

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Thursday, June 2, 1988 8:00 p.m.**  
 Date: 88/06/02

[The House resumed at 8 p.m.]

**COMMITTEE OF SUPPLY**

[Mr. Gogo in the Chair]

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

head: **1988-89 Alberta Capital Fund Estimates**

MR. CHAIRMAN: Tonight we are dealing with the Capital Fund estimates, 1988-89. In accordance with Motion 10, moved by the hon. Government House Leader May 9, these estimates will be of two days' duration. For reference purposes members are encouraged to have the Capital Fund estimates booklet. The explanation of what we're about is on page 1 of those estimates.

**Environment****3 -- Construction of Water Development Projects**

MR. CHAIRMAN: The department filed by the government tonight is the Department of the Environment. The authority for the program is on page 12 of the book, and the amount we're dealing with is on page 13. I believe, hon. Government House Leader, that vote 3, Construction of Water Development Projects, is the matter under discussion before the House.

The hon. Minister of the Environment, Mr. Kowalski, do you have any opening comments to the committee?

MR. KOWALSKI: I do have a few brief comments. Mr. Chairman and members of the Assembly, of all the projects that I've ever had the good fortune to be associated with in my history as both an elected representative of the people, going back to 1979, and for the five years prior of that in which I served in a number of executive positions here with the government of Alberta, the one project that I've been involved with -- and there have been a great number of projects over those years -- that I believe to be of greatest need for all of the people of Alberta, more specifically to the people in the southern part of the province of Alberta, is that of the Oldman River dam. I feel quite privileged that I am the Minister of the Environment in the province of Alberta when the determination is needed to in fact have this project announced and undertaken. I sincerely hope that I will remain as Alberta's Minister of the Environment to the day in which we can turn the water on . . .

MR. CHAIRMAN: Order in the committee, please.

MR. KOWALSKI: . . . to the conclusion of the fill of the reservoirs in 1991, to see this project brought to fruition and conclusion.

Mr. Chairman, the estimates before us tonight amount to \$66,300,000, and they're committed to, as it says, Construction of Water Development Projects, but essentially all that \$66,300,000 is devoted to the Oldman River dam. Perhaps a very, very brief overview in terms of what those dollars are, as

to how we deal with that breakdown of the \$66,300,000. All members will recall that this project began under construction in 1986, so we're now in the third fiscal year of dealing with it. When you deal with a major project of this magnitude, of course, you're talking about construction of certain things that are under way, and they go over a four- to five-year period. But essentially in the \$66,300,000 we have allocated for fiscal 1988-89, it might help hon. members if they had a brief understanding of where the main components are in terms of this commitment this year.

Some \$47,400,000 of this total amount is devoted to the dam and related works: dollars for site and infrastructure work, for diversion tunnel work, for main canal work, for spillway and controlled infrastructure work, dollars for the rental of equipment and goods, for communications infrastructure and utilization, for engineering and other professional services. Those figures together amount to \$47,400,000.

In addition to that Mr. Chairman, there are other works related to the Oldman River dam which are reservoir-related works. Those reservoir related works include the roads and the bridges and utilities and clearing and engineering and other professional services, and they amount in this fiscal year to \$18,900,000, to give us a total figure of \$66,300,000.

Mr. Chairman, every document associated with the Oldman River dam that I've had brought to my attention has been made public. Every study that we've had associated with the Oldman River dam has been made public, and I filed on many occasions in the past those documents. All members have those documents. They've been made available to the public. The most recent series of documents that we've made available had to do with the fish mitigation studies, which we made available just a few days ago by way of press release, by way of public meeting in the southern part of the province of Alberta, by way -- yes, also including a video of some 15 minutes which completely outlined all of the works. That was available by way of the fisheries mitigation study.

Those documents, Mr. Chairman, are all public. They are all available. There is nothing that anybody's sitting on; there's nothing that anybody has hidden. We've even made available to the New Democrat opposition hundreds and hundreds of pages of schematics with respect to the dam. I'm sure they've all been under review by all their consultants and everything else, and I'm sure people have calculated the amount of dirt that will go here and the amount of dirt that will go there. I want to be very clear for the fourth time tonight: everything that we've got on the Oldman is there.

In addition to that Mr. Chairman, I'd like to circulate three visuals tonight which will show us exactly where we're at with the Oldman River dam and the construction project. They're visuals from some time up, and I'll just circulate so that all members know exactly where we're at.

I would be delighted now to answer any questions the hon. members might have with respect to this capital request this year for \$66,300,000. I'm sure I've answered them all before, but if there's need for clarification or repetition, I'd be very pleased to do it once again.

MR. CHAIRMAN: Order please. Before proceeding, hon. members, the hon. Minister of the Environment has suggested that visuals be passed around, which is somewhat contrary to our Standing Orders. Would hon. members of the committee agree that permission be granted for these visuals to be circulated?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Any opposed?

MR. WRIGHT: Are these pictures, Mr. Chairman?

MR. CHAIRMAN: Similar to pictures, yes.

Carried. Perhaps the pages would give that one to Mr. Bradley and pass these two over here.

AN HON. MEMBER: Mr. Chairman, that's on the assumption that one picture is worth a thousand words.

MR. CHAIRMAN: It's on the assumption that one picture is worth a thousand cubic metres of water, I assume.

Hon. Member for Edmonton-Glengarry.

MR. YOUNIE: Thank you. There's certainly a number of things I'll want to say about this, not necessarily repetitious, although the minister tried to imply that. Interesting to note that he began his talk by giving a bit of history and noted that construction started in 1986. It's interesting that permits to legitimize the work finally came in 1988, and a court decision indicated that the permits up until that time were not legitimate and in fact had circumvented various laws and regulations. So I found that a little ironic. But it seems typical of this whole dam project anyway.

MR. FOX: Watch your language.

MR. YOUNIE: No, no. Oldman dam project.

The studies and documents were indeed made public after the minister was embarrassed in here and within the public. Then the documents finally became public. In fact, I have talked with engineers who have gone over them. They've discovered a number of interesting things in comparing the problems that the Hardy BBT report noted possible in the original design documents and what had or had not been done to alleviate those problems in the final design documents. In fact, one group of engineers, unless the minister's going to say they lied to me today, submitted to him a three-page list of deficiencies and questions where they in fact do not see things being done to alleviate the problems cited in the Hardy report. They're hoping that along with all the other things that have been made public, the answers to the questions, the explanations of the deficiencies they've seen, and possibly the new cost estimates that that will require will be made public before the end of session, although things take time, and I'm sure the minister will manage to make sure it takes enough time that this session will be done before that particular information does become public.

Another interesting factor that the minister didn't mention tonight but had mentioned before is that he had structured an independent review board to look over all the documents related to the dam. In fact, I would compliment such a move to have two people from British Columbia and one from Saskatchewan go over the documents and make comments about it. But I'm concerned that one member of that review board who was contacted said he had never seen or had mentioned to him the Hardy report and therefore had never had a chance to go over it, to comment for the minister's edification how accurate it was, and that he's in fact asked for a copy of it and, I'm sure, will be receiving it. He may have asked the minister, too, later, but it

wasn't the minister that I know of that he asked.

I'm wondering why the minister would have not given the Hardy report, considering the serious questions it raised about the dam and the elasticity or plasticity of the soil underneath it, the bank abutments, the slaking mudstones that will shorten the useful lifespan of the dam. Related problems in the Hardy report could be commented on for him. Perhaps it's that he doesn't really want informed comment on that and informed comparison of his final design documents and what that report found. Nonetheless, he got it from the engineers who went over it anyway.

I would ask him another question, and that is the whole topic of risk analysis. Perhaps this is why Americans are abandoning on-stream storage and dam megaprojects, in that the freedom of information laws and other things have made it impossible for them to hide that it's nothing more nor less than a massive patronage mill, that they are no longer wrapped up in this build-a-dam-by-riding kind of philosophy. Another reason was that their citizens were demanding thorough and comprehensive risk assessments or risk analyses of dams and all of the potential dangers that could be wrapped up in them, and when I look at some of the problems that we're seeing in the Hardy report and when I see qualified engineers saying that the problems cited in the Hardy report in fact are not addressed in the final design documents and have not taken into account the potential risks involved, then I would like to know what kind of thorough and involved risk assessment the minister has done. In the States they do risk assessments of a thorough nature similar to that done in the area of nuclear power plants, so that would certainly need to be done.

