come before the Legislature -- and I wish it would -- though there is time during the trust fund hearings, I guess, when that could be raised. I still would beseech the minister and his department, through the Hyndman commission or whatever, to come up with a much stronger overall proposal or direction for funding for health care research, implicit in which would be applied cancer research.

There was one other point, Mr. Chairman, and I've forgotten what it is. I guess we'll have to leave it at that for this year and look at it again next year.

Thank you.

HON. MEMBERS: Question.

MR. DEPUTY CHAIRMAN: The question has been called.

Agreed to:

Total Vote 1 -- Applied Cancer Research	\$2,800,000
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**2 -- Walter C. Mackenzie Health Sciences Centre**

MR. DEPUTY CHAIRMAN: Hon. Minister.

MR. M. MOORE: Mr. Chairman, I have some brief comments I'd like to make with respect to the Walter C. Mackenzie Health Sciences Centre vote. The project costs for the 1988-89 year are really a winding down of this project. I would have hoped that it might have wound down a little bit sooner, but there are some ongoing costs associated with a variety of matters.

First of all, the handrails in the hospital that prevent people from falling or jumping several storeys below need to be modified so that there's more protection, and that is what part of the \$2,400,000 here is involved with. In addition to that, there are some other modifications in various areas throughout the hospital that are considered to be modifications to the original design that should go with the original project, and then there's some landscaping remaining to be done as well. All of those expenditures amount to about \$4 million, of which we request this year only a portion because it isn't expected it would be completed.

Finally, with respect to future years, it is expected that the only additional major cost will be completion of the projects I've just mentioned plus the possible demolition of the 1950 and

'57 wings. Members may recall I indicated earlier in the Legislature that we had asked the University of Alberta to not demolish the 1950 and '57 wings, believing there may be some possibility of utilization of those for other purposes. Thus far we have not found any utilization for them but have still not made a final decision on whether or not they'll be retained.

So, Mr. Chairman, that's a description of the breakdown of the expenditures involved in this particular project for this year. And as I indicated, it's likely that one more year will see the last of this particular project.

MR. DEPUTY CHAIRMAN: Hon. Member for Edmonton-Centre.

REV. ROBERTS: Thank you, Mr. Chairman. It's great to have some time to talk about the Walter C. Mackenzie Health Sciences Centre, as I've spent a good deal of time there over the last two or three weeks and have got to know the building and a lot of how it works and the people who work there, and I really find it to be quite an extraordinary building and health care centre.

I do find it to be a kind of irony of sorts that after the building was put up, I guess there are still some questions as to whether it was built with more of an architectural flair in mind as opposed to a health care service flair in mind. A lot of the walkways and a lot of the openness of it, as we've said before, resemble the Eaton's Centre in Toronto because it was the same architect. We should now have to be spending money to put up glass shields on the walkways to be an impediment preventing people from either falling over or, as the minister says, jumping over. It is, I think, a point of real concern and a question, despite the aesthetics of an open building looking as wonderful as it does, just how functional it was to have left the walkways so open and so vulnerable; how functional, how appropriate, it is to put the psychiatric unit on the fourth or fifth floor. I believe. There wasn't much farsightedness in just a year or two down the line now having to spend money to put up glass shields on the walkways. Nonetheless, I guess we have to live with getting to know these buildings and how they operate and the different weaker aspects of them.

But I again wonder just at the initial stages how much medical care was put into the design of the buildings. I know in speaking with a number of the nurses who work there, as I met them over the last three weeks, there is some concern about carpeting in the rooms. It certainly might help to cut down on the sound to have the carpets throughout the building, but a concern about the blood that might spill or the urine that might spill and having them stain the carpet and being very unhealthy and very difficult to clean and, again from a health care sense, being much less efficient than if some of the rooms had been designed with a tile floor instead of the carpeting -- again, I don't know who made these decisions or why such expense was gone to to have carpeting in all the rooms, but if it's going to be a state-of-the-art building, it seems to be an area where you'd think they would have thought of these kinds of things in advance and avoided them.

I'm intrigued, of course, as well to hear about the landscaping that's going on around the building. I guess as someone who's driven there quite often, it seemed to me some of the landscaping needs to be done, but also some expansion of the parking facilities. I tell you, Mr. Chairman, trying to find a parking space over there is just next to impossible, particularly when the university's in place or during the year. Then if

they're going to build this children's hospital right on campus too, it'll further exacerbate a very bad situation of trying to get parking anywhere around there. But I guess together with the landscaping of the areas around the centre, due respect will be given to increasing or maximizing the parking potential as well as the landscaping potential.

Now, the minister made reference to the demolition of the 1957 wing, Mr. Chairman, and it's interesting to hear him back off what he said last year about using it as a warehouse to put elderly senior citizens in as a long-term care facility. I voiced my objections very vociferously at the time that a building such as the '57 wing, which has not been kept up to code, which has not been kept up to date in a number of different ways -- when they realized that with the new hospital it was not going to be put in use, it would be the last kind of building to use to put senior citizens in or elderly requiring long-term care. So for the minister to even begin to contemplate using such a warehouse to put senior citizens in is to me repugnant, and I'm surprised even to hear him say today the "possible" demolition of the '57 wing. I think it should be the complete demolition of '57 wing and that there's no remnant at all of the sense that it might remain as a long-term care facility for anyone. I think, as the minister discovered last year, even the cost of renovating it or refurbishing it up to code or grade or standard would be prohibitive; plus, the whole notion to me of trying to use an old building like that to put long-term care patients in is just completely unacceptable. I'm glad he's seen the error of his ways there.

I guess another question we have, Mr. Chairman, as we've raised, is about the waiting list for elective surgery. I've been very surprised, in talking to some people who work in administration and work on the staff of the operating rooms over there -- I don't know how much of this money, if any, is going to expand day surgery or outpatient surgery theatres. Because in fact I hear there are already one or two that were built that aren't being used. Again, they say it's up there, it's ready to go, but they can't find the critical care nurses or the other staff to run those facilities. I find that to be very regrettable, given people waiting at length for elective surgery. Particularly, I don't know what the minister can do to offer greater incentives or greater cost efficiencies to fully develop the day surgery and outpatient surgery units of the hospital. It seems to be that's the way to go, and if there's anything in the capital side of it which can help to ameliorate that situation, we should be doing it.

It was very interesting to read in the *Globe and Mail* over the weekend, Mr. Chairman, about Clarence Guenter, the vice-president of Foothills in Calgary, talking about some procedures they're using at the Foothills to in a sense give some priority to those on waiting lists. I think he was making some very good points about bringing to bear some real standards with respect to setting those priorities, but together with whatever capital renovations need to go on to make outpatient surgery and day surgery more available and accessible to people, I think it would go a long way.

The last point I would like to raise, Mr. Chairman, is that here it is, the Taj Mahal, as it's called, the number one health care facility in the province, built at -- I'm not sure what the final cost is -- \$400 million or \$500 million. I think the minister said last year it was \$800 a day for a bed in the centre. I'm wondering if any of these dollars or other dollars the minister knows of are going to some kind of way to help to evaluate what the efficiencies and inefficiencies of this particular state-of-the-art building happen to be. Now, it seems to me that if we've put it up, if we've gone to such great expense to have it in the

province, due attention should be paid and some funding should go to some people to really evaluate: is it just really state of the art? I mean, there are certainly many areas where it has incredible efficiencies. There are other areas where I'm told there are great inefficiencies.

If the minister has any evaluation, for instance, whether he's going to continue to build hospitals such as this where there are nursing units with 24 beds per unit when we're told that nursing units really should have 30 or 32 beds per unit, that to have the 24 beds per unit as the Walter C. Mackenzie has is very inefficient -- whether there's any evaluation of that whole very thorny question. Because after all, Mr. Chairman, this is a building primarily for nurses. It's nurses who work in it and staff it and are having to use it day in and day out, 365 days a year, and the input of nurses into both the design and construction of hospitals, as well as evaluating just how efficient they are, I think is something that should in great good conscience be sought. I'd be interested to hear if any of this \$2.4 million is going to be used in that regard. Because, as I say, the final dollar tally for this building is enormous, and I think it would be worth spending a paltry sum at least to evaluate what we would do again and what we would not do again if we had similar kinds of money for some other kind of facility, and perhaps even in that evaluation make some changes over the next few years. As I hear the minister saying, this \$2.4 million is going to be it for the dollars out of the Heritage Savings Trust Fund for the Walter C. Mackenzie forever.

So those are some of the concerns and questions. I'm not going to say, as the minister suggested last week, that we should just sit back and write the cheques and let the experts decide how it's going to be spent. I think we have a responsibility to have an inquiry and a discerning mind as to how the moneys are allocated and how they're being spent even by very good experts over there at the Walter C. Mackenzie. These are some of my discernments and inquiries about the dollars that are now going and have gone to the Walter C. Mackenzie.

Thank you.

MR. DEPUTY CHAIRMAN: The Member for Athabasca-Lac La Biche.

MR. PIQUETTE: Yes, Mr. Chairman, I'd like to make a few statements relating to Hospitals and Medical Care, about when the Applied Cancer Research . . . Last year I asked the minister about the ongoing research relating to geographic areas which seem to have higher proportions of cancer rates than others. I identified, for example, the . . .

