

Legislative Assembly of Alberta

Title: **Monday, April 23, 1990 2:30 p.m.**

Date: 90/04/23

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

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

As Canadians and as Albertans we give thanks for the precious gifts of freedom and peace which we enjoy.

As Members of this Legislative Assembly we rededicate ourselves to the valued traditions of parliamentary democracy as a means of serving our province and our country.

Amen.

head: **Tabling Returns and Reports**

MR. ANDERSON: Mr. Speaker, I'm pleased to table the outline of the first 50 projects committed by business and institutions to the partnership concept of this first National Consumer Week.

MR. ISLEY: Mr. Speaker, as required, I am tabling the necessary copies of the Veterinary Profession Act.

MR. ORMAN: Mr. Speaker, I'd like to table with the Legislature the annual report 1988-89 for the Alberta Petroleum Incentives Program Fund.

MR. FOWLER: Mr. Speaker, I'm please to table the annual report for the Department of the Solicitor General for the year 1988-89.

MR. GOGO: Mr. Speaker, I wish to table the following annual reports for 1988-89: Red Deer College and the University of Lethbridge.

head: **Introduction of Special Guests**

MRS. BETKOWSKI: Mr. Speaker, I'm delighted today to introduce 17 members of the 145th Edmonton Girl Guide troop who are seated in the members' gallery. They are accompanied by Ms Nora McDonald, Ms Bernadette O'Connor, and parent Mr. Steve Latka.

I attribute in part my entry into public life to the fact that I received my citizenship badge while I was a girl guide, and I would encourage all those young women who are up there to consider it as a possible future career option for them.

Could I ask members to join me in welcoming them to our Assembly.

MR. SPEAKER: Edmonton-Belmont.

MR. SIGURDSON: Thank you, Mr. Speaker. It's a pleasure today to introduce to you and to all members of the Assembly 71 students from the Delwood school in my constituency. They are accompanied today by three teachers: Rita DeLongchamp, Marlene Lakusta, and Larysa Kuc. They are seated at the moment in the public gallery. I'd ask that they rise to receive the traditional welcome of the members of the Assembly.

MR. SPEAKER: Edmonton-Centre.

REV. ROBERTS: Thank you, Mr. Speaker. I also would like to introduce some guests who are visiting with us today. They are 18 students at the St. Catherine's junior high ESL – that's English as a Second Language – program in Edmonton-Centre. They are here together with their teacher Mr. Carnacchia in the members' gallery. I'd ask that they please stand and receive the welcome of the members of the Assembly.

head: **Ministerial Statements**

Consumer and Corporate Affairs

MR. ANDERSON: Mr. Speaker, I'm pleased to inform the Assembly that over 50 businesses, community organizations, and consumer groups throughout Alberta have now responded to our request and have pledged to support the first National Consumer Week by offering various forms of services and information to the benefit of consumers.

The theme for this week is "team up for a stronger marketplace." The government is actively promoting this partnership concept. Partnership involves the co-operative efforts of government, business, and consumers to meet the many changing needs that no one of these partners can meet alone. In practical terms this partnership has already borne fruit. Life and health insurance companies along with property and casualty companies have established plans to safeguard the insured Albertans against company failures. The government now requires that all companies be part of their respective compensation plans.

Just weeks ago I was pleased to announce that following the government's initiative and with the co-operation of the Alliance of Canadian Travel Associations of Alberta, travelers will now have the opportunity of eliminating the risk of lost deposits by purchasing default insurance through member travel agents – this at no cost to the nontraveling public, Mr. Speaker. As government we will continue to watch market activities. At the same time, more administrative and, in some cases, policing and educational responsibilities will be delegated to boards or councils prepared for such responsibilities and that consist of industry and consumer representation. This has been done with the insurance industry. Significant steps have also been taken in that direction with real estate, funeral, and automotive industries. Mr. Speaker, this government will maintain the integrity of the marketplace and work with others to accomplish these goals.

Consumer education is also an important part of this week's partnership initiatives. Commitments have ranged from joint funding of consumer education television programs to information distributed at shopping mall consumer fairs. These are clear examples of partnership in action. During National Consumer Week many Alberta companies and organizations have pledged themselves to work towards the successful managing of current marketplace issues. We thank all involved for their co-operation and this commitment.

Mr. Speaker, I ask members of the Assembly, the business community, and all consumers to be part of this theme, "team up for a stronger marketplace."

MR. MARTIN: Well, Mr. Speaker, I'm certainly not going to object too vehemently to the minister's statement. I would have preferred if at the end when he says, "Team up for a stronger

marketplace," he'd put another word in there. Team up for a stronger and "fairer" marketplace.

There's no doubt that the marketplace works well in most endeavours. So it should, and it's important that all of us recognize that. But there are times when the marketplace can become distorted and it does not act in a fair way. I'm thinking specifically now, to the minister, that if he could work during National Consumer Week to bring in a rent review board, where there basically isn't a fair marketplace, then this would be much more than rhetoric. I would say to him again that with the situation now they're totally at the whim of the landlords.

The only other comment I'd make on the ministerial announcement and National Consumer Week . . . I hope it's just an oversight, Mr. Speaker. I'm looking on page 1 where the minister says, "The government is actively promoting this partnership concept." Fair enough; it's a good idea. "Partnership involves the co-operative efforts of government, business, and consumers." I suggest there are other partners that should be involved. I'm thinking specifically of one group – there may be more – labour. There are more workers than there are managers. They are consumers admittedly, but so is business. I would ask that the minister perhaps might rethink that and bring them in as part of the process. I think it would be a more successful one, Mr. Speaker.

Those are the few statements I have in regard to the ministerial statement.

Thank you.

head: Oral Question Period

Conflict of Interest Guidelines

MR. MARTIN: Mr. Speaker, to the Premier. It has now been more than a month since Justice Wachowich's report on conflict of interest for politicians was brought into this Assembly. That report made a number of recommendations – the Premier is well aware of that – including full disclosure of financial interest. It also recognized a clear need for an ethics commissioner to provide MLAs with specific advice and information on what's okay and what's not okay so conflict situations wouldn't arise in the first place. It's a good idea, and the time for action is now. We need action from the government. I want to ask the Premier this question: will the Premier tell us how much longer we will have to wait until he tables conflict of interest legislation?