Another problem that anyone who knows the Pincher Creek area would vouch for the necessity of is some wind modeling studies to see what the effect of wind is going to be when the reservoir is mostly empty and the face of the dam is facing the wind or at other times when wave action might be sloping the bank in more quickly because of waves caused by their rather ferocious winds down there. I'm wondering how much wind study went into some of the recreation benefit studies that the minister tabled for us and whether they calculated how unpleasant that area will be for tourism when the water is low and the banks have dried and the wind is whipping up dust storms and causing those kinds of problems. Because certainly that is something that should have been addressed as well.

Another question I would have deals with a comment by John Wise, the federal Minister of Agriculture, who mentioned recently that perhaps interbasin transfer is something that should be considered in Canada. I'm wondering if that comment was based on consultation with the government of Alberta, which is in the midst of a most carefully denied but most obvious water diversion project that is plain for everyone to see.

MR. HERON: Come on, John; you've given this speech eight times this year already.

MR. YOUNIE: You probably haven't heard it yet, and you certainly wouldn't have thought about it yet, because that's foreign to you. So maybe this time will give you one more chance to put the brain into motion and think about it. [interjection]

MR. CHAIRMAN: Order please. The hon. member is entitled to be heard by members of the House. Now, let's listen to the hon. member, and if we're going to have our little conferences, let's do it in such a subdued manner that it will not interfere

with other members hearing what the hon. Member for Edmonton-Glengarry is saying.

Hon. Member for Edmonton-Glengarry.

MR. YOUNIE: Thank you very much. As I was saying, I am very concerned that we hear comments popping up so frequently of late about water diversion and interbasin transfer, and it seems to me that we must be getting to that stage that cabinet some years ago described as the right climate of acceptance to start talking about it. Or perhaps the more frequent mentioning is part of that whole process of creating the climate of acceptance so that another four or five years down the road, it'll be time to say: "Oh well, look at this; this works. Let's sell some water to the States. They bought most of our gas and oil and certainly own the industry; now let's sell them the water."

I'm especially concerned about some of the government's own documentation, where they say that interbasin transfer will not be considered until water within basins is fully utilized. I'm wondering: from the minister's point of view, with the dam in place and with drought conditions, would he consider the water in the Oldman basin fully utilized, and would he therefore consider it within the policy of the government to start transferring water from other basins into there to help that basin by saying, "It's not only fully utilized but it's over-utilized and we need more?" Because it certainly seems that the policies of the government, as usual, have left the door open to changing their mind without really changing their mind, so to speak. So they can say: "Well no, you misunderstood. We never really meant it the way you've been saying it all this time." I certainly worry very much about that particular possibility.

Now I'll listen to the minister's answers or perhaps some comments across the way.

MR. CHAIRMAN: Hon. Minister of the Environment

MR. KOWALSKI: Thank you very much, Mr. Chairman. Perhaps what's really important right at the beginning is that we just clarify some of the policy concerns that the hon. member would have. I'll go with the fourth question first in the reverse order in which they were raised.

The first question had to do with interbasin transfers. Mr. Chairman, I made it very, very clear that the government of Alberta is not in the business of promoting interbasin transfers in the province of Alberta. Nor is the province of Alberta in the business of even talking about, considering, or thinking about the selling of water to the United States of America, other, of course, than water that would come in the form of a liquid that we would have, such as a bottled drink like beer or juice or pop. Though we have water in all of those containers -- and I sincerely hope that the hon. member would say, "No; under no circumstances should there be any export of water to America," because if that is the case, we will have destroyed a \$3 billion to \$4 billion bottling industry in this province. I know that the member would certainly not -- it would not be in that area that he's talking about.

I would like to once again, Mr. Chairman, point out the existence to the hon. member and all hon. members of a policy document put out by the government of Alberta. It's Water Resource Management Principles for Alberta. It has Alberta Environment on it and principle 18 in big letters: "WATER NOT FOR EXPORT." There's only a few lines; I think it's important to have it on the official record. This is the policy, to answer very specifically the concern of the Member for Edmonton-

Glengarry.

Alberta will not be party to any undertaking for the possible export of water beyond Canadian borders. The priority of water use and allocation is based firstly on Provincial, secondly on interprovincial, and finally on national considerations, and will not be influenced by international considerations.

That is a printed policy statement of this government. This policy statement has been printed, has been made known for years. It's available to any citizen in the province of Alberta, and there should be no misconceptions in anybody's mind about that. In addition to that Mr. Chairman, I've repeated that statement time and time again since I've been the Minister of the Environment in public speeches that are printed. In fact, some are even on video tape so that there is no misunderstanding in anybody's mind.

Alberta was also party and parcel to a major statement put out by the Canadian government the government of Canada, the government of which Mr. Wise is a member, in the fall of 1987. The document tabled in this Assembly, basically said that Canada was not interested in the export of water from this country other than water which would go by container from a couple of glaciers in British Columbia. Because some entrepreneur in British Columbia can determine that what they should sell is good, clean water to somebody in America and they were allowed to fill up a few big ships' worth of water and take it down to a bottler and have it done that way. So let's put that aside once and for all. We're not doing that. We're not in that business. Less than 1 percent of the geography of Alberta is water. We are in an overall deficit position in the province of Alberta with water and there is no plan -- hidden, unhidden, discussed, not discussed, fantasized, or unfantasized -- with respect to the export of Alberta water to America.

The second question had to do with wind modeling studies. Mr. Chairman, probably the most knowledgeable people in the world in terms of the impact of wind, in terms of the impact of erosion, in terms of the effect of winds from the Rocky Mountains, are those people who live in southern Alberta. There are countless numbers of research projects that have been dealt with with respect to that. We have undertaken nearly five pages of studies with respect to the Oldman River dam. All of these studies have now been tabled or made public. I have no great difficulty in giving the name of every one of these reports here tonight in this Assembly. They're all public. They've either been tabled here or made available. [Inaudible] could identify it. If the hon. member will accept that we've got five pages of studies here with respect to every conceivable aspect associated with the Oldman River dam, I would ask him to do that. I could supply him with an updated copy of all of these studies. Or alternatively I'd have no choice but I guess, to give the whole litany of all these studies, and that would be absolutely boring, although it would be factually correct.

The third item, which was the second item that the hon. gentleman raised, had to do with the Hardy report. The Hardy report was a geotechnical report that was prepared by Hardy BBT Consultants for the Peigan Indian Band. And all hon. members will recall that in the early part of 1986 an agreement was concluded with the Peigan Indian Band, an agreement between the government of Alberta and the Peigan Indian Band, to provide to the Peigan Nation unconditional funding in the amount of \$750,000 from the province of Alberta to the Peigan Band to hire their own consultants to undertake a whole variety of studies. The Peigan Nation undertook those studies. The only condition we asked was that I, as the Minister of the Environment would get a copy of all of the studies that were done and

undertaken. Such studies were done, and the Hardy report is one of those studies.

And I think it's very important, Mr. Chairman, that all hon. members know that on May 6, 1987, in a letter to Chief Yellowhorn of the Peigan Nation I made a number of very specific comments with respect to the report in question. I pointed out in that letter, in that correspondence to Chief Yellowhorn, that safety of the dam remains a paramount consideration over all else. I made the following comments as well:

1. An exhaustive exploration of the geological conditions at the dam site has determined that bentonite is not present in the foundation of the dam;
2. Any joints in the foundation rock mass will be cut off by an extensive grout curtain extending 70 metres below the dam;
3. The selection of foundation shear strength and pore pressure parameters has been done very carefully;
4. Compact requirements for the fill materials are carefully specified in tender specifications;
5. The dynamic analysis of the dam has incorporated the maximum credible earthquake at the dam site as recommended by our experts and supported by the information from the Pacific Geoscience Centre [an internationally known geophysical organization].