MR. DEPUTY CHAIRMAN: Hon. member, we are now dealing with the Walter C. Mackenzie health centre. We are not dealing with Applied Cancer Research.

MR. PIQUETTE: We can't go back? No? Okay. Well, I'll just conclude that statement. I wonder if the minister could look into the fact that the Lac La Biche area has been identified as having a very high cancer rate, and whether some of the recommendations for a research project should look at the Lac La Biche region, like they did for Sherwood Park, for example, in terms of finding out why there is such a high rate of cancer in that geographical area.

In terms of the Walter C. Mackenzie Health Sciences Centre, it's a beautiful edifice; there's no doubt about that. My brother just recently had a cataract operation and was quite impressed

with the facilities there in terms of the . . . I took the opportunity during the hospital visit of looking at the magnificent structure. One of the questions I'd like to ask the minister relating to the building is whether the planned expansion of the Mackenzie Health Sciences Centre at the present time will be on the same site or adjacent to the site. I'm just wondering about the whole traffic flow around that area there, whether that's been addressed by the minister -- when I was talking to some of the nurses on staff, they did indicate that especially when university is on, there appears to be quite a traffic flow problem and even difficulties with the ambulance service in that area -- whether the whole traffic flow situation has been investigated by the minister or by the minister of transportation, if we're not going to be putting ourselves in even a bigger bind in the future because of the continued growth of the Alberta university. Hopefully with the LRT extending to the south side across the High Level Bridge, that should perhaps alleviate problems in the future. But I wonder if the minister can answer that question.

Relating to the Walter C. Mackenzie Health Sciences Centre, I wonder if they are looking at an idea similar to the Cross cancer clinic, of doing some piloting in trying to put in some of our larger regional hospitals some of the perhaps ongoing experimental types of treatment occurring in that facility. I'm thinking, for example, of the Cross cancer clinic: to alleviate the whole pressure on that facility, they have regionalized some of the cancer treatment programs into, for example, Lac La Biche -- and I believe they have one in Vermilion now -- and into the Grande Prairie area, where a patient does not have to travel to the city to the Cross cancer clinic in order to access ongoing treatment. I'm wondering if the Walter C. Mackenzie centre could perhaps take a look, with their specialization, at maybe some of those treatment programs or ongoing treatment programs, whether they could also be transferred to some of the larger regional hospitals, especially in rural Alberta where distances are quite a factor and especially with patients who are maybe terminally ill or in the more common types of disease areas where that service can be provided more in the home setting of the patient rather than all in a centralized location. Now, whether that's economic or not, I don't know. But I'd like to point out the fact that the Cross cancer clinic seems to have created a pilot project which has proven to be quite successful in a few regions in Alberta.

I'll wait for the minister's answers on these questions.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Chairman. I just want to ask a couple of questions and echo some of the sentiments expressed by the Member for Edmonton-Centre.

The Walter C. Mackenzie hospital is quite a fantastic facility. Unfortunately, I think it illustrates one of those projects of the government that they continued to build at a luxury level that was probably unnecessary and unwise considering the downturn had already occurred back in '81 and '82. They continued to build as if they had the kinds of dollars they had in '79, '80, and '81. The cost of that facility was much greater than they probably should have put into it given the revenues of the province. Having done so, and claiming them as deemed assets under the capital projects of the heritage trust fund still to this day, I wonder if it's time for an assessment on the efficiency of building something quite so palatial and then finding you don't really want to put the money into it to operate at full capacity. That

does seem to be a problem. I've had more than one person indicate to me that that's a bit of a problem. The government is reluctant to put in the kinds of dollars that would take full advantage of the facility itself, and the facility itself, it seems to me, has some built-in inefficiencies, a lot of wasted space that has to be heated and that sort of thing. I'm wondering if the minister is intending some kind of assessment of that structure with those things in mind.

I guess I would like to ask the minister, and I think it's something we have to ask all the ministers in all the capital projects divisions of the heritage trust funds: does it really make sense to keep a project like that listed as an asset of the fund? You might be able to make a better case for it, perhaps, for the Walter C. Mackenzie hospital than you could, for instance, for vote 1 on Applied Cancer Research that we were talking about earlier. The Applied Cancer Research, it seems to me, would be much more of an operating kind of thing and even that much harder to justify tallying up the amount you're spending and then saying, "This is part of the deemed assets of the fund."

So I think the ministers on the side opposite should start to talk to the Treasurer and get him to list things like the Walter C. Mackenzie hospital as a one dollar sort of thing, just an asset of the province at one dollar. It doesn't make much sense to say that somehow that's an asset. You can never sell it; you could never get the money back out of it now. I think that unless the ministers start taking a hand in that and talking to the Treasurer, we're going to be left with this anomaly forever. Because no one seems to be able to convince him to straighten out the deemed assets of the heritage trust fund -- not even the Auditor General.

MR. DEPUTY CHAIRMAN: Member for Edmonton-Centre.

REV. ROBERTS: Yes, Mr. Chairman. I forgot just a couple of things. One is if the minister would comment on the role of the hospitals foundation. I know they have been trying to use the University of Alberta hospital foundation to be raising funds from the private sector for capital spending on the hospital, and I haven't done as much in that area as I'd like to. I wonder if that is going to be matched at a 2 to 1 level from government funds as university foundation moneys are, or what the minister sees as being the role of that foundation in raising private-sector dollars for capital expenditures in an ongoing way when this amount dries up. It seems to be an aspect of things here.

The other is to tell the minister how grateful I am to him. We just got the bill from the hospital for the birth of my son. It apparently cost the University of Alberta hospital \$6,194. I don't know what to do about this: whether to say thank you, whether to say I should feel guilty that we're costing so much money, or whether it was things we didn't really want or ask for. Nonetheless, there was \$6,194 for a new baby boy. I want to thank the minister for that funding and for the building in which he came to be.

Thank you.

MR. DEPUTY CHAIRMAN: You should be thanking the people of Alberta.

Mr. Minister.

MR. M. MOORE: Mr. Chairman, just some brief responses. First of all, the hon. Member for Edmonton-Centre. While we appreciate the opportunity to provide services to him and his family in one of the finest facilities in North America, he should

be aware that any small rural hospital in Alberta would have delivered his son for about half that amount of money. He might remember that the next time he's knocking all the hospitals outside of Edmonton and Calgary for their inefficiencies -- \$295 a day instead of \$700 a day.

With respect to one comment made by the hon. Member for Edmonton-Centre about warehousing old people, no such proposal was ever even anticipated by our government with respect to the '50 and '57 wings. We were looking at the possibility of upgrading them and using them for much-needed senior long-term care accommodation. Since that time, we did make a decision to convert much of the Edmonton General to long-term care. That, of course, is now under way with the movement of the active treatment patients over to the new Grey Nuns hospital in Mill Woods.

If I could deal just briefly with the comments about cancer research. The Chairman ruled initially . . . I wanted to discuss the votes together, and he said they had to be done separately, and that's fine. But members may wish to comment to me privately about any concerns there. The one raised by the member for Athabasca, I think, probably more properly needs to be addressed by the Minister of Community and Occupational Health. But he can proceed, Mr. Chairman, to follow that up.

With respect to traffic problems around the university area, I have no solution to that. I don't know that anybody else has, except that the public transit system which is moving across the river, as the hon. member indicated, is going to be at least a partial solution. Obviously it wouldn't result in any additional parking spaces there. But the whole university area is going to have to depend upon the vast majority of people, particularly those living in Edmonton, taking public transit facilities to and from in order to accommodate the development that is presently there.

With respect to the matching funds where the hospital foundation raised dollars, we presently do not have a program of matching funds, but it is something that is under consideration with respect to matching dollars that are raised for equipment purposes. There may be some additional announcement in that regard before too long.

Finally, on the whole issue of the efficiency of the Walter C. Mackenzie Health Sciences Centre, it is indeed a costly centre to run, but I recently saw a listing of the 50 largest hospitals in the United States -- in New York, California, Florida, a number of other communities -- and there was not one single hospital in the U.S. among the top 50 hospitals, many of which would rate on an operational basis close to the level of the medical care provided at the U of A, that even came close to the operating costs of the U of A. They were all much, much higher. In U.S. dollars, I recall, one in California ran up close to \$2,000 U.S. per day. So there are fantastic costs in large hospitals where you have intensive care patients and the expertise that's at the university hospital. Our review is that the operations there compare very, very favourably with any other university teaching hospital of that nature across Canada.

The only other thing I can say is that the people I've talked to who come from outside Alberta to visit that facility and to view it and look at it, including those who are intent upon building similar facilities, are extremely amazed at what we've been able to do in Alberta, in Edmonton. They call it the state-of-the-art hospital. They also tell me that its operational aspects, while having a little rough sweating the first two or three years, tend in their view to be extremely good. So I think rather than knock the hospital and how it's constructed and what it cost, we

need to be proud and positive of being able to afford when we did to build a hospital of that calibre and now to have the calibre of medical people available to look after the health of our citizens.