MR. GETTY: Mr. Speaker, I think the hon. Leader of the Opposition correctly draws attention to the report that the government commissioned and which has been provided to us. As he noted, I tabled it in this Legislature. From the government's point of view, we have a committee of our caucus, members of cabinet as well who are working on the report, doing a full assessment of the report, how it might be translated into legislation. There are some extremely important and valid arguments in the report that I feel very good about. I had a long meeting with the members of the committee and got a good feel for their concerns which they tried to deal with in their report. Nevertheless, these are matters that will become legislation as quickly as possible, and they take solid assessment. We are carrying that out. It may well be that we're able to bring legislation in the spring session. It may be that we'll have to wait for a fall session. But I assure the members that a detailed assessment is being conducted.

MR. MARTIN: Well, Mr. Speaker, that's fine. Detailed assessment: we should have been having detailed assessment for a long time, because we've been bringing in conflict of interest guidelines for this Legislature for many, many years. The Premier is well aware of it. But we've had a recent example in this Legislature, and time is of the essence. Mr. Justice Wachowich clearly stated:

The public has become less willing to accept official assurances of the integrity of government institutions. These circumstances make it imperative that Alberta adopt a more extensive conflicts of interests system for elected representatives.

He says it makes it "imperative." My question: doesn't the Premier recognize that delay and stalling over conflict of interest guidelines is affecting the integrity and the credibility of his own government, Mr. Speaker?

MR. GETTY: First of all, Mr. Speaker, I'd better set the record straight. This is a matter which the government requested. This commission was put together at the government's direction, and they took some considerable time to come up with a report. They have had a fair amount of time. They then had an extension of their time. They traveled. They have now presented us with a report. We are assessing it. I think it has a great deal of very good suggestions in it, perhaps even as a package, but that assessment has to be done. I agree with the chairman of that commission, Chief Judge Wachowich. I agree that there are greater and greater pressures being put on elected people by the public, but I also – and the hon. Leader of the Opposition knows this – believe that when you deal with matters that could prevent people from seeking public office, then you should take some time and make sure you do it thoroughly. That's what we're doing.

MR. MARTIN: Mr. Speaker, the Premier says there are some good recommendations there. If you're not sure about some of the other ones, study those. But bring in the ones that you think are good right away. That's the point. Again I quote. Judge Wachowich's report says, "The Assembly's procedures are not designed for the impartial and orderly investigation of allegations of conflicts of interest." That's serious. I say, then, to the Premier: because of the inadequacy of the present legislation, will the Premier, whose government's integrity and credibility is on the line, order a judicial inquiry into the conflict allegations dealing with the Member for Redwater-Andrew?

MR. GETTY: Well, Mr. Speaker, I'm not sure, sir, whether I can deal with this matter in the House while it's before you.

MR. SPEAKER: No.

Next main question.

MR. MARTIN: I'm sorry?

MS BARRETT: Next main question.

MR. MARTIN: Well, Mr. Speaker, I was asking about a public inquiry. Surely that . . . Well, I guess if he doesn't want to answer it, that's up to him. [interjections] Go ahead then.

MR. GETTY: As I understand it, Mr. Speaker, you directed me not to deal with that question. [interjections]

MR. SPEAKER: Hon. members, that's indeed the course of events: the Chair directed the Premier not to make reply.

[interjections] Hon. members, hold on a minute. [interjections] Hold on a minute. [interjections] Would you like to go to the showers?

Hon. members are well aware that two purported points of privilege have been raised. The matter will be dealt with after question period today. That information has been shared with the two parties involved.

Second main question, Leader of the Opposition.

Economic Outlook

MR. MARTIN: Mr. Speaker, also to the Premier. Albertans are justifiably concerned about signs that we may be headed – and I stress "may be headed" so I'm not accused of being a gloomer and a doomer from over there by the Treasurer – for another recession. If I may say so, this was mainly created by the federal Conservatives. First of all, the Mulroney trade deal; then the high interest rate policy; the shifting of social programs to the provinces; and, finally, the GST: put them all together and you have a package of, I think, almost a deliberate attempt to create a recession, especially in the regions. I want to say that if this government is planning – I hope they are – to fight the high interest rate policy that's choking Alberta's economy right now, I hope they're going to do a better job than they did with the GST. I also hope that they're going to do a better job than just talking about it, that there are going to be some specific recommendations. That's my question to the Premier: what concrete, specific steps is this provincial government prepared to take to fight the high interest rate policy of the federal Conservatives?

MR. GETTY: Well, Mr. Speaker, you wonder sometimes just what province the hon. Leader of the Opposition is living in. This government had the foresight long before others to predict the course of action the federal government was pursuing and the impact it would have . . .

AN HON. MEMBER: You supported them anyway.

MR. GETTY: Now, Mr. Speaker, I gave them the courtesy of asking a question. They should have the courtesy to allow it to be answered. This government anticipated the direction the federal government was going with their monetary policy and high interest rate policy. This government focused the attention of all provincial governments, unanimously. We also stressed to the federal government that Mr. Crow was pursuing policies designed to deal with inflation in central Canada that were completely wrong for other parts of this nation.

As a matter of fact, this government has shown leadership that no other governments are showing in this area. We are protecting small businesses against the high interest rates; we are protecting our farmers and ranchers against high interest rates; we are protecting homeowners in Alberta against high interest rates. No government has a record close to the record of this government in dealing with high interest rates and helping Albertans while we have a misguided federal policy in effect.

MR. MARTIN: The same old rhetoric: I asked what you were going to do about it, and you told us nothing. Again, it's the same fight as the GST. It will be shoved down our throats whether we want it or not.

I want to ask the Treasurer then, who obviously should have some concerns about it, both in terms of the softer prices of oil,

up a little bit today, and the high interest rate policies, especially dealing with our revenues. My question: has the Treasurer had his department assess the impact of the recent high interest rate policies and the softening of oil prices to indicate what this means for our provincial revenues? If so, can he give us a general assessment of what's happening?

MR. JOHNSTON: Mr. Speaker, it's a two-part arrangement. With respect to the oil price, the member has pointed out that the oil price has in fact rebounded from last week's lows. In fact, the future contracts, going out into the high-demand season in the fall and winter of 1990, show the price of oil now trading above \$20 a barrel, west Texas intermediate U.S. funds. As we pointed out, in fact this is a short-term aberration. We expect our forecast to be very close, and as we've said repeatedly – the Minister of Energy, the Premier, and myself – you have to expect this fluctuation to take place in the oil price right now. So on the oil price, as the member has pointed out, in fact the price of oil is rebounding.

With respect to the interest rates, the Premier has already pointed out what he said in November at the First Ministers' Conference on the Economy. He said to the Prime Minister and to the Minister of Finance, who were in attendance, that the federal government had a wrongheaded policy on interest rates and, in fact, had to correct their fiscal position because they were driving interest rates up. At that time the Premier called for a reduction of about one and a half basis points on the prime rate to get the economy going, particularly here in western Canada where there's a pent-up demand for dollars. Unfortunately, when Mr. Crow and Mr. Wilson got together, you saw what happened in June: they didn't give the market any signal. Of course, we got into a very peculiar situation, one of stress, and the dollar started to soften very dramatically.