It should also be pointed out that there is a technical review committee of international reputation with respect to this, and I had an opportunity to meet with the Peigan Nation in 1987 to discuss their report and all other reports related to it. I think all of us walked away quite satisfied that, in fact, safety was a paramount concern and the concerns raised in previous analyses were, in fact, corrected and being corrected.

The first question raised was one dealing with general information, Mr. Chairman, and I think I've commented on that.

MR. CHAIRMAN: Are you ready for the question?

Hon. Member for Edmonton-Glengarry.

MR. YOUNIE: Thank you. The minister has the most amazing and admirable knack -- I suppose from a point of view of what he likes to do in here, at least -- of intentionally misunderstanding. It's a rare talent indeed.

MR. FOX: But not one to be emulated.

MR. YOUNIE: But not one to be emulated; that is totally correct.

The minister answered several questions without really answering them. One was the question about wind modeling. I didn't ask for a list and description of the 200 studies; I'm sure he would love to recite from memory at about 300 words per minute. I asked if there had been wind modeling studies, a very simple question. A yes or no answer would quite easily suffice. So that's what I would prefer to get eventually.

The risk analysis question wasn't fully answered, so I'd ask again: has there been any specific risk analysis or risk assessment?

The minister made it very clear that there's no plan for the government of Alberta to export water into the United States. I would like to narrow that down a little more and say: does the government of Alberta guarantee that under no circumstances will there be transfer of water from one major basin to another within Alberta? Will he guarantee that we will be no part of a plan to use interbasin transfer to get more and more water into southern Alberta and then have their Tory cousins in Saskatchewan use the Rafferty/Alameda system to get it down into the States? Or perhaps the potential is even there to do it. Cer-

tainly one of the water diversion schemes documented in the late '60s showed it leaving out of Manitoba. Under a New Democratic government they would have been having to modify that plan somewhat, which might have been what led to the Rafferty/Alameda scheme. So I would like more assurance than just that Alberta won't send it to the United States, but that Alberta won't send it to other provinces who can then send it to the United States in the form of water diverted from northern Alberta to southern Alberta. A little more specific answer than what he gave, although the first answer sounded very, very specific and definitive.

Another question the minister answered without really answering was the one in terms of earthquakes. Indeed, he said that on best advice he used some level of maximum credible earthquake to decide what was the maximum credible, and then they did their study. What he never answered was: what was that level? Was it 6 on the Richter scale, 5.5, 6.5, 7.5? Were the original design documents done with some overplanning, which would show some wisdom, and they used a higher value than recommended? Because I know what was originally recommended, or at least I believe it was 6. The Hardy report recommended that perhaps 7 or 7.5 would have been erring on the side of caution, if anything, and certainly not erring on the side of reckless abandon, you might say, or minimum requirement to be safe. So I'm wondering if the minister could take a crack at answering specifically.

MR. CHAIRMAN: Hon. Minister of the Environment.

MR. KOWALSKI: Thank you very much, Mr. Chairman. Two questions were raised, one dealing with exports. Now, I've read into the *Hansard* tonight the policy of the government of Alberta with respect to the position of the export of water from Alberta into America. What the hon. gentleman now wants to get from the Minister of the Environment of the government of Alberta is the definitive statement that not one ounce of water that would flow out of Alberta into Saskatchewan or Manitoba would ever be diverted or deflected to America. Well, I guess that if the North Saskatchewan River flows today and the water leaves our province and goes into Saskatchewan and we have interprovincial apportionment agreements that say that we must deliver to Saskatchewan 50 percent of the water and, in turn, Saskatchewan has such an arrangement with the government of Manitoba that Manitoba must receive 50 percent of the water that flows from Saskatchewan into Manitoba, I guess the ultimate question is: can we here in Alberta at any moment trace definitively that this ounce of water that currently is passing the High Level Bridge in Edmonton ultimately would not end up in America by way of export?

Well, as best I can, I'm going to assure him that we would never allow that to happen, because our position is that the waters of Alberta will not be exported to the United States. That's our position. That's also, by the way, the position of the government of Canada, which was enunciated with the ministers of the environment in the fall of 1987. So I hope that we can be very definitive about that. Now, I suspect that some unscrupulous character might load up a couple of jugs of water and take it in his car or his half-ton and go wheeling off down there to some place in Montana and say, "Hey fellas, we got some good pure Alberta water for sale." But that's of course not what the hon. member's talking about. So I hope that we've definitively said: no export of Alberta water to America and no export of Canadian water to America. What will happen in 400

years from now unfortunately -- I think it would be irresponsible on my part to say that I would have enough influence today to caution something to happen for the next centuries to come.

So the next question really had to do with the dams and assurance of earthquakes, that we would not have earthquakes in the province of Alberta caused by the Oldman River dam . . .

SOME HON. MEMBERS: No, no.

MR. KOWALSKI: . . . and furthermore, that the damsite itself -- another corollary of that is that the damsite itself would not be the victim of an earthquake or, in fact, it wouldn't be damaged. We've indicated again, very clearly, that safety is a paramount importance. I want to point out again what the position is, our policy is. The policy of the government of Alberta is the following: "Safety of the dam remains the paramount consideration over all else." So having enunciated the policy, having hired the engineers to do it, having had preliminary designs put out, tested, reacted, having technical committees of international reputation, technical committees within the province of Alberta of national reputation, international reputation, the give and the take that you get with engineers, private-sector firms, a whole consortium with UMA Engineering Ltd. and Acres engineering out of Calgary, we have in essence overdesigned the dam, like we always do because safety is of maximum importance.

So I have to give the assurance to the member that we have no concerns about the dam being destroyed by an earthquake. In fact, I'm not aware of any earthquake ever in the history of Alberta, but perhaps there has been one, and this is always an opportunity for enlightening, elucidation, and added knowledge and education and everything else. So looking at the impact of earthquakes in Alberta in our history, looking at the professional information that we've got from the Pacific Geosciences Centre, and looking at the designing that we've done in there, I have to give the assurance to the member that the Oldman River dam will not fall apart with an earthquake.

I suspect the next question is: will the minister resign if the dam falls apart by an earthquake? As long as I'm the Minister of the Environment, I want to give the member the assurance that if an earthquake should strike the Oldman River dam and if it can be shown that the Minister of the Environment was derelict in his duty, then the Minister of the Environment will most surely tender his resignation to the Premier and to the people of Alberta. I believe in ministerial responsibility, so I want the hon. Member for Edmonton-Glengarry to sleep carefully tonight and relax knowing full well that if it falls apart by way of an earthquake, then as everyone here is my witness and *Hansard* is my witness, I most surely will tender the letter. If the hon. member wants me to tell him if I've already written the letter to the Premier in the event, the possibility of earthquakes, an undated letter, signed -- I haven't done that yet, but I'd even be prepared to consider that as well.

MR. CHAIRMAN: Hon. Member for Edmonton-Strathcona.

MR. WRIGHT: Thank you, Mr. Chairman. It turns out that water under the General Agreement on Tariffs and Trade is a good, and it seems that the same definitions apply under the so-called free trade agreement. I hope the minister can assure us that there is no arrangement anywhere for the sale of Alberta water to anybody in Canada. I know there are rationing arrangements, of course, to make sure that downstream provinces get a fair share of water that originates in Alberta, but none of it

depends on money, because if it does, then it would be caught by the equal access provisions of the trade agreement, it seems.

On the matter of the dam itself, I've had a look at the visuals that the minister handed out, and they look uncommonly like pictures to me. But they do the job, I suppose. I see that there are tunnels already constructed -- in hydroelectric dams they'd be counted as penstocks, I suppose -- and that is only consistent with the construction of a dam. Was it not the case, Mr. Chairman, that up until recently all the works that had been done were consistent with off-store storage and not directed only towards the dam? When did the construction of the dam proper start? Because I take it that those tunnels through which the water flows from the dam are consistent only with the dam. I expect the minister has answered this at some time, but I can't remember his saying that.

I remember his telling us the huge amount of earth that will go into the dam itself. Where does the earth come from? Is it removed from the banks of the river locally? What care is taken to make sure that there is no extra detrimental affecting of the environment from the very large amount of earth that would have to be dug to supply the spoil for the dam?