My final comment about the construction is simply yes, we could have stopped construction in 1981-82 when the downturn came, but I don't know what we'd have done with a half-completed building. As members know, once you pour the foundation for a barn, you pretty well have to build the barn the same size as the foundation. Once you got started on that project, it wasn't something you could really turn back on and reduce the scale or size or scope of it. Frankly, I'm glad we didn't, because we've now got it and, as I say, it's a state-of-the-art hospital for our province. We all should be very proud of that.

SOME HON. MEMBERS: Question.

MR. DEPUTY CHAIRMAN: The question is being called.

REV. ROBERTS: One other point of concern, Mr. Chairman, just for the record, or at least if the minister could comment briefly on the air ambulance service that has been going in there. I know there's some concern with the residents of the neighbourhood. But I'm not even sure of the funding, whether the landing pad there for the helicopter is going to be upgraded, if it's going to be extensively used, and whether or not the new ambulance proposal, the air and ground, is going to be linked in such a way that there's going to be more of a use for that air ambulance service in the hospital.

MR. M. MOORE: As far as I'm aware, there's been no change in the problems associated with the landing of helicopter ambulances there. Hopefully, there will be a solution to that down the road. With respect to whether or not there's greater or lesser utilization of helicopter ambulance services, that indeed is a matter we will have to deal with over the next few months with respect to what direction we take with the emergency medical services report that was chaired by the hon. Member for Drumheller.

Agreed to:

Vote 2 -- Walter C. Mackenzie

Health Sciences Centre \$2,400,000

head: **Department of  
Community and Occupational Health**

MR. DEPUTY CHAIRMAN: Hon. Member for Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Chairman. I just want to make a few comments. I spoke primarily to this when it was before us earlier, and I just want to make a few more comments.

I'd raised in my presentation that we should be advised as to the mechanism employed in transferring the research found as a result of the funding -- how it eventually finds its way to industry, to the worksite. I know the minister has said that it's available in the libraries; it's available to those who want it. I guess just another question, then, is: how do we encourage the use of this research? How do we ensure that the employers and other groups get access to this? How do we advertise the fact that we have this research in libraries? Because I think it's

money well spent, but it should be even better spent if it's made available to as wide a range of people as possible.

MR. DEPUTY CHAIRMAN: I wonder if we could have a little order in the committee. It's difficult for us to hear with the speakers.

MR. EWASIUK: Also, in the training and education part of the minister's report, I wanted to again come back to the need for safety committees on worksites. I want to particularly make reference to construction sites. My understanding is that once a plant or facility is complete and it's taken over by the operational people, at that time some stability exists in the plant both in terms of workers and management. Consequently, the safety aspect tends to take hold and develop. But it's during the construction phase that many injuries seem to occur, and this is being attributed by and large to the transient type of activities, in that workers are coming and going. In fact, management people may also be moving around to a fair extent, and consequently you don't have a stable organization. It is therefore the need at that point to ensure that someone has control or a hand on the safety on that construction site. Of course, both management and employees have some obligation, but because of the transient nature of the operation no one tends to -- at least the perception is that no one tends to -- really take their responsibility to the extent that they might.

So perhaps the minister may want to speak to that. We're really talking about accident prevention. I think this particular item we're speaking of is prevention. So perhaps the minister may want to make some comments whether he is -- and I suspect he must be -- familiar with this: the rate of accidents on actual construction jobs relative to a plant operation, that there must be significant change, and what efforts are being made to alleviate those problems that occur on those sites.

I also note, just in passing, that there is a reduction in the funding again this year. While I realize there may be a restraint in the government's program, I think when it comes to health and safety we really can't afford to use restraint as the rationale or the reasoning. I would therefore think, particularly by the record in the oil industry and in construction, that there needs to be perhaps more emphasis placed -- I'm not sure that necessarily means cost, but most often it does -- and that more money be spent on training and education of both employers and employees to ensure that we continue to bring that fatality and accident rate down in the province of Alberta.

MR. DEPUTY CHAIRMAN: Hon. minister.

MR. DINNING: Mr. Chairman, I'll just respond briefly because I think the questions were somewhat brief.

As for transferring of materials, and what we learn from the work that's done under the heritage grant program to the worksites, it's an important point. So too, Mr. Chairman, is it an important part of the program application, such that when an individual applies for funding under this program an important part of his proposal must spell out how the research will be transferred to the field. I think of two or three excellent points. I refer to A Health and Safety Guide for Small Business, a recently approved project put forward by the Canadian Organization of Small Business: some almost \$150,000 allocated to this program. What we requested of the Canadian Organization of Small Business when they presented their proposal was that they had to ensure the material was going to get out in the form of

easily read -- not technical but easily read -- booklet material, handbooks, possibly using such innovative communication materials as videos and tapes and easy-to-access material, that could go immediately to workers and to employers ready to use on the worksite. I think of a training manual and videotape for materials handling around draglines that the coal mining research centre has asked us for funding for, and we've provided that. Again, that's safety material that's ready to use on the job.

The same with chain saw safety in the forestry industry. Through the Alberta Forest Products Association we've worked with them, and they've come up with some excellent materials in training workers in safe use of chain saws.

I also refer to the Alberta Federation of Labour, which was funded in going out into the field delivering directly to front line safety practitioners safety programs, and then those newly trained people went out and trained a number of other people. Much like a pyramid approach, we used that effective way of getting material out.

I wanted to talk briefly about the training programs, whether we're funding a Grant MacEwan college, the University of Alberta, or the University of Calgary. It's providing funding to develop course material to deliver to individuals who come and take a nursing certificate or an occupational health and safety part of the Faculty of Medicine at either of the two universities. We're providing that funding to develop a program of materials so that they can deliver it to students who come and participate in the university.

I want to just speak briefly on the reductions, Mr. Chairman. In 1987-88 the program came to the Legislature for funding in total of \$1.5 million. The amount of money that was actually expended under the program was \$830,000. Our problem is that we can only respond to the quality proposals that come to us. We aren't just going to go out and throw money and let it flow just for the sake of doing research. We want to make sure it's quality research, and we're in the driver's seat in approving proposals that we receive. Yes, we go out and encourage others to bring quality proposals to us, but we can only fund the quality work and the quality proposals that come to us. I would be delighted some day, Mr. Chairman, to bump up to the ceiling in total expenditures, because that would indicate that we've received some quality programs and proposals to fund.

MR. DEPUTY CHAIRMAN: I wonder if we could revert back to Hospitals and Medical Care, and allow the hon. minister to report his two votes.

**head: Department of Hospitals and Medical Care**  
(*reversion*)

MR. M. MOORE: Thanks very much, Mr. Chairman. I move that votes 1 and 2 under Hospitals and Medical Care, capital projects division, Heritage Savings Trust Fund: Applied Cancer Research and Walter C. Mackenzie Health Sciences Centre, be reported.

[Motion carried]

**head: Department of  
Community and Occupational Health**  
(*continued*)

MR. DEPUTY CHAIRMAN: Thank you.

The hon. Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Chairman. Just a couple of comments and questions, and actually the minister to some extent touched on this in his remarks a moment ago.

I was looking at the introduction to the research document he gave us earlier. He says that revised priorities have been established for the grant program: the emphasis is on projects which will provide solutions to known high-priority occupational health and safety problems. I wanted to say, Mr. Chairman, that that implies to me a rather proactive approach, and the minister did come close to saying that he would like to and tries to be as proactive as he can in encouraging proposals to be brought before him but that, in effect, he has to in the final analysis merely respond to the proposals that are made to him. So I wanted him to deal a little bit more with that problem. And perhaps I can think education is important, and this is what he was talking about earlier that education is an important part of occupational health and safety and that you have to go out and educate the workers to be safe in the workplace and you have to educate employers to provide safe working conditions and so on. And I would agree with him on that. But I think there's a fine line between being a proactive minister in terms of pushing in that direction and being a reactive one, and I think he's trying to balance those two things in terms of which proposals get funding and which directions the money is spent in terms of research and safety.

Perhaps, on a more obvious scale, you have to compare the difference between going out and educating people to be safe, which is one thing and very important, and also taking the courage in your hands to insist on safety on the part of some employers; in other words, be prepared to prosecute in some cases, be prepared to come down hard with some people and say, "Look, you will do this." I'm particularly thinking of the oil industry. I raised the question with the minister the other day, which he sidestepped. I was disappointed that a company was fined only \$500 each for two workers who were killed. I did mention something about the foreman and one of the other administrators who had to pay combined fines of \$7,500, and he said, "Oh, well, that's before the courts, because that's going to be appealed." Well, it's not talking about that, because I'm not expert enough to judge what that fine was. But I just say that it sounds awfully strange to me that the parent company, who must have had some responsibility, got away with a \$500 fine or that somehow the minister doesn't have the right. Maybe that's all they deserved in this case. I don't know; I'm not trying to judge the case. I'm merely saying: does the minister have the clout and is he prepared to use the clout to fine a company \$1 million or \$2 million in a situation like that if it's warranted, or at least to have the law such that he could do that?

So I think that rather than just being reactive to proposals and just concentrating on education, both of which are important, I wonder if the minister is also prepared to become more proactive in terms of the direction and initiating research into safety, and also be stronger in enforcing the safety rules that we do have, or maybe strengthening those if necessary.