Now, all members of this government, led by the Premier, have continually taken on Mr. Wilson and Mr. Mulroney and every other minister we could talk to, that they had to get the interest rates down. When you look at today's market, when the spread today between borrowing here in Canada and borrowing in the United States is over 550 basis points, and the real interest rate is over 9 percent, Mr. Speaker, you have a wrongheaded policy for Canada. It's got to be corrected, because that investment's got to come back to our province. We have made that point consistently. We have made that point every opportunity we can, and we're making it here again today for the record.

MR. MARTIN: Well, just because the Treasurer yells louder, he's still not going to hear him in Ottawa. Quite a fight they put up: they went out knocking on doors for the federal Conservatives during the election. Some fight, Mr. Speaker.

But I want to ask the Treasurer. He says on one hand that the GST is going to hurt us. The high interest rate's going to hurt our provincial revenues. That's well documented. At the same time, he says, "Well, everything's fine; our revenues are on base." I want to ask him this. He's monitoring it. Will the Treasurer be presenting an updated financial statement in the fall session so we can know exactly where we stand at that time?

MR. JOHNSTON: Mr. Speaker, we are providing information to Albertans every month. For example, most Albertans can in fact measure what's happening to oil prices relative to our increase, and we have said in this House, going back to 1987 when in fact we introduced that as a measurement, that Alber-

tans can gauge what's happening to a fundamental source of revenue. But Albertans also understand that the cost of borrowing is a drag on their investment. It's a drag on achieving a house, which most Albertans want to have, and it's a drag on the small business sector.

Now, as the Premier has already pointed out, Mr. Speaker, while today's prime rate may be 14.75 percent, an awful lot of the Alberta economy is protected, because we are putting money out there on a long-term basis at 9 percent, protecting the key economic sectors of our economy: farmers, small businessmen, and the homeowner. As the Premier pointed out, that's a measurement that all Albertans understand, when they know that this government is caring. When they know that this government has the foresight to put policies in place which take away some of the threat of the central government, they know that this is a caring government and one which is continuing to communicate with the people of Alberta with efficient and effective policies.

Interest Rate Policy

MR. DECORE: Mr. Speaker, I too would like to pursue the matter of the high interest rate policies, and my questions will be to the hon. Premier. Last year the Premier claimed leadership on this issue. In November 1989 he issued a press release condemning the federal government policy on high interest rates, asking that a special conference of Canadian Premiers get together to condemn this, but in spite of all that interest rates continue to climb. The Bank of Canada rate is some one and a half percent higher than it was in November of 1989 when he first talked about this. Regrettably, the leadership of bringing together the Premiers or writing letters to the Prime Minister has not worked. My first question to the Premier is this: given that interest rates have risen, that the Bank of Canada rate has risen some one and a half percent higher since November 1989, given that the Premiers' Conference doesn't work, and given that a letter to the Prime Minister doesn't work, what new strategy does the hon. Premier intend to employ to get these high interest rates down so that the impact on Albertans can be eased?

MR. GETTY: Mr. Speaker, let's listen to the last part of his question: what are we going to do to ease the impact on Albertans? Now, I'm not sure if he's been in the House over the last 10 minutes. The people of Alberta, the farmers and ranchers are in fact paying 9 percent: 2 and a half billion dollars, 9 percent, 20-year money for farmers and ranchers in this province. We have small businesses that are still benefiting from a billion dollars at 9 percent. We now have 14 percent shielding for small businesses. We have shielding for farmers in their operating loans. As well, we are shielding homeowners. Now, to have the leader of the Liberal Party stand up and say why don't you do something to ease the impact on Albertans — surely he should have a better researcher than that.

MR. DECORE: Mr. Speaker, it's clear that the hon. Premier is missing the whole point in this discussion. Why, because of a goofy, wrongheaded policy that the Provincial Treasurer talks about that's being imposed on Albertans, do Albertans have to use their own resources to bail themselves out of this difficulty? What is the hon. Premier going to do? What options is he prepared to submit to Mr. Mulroney to say, "Stop this goofy

policy, or give us some sort of compensation in lieu of your goofy policy"?

MR. GETTY: Mr. Speaker, the government of Alberta is doing exactly what a responsible government should do. We have rallied the attention of all parts of Canada, all the leaders of government in Canada, to focus in on the federal government and direct them that this is a bad policy. So there's no disagreement with the hon. member regarding the policy. As a matter of fact, I think if you follow his question a bit, he actually is supporting the government of Alberta in his position. In the meantime, we are able to help Albertans. Through good fiscal management we are able to ease the load on Albertans: homeowners, farmers and ranchers, small businesses — key parts of our economy. That's why Alberta has unemployment going down. That's why Alberta has the highest per capita retail sales. That's why Alberta has the largest disposable income to the citizens. That's good fiscal management. It's as a result of the policies that this is a strong, healthy province again.

MR. DECORE: Mr. Speaker, the cost of servicing Alberta's debt, reaching close to some \$10 billion, equates to almost 10 percent of our expenditures. This is a matter that's getting out of control. When you add a percent and a half to the bank rate, that's a horrific impact on our debt servicing charges. My question to the hon. Premier is this. Give us some options. What options are you presenting to the Prime Minister in the form of a compensation package that Ottawa should be paying to our province, to our citizens, rather than us simply using our own money to bail them out of their problems? Let's be specific, Mr. Premier.

MR. SPEAKER: Thank you. Thank you very much. Let's not get into debate.

MR. GETTY: Mr. Speaker, I've known that the hon. leader of the Liberal Party is relatively new in the Legislature, but I never dreamt that that kind of naiveté is a part of his makeup.

MR. SPEAKER: Cardston, followed by Edmonton-Jasper Place.

Home Mortgage Interest Shielding Program

MR. ADY: Thank you, Mr. Speaker. Some of my questions have been alluded to by the leaders of the opposition. However, high interest rates are certainly the prime interest of all Albertans today because it's impacting on them at every sector. I believe we do have shielding programs in place for much of the economy today in Alberta, but there is a concern as to the housing sector. I'd like to direct my question to the Minister of Municipal Affairs. Can the minister give us some idea if he's giving some consideration to extending the expiry date of the interest shielding program for home mortgages?