Those are my questions for the moment Mr. Chairman.

MR. CHAIRMAN: The hon. Member for Pincher Creek-Crowsnest I believe, wanted in.

MR. BRADLEY: Thank you, Mr. Chairman. I wanted to make a few comments with regard to the Oldman River dam project. First I'd like to commend the minister and his department for the work they've been doing with regards to the mitigation opportunity studies down there. It's been a lot of work done by a local advisory committee and subcommittees of the municipal district of Pincher Creek in co-operation with the department. From the feedback I've been getting from the local municipality and citizens, this mitigation opportunities planning which has been under way is not only meeting but surpassing the expectations of the local residents. For example, there were some concerns about how the new road network might end up around the dam to replace those roads and bridges that would be flooded. A process was worked out. The minister came down and met with the local MD council, and a decision was made which is in the best long-term interests of the people in the area. It's going to be of significant benefit to the people living north of the Oldman River. In fact I've heard people comment that they're going to have a better road system now with the work that's being done than presently exists.

Similarly, with regards to recreation and archeological work the local people are very satisfied. The announcement last week with regards to the fisheries mitigation plan, spending some \$4 million over the next 10 years to meet the objective of ensuring that there would be no net loss of fisheries opportunities has been well received. In fact I understand there is some promise that there will be more fisheries opportunities as a result of the mitigation plan than there currently exists in the Oldman River area. So that is excellent news.

One area of concern locally which I wanted to raise with regard to a commitment for water for local irrigation -- that commitment has been made. There is some request to give a certain allocation of water from the dam for local use. Perhaps the minister has that under consideration. Knowing how he's responded to the local concerns in the past that he would come forward and respond appropriately at the appropriate time with regards to that request . . .

There has been a level of local employment on the dam project which has benefited employment in the economically depressed Pincher Creek-Crowsnest area. Some 60 percent of the man-hours of employment have been local to date. I know that was raised earlier in the question period today with regards to the economy in Pincher Creek-Crowsnest, but it's certainly seen as a benefit in terms of that high percentage of local participation.

I did want to commend to members an article in the June 6, 1988, issue of the *Alberta Report* on page 4 which really goes a long way to explain the need for this kind of a project in southwestern Alberta. It's been a debate in my constituency for a number of years; in fact, I've had five candidates from opposing parties run against me in three election campaigns. They were not successful. I should note today that I think there's stronger support in my constituency for this project than there has ever been. Certainly that's the feedback I've been getting. There is a small minority who continue to oppose the project, but I think there is widespread support. Initially, the concerns had come from landowners who would be displaced from the project, and I can appreciate their point of view and concern. In particular, they didn't feel they would be adequately compensated for their losses, and I think that's been resolved. I think 97 percent of the land required for the project has been acquired, and I believe all the landowners to date have been fairly and equitably compensated. In fact, I'm starting to get complaints from some of the local citizens that they feel that perhaps we've been too generous with some of the settlements.

So I think generally from the perspective of my constituency, where the project is located, there is support for the project. It's recognized the need for water management in southern Alberta, and the benefits will accrue to all of southern Alberta. There's been this theory put forward that only a few hundred farmers are going to benefit from this project. This project's important to all the citizens of southern Alberta, whether they live in the Red Deer River basin, the Bow River basin, or the Oldman River basin. We have an apportionment agreement with Saskatchewan where we have to pass on 50 percent of the flow to Saskatchewan. If we didn't have storage in the Oldman River basin, it would mean that those other two river systems, the Red Deer and the Bow River, would have to make up the shortfall from the Oldman River basin. As such, if we don't proceed with this type of storage, we'd be limiting growth not only in the Oldman River basin but for all of southern Alberta, for the people living in Calgary and in Red Deer, and in the future. So it's strongly supported from my corner of the province.

MR. CHAIRMAN: Hon. Member for Edmonton-Glengarry.

MR. YOUNIE: Thank you. I still have some questions not answered, although I must admit that some are. It's interesting to note from the previous speaker and the minister that they figure they can get three elections on a promise, and then eventually they've got to finally come forward with the dam. Maybe that explains the urgency of getting the dam finished, although it's hard to say.

The minister's finally hit two out of three on my concerns about water diversions, so I'll try to pin him down on the third. He's told me very definitely that the water won't go across the Alberta border into the States. Now he's said that we won't divert it within Alberta to go to another province and then into the States, and I'm glad that's on the record. But last -- and as far as I'm concerned perhaps even most important -- will he

commit himself that he is not planning or no one in the government is planning or there will not be under his policies, diversion from major basin to major basin within Alberta, whether or not it's for sale out of the country? Just no diversion . . .

MR. CHAIRMAN: Excuse me, hon. member. Excuse me. You've got to tie that into the capital project we're discussing...

MR. YOUNIE: Yes, t h a t . . .

MR. CHAIRMAN: Order please.

. . . as opposed to simply a matter of government policy. The Chair's having some difficulty. We've been through the estimates of the department. We've been in the heritage fund estimates. Now we're in the capital estimates. So if the hon. member could tie his question into the capital construction that's before us, then perhaps the Chair would allow the question.

MR. YOUNIE: Thank you. Yes. My assertion has been from the beginning that the purpose for the dam is a complementary part of that interbasin transfer scheme, so I want a promise that it is not for that and that there is not going to be an Alberta interbasin transfer. No messing around with what it might be transferred for, just no interbasin transfer from major basin to major basin. I would like that done as directly as possible.

In terms of earthquakes, the minister does an absolutely stupendous job of joking about earthquakes. The Hardy report pointed out that there had in fact been an earthquake in Alberta of 5.1 on the Richter scale, and it was caused by oil activity, by oil drilling and removing of oil from underground. So in fact it is not impossible that the weight of water and weight of the dam and so on could cause an earthquake. Although that is the least likely of all possible scenarios, it's not totally impossible.

Almost as unlikely is the possibility of the dam being damaged in some way or knocked down by an earthquake elsewhere in the northwest corner of this continent, keeping in mind that buildings in Edmonton did move from an earthquake of about 7 on the Richter scale in the very northwestern portion of the continent, in the Nahanni valley, I believe it was. Again, that's not impossible. The earthquake doesn't have to be in downtown Pincher Creek for it to affect the dam. I think the minister knows that as well as I do, but he's very good at trying to ridicule questions rather than answer them. And I don't believe he's answered the question yet of: what value of earthquake was used in the final design documents? Was it 6, 6.5, 7, 7.5? What was the exact value? No levity about whether or not it's possible, just: what was the value used?

He still hasn't answered the question of why the Hardy report was not given to the independent review panel to review just as the other documents. Now, he argues that it didn't mean anything, and besides that they've answered all the questions anyway, and they wrote a nice long letter to the band. But why wasn't it given to the independent review panel to give an independent view of whether or not all concerns and problems had been answered?

The minister reminds me a lot of the building owner who has a building inspector say: "You don't have smoke detectors; you don't have crash bars on your doors; you don't have water sprinklers. What's wrong?" The building owner says: "But look, it's right here in my policy manual I give my tenants. Safety is my first concern." And he says, "But what about the smoke detectors?" The owner says, "I don't need those, because

safety is my first concern." What I want to know is that you've done all the things that make sure that safety isn't going to be some poor people's last concern in their life as well.

So I want to know that all the concerns in the Hardy report have been met, and I would prefer to know it from an independent review panel or an outside source. The outside source I've talked to has sent the minister three pages of questions and concerns; they are awaiting the answers. There's another question the minister didn't answer for me, and that is: when can they expect answers about all of this? I trust their advice. I would like to have the benefit of the answers to their questions that the minister can provide. So when will the concerns of that group be answered? Hopefully the minister can give a commitment that it will be before the end of session, so that if this is passed and all the other budget items that deal with the Oldman dam have passed and it turns out that the answers they get aren't satisfactory, I can still ask the minister about it in question period. I'm sure he would be only too happy to be helpful in that regard, because he just loves to answer questions about the Oldman dam anyway.