MR. DEPUTY CHAIRMAN: Mr. Minister -- if there's no further debate.

MR. DINNING: Mr. Chairman, briefly. In my remarks before the Standing Committee on the Alberta Heritage Savings Trust Fund Act on January 7, 1988, I spelled out there our priorities, and the member has referred to them: small business. The Member for St. Paul had asked me this question when we last

debated these estimates on May 17 in the evening. I just want to outline once again those priorities.

First of all, small business; secondly, worksites where serious or fatal accidents have occurred; thirdly, in the area of communication: how do we get our message out effectively so that workers and employers truly are taking this information and changing their behaviour, changing their attitude? Fourth is the priority of chemical and biological hazards in the workplace, and we've responded with the legislation that was introduced a couple of weeks ago. Bill 35, the Occupational Health and Safety Amendment Act, 1988, where we've introduced the workplace hazardous material information system; and fifthly, in the area of the oil and gas industry.

Mr. Chairman, we sent those remarks and other material out to all of those who are involved in the occupational health and safety research field, including all of those who've been funded in days past since this program began in the early 1980s. So we're getting that message out and saying: "These are our priorities, this is where we want research work done. Come back to us with proposals under this umbrella, and more favourably will we look upon those kinds of proposals." I think it is the right way to go, Mr. Chairman, because we don't have all the money in the world. We have all that's required in years past, but we want to dedicate those funds to be used in those important key priority areas.

As for the area of enforcement, Mr. Chairman, I mentioned Bill 35, our amendments to the Occupational Health and Safety Act. We have introduced in there a tenfold increase in the amount of maximum fines that can be levied under that Act for violations under that Act, and we will continue to prosecute where appropriate. Last year I believe some 100, 110 prosecutions were undertaken, and on the advice of our lawyers and on following a complete investigation of accidents, we'll assemble that information and, working with the Attorney General's department, make decisions to go after the bad actors. But that is the last resort, Mr. Chairman. It is the last resort we must take. Our efforts are and will continue to be in the field of education and helping to prevent accidents, because it's no good after the fact. That's really a last resort initiative. I'd rather focus our efforts on a program like this and continue to support the efforts of the Occupational Health and Safety division in their education, training, and awareness approach.

Agreed to:

Total Vote 1 -- Occupational Health and  
Safety Research and Education

\$ 1,380,000

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

[Motion carried]

head: **Department of Energy**

MR. DEPUTY CHAIRMAN: Does the hon. minister . . . Hon. Member for Calgary Forest-Lawn.

### **1 -- Alberta Oil Sands Technology and Research Authority**

MR. PASHAK: I just have some general questions, Mr. Chairman. First of all, I note from the capital projects division estimates that to March 31, 1987, the Alberta Oil Sands Technology and Research Authority has been provided with some \$382.849

million, and if we add moneys that have been paid to that authority since that time, we're probably looking at about half a billion dollars, almost, of expenditures in this area. So I would like the minister to provide some sort of justification for those expenditures. Have we, in fact, got a reasonable bang for our bucks? I mean, that is a tremendous sum of money.

I also notice that there is a shift in funding that has been taking place, and perhaps the minister would care to explain why that shift. By a shift in funding, I mean that more and more of the funding for the Alberta Oil Sands Technology and Research Authority comes from the General Revenue Fund as opposed to the Alberta heritage trust fund. But when I add up the sums from both the trust fund and general revenues over the past few years, it seems to me that AOSTRA is getting a decreasing amount of funding, so that in '86-87, if we add the General Revenue Fund expenditure to the heritage trust fund expenditure, the total there is approximately \$70 million; in '87-88, if we add those two sources of funding together, it decreases to \$50 million; and if we look at the estimates for '88-89, according to my figures, the total amount of funding going to AOSTRA would be about \$39 million. So two questions there. Why the shift in funding? And the second question is: am I accurate in noting a decline here, and what is the significance of that decline in funding to AOSTRA?

Also with respect to these estimates, maybe some comment on the kind of research AOSTRA is doing at present. I know they've done some intriguing research with respect to the recovery of oil from bitumen and from the tar sands. I have a concern with whether or not they're doing any research that might apply to treating the waste from the operations of the tar sands plant, because as I understand it, we've created these huge tailings ponds in the Fort McMurray area that are just sitting there, and they present a potential hazard. I believe on one occasion a few years ago the dikes holding these ponds gave way, and there was a threat of all of this by-product washing into the Athabasca River. I note there has been some research done in the past. I'm not sure that it was done by AOSTRA, by the Alberta research authority, but in any event it looked at products that could be made from the waste product. They looked, for example, at making glass from the silicon dioxide and that sort of thing. But apparently the sand doesn't have the right consistency or constituency or whatever in order to allow the waste product to be used for glass-making purposes.

I believe some of the AOSTRA funds are going into a research activity with the OSLO partners. OSLO stands for the Other Six Lease Operators in that area. But what are they doing? Are they looking at the problem of waste as a by-product and how they might deal with that in a more environmentally sensitive way? I understand that the OSLO project, for example, is considering looking at a form of dredging as opposed to a kind of scooping operation that's associated with the current oil sands plants. Perhaps the minister would care to comment on that as well.

MR. TAYLOR: Mr. Chairman, the hon. member wants to lump our questions together, I gather.

I'm a little concerned on AOSTRA's budget, although one positive sign is that it's come down from \$21 million to \$9 million. Probably one of the first questions I would ask the minister is whether that's a continuing trend. In other words, are they going to try to phase it out or keep it down a little less? I wonder just what is the stable minimum that he's going to operate on. I've been a little bit bothered through the years, because if

there's one area that does not need too much public help with public moneys it's the major oil companies of the world being supplied with research on how to extract oil. It's a little bit like the old saying of carrying coals to Newcastle, or trying to bring more and more Tories into the provincial patronage system. In other words, the system is already working a hundred percent, and I don't see where we do any great good to Alberta by trying to show our major oil companies how they're going to extract oil, I think they're quite able at doing that themselves.

But that does lead to another bit of a question that's bothered me a bit through the last number of months when I see the number of suggestions, Mr. Chairman, of loans and guarantees to these large corporations to develop a facility, the results of which, indeed, will be to export into the United States. It always puzzles me why we should have to put up taxpayers' money to finance the building of an organization that's going to export abroad. If the people abroad want our assets that much, it seems to me we would be able to work out deals where you get moneys from them in return for giving them a certain percentage of the flowthrough. Particularly now that we're approaching a free trade agreement, there seems to be absolutely no sense in not using the money of the people you're exporting to to develop these assets. At least in the old days, or back pre-free trade, where you sometimes managed energy as your own utility or as your own resource in order to price it differently from the rest of the world in order to give your own people a break -- an idea that I like -- the foreign investor, being American or Japanese, could well argue, "Well, if you drag our money in there, what are we going to get out of it?" But now the foreign investor certainly has access to whatever the outflow from the plants is. So I don't think it is as necessary as it was in the past to put up money to investigate new ideas.

I'm a little bit skeptical of how effective AOSTRA is, because surely AOSTRA must have had some input into the upgrader decision. That might be worth while finding out. Is AOSTRA doing anything in the upgrader situation? Even from my very limited knowledge of the oil industry, I think a year ago I told the minister the upgrader wouldn't fly; two years ago I told him the upgrader wouldn't fly; six months ago I told him the upgrader wouldn't fly; 48 hours ago I told him the upgrader wouldn't fly. Yet here is an organization that's getting \$9 million a year -- and for a measly \$20,000 a year I'll tell him the upgrader won't fly. So where's he getting his advice that's telling him the upgrader will fly? Now, if we want to pension off the residents of Lloydminster -- and some of the nicest people I've met are from Lloydminster -- we should sit down and figure out how much it would cost to give them each a \$10,000 or \$20,000-a-year pension, not the huge grants we're going to have to give Husky and all their friends to make the upgrader fly. Because it will not fly, I don't know many people in the oil industry that think it'll fly.

So I'd like to know if AOSTRA -- who is advising them? Because if they are telling you that, if the minister has been advised that it is a good economic deal by AOSTRA, I would suggest we move that we restrict their budget to \$1. But I'd like to find that question out first before we do that.

Mr. Chairman, I'd like to throw out a couple of other ideas that if AOSTRA is going to be around -- and let's suppose they had nothing to do with the upgrader decision, which I hope they haven't -- has the minister thought at all of using the leverage of AOSTRA's research in the upcoming renegotiation of the tar sand leases as a vehicle or as a shoehorn to give the government an equity interest? Now, I know the minister may well argue,

"Well, we've got equity interest now." Well, that's true. You can get all the equity interest you want up to 40 or 50 percent with the major oil companies today when oil is at \$15, \$20, or \$25. But let it go to \$45 and you'll find they won't give you .1 percent. So consequently, maybe AOSTRA -- because they're doing so much research in this area -- and the government, working in unison with AOSTRA, should have a back-in clause to some of these leases in the years ahead. Some of these leases, as you know, were negotiated, I think, 50 years ago -- a lot of them 25, 30 years ago -- and they're going to go on and on forever. In fact, I would suspect the Liberal Party will have been in power 20, 30 years in this province before these leases come up for renewal again. Some of these are coming up for renewal before we go too long. Maybe we should use a back-in of some sort.