MR. R. SPEAKER: Mr. Speaker, to the hon. member: certainly we look at extending any program and look at the needs of Albertans. At present we are helping some 64,000 Albertans with their mortgages, shielding it down to 12 percent. That's costing us on an annual basis about \$13 million. I think there's no other province in Canada doing that at the present time, and that's a record we should uphold.

MR. ADY: Can the minister give us some idea as to when he might be making some further announcement on such a proposal?

MR. R. SPEAKER: Mr. Speaker, the current program expires February 28, 1991, and we certainly will continue it until that period of time. If it is the desire of government to continue the program, it isn't a very difficult one to implement on a longer term basis.

MR. SPEAKER: Edmonton-Jasper Place, followed by Edmonton-Meadowlark.

Alberta-Pacific Project

MR. McINNIS: Thank you, Mr. Speaker. In the Speech from the Throne and on five different occasions the Minister of the Environment stated that all new forestry projects would go to the natural resources conservation board for a full and complete review of their environmental impact assessment. That's what he said on March 15, 26, 27, 30 and April 2. Prior to the Legislature recess the minister was unwilling to answer questions about the new Alberta-Pacific project to build a pulp mill near Athabasca. I've now confirmed from three different sources that that proposal, a substantive proposal, is in his hands and the hands of the federal government. So I wonder if the minister would confirm that he's not broken faith with his commitment, that he has now decided to recognize Albertans' right to a full and complete hearing and will refer the new proposal to the natural resources conservation board.

MR. KLEIN: Well, first of all, Mr. Speaker, the hon. member is not quite correct. It is not now in my hands. It never was in my hands. It was submitted to the department. It's in the hands of the department right now and is undergoing a scientific assessment, and the same kind of assessment is being undertaken by the federal government. In about a week or so there will be a meeting of the minds – something the hon. member undoubtedly can't understand, having never had the opportunity of having a meeting of the minds – to determine a course of action relative to this particular proposal. Stay tuned.

MR. McINNIS: Well, thank you. Mr. Speaker, I'd hoped in his 17-day absence the minister would go fishing and retain some commitment to the environment in doing that. But I want to ask specifically about this question: when things are before the department and when they're before the minister and back and forth again. On March 26, page 267 of *Hansard*, the minister gave this solemn assurance to the House:

We want to make sure this [review of the Al-Pac report] is an absolutely independent assessment of the scientific data; therefore, we want to make sure that the firm selected is not associated with the pulp and paper industry.

Obviously, the minister would never knowingly mislead the House, but I'm wondering if the minister has determined why he was not informed of the past history of Jaakko Pöyry in relation to this specific project, in relation to the Mitsubishi Corporation, and in relation to the 150 pulp mills they've built around the province before he allowed his name to go on the press release announcing their appointment.

MR. KLEIN: Well, first of all, Mr. Speaker, I'm unaware of 150 pulp mills around the province. But notwithstanding that, I would like to comment, first of all, on the hon. member's

allegations that I was off willy-nilly for 17 days doing absolutely nothing. As a matter of fact, the three days I was away from the session was to spend some time with my family, and I find it somewhat hypocritical that this group of so-called sharing and caring socialists would think there's something wrong with that. I resent the fact, Mr. Speaker, that this member . . .

MR. SPEAKER: Thank you, hon. minister. Now we'll go to the question. I understand completely your concern you've just raised. The question.

MR. KLEIN: With respect to the selection of Jaakko Pöyry, Mr. Speaker, an interdepartmental team of officials from Environment and Forestry, Lands and Wildlife was assembled and reviewed the qualifications of some 10 companies. The recommendation was approved by priorities committee and then cabinet. The work the hon. member refers to was done some seven years ago – seven years ago, Mr. Speaker – and was undertaken for the departments of energy and Economic Development at that particular time. We were more concerned about the involvement today of scientific firms in the pulp and paper industry in this province as it exists today, and on the basis of the review undertaken, we as a government were satisfied that this is a perfectly suitable firm to undertake the work necessary.

MR. SPEAKER: Edmonton-Meadowlark, followed by Bow Valley.

MR. MITCHELL: Thank you, Mr. Speaker. The government, endorsed adamantly by the Minister of the Environment, undertook a proper open public review of the first Al-Pac proposal. It's hard to believe there would be any doubt whatsoever that he would want to advocate there be a proper open public investigation of the second Al-Pac proposal. Today, however, we find that he's delaying any such decision until he has a meeting of the minds with federal authorities next week. I wonder whether the Minister of the Environment could tell us what will possibly be on his mind with respect to whether or not we should proceed with a study when he meets next week.

MR. KLEIN: Well, members of the opposition should be patient. They should understand we have a desire to do things right in this government, to take our time, to do the proper examination of the facts. They can't understand that, Mr. Speaker. I can understand it. My government can understand it. They have a difficult time understanding it. There are more players than just the government of Alberta in this particular situation. This involves the government of Canada, and we want to have reasonable negotiations with the government of Canada before recommending to the two governments the course of action that should be taken. Be patient; stay tuned. You're going to be reasonably pleased.

MR. MITCHELL: For the first proposal, Mr. Speaker, the Minister of the Environment decided to do the environmental impact assessment and then went to the federal government to see about their involvement. I wonder what's really happening here. Will the Premier please admit whether or not he didn't get the answer he wanted from the environmental impact assessment into the first proposal, so he has directed the Minister of the Environment not to undertake such a study for the second proposal, thereby avoiding any risk that he may hear what he doesn't want to hear about that proposal as well.

MR. GETTY: Mr. Speaker, the hon. member has been in the House over the past several months. We have talked about this matter in some detail. I also want the hon. member to know he should be aware that he represents a constituency of this city. He should be aware of the need for economic strength of this city. He should be aware of the benefits that flow to this city and his constituents from the ability of the government to have balanced economic growth on both a renewable and a non-renewable resource basis. It's this government that has been able to have strong economic growth flowing into the city of Edmonton, helping the hon. member's constituents. It's about time he started to think from his constituents' point of view rather than a narrow party line.

Red Meat Stabilization Program

MR. MUSGROVE: Mr. Speaker, my question is to the hon. Minister of Agriculture, and it has to do with the cow/calf portion of the tripartite red meat stabilization program. I've been getting some phone calls from some of my constituents, telling me that the producers' contribution to the cow/calf portion of the tripartite stabilization has been increased substantially this year. As this program has been in effect for several years and there has been no payout to it, I wonder if the minister could tell us why there has been an increase in the producer contribution.