Concerning the dam and the permits and the purpose of the dam and so on, the minister has said over and over again that it's an irrigation dam. The permits he issued recently say it's not an irrigation dam. But he says that it's still going to irrigate some 100,000 acres even though we're no longer calling it an irrigation dam. They'll just wait till it's built before they apply for the water -- I guess maybe because they're cautious about the cracks in the subsurface and are worried that the dam won't fill up. So they'll wait to see if it fills up to see if it's worth applying for irrigation water. Somehow when I see that kind of contradictory evidence where a permit says it's not an irrigation dam but all the publicity from the department says, "We're going to irrigate all these acres and help all these farmers," I start to smell a rat. I start to think somebody's fudging things somewhere, and I start to get suspicious. So perhaps the minister could explain.

Now, we already know that 50 percent of the water's got to go to Saskatchewan, right? We already know that and the minister has said it numerous times. I hope I'm correct; I'm just quoting the Minister of the Environment. I'm wondering: of the 50 percent left, what percentage of that does the minister plan to see used for irrigation, what percentage does he see used for municipal water supplies downstream, and what percentage does he see just to keep water in the riverbed itself and for any other uses? Because according to people I've talked to, the amount of acres the minister plans to irrigate will use all of the water behind the dam. It wouldn't even leave us any for Saskatchewan; it wouldn't leave any for Lethbridge; it wouldn't leave any for Fort Macleod. You know, and vice versa: if all the communities he listed one day in the House for us had all the water they needed, then it wouldn't leave much for irrigation and very little for Saskatchewan. So it seems like we're going to get to use that water three or four times.

Now, if the minister argues that he's going to stop the water with the dam so at least we can get to use it all at once, that's one thing. But to argue that we're going to get to use it over and over again somehow . . . Unless it's based on his humidifier theory that we're going to send a lot of it up into the air by evaporation off the reservoir and it'll rain back down and we'll get to use it over and over again, I can't see how we're going to do it.

So if the minister could answer those.

MR. WRIGHT: Mr. Chairman, I'm afraid I've been misled by the minister's opening here, and maybe hon. members have. Because as I heard him, he talked solely about the Oldman River dam, but I'm looking at the two capital projects, numbered 1 and 2 under Environment. . .

MR. CHAIRMAN: Order please. Hon. member . . . Well, I'll let the hon. member finish. I think the hon. member is using the wrong information, but proceed. [interjection]

MR. WRIGHT: Oh, I see.

MR. R. SPEAKER: Mr. Chairman, to the minister. I wanted to ask two questions. The first one is with regards to the land that has been assembled. The Member for Pincher Creek-Crowsnest mentioned that 97 percent of the land has been accumulated and purchased. I'd appreciate a few more comments with regards to that.

The second question is with regards to this interbasin transfer. If the answer of the minister to the hon. member who spoke earlier and raised the question about interbasin transfers is that there will be no interbasin transfer -- -- if that's the answer of the government, I raise the question about water transfers in my own constituency. The Little Bow, that travels through my constituency, transfers into the Oldman at the forks just east of the little village of Turin, and has all my life, since the glaciers, moved northward in this province. On the other end of my constituency, at the east end, the Bow River transfers into the Oldman River at the forks just north of Grassy Lake. The fish intermix and have a great time at that point, and they go into the Saskatchewan into Saskatchewan. Now, there's interbasin transfer of water and species. The question I raise with the minister is: if we do it upstream a little earlier, what are the effects, if any? I think we get a little carried away with some of the things we say about interbasin transfer when nature's already done it.

MR. KOWALSKI: Mr. Chairman, I think we'll go in the reverse order in which these questions were raised, and I will deal firstly with the question raised by the Member for Little Bow. Of course, the Member for Little Bow, who has had actual practical living experience with what we're talking about in terms of the environment in Alberta, knows full well what we are talking about. Of course, what he says is absolutely correct. I'm just pleased that there are people who have knowledge who do stand up and raise questions, because the second question came from the Member for Edmonton-Strathcona, who was on the wrong estimates tonight. But nothing more to be said about that.

The third question then came from the Member for Edmonton-Glenarry, a series of questions which basically said about basin transfers . . . I'll repeat once again: the document which publishes the policy of the government of Alberta with respect to Water Resource Management Principles for Alberta -- and I would draw once again to his attention principle 6, which deals with river basin management. It's one I've already read into the *Hansard* of this Assembly, so it would be repetitious to do that again, Mr. Chairman.

The member also wanted me to talk some more about earthquakes. I want to assure him once again that as a result of the information and the engineering studies that have been done and the reviews by the various committees that have been involved. All I can do at this point in time is give him an as-

insurance. Now, we can go on forever and ever debating this and debating that, and there are certainly no frivolous or flippant comments made by the Minister of the Environment to the serious questions raised by the Member for Edmonton-Glenarry. I appreciate the great length of time and research he's put into framing his questions. I want to repeat once again that safety concerns are of paramount concern with respect to any engineering project we have going on in our province, any engineering project I am responsible for. We've indicated earlier in the question period the comments with respect to the Hardy report. The Hardy BBT report is the property of the Peigan Indian Nation. I want to assure him that any questions arising out of the Hardy report or any questions that will come to me after the fact by other groups of engineers in this province of Alberta will be responded to, and will be responded to because we view them as very serious questions. We want to make sure that any unknown any person in the province of Alberta would have with respect to the safety of the Oldman River dam would be answered and dealt with and there would be a comfort level I would want them to have so they in essence could become supportive of the concept.

The hon. member raised questions with respect to the purpose of the Oldman River dam. I have on innumerable occasions in this Assembly cited five major reasons or areas or definitive purposes for the Oldman River dam. Irrigation is only one of them. I've commented before that water in the southern part of the province is vital to life. When we talk about life, we prioritize first of all human life, human beings. All of those communities -- and I've given the numbers and cited examples of those communities in southern Alberta that are dependent upon the Oldman River and the Oldman River basin for their water supply -- are of paramount importance and priority number one.

We've talked also about the recreation enhancement and the recreation potential. We've also talked about the need to ensure that there's municipal recreational park infrastructure. I can think of that fantastically beautiful and internationally known Japanese Garden in the city of Lethbridge that needs water. Well, it gets its water from the Oldman River dam, and we want to ensure that that happens. We also want to ensure that wildlife opportunities will be enhanced and increased.

We also want to ensure that to meet the economic diversification and balanced growth scenarios of this government, there can be industry based on food production in the southern part of the province of Alberta. When the Hostess potato chip company wants to utilize potatoes grown in the southern part of the province of Alberta, we want to ensure that they can grow and they can expand and, when pea manufacturers and packagers come along, that they'll have an opportunity to enhance the food, the quality production we have in the southern part of the province of Alberta, and we will have water to ensure that in fact that economic development can occur.

The next questions came from the Member for Pincher Creek-Crowsnest, and I want to thank him for the positive comments and feedback he has given with respect to this matter. I also appreciate that for the Member for Pincher Creek-Crowsnest this has been a difficult issue at various times through his political career. I'm also satisfied, and I'm reassured, because every time I go to the Pincher Creek area I find there are increasing numbers of people who really understand and appreciate the need for the Oldman River dam and appreciate as well that, as we've said before, there will be an impact. You can't build a dam in an area without having an impact; you change something. We've also said that we were going to take the necessary

steps to minimize the impact on the environment in that area and, in fact, would try and enhance in every case we possibly could.

This has been a difficult subject matter for the Member for Pincher Creek-Crowsnest in dealing with some of his constituents, because some of his constituents believe all of the benefits of the Oldman River dam are really downstream from the constituency he represents. But I want to compliment him for the determination and the understanding he's had as a citizen of this province that sometimes certain things have to happen in your constituency for the benefit of all the people in the province of Alberta. The Member for Pincher Creek-Crowsnest has handled himself just admirably, superbly well. In fact, I'm very proud of the position he's taken with respect to this matter. I'm also doubly satisfied that in fact there's increasing support among his own constituents for the need and support of this. I can empathize with that, because I have within the constituency I represent the Alberta Special Waste Management Corporation, and that has caused a few questions from time to time.