The other area I'd like to ask the minister to look at: whether AOSTRA is looking into two areas -- if I could get the hon. Member for Redwater-Andrew's ear a minute here, Mr. Chairman. Speaking to the minister -- if I can get by the hon. Member for Redwater-Andrew; he can always talk to him some other time -- I had two more questions. One was whether or not there's been any research in stackless plants. I notice you mention that the conventional oil enhanced recovery, oil sands technology, doesn't mention that. But I don't know if they're -- and the Minister of Environment certainly isn't, because he gets great pride in putting up smokestacks not taking them down. Consequently, I just wondered if this was the department, or if they've looked into this area at all, and that is the disposal not only of the tar sand effluent in the settling ponds that we have out at the tar sand plants, but whether or not he's done anything about stackless plants and pressuring the gas that comes out of oil and gas plants back into the ground.

Next, I'd like to ask him a question -- and I think this is very much in the ambit of AOSTRA. Has there been any experimenting on fire flooding, and if there is, just how he's working out on that? Because fire flooding does have the advantage of leaving the oil in situ. It doesn't rip up the country. It does create both oil and gas and steam. It's a method that I experimented with nearly 25 years ago. But I was just wondering, more from curiosity, whether that is one of the methods they're also looking at.

With those questions, then, I will sit down and await with interest the minister's remarks.

MR. DEPUTY CHAIRMAN: Hon. minister.

DR. WEBBER: Mr. Chairman, I appreciate the opportunity to try and respond to some of the points that have been raised by the two hon. members.

First of all, dealing with the hon. Member for Calgary-Forest Lawn. He's accurate in his approximate figures relative to the funding of AOSTRA over the years. I think the number is somewhat less than \$500 million, but over \$400 million. I don't remember the exact number. I would guess maybe around \$450 million, so he's reasonably accurate on that. Certainly that is a significant amount of money for research and development over a 12-year time period. However, when you consider the importance of the development of our heavy oil and oil sands industry, the importance of enhanced oil recovery from our conventional pools, I think it's reasonable to put a considerable amount of funds into research and development into an area where our future in this province in oil supplies comes from those sources.



Yes, there has been a shift in funding from the Heritage Savings Trust Fund to the General Revenue Fund. The hon. leader of the Liberal Party asked identically the same question as the Member for Calgary-Forest Lawn. I'm not sure he heard him, but anyway, they were the same question. From the Heritage Savings Trust Fund we have a 20 percent limit on the amount of moneys that would be going towards capital type projects, and the funding for AOSTRA was from that particular section of the Heritage Savings Trust Fund. So a decision was made a couple of years ago, if we're going to bump up against that 20 percent ceiling, to shift some of the funding from the Heritage Savings Trust Fund over to the General Revenue Fund. So we've been slowly over the last couple of years moving the funding for AOSTRA from the heritage trust fund to the General Revenue Fund. This year, and that's why we're discussing this right now, in the '88-89 estimates some \$9.9 million is coming from the trust fund. You know, this is a considerable reduction from the trust fund from a year ago, and next year -- if my memory serves me correctly, there's just one more year left, or two at most -- we [inaudible] funding coming from the Heritage Savings Trust Fund.

The hon. Member for Calgary-Forest Lawn is also accurate in indicating the levels of decreased funding over the last three years, from approximately \$70 million down to approximately \$40 million for '88-89. The question raised is: why would we have this kind of decline in funding? Well, I think the answer members already know, in that when we had the tremendous decline in revenues from the oil and gas sector, we had to have priorities relative to funding. Hon. members also know that we reduced the expenditures for hospital boards and school boards by 3 percent. We treat that as a significantly higher priority than research and development when we're in a tight budget situation, than funding AOSTRA. So we ended up with more like a 30 percent decline in funding for AOSTRA and also for coal research. Not that those areas are not important, but during the times when we could afford to fund those types of research activities, we did so, and we will continue to do so in the future to the level that we can possibly afford. I think \$39 million is a very significant amount of money for research into oil sands by the government in a given year, that together with funding from the private sector. Most of these projects are funded fifty-fifty, or at least there's a sharing with the private sector of the research money. Anyway, those are some comments on the fact that we have a declining amount of funding towards AOSTRA from the last couple of years because of budgetary reasons.

With respect to the hon. Member for Calgary-Forest Lawn's questions about the kinds of research that are being done, I think the annual report does list very clearly the kinds of research activities that are going on. Another document that the hon. member or other hon. members may want to look at is the 10-year review of AOSTRA, which we had done by an independent consultant to give us a review of the research activities of AOSTRA over a 10-year period, to give us an idea of how effective this outside independent source saw the value of this research. Hon. members may want to make reference to that document, which was tabled in the House here a couple of years ago.

I think there are some very exciting things that are happening in the area of research and development in the heavy oil and oil sands area. One project that hon. members may get the opportunity to visit would be the underground test facility near Fort McMurray that AOSTRA funded -- on its own, as a matter of fact, up until recently -- where there is a mine. A drilling rig has been set up in this particular mining operation where they're

drilling upwards into the oil sands layers and injecting steam up the hole and allowing the steam to warm up the oil sands and then, by gravity, the oil flowing down another hole. That's sort of a double hole situation where the drilling rigs drill two holes close together, one for injection of steam and the other for oil to come out by gravity, and then at intervals in the mine, this to occur. A number of oil companies have invested, I believe, a million dollars each in this just recently because of the interest that they have shown in this. Now, this would be useful in those situations where the overburden is too thick to mine, so that by this operation you could get underneath the overburden and underneath the oil sands and extract the oil by this particular method. And I think there's considerable potential for this particular type of research in the future.

When it comes to other kinds of research, the head of the Liberal Party asked whether or not any work had been done on upgrading. In the 12th annual report last year, there is a section in here outlining the type of programs that AOSTRA's been involved in in funding for upgrading. There are a number of them, and I'm sure the hon. member wouldn't want me to read them out to him; he could refer to that himself. However, his question relative to whether or not AOSTRA was involved in the decision of the Husky biprovincial upgrader: the answer is no. AOSTRA did not make that particular decision. I appreciate the hon. member's claim to giving me advice on the economics of that particular project. I don't think it takes any great wisdom on his part or on other people's part to know that on its own it is not an economic project. The decision that we have made as a government some time ago -- we still stick to this particular principle, and I think it's very important -- is that we are going to see the upgrading of our resources in this province rather than seeing them upgraded at the other end of the pipelines, so we can keep the jobs here and have the economic benefits of upgrading occur in this province rather than in the midwest of the United States.

We, as governments, have worked together -- the Saskatchewan government, the Alberta government, and the federal government -- with Husky to see if we could put together a package such that if oil prices do rise in the future as we expect, then it could become an economic project. The economics of a particular project don't depend entirely upon the level of world oil prices but on the differential between the value of heavy oil and the light crude that comes out of it. Therefore, with the expectations that world oil prices will rise to a level where it will be economic, we have said to Husky: "Here's a package. If you can entice another private-sector partner to come into this project, one or more, then we would be prepared to proceed." We are optimistic that that will happen and that construction on that project will begin later this year.

Mr. Chairman, the hon. Member for Calgary-Forest Lawn also made some comments relative to the OSLO project and the kinds of research that AOSTRA and OSLO would be involved in there. There are three projects that I have listed here. One is called the OSLO dredge mining and cold water extraction development project, phase 1. The first phase of that will be over with before too long, according to this document. Certainly it's a very technical kind of operation. I would simply read the objective of that operation, and that is:

To quantify the relationship between mechanical, thermal and chemical energies that could be balanced for an optimum recovery of bitumen from oil sands. This test program will evaluate the use of dredge mining and a compatible cold water extraction process in an attempt to reduce overall cost of bitumen production.

Hon. members may be aware in the Syncrude operation of the considerable costs involved in heating the water, so you have a hot water process involved in extraction of the oil from the sand. The expectation with this OSLO project is that the temperature of the water could be reduced very significantly, possibly even to the point of having a cold water process, which would reduce the operational costs of the extraction very, very significantly. And on this particular operation OSLO and AOSTRA are involved fifty-fifty in the total funding of some \$900,000.

Another one would be the OSLO borehole mining and cold water extraction project. AOSTRA and OSLO and the federal government are involved in this particular operation -- AOSTRA, 37.5 percent; OSLO, 37.5 percent; and the federal government, 25 percent -- for a total of \$660,000, a one-year experimental project

To prove out the application of borehole mining techniques as a tar sand mining method for tar sand in the 100-800 foot depth and to apply the OSLO cold water extraction process in conjunction with borehole mining.

Now, the third project is called the OSLO dredge mining and cold water extraction development project, year 2. In that, AOSTRA and OSLO are involved fifty-fifty to the tune of \$1.9 million. So rather than going through in detail with that, this information could be provided to the hon. member. But AOSTRA and OSLO are working together to see if we can't develop and improve technology that would result in lower operational costs for a new major project.

I would have to do some checking further to make some comments relative to the tailing ponds and what can be done in a new project. If my memory serves me correctly, it may be possible in the OSLO project that we not have a tailing pond situation, but I would have to check that out further.