MR. ISLEY: Mr. Speaker, there really hasn't been an increase in the producer contribution, unless the producer had received a reduced premium in a previous year. As a result of other provinces joining the program in 1989, to make it fair for those producers that had been in since the program started in '86, the new producers came in at \$9 and the original producers were dropped down to a rate of \$1 so that eventually everyone will have the same amount of money in the insurance fund. So what we currently have right now is a sliding scale from \$1 up to \$9, and depending upon the year of entry, there might have been an increase to a given producer somewhere between \$1 and \$9.

MR. SPEAKER: Supplementary, Bow Valley.

MR. MUSGROVE: Thank you. This program has been in effect now for several years and there has been no payout triggered. As it is based on the price of calves in the fall of every year over a 10-year average, I wonder if the minister has any intention of putting a cap on this fund if there's no payout, say, in the next several years.

MR. ISLEY: If there is no payout in the next several years, I'm sure the interprovincial tripartite committee will probably look at capping the fund. But I would remind everyone that when we started these funds, the intent was that they would be actuarially sound over a 15-year period. I would think at the end of five years, just because it hasn't paid out, would be too soon to start reducing the premium.

MR. SPEAKER: Edmonton-Belmont.

Welders' Safety

MR. SIGURDSON: Thank you, Mr. Speaker. My questions are to the Minister of Occupational Health and Safety. A comprehensive report detailing the dangers of welding in our

province was recently released by its author Brent Marshall, who's an instructor at NAIT. This report lists a multitude of welding-related health hazards ranging from chronic bronchitis to cancer. What's surprising about this is that the report was compiled entirely from information that was contained in the Occupational Health and Safety department's library. Now, given that this information was in the department's library, some of it for nearly 20 years, I'm wondering if the minister can answer why or rationalize why the department never did anything about releasing information to welders about the dangers of their occupation.

MR. TRYNCHY: Mr. Speaker, that information has been available for some time, but that information has also been available to the labour trades and the unions across the province and has not been withheld. We have had over a thousand of these documents distributed across the province, and any building trade has access to it and should be using it.

MR. SIGURDSON: Well, Mr. Speaker, you'd wonder what the government was doing about it – not what the unions and the industry were doing about it but what the government and this department specifically were doing about the matter. Now, given this government's almost total lack of legislation regarding the standards for safe welding, will the minister at least undertake to meet with both labour and industry representatives to develop legislation that will protect the welders from the hazards they're currently exposed to?

MR. TRYNCHY: Mr. Speaker, what the government's doing about it: we've made this information available to NAIT and all building trades and welders across the province. If they don't use it, I don't what else I can do, but I'm interested in meeting with anybody and everybody. [interjections]

MR. SPEAKER: Order please.

MR. TRYNCHY: Mr. Speaker, I'm prepared to meet with anybody and everybody who wants to talk about this, but surely it's a responsibility of all of us – the employer, the employee, unions, the trades – to get this information to the workers. It's there. I don't know why they're not using it. Mr. Speaker, I don't know why they haven't been using it, and I'm trying to find out. If the hon. member across the way has some idea how we can improve the system to get it out to every welder, I'd be willing to listen to him.

Multicultural Commission Report

MR. GIBEAULT: Mr. Speaker, some six months ago the Alberta Multicultural Commission came out with this fancy little document here, Focus for the 90's, which it claimed was "a step in the continuing development of multicultural policies and programs in Alberta," but it was hardly a step at all because it didn't contain any specific objectives, programs, timetables. In fact they ignored many of the recommendations that were made to it by community groups on issues like employment equity. So I'd like to ask the chairman of the Alberta Multicultural Commission what exactly in the last six months – and I acknowledge he may have been otherwise preoccupied in recent days – this commission has done to concretely put in place new programs, timetables, and objectives that will give some substance to the motherhood statements in this document.

MR. ZARUSKY: Well, thank you, Mr. Speaker. To the member: it's true the report has been out for the past six months. It's been presented to all multicultural groups. The recommendations in there weren't specific, but the commission right now is on a focus of getting out public awareness, education, and access and integration. Some of the areas being worked on right now are areas with institutions. We have had a study going with the Misericordia hospital on the medical needs and institutions of immigrants and new people coming into this country; plus the minister has announced a symposium for the fall of 1990, which will be held in Calgary, with institutional leaders, municipal leaders, and many other areas. So these are some of the focuses that are going on right now, and I could go on and on, Mr. Speaker.

MR. GIBEAULT: Let's hope the symposium is not as much a waste of time as Interchange '88 was.

Let me ask the chairman of the commission this then. Since one of the ways multicultural community groups have had to influence policy and programs of the government for cultural communities has been through the Alberta Cultural Heritage Council, and since it seems to be this government's intention to gut that body and replace it with a much more easily controlled little group, can the chairman tell the House and Albertans: does he support the gutting of the Cultural Heritage Council, and if so, how does he expect it to function if it's going to be a shadow of its former self?

MR. ZARUSKY: Mr. Speaker, to the hon. member. I know there is new legislation coming in, which will be introduced very shortly in the House. I think at that time hon. members will have a chance to debate what will be in the legislation.

MR. SPEAKER: Calgary-North West, followed by Clover Bar.

Alberta Government Telephones

MR. BRUSEKER: Thank you, Mr. Speaker. Recently the Minister of Technology, Research and Telecommunications made some proposals that residential phone rates should increase \$2 a month and business phone rates should increase some \$4 per month. This decision was made behind closed doors, with no public input and without the legal authority to implement those changes. My question to the minister: how can the minister justify these raises in rates to increase revenue by \$28 million in total for AGT when currently AGT already has a \$30 million surplus?

MR. STEWART: Well, Mr. Speaker, first off, AGT made certain proposals to put forward a rate package that would involve the reduction of long-distance rates, granting further services to Albertans, and also the full refund by way of credits of long distance of the existing surplus that existed from 1988 through to 1990. The Supreme Court of Canada last year ruled that indeed Alberta had no jurisdiction to regulate the area of telecommunications. Indeed, those processes that were in place utilizing the Public Utilities Board were no longer valid. We can act, however, as the owner of the utility, and we did so in the same manner as SaskTel, as the rates are dealt with by the Saskatchewan government, and the same way the city of Edmonton deals with Ed Tel. That is the manner in which we can act – that is, as owner – and that's what we did in approving the proposal by AGT.

MR. BRUSEKER: Well, in light of the Supreme Court decision the minister referred to, which ruled that in fact the province does not have the regulatory authority to raise rates, how can the minister justify raising those rates when in fact he doesn't have the authority to do that? [interjections]

MR. SPEAKER: Clover Bar. [interjections]
Read *Beauchesne*.