Lastly, I come to the original questions that were raised by the Member for Edmonton-Strathcona. The Member for Edmonton-Strathcona raised questions with respect to the sale of water, and I sincerely hope that in the responses I've given with respect to the sale of water, I've answered the question he's really had. He made comment as well with respect to the pictures, and I'll accept his greater understanding and appreciation of the English language than I've ever been able to muster. Perhaps when I refer to them as "visuals," in my understanding a picture is a visual, but perhaps if I need to be re-educated with respect to this matter, I'll be cautioned and guided by the eloquence of the man and now refer to the "pictures." On the pictures there are some tunnels, and the tunnels, of course, are there as part of the construction project to divert the water from the channel the water currently goes through so that when we bring in the dirt to build the dam, the water will be able to go underneath the tunnels, the tunnels all hon. members can see in here. Well, it's very difficult, so you have to take my word for it that there are great big tunnels underneath the ground here. I've walked through the tunnels . . .

MR. WRIGHT: Are they just temporary? That's what . . .

MR. KOWALSKI: Oh, absolutely not. The tunnels are there for diversion purposes, and when the dam is built, if there's overflow, they will become part of that whole mechanism that will be there. They are not a mausoleum or a place to put future politicians in the province in Alberta. They are not, as some have said, a nuclear fallout shelter of the grandiose scheme that the Minister of the Environment, who also happens to be the minister of Alberta Public Safety Services, must provide for in this province or anything else like that. This is part of a construction project. In fact, if any hon. member here would like to go and have a walk through the tunnels, we'll make arrangements for any hon. member to go down to Pincher Creek to see the dam firsthand; we'll take you for a nice big walk through it. They're really quite something to see.

Finally, Mr. Chairman, we deal with the question of the fill. The hon. gentleman has asked the question of where the fill will come from. Well, we're talking about millions and millions of tonnes of fill, and of course the fill will come from the area. Just recently we put out tenders basically calling for riprap, and they will be found in the area. I want to make it very clear, because there was some concern several months ago by some --

and they were unreal concerns, but nevertheless they were perceptual concerns -- that, in fact, we were going to cause some of the riprap to be located in the Oldman River dam to come from the Frank Slide area. Of course, that just simply isn't so. But we did have to put out a statement to ensure that not one little rock or anything else would come out of the Frank Slide area, because that is an historical resource for our province and our country. The fill there basically, as I repeat again, will come from within the area. Our policy also is that everything has to be reclaimed, and everything will be reclaimed, so there will be no lasting scars found anywhere hither or there within any area proximate to the Oldman River dam.

MR. CHAIRMAN: Hon. Member for Edmonton-Glengarry.

MR. YOUNIE: Thank you. My comment is very brief, concerning the interbasin transfer, as the Member for Little Bow described it. Although the minister said he was absolutely right, with all due respect, I'd have to say it was absolute balderdash. I'm sure the member knows as well as I do that there's a big difference between geographical processes that take many, many centuries to bring two basins together and a man-made diversion over a height of land between basins that do not naturally run into each other done over a short period of time in great quantities. My concern is grandiose schemes that will see the North Saskatchewan and the Pembina running into the Oldman. That's the kind of interbasin transfer I'm worried about, the kind of pyramid-building mentality Tories seem to succumb to; as some describe it, their edifice complex. I'm worrying that we're seeing it running rampant in the latter stages of their reign.

MR. KOWALSKI: Mr. Chairman, if the hon. member would permit me to just clarify that last item very, very quickly, even in the wildest imagination and fantasy I could conjecture and come up with, I want to assure the hon. member that if the elevation of the Pembina River is at 2,200 feet above sea level and the elevation of the Oldman River is at 3,000 feet above level, there ain't no plan, even in my wildest imagination. If I got up in the middle of the night and said, "What we've got to do is move water from the Pembina River to the Oldman River" -- that I could ever get the consensus from my colleagues in this Assembly to engender a canal that would move water 800 feet up there: that ain't going to happen, hon. member, so sleep quietly, sleep peacefully, sleep gently, and if you get up with these nightmares in the middle of the night, you phone me and I'll relax you.

MR. WRIGHT: Mr. Chairman, the amount to be voted under this vote is \$66 million. There has been a considerable amount of talk about the concept of the dam and certain features of it. But can the minister tell us what exactly in the construction of the dam the \$66 million will be spent on? I mean, what part of the dam in particular will this money be spent on? I presume it covers the amount that's being constructed in the fiscal year that is appropriate to it, and what is it? I think this is basic stuff for this vote.

Secondly, if I can remind him of the one question I did ask before that was not answered, which is: when did the dam proper construction start, or is all of it that has been constructed to date been the dam proper? We had understood earlier that much of it up to a certain point all of it up to a certain point was equally consistent with off-stream storage.

MR. KOWALSKI: Mr. Chairman, very specifically to the first question the hon. Member for Edmonton-Strathcona has raised, I already gave the figures in the first five minutes after 8 o'clock tonight. Now, if the hon. member wasn't here, I'll be happy to repeat them again, but they already are in *Hansard*. I broke down the \$66,300,000. If the hon. member would like me to do it again, I'll do it.

MR. WRIGHT: No, no.

MR. KOWALSKI: Okay. Because I did it within the first five minutes after 8 o'clock.

The second point dealt with: when did the actual dam begin construction, or what is under way? Well, I guess it's almost the chicken and the egg kind of thing and a catch-22 kind of situation. In my view, the dam construction began in 1986. You can't physically have the dam which would go across the river unless you have the tunnels that allow you to move the water. So from that perspective, the dam construction began in 1986. Now, there are some who would argue: "Well, just a second. By dam, what you really mean here now is the earth that goes from one side of the valley to the other side of the valley." If that construction is what we're only talking about, then that construction will begin this summer. But of course, you can't do that unless you get the other stuff. So I argue that we're talking about a dam and we're talking about everything else, and we've been building the dam on the Oldman River since 1986 in terms of all of the engineering, all of the planning, all of the excavation, all of the movement of dirt, the spillway, the tunnels, the clearing of land: all of that has been under way. In fact, there's been construction in the riverbed itself in terms of moving in dirt, and there has been dirt in the riverbed since, really, 1986 as well.

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

MR. McEACHERN: Thank you, Mr. Chairman. I seek your guidance before I get into this. I have a number of questions and an observation or two about the capital projects fund. The Treasurer was here earlier, and I had hoped to get in and ask him, but he is not here now. I have a concern that if this vote goes by and maybe we get into the next vote and it goes by also, then after the vote has gone by, people will say I can't ask questions about that. So I would look for some guidance as to when would be an appropriate time for me to ask some general questions of the Treasurer in terms of how the fund is set up, how it works -- those kind of things -- and the accounting for the fund. I've been looking through this fairly carefully, and I could ask them now and put them on the record, if that's okay, or would you rather I did it at some other time? Perhaps the House leader could be of some help guiding us on this. I don't really mind when I do it, whether I do it now or whether I wait until tomorrow morning.

MR. CHAIRMAN: Hon. member, the Chair is generally not in the habit of explanation, but as the hon. member's probably aware, for these Capital Fund projects, funds are borrowed and then repaid through access to the General Revenue Fund. Now, I don't think the question's in order to the Minister of the Environment as to how the capital fund works, but the Chair would seek the guidance of the hon. Government House Leader if it would be appropriate prior to the passing of the total of the three votes, if that question would be in order to the Provincial

Treasurer.

MR. YOUNG: Well, Mr. Chairman, if it is a major consideration, it may be possible. I haven't checked the scheduling of the Provincial Treasurer for tomorrow morning, but it may be possible to arrange to have that question placed. I gather what you're requesting, hon. member, would be an explanation in the order of three minutes or so.

MR. McEACHERN: It might take 10.

MR. YOUNG: Let's have an understanding that I'll follow it up, but at the same time I'm not going to be encouraging a debate which is outside the estimate itself in a major way. So a minor explanation, yes; a major debate, no. Is that agreeable?

MR. McEACHERN: Yes. Okay. I'll just put a few questions on the record then, and he can answer them tomorrow perhaps, if that's convenient.