The hon. Liberal leader commented about funding as well, and I think I've answered his questions relative to the decline in funding overall and also from the heritage trust fund. I think it's important to remember, though, that in funding these projects, it's going to be AOSTRA that owns the technology. And that technology, if it develops, will provide revenues, as it has done to a certain degree to date, to AOSTRA.

Another point that is often raised, and raised again today, is that we're funding these projects together with some of the larger oil companies. But I think the answer to that is very clear, that the future development of our oil sands and our heavy oils is going to involve massive amounts of capital. And so it's not any small operator that's going to be able to afford to involve itself in those kinds of operations, unless we proceed in the direction that we're looking at very carefully, as having some kind of a regional upgrader. And it may be that the smaller mining operations provide the oil sands to those regional kinds of upgraders.

But one very important technology was not developed together with a very large corporation but with a relatively small one, and that is the process called the Taciuk process. Reference is made to that as well in the annual report, page 21. This Taciuk process not only has application in separating oil from sand but some very promising applications to removal of oil that has been involved in polluting the environment and removing oil from the sands or the earth in certain areas. Applications of this have been looked at around the world. In addition, Australia is very interested in the Taciuk process for removing oil from the oil shales, and AOSTRA and an Australian company have negotiated the principles of an agreement under

which a 2,000-ton sample of shale would be tested in the Calgary area over the upcoming months. If the pilot test is successful, the company will undertake detailed engineering and cost studies to determine the feasibility of constructing and operating a Taciuk process in Australia. This is a process that was developed between AOSTRA and UMA Engineering in Calgary -- Underwood McLellan engineering, as it used to be called -- and it has great potential.

There are also small companies in Calgary that are involved in other kinds of technology, as the hon. member knows, and we could find out and get a list of all those projects from AOSTRA if he's interested in that. So it's not just the major oil companies that are involved. However, as far as the future development of the oil sands is concerned, it's going to take massive amounts of capital, and as I say, it's primarily the larger companies that would be able to fund those, along with any help they can get, at these times, from government.

The hon. member also made some reference to free trade. Essentially, free trade does help the oil industry. We had, essentially, free trade previously. We were moving in that direction under deregulation of natural gas and also for our oil, so in terms of tariffs there really aren't any significant tariffs on our exports to the United States. But as has been mentioned a number of times, the free trade agreement will be very beneficial in assuring us of markets in the United States. These projects at the present time are uneconomic, and negotiations with the OSLO project, for example, are ongoing over the weekend and today to try to put a package together so that these major corporations will risk their money to proceed now rather than five, 10 years from now when oil prices are higher.

Mr. Chairman, I have no idea what the hon. member was talking about with respect to AOSTRA involvement in tar sand leases. We are doing a review of the leases in the Fort McMurray area, the oil sands area, and will be recommending some changes in policy in the upcoming months so that when these leases expire in the late 1990s and around the year 2000, there will not be these major corporations hanging on to a wide acreage of these leases without developing them. There'll be stricter controls, if you like, put in place whereby if they're not going to develop those leases, those leases would be freed up to be bid upon by companies that do want to proceed to develop our oil sands projects. We've been working co-operatively with the energy sector in doing this, and the recommendations that we'll be making I believe will be very acceptable to the oil industry.

With respect to other particular types of research, fire flood, I'm not knowledgeable enough about the details of the technology. However, there is a process of oxygen flooding, which I assume would involve the same concept, where it would be put on fire in order to heat the oil up. In fact, BP and Petro-Canada at Wolf Lake are incorporating this oxygen flooding into their plans for the second and third phases of their in situ work there. Again, AOSTRA was involved in this in working with those two corporations, and this looks like a very promising method of extracting the oil from the reservoirs where the oil is very thick and needs to be heated before it's developed.

Well, Mr. Chairman, I've gone to some detail in trying to respond to the hon. members at this time. The funding from the government to AOSTRA through the heritage trust fund is a significant \$9.9 million, and that, together with the funding from the General Revenue Fund, comes to approximately \$39 million, a very significant amount of money to fund very significant projects that are going to be important to the future economic de-

velopment of this province.

MR. DEPUTY CHAIRMAN: Hon. Member for Calgary-Forest Lawn.

MR. PASHAK: Thank you, Mr. Chairman. Well, I'd like to thank the minister for the comprehensiveness of his answers to the questions that I put earlier. I just have one -- perhaps it's more of a comment or observation rather than a further question. It comes from a bias that I guess I hold which would favour education and research in general. If I accept at face value the justification that the minister provided for funding and supporting AOSTRA in the first place, then it may be somewhat penny-wise and perhaps pound-foolish in the long term to decrease funding for this important research.

MR. DEPUTY CHAIRMAN: Member for Westlock-Sturgeon.

MR. TAYLOR: Yes. My question may be more of an explanation to the question he asked back; he didn't see the connection between AOSTRA and the renegotiation of leases. I was using the argument that in most places in the world governments try to preserve a right to take a fairly strong, aggressive working interest in a renegotiated lease. I know the renegotiation process is on now, and it may take over the next 10 years or so. And I was suggesting one of the arguments that this government could advance to the companies in the renegotiating plan, backing up the argument, for instance's sake, that maybe the government could have had the right to participate for a 25 percent working interest, which is usual quite often in major projects around the world, the North Sea and a few other areas.

One of the arguments that could be made was that AOSTRA had done and is doing a lot of tar sand research. In other words, governments have benefited a lot by the money spent by the taxpayers in this province in research, and one of the ways of paying that back is not a cash grant but having a 25 percent back-in clause. Now, that doesn't mean that the government itself has to participate for 25 percent. I've been in areas of the world where that 25 percent, when the project becomes imminent, is sometimes auctioned off to the small corporations. That is at the time the plant comes around, if the government itself doesn't want to [inaudible] as a participant. But the only time we get a working interest now is when the oil companies feel that they're going to run into a rough deal or you're going to need the government's money. Then they're quite willing to give us a working interest. But if the oil industry ever takes off again, and it might, and goes up to \$35, \$40 a barrel or whatever it is, we'd be very glad to have had that option to come in for 25 percent at the time the plant is getting ready to be built. I just was suggesting that the money the taxpayers spent on AOSTRA and other areas more than qualifies us for the right to ask for that back-in on the renegotiating clauses.

MR. DEPUTY CHAIRMAN: Hon. Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Chairman. Just a few comments and questions arising out of the discussion so far.

The Member for Calgary-Forest Lawn asked about the cutbacks, and the minister explained it to some extent. He said that the deemed assets were pushing on the 20 percent limit that they have of the heritage trust fund portfolio, and therefore they were cutting back the funding of AOSTRA from the heritage trust

fund and shifting the expenses then over to the budget side or the departmental side. Which is all very well, but I would point out to him, and perhaps he wasn't aware, that some of the other ministers operating with some funds out of the heritage trust fund did not take a cutback. A number did, and in fact I thought the government was winding down the capital projects section. Last year the total was \$140 million and this year the total is \$164 million, so there's actually been a \$24 million increase in that section. Most of that increase, some \$39 million, was to Technology, Research and Telecommunications. Some \$14 million was to Advanced Education. Then other sections, like AOSTRA, took a cutback in order that the total increase was only \$24 million. So I don't know quite who's kidding who. In any case, the heritage trust fund committee suggested that we might increase the deemed assets to 22 percent of the total fund in order to accommodate a number of expenditures, and I'm sure the Treasurer will end up doing that.

So I just wanted the minister to be aware that there are some things going on there and machinations of where money comes from and where it doesn't come from and which departments get it. In fact, I might suggest to the minister and to anybody else in the cabinet that's interested and is therefore on the investment committee of the heritage trust fund that they should really consider the expenditures under the capital projects division as like any other expenditures under the budget. Perhaps they should quit the facade of saying that these are heritage trust fund expenditures and get them back under general revenues, where they can get the proper scrutiny of the budget, as we have suggested many times in the past.

The minister, in talking about the funding, said something about the private companies. We talked about the money coming, some from the heritage trust fund and some from the budget, over the last 12 years, nearly a half billion dollars. The question that immediately sprung to my mind as Treasury critic was: how much have the companies put in? The minister seemed to answer it, but I would certainly like him to elaborate. He said something about a fifty-fifty sharing of costs. I would like to ask him if that's the rule of thumb and that applies in all cases or in most cases, because he did seem to back off from it a little bit.

Also, I would wonder if the Energy minister could tell me exactly where I can find out how much each of the other companies put in. I've been looking at the annual statement here, and I see a number of companies and a number of dollars beside them here, but I've got to say that I'm not clear as to whether that's the amount the company put in or whether that's the amount that AOSTRA put toward the project headed by that company. I know that in some cases some of the projects had several companies involved in them, so it would be a little difficult for me to sort out, I think, in the individual projects exactly how much came from the government -- it doesn't really matter to me whether it was heritage trust fund or budget -- and how much came from the private sector.