Education Standards

MR. GESELL: Thank you, Mr. Speaker. My question is directed to the Minister of Education. My constituents and I are concerned about Alberta students. Alberta students, we feel, may not be able to cut it in the international and ever-increasing competitive environment that exists out there. My concern is specifically focused on mathematics and science, where I'm told Canadian students ranked 11th out of 14 countries. Those 14 countries participated in international testing in science and mathematics. Could the Minister of Education inform the Assembly as to why our Canadian students failed so miserably in these international examinations?

MR. DINNING: Mr. Speaker, all members should know that Alberta's education system and Canada's education system is there to prepare students for the world of work. But so, too, is it our responsibility – and a number of parents have said this to me – to ensure that they are prepared to become responsible and caring Canadian citizens. Having said that, Mr. Speaker, we do want our children to succeed. We want them to succeed individually, we want them to succeed in competition with other students in Alberta, in Canada, and in fact throughout the world.

I look at the testing that has been done through, for one organization, the International Association for the Evaluation of Achievement, that did a study of science achievement in some 17 countries including Canada, Korea, Japan, the United States, and England. From that testing we learned that Canada's 10-year-olds ranked sixth out of 15 countries and Canada's 14-year-olds ranked fourth out of 17 countries. Now, I'm proud of those results, Mr. Speaker, and I think all members of this Assembly can be. But what the results show is that we have our work cut out for us in the 'grade 12' arena, where Canadian students ranked 11th out of 13 countries. That clearly is not good enough. We could get into a long debate as to why students didn't make the grade in that test. For one, they simply didn't do well; secondly, students in those upper grades in other countries, including Japan and Great Britain, are streamed in their latter three years, so that's basically what they focus on when they study mathematics and science.

Mr. Speaker, one other test our Canadian students participated in was the international assessment of educational progress, a study of mathematics and science. There Alberta unfortunately did not participate – we will in the next round in 1991 – but Canadian students in four provinces ranked in the top six amongst the 12 jurisdictions that participated. In fact, British Columbia placed first in science and second in mathematics. So I believe the Canadian system stands up to that kind of scrutiny, and it underscores the importance of the changes we're making in high school science education.

MR. SPEAKER: Supplementary, Clover Bar.

MR. GESELL: Thank you, Mr. Speaker. My supplementary is to the Minister of Education. I'm glad to see that the minister

is not quite satisfied with the results that were achieved, especially for our high school students. What steps is the minister taking to ensure that our students receive a better science education and to ensure that there are some ongoing measurements of how Alberta students compare with other provinces and also with other countries?

MR. DINNING: Mr. Speaker, the results I've just outlined underscore the importance of the changes that we are making in high school science education, changes we announced in January that will go into place in September of 1992 to provide more and better science education to all Alberta students. But, specifically, to those who will pursue postsecondary studies in science-related fields, we will provide a more challenging and, in fact, more enriched science education.

We are participating in three important studies, Mr. Speaker, one associated with the OECD and the Centre for Educational Research and Innovation, which is putting together an international framework or system of evaluation to determine how well education systems compete both nationally and internationally. Next year, Mr. Speaker, Alberta will join with seven other provinces and 18 other countries in the world to test the achievements of our 13-year-olds in mathematics, science, and geography. In fact, Alberta has been invited to participate in the development of the test. So what this shows is that we are not afraid to conduct that self-evaluation to show that our education system is on par and, in fact, meets par with virtually every other education system in the world. Where there are deficiencies, those tests will help us to determine that, and we will go back and fix those problems in our education system.

MR. SPEAKER: Point of order, Edmonton-Jasper Place.

MR. McINNIS: Yes, Mr. Speaker. During question period the Minister of the Environment . . .

AN HON. MEMBER: Citation.

MR. McINNIS: Thank you, hon. member. The citation is *Beauchesne* 484(3), Standing Order 23(i). Got it?

What he said was that I'd accused him of fiddling around doing nothing for the last 17 days, and I want you to know I made no such allegation. I know he's been working hard trying to find out why they put out the press release and didn't tell him about Jaakko Pöyry's background. I want him to know that, and I want to make sure that allegation of a false and unavowed motive does not pass the record.

MR. SPEAKER: All right; the Chair is of the opinion that the case is well made, that there is no point of order. Both members involved were making comments that were really not related to the question.

head: Privilege

MR. SPEAKER: Now, with regard to the matter of privilege . . . There's some hon. members in transit. Perhaps they'd better speed it up.

On April 9, 1990, the hon. Member for Stony Plain asked a question of the Premier with regard to the activities of the hon. Member for Redwater-Andrew concerning an alleged conflict of interest. On April 10 the Member for Redwater-Andrew rose

in the House on a purported point of privilege to complain that his privileges had been breached. Insofar as the serious allegations made against him by the Member for Stony Plain had "undermined [his] ability to carry out the duties of [his] office," he further went on to deny that he had a financial interest in certain lands which were the subject of the Member for Stony Plain's question and stated that the allegation had jeopardized his position as an MLA to deal with town councils and constituents in his constituency. To support his case of his privileges being breached, the hon. Member for Redwater-Andrew filed with the House certain documents both on that day and the day following to support his arguments.

On April 11 the hon. Member for Stony Plain also rose in the House to complain of a purported breach of the Assembly's privileges, which allegedly occurred through the statements made by the hon. Member for Redwater-Andrew and his question of privilege the day before. The complaint was based on the allegation that it appeared the hon. Member for Redwater-Andrew misled the House on this matter when he raised it on April 9 and thereby violated the privileges of the Assembly. The Member for Stony Plain also filed documents in the House to support his complaint against the Member for Redwater-Andrew.

Hon. members, before ruling on these purported points of privilege brought to the attention of the Assembly, the Chair would like to clarify its role with respect to these rulings. First, the Chair cannot and will not make any ruling or observation with respect to allegations of conflict of interest against members. Business activities of members outside this House are outside the scope of privilege and thus beyond the jurisdiction of the Speaker. The appropriate forum for such issues is either in the legal arena or the political arena. Second, the provisions of the Legislative Assembly Act relate to improper contracts, official positions of the Crown, and the receipt of public money. This is not alleged here and in any event is not a matter of privilege which would involve a ruling by the Chair. Third, the Chair has no authority to refer any matter of privilege to a committee of this House for further examination. Under Standing Order 15, it can only rule whether a prima facie case of privilege may appear to exist. From that point only the House itself in response to a motion of any member on notice can deal with the issue further.

There are here two separate purported points of privilege. Number one, did the Member for Stony Plain commit a breach of privilege as complained on April 10, 1990, by undermining the Member for Redwater-Andrew's ability to carry out the duties of his office? The second question is: did the Member for Redwater-Andrew breach the privileges of the Assembly by deliberately misleading the House as complained of on April 11, 1990? These are the only issues the Chair can consider.