I guess the first sort of question is that some projects are singled out to go into the Capital Fund. When you consider that the budget has some \$1.1 billion of capital projects also, it does seem a little odd that these ones make it and others don't, like building of highways and so on and some of the other things that are in the Capital Fund. So I'd like the Treasurer to address that question. I'm sure he's made some comments on it sometime before. He did say also, during the budget speech, that there was a total of \$2.5 billion in capital funds. I'm looking at the amount in the Capital Fund projects suggested tonight and in the budget -- the \$1.1 billion there -- and some other comments in the budget, and I don't come up with that total. He did promise me an answer on that question in the House from a written motion a while back. So I wanted to remind him and ask him if he would get those figures to me.

Now, a more specific kind of question I wanted to ask was related to the accounting for some of these funds. This fund was started back in 1986. In fact, on November 1 of '86 the sort of first amounts of money were put forward. The estimate for that year, '86-87, for education -- the postsecondary education facilities part -- was only \$51.6 million according to the document I have here from that year. In the present document, the one we have for this year, the 1986-87 actual for postsecondary educational facilities is listed at \$30.7 million. Yet if you go to the public accounts, volume 1, and look at Advanced Education, it says here that the estimate for the year '86-87 was \$332 million and expended was \$268 million, and I'm wondering why that discrepancy. I've been able to resolve all other connections between the estimates and the public accounts sections except those numbers. So really I would like to be able to ask the Treasurer if he could explain those when he gets a chance.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you, hon. member.

Agreed to:

Total Vote 3 -- Construction of Water Development Projects	\$66,300,000
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MR. KOWALSKI: Mr. Chairman, I would move that the vote be reported.

[Motion carried]

## Advanced Education

### 2 -- Construction of Postsecondary Education Facilities

MR. CHAIRMAN: The hon. Minister of Advanced Education, Mr. Russell. Do you have any comments to make to the committee?

MR. RUSSELL: Thank you, Mr. Chairman. Just a couple of general-style comments. Hon. members will note that the vote this year, because of cash flow patterns, is going up from \$45 million from last year to \$83 million in funds borrowed from the Capital Fund. This is in order to keep major projects that were commenced last year going; that is, phase 2 of Grande Prairie and the new Lloydminster campus of Lakeland College, as well as the usual allotment of new projects starting for various other locations around the province.

A list of projects will show that there's, I believe, a fairly good geographic distribution and a fairly good distribution also among the universities, colleges, and other institutional sectors of the postsecondary system. We've tried to respond to the priority needs of the institutions as put forward by their boards of governors. We're not always able to reply affirmatively to the wish lists submitted by those institutions, but all in all I think an infusion of \$83 million in capital funds in the system during this particular period in Alberta's growth is a pretty good investment.

I'd be prepared to answer questions the members might have, Mr. Chairman.

MR. CHAIRMAN: Are there any comments, questions, or amendments to the vote? The Chair would advise hon. members that the reference material is on pages 10 and 11 of the Capital Fund estimates and page 157 of the element details relating to the capital estimates.

The hon. Member for Edmonton-Mill Woods.

MR. GIBEAULT: Mr. Chairman, I would like to make a couple of comments about the Capital Fund vote that's before us here this evening. Now, we're looking at a substantial increase over last year from, as the minister said, about \$45 million to \$83 million. On the surface of it that's certainly very encouraging, but let's not forget the historical perspective there, because in '86-87 we had \$52 million, and in '85-86 there was an allocation of some \$59 million. So while things are looking up in terms of the capital allocation, there is some perspective to be kept in mind.

[Mr. Musgreave in the Chair]

There are a couple of other points that need to be made here as well. One is that to us it's a little bit curious -- and I would like some explanation from the minister on this. We're looking at a major increase in the capital expenditure provided for the educational institutions of this province, yet at the same time we're looking at a substantial reduction, Mr. Chairman, in the capital formula funding. That's the budget item that's to provide for the maintenance and the replacement of the capital asset infrastructure of the postsecondary educational institutions in the province. So on the one hand we're providing for the provision of some new facilities, and that's commendable in its own right, but at the same time reducing the amount of capital formula funding to maintain the existing capital infrastructure. So I'm wondering if we're not setting ourselves up for some diffi-

cult situations a couple of years down the road. That's the first question to the minister.

The second thing I want to point out here is that we're being asked to approve in this vote, Mr. Chairman, some \$83 million of expenditure through the Capital Fund for a number of projects, and they're simply identified by their institution. I would have to wonder why the Minister of Advanced Education hasn't followed the commendable example of his colleague the Minister of Community and Occupational Health, who during his allocations under the heritage trust fund, instead of just having a line item there, had a description of all the projects that were being funded by that particular allocation. I'd appreciate it if the minister could take a little bit of time here to explain just exactly what we're being asked for in these capital fund allocations to the three universities, several public colleges, and hospital-based nursing education. I'm sure that won't take too long, and I'd certainly appreciate getting some of the details here. There are substantial amounts that are involved.

One of the specific questions I want to ask is in relation to Grant MacEwan Community College, because, Mr. Chairman, the vote before us indicates that there is no provision for an '88-89 Capital Fund allocation. I have to ask about that because I thought the minister just a little while ago made a \$100 million commitment. Now, I recognize that that's over a few years, but what's before us is that in 1988-89 there's no allocation there. Surely there's got to be some way of dealing with that. Was that entirely a special warrant, or how do we account for that?

The second thing I'd like to ask the minister to explain to the House: we have before us \$83 million in capital projects that are being funded, and I would like him to indicate to the House the total amount of capital requests that were submitted to the department by the institutions involved. What I'm trying to get at here is: is \$82 million meeting the entire need of the educational institutions of the province, or is it only 50 percent of the need, a quarter of the need? We don't know, because we don't know, with the information that's before us, what level of requests were put forward to the minister by the various institutions across the province. So I would appreciate the minister's answers to those questions.

Thank you.

MR. DEPUTY CHAIRMAN: Hon. minister.

MR. RUSSELL: Yes, Mr. Chairman. The first issue raised by the hon. Member for Edmonton-Mill Woods is a legitimate one; that is, the difference between this capital funding and the formula funding, which is a part of the ongoing operating votes of the department. The formula funding is something that is unique to a couple of provinces in Canada, Alberta being one of them, whereby institutions are given funds on a formula basis within their operating grants to provide essentially for what is depreciation; that is, the repair of buildings, the maintenance of grounds, and the replacement of equipment and furniture.

It's true that for the second year in a row there have been substantial cuts in the amount of that formula funding. This was a judgment decision taken when the budgets were being drawn up, and as I mentioned earlier, the decision was made with respect to the global funds that were available whether the dollars should go into student assistance or formula funding. The bulk of them were diverted to student assistance, and I believe that was the right decision. Naturally there's a limit to how many years in a row you can go by with a decrease. . . . I'm sorry, Mr. Chairman, I just can't hear anything anymore.

MR. DEPUTY CHAIRMAN: Ladies and gentlemen, I wonder if we could have a little order in the committee.

MR. RUSSELL: There's an important factor involved in how many years you can go on with a continual cutting of that formula funding. We recognize that, and I've indicated to the institutions that we recognize there is a time limit on how long we can do that. At the same time, in the long term we have to be prepared to build for the future and the growth and expansion that's taking place, and these capital funds that are being requested tonight indicate that difference. We expect more and more students to be coming into the system, and the provision of expanded physical plant is what is reflected in this vote.

I can very quickly go over a description of the projects asked for by the hon. member, and I think that is a fair question. In the universities, at the University of Alberta there is \$40,000 to finish the renovations to the HUB Mall. There's \$2.2 million for renovations to the Arts building. There's \$1.7 million for ongoing asbestos removal, and this is going on as a result of building standards throughout buildings around the province. The Corbett Hall renovation is a major project; over a period of several years there's \$3.7 million in there and half a million for rehab medicine. The Clinical Sciences renovation is \$2.2 million. A new project -- it is the U of A's new project this year; the others were all ongoing and carrying on from previous years -- is a utilities upgrading vote of \$9.6 million. The U of A is a provider of utility services to several other users aside from the campus buildings, like the Cross Cancer Institute, the Mackenzie Health Sciences Centre, the Aberhart pavilion: they're all served from the U of A utilities plant. That distribution system is in need of a major upgrading, so there's just under \$10 million in there. So the U of A is getting just under \$20 million: \$19.9 million.