Of course, that raises the question, then, that the Member for Westlock-Sturgeon referred to a little bit earlier, and that was: okay, who puts the money in? Certainly we put in a fair amount of money obviously. Who benefits the most? He points out and I think quite rightly, that the big companies are probably the main beneficiaries, because they're the ones that can get involved in research projects and sort of see them through and, hence, patent the innovations if there are any that you know, are significant enough to be commercial.

So it leaves me wondering if we aren't funding big corpora-

tions that have sort of worldwide networks and that they'll be the main beneficiaries and we won't necessarily be able to keep the main benefit of our research here in Alberta. I do know that it's important to go ahead with oil sands research and also with upgrading heavy oil in Alberta. That's got to be one of the basic enterprises in this province to keep a stable economy, so we can't not do it. But I guess I worry that the free trade deal will allow a lot of those benefits to dissipate across the border into the United States, because we won't be able, for instance, to charge a differential price between what we charge Americans for our oil or gas and what we charge ourselves. So it makes it difficult. We spend the money to help improve the industry, but the biggest players in the field are really multinationals that can take the benefit abroad to a very good extent.

The minister, while I'm on this free trade thing, said that free trade would assure us of markets into United States. I'm not particularly worried about assuring markets into the United States. If they want our oil and gas and need it, they'll buy it all right, if the price is right.

What I worry a little bit about is the fact that we might have to sell it to them, according to the free trade deal, whether we want to or not -- in terms of proportion, anyway, that they happen to be buying at the time a shortage might occur. If he says that it will assure us markets in the United States, I guess I would ask him: is there a comparable part to the deal that says that we must sell in proportion to what we're already selling at some particular time when there's a shortage? Is there a comparable part of that that says they must buy if we, in fact, are finding it hard to sell our produce? I suggest to you, Mr. Chairman, that there's nothing in the free trade deal that says that. So it seems to me like we got taken for a bit of a ride.

The energy sector will flourish under a free trade deal. I don't mean to imply that it won't at all, although there are some problems. The more expensive forms of energy, the upgrading and the oil sands, which is what we have the most of, may have difficulty competing in the short term with some pretty cheap oil in other parts of the world, like Saudi Arabia, if they can't hold or maintain a set price high enough so that we can make money in developing our heavier, our more expensive oils.

A couple of other questions occurred to me as well, as I was looking through the book. The amount of money voted under this vote for Oil Sands Technology and Research for 1988-89 is \$5.6 million, compared to \$18 million last time. We've talked about the reduction. That's okay, although that leads to another question. That is, if we're cutting back -- that is, from the government side -- are the oil companies picking up the slack, or is the research just being cut back? Okay. But the other aspect of that I wanted to ask about was the second part of the vote, where it says Conventional Oil Enhanced Recovery. That has gone up to \$4.25 million from \$2.8 million last year, which would imply to me that AOSTRA has decided to shift their emphasis to heavy oil as opposed to oil sands. I would like a comment from the minister on that or the reason behind it, perhaps -- particularly, I suppose, in view of the fact that they're having difficulty getting the Husky Oil upgrader off the ground. Is that saying that heavy oil is so important to us that we have to shift more research into that area and make sure that it does go, that some way we have to make a technological breakthrough and find a cheaper way to produce our heavy oil so that, in fact, it will become economic?

Finally, I wanted to ask another question. Looking back through a couple of years, I noticed that there was \$1 million allocated to Solar/Wind Energy Research. I don't believe that

was ever spent. I'm just having to try to remember the conversations from last year. But all I raise it for is to ask the minister if there is any intention on the part of the government to get back into wind research and solar energy research in this province. I think we have to recognize that there's a cost to building dams for irrigation or for electricity. There are environmental costs. There is a heavy cost, period, to developing heavy oil, upgrading heavy oil, and developing the tar sands. Wind and solar energy does have a great deal of potential. It's one that we've ignored, I believe, for the last couple of years anyway, and I wonder if the government has spent any time considering getting back into those areas of research.

DR. WEBBER: Well, Mr. Chairman, the Member for Calgary-Forest Lawn made some further comments related to -- I think he said that he saw some benefit to putting some funding into educational institutions in a research way as well as it relates to funding from AOSTRA. I think he must be aware of the fact that a considerable amount of moneys that are allocated to AOSTRA go to university research and, in fact, that the annual report lists in considerable detail the amount of funding that goes to university research. Over the year this has been a very important element of funding for AOSTRA.

The hon. Liberal leader made some further comments about AOSTRA backing in in a lease situation, where they would be able to get a piece of the action if that particular lease were developed in the future. We are thinking that in terms of the leases, in the future they should be treated maybe not that much differently from the leases in the conventional oil and gas sector, where companies go out and bid. I think there will become an increasing demand for these leases in the future, so when we present our proposal or our new leasing rules come up, I would be interested in the hon. member's comments at that time.

We do have the Alberta Oil Sands Equity Corporation that is involved in taking care of the government's equity in oil sands development, as it is in Syncrude. AOSTRA is a research and development group, as opposed to having any expertise in being involved in the managing of an oil sands project. I'm not sure if the hon. member would agree that whether it's AOSTRA or Alberta Oil Sands Equity or what other group would be involved, what difference it would make. Our desire as a government is not to be involved in a working interest in these projects if at all possible. We had to in Syncrude in order to see it proceed, and we're going to have to be in the OSLO project if it's going to proceed. But my personal view is that in time we should be backing out of those operations rather than getting involved in a greater way, in a working interest, in the future -- backing away but getting a fair return on our investment.

So those are some comments there. Certainly I'm not saying it's an idea that's not worth anything. I think it's something we could consider in the future, but it's not part of our current thinking relative to the oil sand leases.

The Member for Edmonton-Kingsway made some comments about the reduction in funding to AOSTRA, as did the hon. Member for Calgary-Forest Lawn. I'm a bit befuddled by his comments in that they seem to be concerned over cutting back in funding there, as if there's some magic way of moving the moneys around from our revenues from the province. Maybe he would like to suggest, or maybe I can assume that he's suggesting, that we should cut back in education and health care and some of the social services areas in order that we can fund more money to AOSTRA. That would be the only way that I could see how we could apply more funding to AOSTRA. But I'd be

interested in debating that with him on the election circuit if he's suggesting that we should move more moneys from the social programs into funding for AOSTRA and some of the other research activities.

I mentioned fifty-fifty as an approximate way of funding these projects between industry and government. It's not a hard and fast rule. It occurs in many instances -- sometimes AOSTRA -- such as in the example I gave earlier. On the underground test facility they were involved 100 percent up to a short time ago, when industry decided to get involved because they saw the potential of it. In other instances AOSTRA would be involved in less than a 50 percent way.

With regard to the amount of money that companies have put in, I don't have the answers to that. If the hon. member wants to put a question like that on the Order Paper or get his researchers to look at it, fine. But I certainly can't provide the information off the top of my head here today.

Also, he implied that I had said that the main beneficiaries of this research were the major oil companies. I did not say that. The hon. member should review *Hansard* to find out that I did not say that. [interjections] The main beneficiaries of developing our oil sands and our heavy oils are the people of Alberta because of the jobs and the economic activity that's involved in the development of that.

MR. DEPUTY CHAIRMAN: Order please, in the committee.

DR. WEBBER: So the hon. member should be a little bit careful about how he words things in the Legislature, particularly as it applies to what somebody else might have said.

The free trade deal. Obviously, if I have the hon. member's comments, he wants to see the return of the national energy program, where we would have a two-price situation, where we would put on the backs of Albertans and the producers in this province a price to subsidize central Canada for their energy needs of the future at a lower price than what the energy would be sold into the United States. Again, I'd be happy -- more than happy, I'd be thrilled -- to debate that issue with him on the hustings in the next provincial election. Imagine standing in his constituency, Mr. Chairman, and saying: "Bring back the national energy program, folks. That's what we, the NDP, want." Well, I'd be happy to discuss that further with him.

With respect to Solar/Wind Energy Research, we have made a commitment that the government would provide funding in the Pincher Creek area for a facility, whether it be a research or a demonstration facility. We have just established a local community advisory group that will give us recommendations, working together with our departmental people and others in the industry to see what kinds of projects could be developed there. Once we get those recommendations, I will be going to the cabinet or the Treasury Board for funding, if they're able to have these recommendations come forth in time this year. But I expect there'll be moneys budgeted for that project in next year's budget.

Mr. Chairman, I will sit down at this stage, in view of the fact that I think I've responded to the concerns of the hon. members.

MR. DEPUTY CHAIRMAN: Hon. Member for Edmonton-Kingsway.

MR. McEACHERN: Mr. Chairman, the minister purposely distorted almost every point I raised or made. If he talks about lis-

tening, I wish he'd clean out his ears and start paying some attention to what's going on in this House.

When I was explaining to him the problems with the capital projects divisions, I made no comments whatsoever about whether the funding for AOSTRA should be increased or decreased. I was merely asking him. I was merely clarifying some information about that. Because he finds it too confusing and doesn't understand what's happening with the deemed assets and the way the government is handling that, which is rather silly, he then stands up and makes some stupid comment about saying that I want to cut back social services to put more money into AOSTRA. I never even implied anything about an increase or a decrease and whether it was good or bad. I was merely discussing the issue in a fairly impartial sort of manner and suggesting that what this minister should do is talk to his other colleagues and find out what's going on because, in fact, some other colleagues have got an increase out of the capital projects division.