With respect to the first question, the Chair has taken advantage of the Easter break to carefully consider the documentation filed in the House by both members. Much of it relates to land titles, commercial agreements for sale of land, alleged conversations between various parties outside the House, and so on. It is very clear that the Chair cannot in good conscience rely on newspaper accounts or third-hand reports of things which may or may not have happened or things which may or may not have been said outside this Chamber. The Chair has seen no evidence that the suggestions by the hon. Member for Stony Plain on an apparent conflict of interest situation has in any way impaired the ability of the Member for Redwater-Andrew to carry out his duties as a Member of the Legislative Assembly. From the documentation available to the

Chair, it appears without question that the Member for Stony Plain was acting in good faith when he raised the issue with the Premier using the best available documentation from a public authority to support his belief that the Member for Redwater-Andrew had a financial interest in certain lands. The Chair therefore rules that the Member for Redwater-Andrew has not brought a prima facie case of privilege to the attention of the Chair with respect to this point.

With respect to the second question, the Chair has considered a number of points. The first is that a copy of an agreement for sale executed on March 2, 1990, was filed by the Member for Redwater-Andrew. The second is that a certificate of title was also filed with the Assembly by the Member for Stony Plain showing the actual transfer date of the lands in question to be April 11, 1990. It also came to the attention of the Chair that the actual document for the transfer of title was signed on April 5, 1990. The question for the Chair to determine is whether the member deliberately misled the House as to when he divested his company of a financial interest in those lands. The conflict appears to be the differing interpretations of the two members as to when the divestment of the financial interest actually took place. Was it on March 2, or was it on April 5 or April 11? It appears to the Chair that this is a legal question which the Chair should not answer even though a purported point of privilege has raised a legal question. Regardless of when the actual land title transfer occurred, the agreement for sale was completed on March 2, 1990, at a specific price, and there is no evidence before the Chair that the hon. Member for Redwater-Andrew could take any profit or benefit from the lands which accrued between that time and the actual transfer.

To warrant a prima facie breach of privilege, an intent to deceive the Assembly must at least be indicated. To a lawyer the finer points of what actually constitutes a sale of land or a transfer of land is known; to a layman it is not. The Chair feels it is reasonable for a layman to conclude his interest in a parcel of land has been transferred once his lawyer has him complete the agreement for sale with the purchaser. In addition, the House was advised that the Member for Redwater-Andrew gave directions to his lawyer in late 1989 to dispose of the property. Regardless of when the title was actually transferred, which interpretation must be made by a court of law and not the Speaker of the Legislative Assembly, the Chair finds nothing in the member's statements to suggest an intent to deceive the Assembly. Therefore, the Chair rules that the hon. Member for Stony Plain has not raised a prima facie point of privilege.

Thank you.

head: **Orders of the Day**

head: **Committee of Supply**

[Mr. Schumacher in the Chair]

MR. CHAIRMAN: The committee will please come to order.

head: **Main Estimates 1990-91**

Forestry, Lands and Wildlife

MR. CHAIRMAN: Today we are examining the estimates of the Department of Forestry, Lands and Wildlife, commencing at page 205 of the main estimates book, with the elements at page

87 of that book. I recognize the hon. Minister of Forestry, Lands and Wildlife.

MR. FJORDBOTTEN: Thank you, Mr. Chairman and Members of the Legislative Assembly. It's my privilege to present to you the 1990-91 estimates for the Department of Forestry, Lands and Wildlife. The budget I'm about to present reflects an optimism about the future of Alberta's natural resources while recognizing the need there is for prudent management and prudent fiscal management.

Before I present the estimates, I'd like to thank my deputy minister, Cliff Smith, and his staff for their hard work, their commitment, and their dedication to the people of Alberta.

Mr. Chairman, I'm pleased to report to the Assembly that the budget for the Department of Forestry, Lands and Wildlife reflects and incorporates principles of integrated resource management. The concept of integrated resource management historically as well as today is a foundation of the department. It is fundamental to our commitment to sustainable development and guarantees. Proper and appropriate stewardship of Alberta's precious natural resources in the near term and in the future is paramount. It's consistent with our government's vision as well. Our government's vision is of an Alberta that's abundant in natural resources that are capable of fulfilling our economic and social as well as cultural needs, while at the same time maintaining our biological balance and diversity and preserving those naturally occurring ecological life support systems vital to the protection and enrichment of Alberta's environment.

Mr. Chairman, it was Louis Pasteur who said once that chance favours the prepared mind, and our minds were prepared when the window of opportunity opened and presented us with an unprecedented chance for economic diversification of our forests and forest industry developments. We were prepared then and we're prepared now to seize the opportunity to achieve balance between the potential for progress in social and economic terms and the necessity that there is to sustain our resources and to safeguard and protect the environment. The sensitive balance, Mr. Chairman, is the allocation and preservation which really places this department in a very unique role. As a holder of the land and as the steward of the forest, of fish and wildlife, we are in the business of providing what I like to call opportunities. We provide natural areas, ecological reserves, grazing privileges, licences to hunt, to fish, to trap, to guide, and permits and agreements to use the forest. That's only to name a few.

They are all components, Mr. Chairman, of a natural resources conservation equation. No other agency in government is charged with such an enormous responsibility for stewardship and for allocation of resources. This department's been here for a number of years. We've been here, and we're going to stay here, because in the future, as we have in the past, we will embrace the principles of integration, fairness, conservation, and not least of all sustainability. My budget will show an ongoing commitment to those principles. A recent example of our significant commitment to these principles is in the government's endorsement of the prairie conservation action plan and the formulation of a co-ordinating committee. This is the largest multipartite environmental committee ever established in Alberta, and they will be playing a major role in the conserving of the biological diversity of our prairie and our parkland ecosystems.

Good management and good conservation are linked in all our operations. In line with our emphasis on protection of wildlife and their habitat, the department is adding 17 permanent field

positions in 1990-91. Our Fish and Wildlife division is proceeding with the second phase of the district enforcement enhancement program, and seven permanent positions will be added to our enforcement staff. That will increase the complement by some 6 percent, thereby, I think, strengthening our ability to combat poaching and safeguarding our wildlife resources.