The U of C, which just came through an incredible building program this last year, finishing with the Olympics, has got virtually no money in the capital project this year: \$856,000 -- half a million for asbestos removal, and some \$300,000 for the master of business administration capital requirements.

The University of Lethbridge has had a new project approved: a students' centre building. It's going to be in the neighbourhood of \$10 million to \$12 million, and there's half a million dollars in there for initial planning funds.

So the university sector is getting \$21 million out of the \$81.2 million.

In the colleges the main money is going for, as I mentioned in my opening remarks, the ongoing construction of phase 2 of Grande Prairie College: \$8.8 million. Lakeland College has two projects: finishing alumni hall -- that's the one that was destroyed by fire and through the insurance coverage and new capital funds will be rebuilt for \$2.6 million -- and the Lloydminster campus will be well under way this year, and there's an estimated cash flow requirement of \$12 million there. The Lethbridge Community College is getting a new major project this year, a phys ed building. The old phys ed building is being converted to a food services centre; that is, a cafeteria. Cash flow there is estimated at \$5.8 million. The ongoing cash flow to finish the Mount Royal College expansion in Calgary: \$11.8 million. There's another new project for Mount Royal College this year, and that is the conversion of Olympic media housing to student housing for Mount Royal College. That's a \$12.3 million project. There's a new facility for Olds College, a plant sciences building: cash flow requirement of \$4.2 million.

So the requirement for the colleges sector is \$57 million.

We had \$21 million for the universities sector, and then there's another \$15 million for the two schools of nursing at Alberta Hospital Ponoka and at Foothills hospital in Calgary, about \$1 million and \$15 million each. So there's another \$2.5 million there.

The member also asked about the funds for Grant MacEwan College. Contained in here were funds for the renovation of the Cromdale campus of Grant MacEwan, and that's far in excess of what they're going to need now that they have the authority to go ahead with their new campus. So the renovation that had been proposed for that has been dramatically decreased, and the funds that were left over from that, for that board, some half a million dollars, will be used for planning purposes. I believe that's the maximum they'll need by way of cash flow, but certainly over the next four or five years, as they get into construction, the other \$99 million will have to flow.

The last question the hon. member raised was: what was the total amount requested? I can only guess. If this was \$81 million, the total amount requested was probably three or four times that. This is historic. I mean, each institution historically has put in a list of several major projects that they would like to see going, and as the years go by those projects work their way up the list.

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

MR. PASHAK: Thank you, Mr. Chairman. I can't help but say that I'm pleased to note Mount Royal received some \$25.6 million in capital funding. I'd just like to ask a question related to that. Colleges tend, as I'm sure the minister knows, to attract people within a rather limited geographical area. I think that in the past, at a previous point in time, we talked about the advantages that might accrue to residents on the east side of the city of Calgary if we'd gone ahead with a combined high school/community college facility located there. It would make an excellent joint use of the facility.

In addition, I think there is a serious problem in the city of Calgary: not only a lot of educational capital funding going into Mount Royal College, but all the postsecondary development seems to be taking place on the west side of the city. The university is located on the west side. The Alberta College of Art is on the west side. SAIT is on the west side of the city, although I think it may operate a campus on the east side of the city. I think the physical location of a college or university is important because it tends to generate aspirations in people who live in areas that are proximate to those institutions. So at the risk of sounding like a greedy Calgarian, I'd just like to ask the minister if he and his department have any long-range plans that might address the problem I've just raised.

MR. RUSSELL: Well, Mr. Chairman, it's been quite interesting the way the history of the location of these institutions has developed. It used to be not too long ago that citizens of a community *were* really pleased when an institution was established in their region or in their community. We get the *example* mentioned by the Member for Calgary-Forest Lawn. Mount Royal College is in Calgary, but now because it's on one side of Centre Street, people on the other side of Centre Street are saying, "Yeah, but how about our side of the city?" You know, I don't know how long this can go on. There are preliminary discussions that have been carried on for a northeast satellite campus. It's interesting to note that that's a pattern that Grant

MacEwan intends to follow, with a downtown core campus and satellite campuses out in Jasper Place and Mill Woods. So I suppose it's just a question of time until the proposition you mention takes place. But that development has taken place very quickly, you know, and you get an institution within a city, and then the other half of the city wants a piece of the pie.

Something that has developed very successfully in Alberta in response to that kind of question is the consortia. This is the brokering of programs delivered by various institutions to many rural parts of Alberta through our smaller centres. So there are many programs offered by Mount Royal College that are being delivered to communities many miles outside of Calgary. But there still is that pressure building up by other quadrants within the metropolitan area to have their share of capital facilities.

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

MR. PIQUETTE: Thank you, Mr. Chairman. I have one question that relates to the Lac La Biche AVC, which the Minister of Advanced Education is quite aware of. In the original plan of the Lac La Biche AVC the second dormitory was part of the architecture and part of the total plan for the educational facility, in terms of providing complete educational programs for students who participate in the upgrading programs at AVC in Lac La Biche. Now, we were led to understand this last year that in this year's budget there would be funding available to complete that dormitory in order for the AVC facility to be able to finally fully realize its potential as an educational institution. In meetings with Public Works, for example, there was the recommendation from Public Works that the plan proceed. The architectural drawings have all been completed, and the AVC institution was quite surprised to see that no money was voted to complete that facility, which has been on the drawing board now for a number of years. I would like to ask the minister whether he's got it in the plan for next year or, in view of the fact it has not been voted for the last two years, whether there's any plan that that facility will be completed as spelled out in the original design of the educational facility.

Because I have to point out that the town of Lac La Biche just does not have the kind of housing resources to be able to house the type of students who come to Lac La Biche for upgrading programs. We find that many students have to be turned back and that the facility cannot at this time realize its full potential because of the residences not being completed. So I would ask the minister here: what is his plan for 1989, and whether it is, in his judgment, a facility which will be soon completed.

MR. DEPUTY CHAIRMAN: Hon. minister.

MR. RUSSELL: Yeah, Mr. Chairman. Just a word of explanation. The vocational centres are what we call PAIs, or provincially administered institutions, and as such are not autonomous or self-governing and are more like a wing of a department of government. So as such their capital development would be contained in the minister of public works and services'. . . But we've done his budget, and what the hon. Member for Athabasca-Lac La Biche says is quite correct, that married student housing for the AVC at Lac La Biche is not in this year's budget. It's simply a matter of which has the higher priority and the higher need. That is one of those projects that remains on the list of projects requested, which I mentioned, by all the

institutions.

The housing this year. We put about 40 percent of the housing requested by AVC at Grouard/Slave Lake into Grouard by way of 20 units of housing in there, where the need was greater. But that married student housing for AVC is still on a pending list.

MR. DEPUTY CHAIRMAN: If there are no more speakers, would someone call the question?

SOME HON. MEMBERS: Question.

Agreed to:

2.1 -- Universities	\$21,336,000
2.2 -- Public Colleges	\$59,150,000
2.3 -- Hospital-Based Nursing Education	\$2,500,000
Total Vote 2 -- Construction of Postsecondary Education Facilities	\$82,986,000

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

[Motion carried]

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

[Motion carried]

[Mr. Deputy Speaker in the Chair]

MR. MUSGREAVE: Mr. Speaker, the Committee of Supply has under consideration certain resolutions and reports as follows.

Resolved that there be granted to Her Majesty for the fiscal year ending March 31, 1989, a sum from the Alberta Capital Fund not exceeding the following for the departments and purposes indicated.

Advanced Education: \$82,986,000 for Construction of Postsecondary Education Facilities.

Environment \$66,300,000 for Construction of Water Development Projects.

The committee requests permission to sit again.

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

HON. MEMBERS: Agreed.

MR. YOUNG: Mr. Speaker, by way of an indication of business tomorrow, it will be the intention to call the Capital Fund estimates for completion, and in the event that there will be time, to commence with second readings of Bills on the Order Paper, beginning with Bill 31 and in numerical sequence generally from there on. In the event there's additional time, some possible study at Committee of the Whole.

[At 9:42 p.m. the House adjourned to Friday at 10 a.m.]