MR. DEPUTY CHAIRMAN: Would the hon. member please address the Chair.

MR. McEACHERN: So there were no implications there at all in that regard about what we should do with funding or not funding AOSTRA.

Second, I asked him for information about how much the companies are putting in. I had no idea at all that this minister could even begin to answer the question off the top of his head. He doesn't know what's going on half the time even if you do give him more time and more information. What I did ask him was a perfectly reasonable question, and that is: could the minister tell me where I can get the information? For instance, if I look in the AOSTRA book, I find that in situ oil sands projects -- there's a number of them. In Peace River, Shell got some \$12.299 million in 1987 as part of a research project. Now, the question I would ask him, and I don't expect him to have the answer off the top of his head, but he should damn well know where to find it and should be able to tell me where to find it: how much did they put into that project? Not only them but all the other projects too: where can I go to get the other side of the information which would justify your statement that the companies have paid fifty-fifty with the government for these projects? A perfectly reasonable question, I should think, coming from the Treasury critic of the Official Opposition, and then you try to construe it into some kind of a big thing, that I expect you to answer it off the top of your head. I know you don't know that much about it, but you should be able to tell me where to find the information on all of these projects. Otherwise, are we funding 80 percent of them and you're saying it's fifty-fifty? I'm not going to take your word for it; I want to be able to see the numbers.

As to saying that I said that you said that big companies were the main beneficiaries of the . . .

MR. DEPUTY CHAIRMAN: Hon. member. I wonder if you could curtail your language in such a manner directly to the issue rather than . . .

MR. McEACHERN: Did I say anything that was unparliamentary?

MR. DEPUTY CHAIRMAN: Hon. member, it isn't a matter of what you said was or was not parliamentary. The attitude

you're developing is such that it is going to, I'm sure, ensure that you won't get the answers you desire.

MR. McEACHERN: Well, I already asked the questions in a very polite manner, and all I got was a lot of flak, so I'm just straightening them out.

MR. DEPUTY CHAIRMAN: Perhaps the hon. member would like to have the minister respond to your questions again.

MR. McEACHERN: I'm not finished.

MR. DEPUTY CHAIRMAN: You're not finished. Go ahead.

MR. McEACHERN: He accused me of saying that he had said that the main beneficiaries are the big oil companies. I said, "No, I didn't say that" I said that the minister . . .

MR. DEPUTY CHAIRMAN: Hon. member, you're not on the record. Let's not get involved in who said what to whom. Would you please ask your questions so the minister can respond?

MR. McEACHERN: If the minister is allowed to stand up and make false statements about what I said or what I asked, I have the right to stand up and correct him, and I intend to do that.

Now, I want to make it perfectly clear that I did not say that the minister said that the main beneficiaries would be the big oil companies. Well, of course, the minister didn't say that. It was the Member for Westlock-Sturgeon. And had you listened, you would have known that. Okay?

Now, the other thing he said that I said was that I was in favour of another national energy program. I didn't say that I can speak for myself. I don't need you to . . .

MR. DEPUTY CHAIRMAN: Hon. member, if you are going to continue in this way, the Chair is going to ask you to either get up and make a point of order or a matter of privilege. You either have a point of privilege or a point of order, but the Chair doesn't want to listen to any more of "He said this" and "I said that" and who knows what. So let's get back to business.

MR. McEACHERN: Well, Mr. Chairman, I was finished, but I would make a point of order with you. That is, if a minister is allowed to stand up and put words into my mouth, I have the right to stand up and correct them. Okay?

DR. WEBBER: Mr. Chairman, it's tough trying to comprehend and follow what the poor gentleman was saying, but I guess one of the mistakes I made was that I incited him to have to get up and repeat it all over again. And not only do we not want to hear it, I don't think his own colleagues even want to hear him a second time. But I'm not sure there's anything to respond to.

MR. TAYLOR: I wanted to take a minute to ram a bit of education into the hon. minister's head, a minute at a time, before he finishes his estimates. I hate to eclipse the hon. Minister for the Environment, because his estimates are up later. But having listened to him for the last two years, in 10 minutes he can't even state his own name, so that wouldn't be enough time to get him started. Consequently, I might as well go back to the issue.

He mentioned about the national energy policy, Mr. Chairman. You're quite familiar with the oil industry too. I wanted

to say a couple of words on just how we have had sneak up on us a policy that's a lot worse than the national energy policy. Those of you that have any memory at all, going back only a couple of years you will recall that when the world price was \$30 or \$35 a barrel and that hated NEP was in place and was taking a gross of \$4 or \$5 a barrel of our royalties, being put aside at something called a PGRT -- the petroleum and gas revenue tax -- which in turn then paid up to a third of every wildcat a Canadian drilled in Alberta, we at least got that back. Our gasoline was running then, you remember, at the stupendous price of maybe a couple more cents a litre than it is now. The price of oil has dropped all the way down to \$20, \$18, and up, as low as \$15 on the world market and at the wellhead. That's what we're getting. What's the price of your gasoline? It's dropped 1 cent or 2 cents a litre. Obviously, somebody sneaked their grimy little paws in there and grabbed a lot of money.

What I'm trying to get at here, Mr. Chairman . . . And it's an education to the minister. When he talks about the NEP -- bring back the NEP. At least we were getting at the wellhead, and you, as royalty rakers, were getting nearly three times the income you're getting today. Or make it double the income if you want to; let's be conservative as hell. I hate to use that word; I should have my mouth washed out with soap. But just being conservative, you had double the revenue and the price of gasoline was the same. So what has happened, hon. members, is that the federal government without any drinking of champagne, without putting any pictures in the press, has in the course of the last three years reached its grimy little paws out and now we have, sure, a world price for crude oil, but we have a made-in-Canada price for gasoline.

I kid you not. I have an office in Cairo, the other day checked on that. The price for gasoline in Cairo, which is a world price, is 25 cents a litre. They get the same crude price as we do at the wellhead, of course, \$18 a barrel. That's what we get \$18 a barrel, 25 cents a litre. So the federal government has a 15 cents a gallon tax. And you've sat there while . . . Somebody said, "While Rome burned, Nero fiddled." Well, all I can say: while this department stayed here, Mulroney diddled. And he's done it to you people here. You've sat there, and you've got a national energy policy in place now that takes more money out of Alberta's oil than ever the NEP did. Ontario, Quebec, Manitoba: all get more out of a barrel of Alberta oil than they used to back under the NEP, and we've got the nerve to sit here today -- the hon. minister has -- and talk about the NEP. The system that is now in force in Canada makes the NEP look like child's play. The federal government is taking more money out of a barrel of oil today than they ever did in the NEP era, when the price of oil was \$35 a barrel. The price of oil is only \$18 a barrel, yet the federal government gets more money out of it by the time it reaches the consumer -- and that's important -- than it ever did in the NEP.

So how you can sit there and be so fast asleep at the draw, at the shafting or the screwing or whatever -- pardon me -- the goosing you're getting by the federal government is absolutely beyond me. At least they should have had the gratitude to come out here and pose arm in arm with the Premier and have two drinks of champagne.

DR. WEBBER: Mr. Chairman, I was giving the hon. Leader of the Opposition some credit for his comments earlier in that I thought he knew what he was talking about. The hon. Member for Edmonton-Kingsway made his comments, and I thought he stood out alone in not knowing what he was talking about. But

now we've heard some comments that make me wonder if the hon. Liberal leader knows what he's talking about. I have never heard such drivel in my life. The tax systems of the provinces and the federal government were in place at the time that his buddies, the federal Liberal Party, brought in the national energy program, and the guy is hollering in Alberta today, "Bring back the NDP." He has to be crazy.

So, Mr. Chairman, I don't think there's any need to comment further. He chooses Cairo, for some reason, for oil prices. He can choose many countries in the world where gasoline prices at the pump are \$2, \$3 a gallon. The situation that he describes is absurd. If he were to get information relative to the profits that are made at the refineries in this country, I think he would reconsider the statements he made.

Agreed to:

Total Vote 1 -- Alberta Oil Sands Technology and Research Authority	\$9,900,000
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DR. WEBBER: I move that the estimates for the Alberta Oil Sands Technology and Research Authority be reported.

[Motion carried]

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

[Motion carried]

[Mr. Deputy Speaker in the Chair]

MR. MUSGREAVE: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Hospitals and Medical Care. It was resolved that from the Alberta Heritage Savings Trust Fund sums not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1989, for the purpose of making investments in the following projects to be administered by Hospitals and Medical Care: \$2.8 million, Applied Cancer Research; \$2.4 million, Walter C. Mackenzie Health Sciences Centre.

Community and Occupational Health: \$1.38 million for Occupational Health and Safety Research and Education.

The Department of Energy: \$9.9 million for Alberta Oil Sands Technology and Research Authority.

MR. DEPUTY SPEAKER: Having heard the report and the request for leave to sit again, are you agreed?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Opposed? Carried.

MR. YOUNG: Mr. Speaker, by way of business this evening it is the intention to call Bills at second reading: Bills 29, 23, 28, 30, 31, 35, et cetera, as much as time will permit.

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