In addition, the Outdoor Observer program has been enhanced by the 1-800 number, and that was done in 1985-86. Then we had Report a Poacher in 1988-89, and we added the reward component in 1990. These changes have proved tremendously successful in our struggle against poaching and illegal hunting. They're successful, but they can't take place without a lot of public support. It needs the public to help us, and they're doing that. The program's success is due largely to that excellent public participation, with 1,638 enforcement complaints received in 1988-89, an increase of 14.6 percent over the previous year. Of a total of 3,747 prosecutions relating to illegal hunting activities in 1988-89, and that also includes fishing activities, 7.6 percent were due to the Report a Poacher program. A reward payment component of that is similar to the Crime Stoppers program used across North America. We implemented that on April 1, 1990. That will enhance our Report a Poacher program.

The Alberta Forest Service is increasing its forest officer complement by 10 permanent positions. These additional forest officers will help ensure that our abundant natural resources are managed in the best interests of all Albertans and that the tough standards that we've established for the industry are rigidly enforced. For example, during this fiscal year I intend to impose tougher forest regeneration standards on the industry. These free-to-grow regulations require the forest industry to meet stringent standards for regeneration of harvested areas to ensure that our forests are indeed there forever.

In the 1990-91 fiscal period I want to continue to focus a very high priority on reforestation. The department plans to retrofit the 20 existing greenhouses and shade frames at the Pine Ridge Forest Nursery near Smoky Lake. This retrofit will be completed by the 1991-92 fiscal period at a total cost of \$2.1 million. In addition, with the support of the hon. Member for Smoky Lake, we intend to expend over \$6 million over the next three years to expand the Pine Ridge nursery by 7 million seedlings annually. Funds will be provided by the Alberta Heritage Savings Trust Fund in recognition of the benefit to future generations of Albertans. The enhanced facilities that come about will provide additional seedling stock to meet the anticipated increased reforestation demands that we're going to have in the '90s.

Mr. Chairman, I'd like to make a couple of comments about sport fishing because it continues today to be very popular as a recreation pursuit of Albertans. There were approximately 340,000 sports fishing licences sold in Alberta in each of the last two years. Our Fish and Wildlife people have worked very closely with Trout Unlimited, the Alberta Fish & Game Association, and the Western Walleye Council to implement the sports fishing licence fee increase that would increase funding for the Buck for Wildlife program as well as create a new fisheries enhancement fund. Initially people said: "What? They're increasing the fishing licences? That's terrible." But you can't go to a show today for hardly any money. We wanted to get the yearly fishing licence up to at least the same rate as the rest of the country, but two-thirds of that money is going back into enhancement. The fisheries enhancement program will be

directly funded by increasing the sports fishing licence fee from the existing \$7 to \$15 for residents and from \$12 to \$30 for nonresidents. There will also be a five-day licence for nonresidents available for \$20. As of April 1, 1990, when this increase took effect, sports fishing participants will be co-operating with government in a user-pay approach to meet the increased strain on our fisheries resource. These changes, as recommended by the users, will bring Alberta sports fishing licence fees in line with other western provinces.

The fisheries enhancement program, coupled with the Buck for Wildlife program, will result in some \$3.4 million being expended annually in fisheries habitat development programs. That represents a \$2.3 million increase over the current contribution of the Buck for Wildlife program from licence fees. I'll be encouraging the advisory group for Buck for Wildlife to take a more active role – they're going to have to now – to expand their responsibilities to include the fisheries enhancement program as well.

Fisheries managers have been challenged to develop specific management plans – an example is the Bow River – or species management plans; an example would be for walleye. The approach of generalized management is inadequate to cope with the present demands based on the fisheries resource. Expanding the use of specific regulation strategies, such as catch and release programs and trophy fishing and slot regulations for walleye, is also going to have to be examined. I believe, Mr. Chairman, that direct involvement of the public and major groups in the planning process to make it effective is going to be essential.

The government's commitment to providing sport fishing opportunities is reflected by the water sterilization pilot project currently underway at the Cold Lake fish hatchery, and \$600,000 has been committed by Public Works, Supply and Services to find a method to prevent outbreaks of that disease in our fish hatchery operations. We had a terrible problem this last year. It's unfortunate, and we're going to find a resolution to it and maintain the Cold Lake fish hatchery open, but we have to find a way to prevent disease outbreaks to make sure we don't have that continuing problem.

I previously stated that I intend to expand and retrofit the Pine Ridge nursery with funds from the Alberta Heritage Savings Trust Fund, and the Alberta Heritage Savings Trust Fund will also be used to provide funding for the development of 21 provincial grazing reserves in central and northern Alberta. The public lands division will redevelop 136,000 acres of low-yielding tame pastures that are rapidly reverting to brush. It's unfortunate that's happened. They were improperly cleared to start with, and the brush encroachment is cutting down the carrying capacity to such a degree that that redevelopment is needed to increase the grazing capacity of those reserves. An increase in the number of patrons using these reserves will result in the existing allotments – approximately 1,000 farm and ranch units will take place, and in 1990-91 expenditures are projected at \$1.4 million with the balance of this \$19.2 million program expended over the next six years of the program.

I'm also pleased to note that the outfitter/guide policy introduced in September 1989 generated about \$13 million in revenues as a result of both the sealed tender and the auction processes, and it was used to distribute the nonresident hunting allocations. While revenues generated this year have been allocated to the general revenue account of Treasury, it's my hope, and I've been working with the outfitter/guides to work out a way, that the revenues can be targeted to enhance various wildlife related programs and activities. That new important

source of income, which will average about \$1 million every year, will become an important means, I believe, of ensuring that healthy wildlife populations and wildlife habitat are maintained.

Mr. Chairman, my department is planning to commence development of a four-year, \$24.6 million land related information system in conjunction with the private sector. I'm pleased to announce that the private sector will be providing the initial funding for the program and that their share constitutes about \$5.4 million. The land related information systems network proposal is an extension of the policy initiative which began in the early 1970s with the base mapping program. These primary systems have now evolved to a level of technological sophistication such that Alberta is really recognized as a world leader in the development of integrated land information systems. In fact, we're at the leading edge, but others are catching us, and we have to make sure we're moving quickly so that we have not only the best technology here but exportable technology from firms in Alberta.

It's a governmentwide, world-class initiative to co-ordinate and computerize information about the land base and other physical, social, and cultural characteristics of the province through enhancement and integration of primary components of Alberta's land data systems. It's essential to the increased demands of integrated resource management. I believe that the LRIS network will significantly enhance our primary systems to the benefit of both industry and government, and the effects are going to be far-reaching. I'm happy to say that without exception every minister in this government is supportive of the land related information system. It impacts nearly every department and will eventually provide that information on a broad spectrum, and we're very, very supportive. I think it will go a long way to resolving some of the difficulties that we have now, where we generate a map today and tomorrow it's obsolete, or it's even obsolete half an hour after because there's something else that's been done. With the land related information system operating properly, it will be accurate and up to the minute.

As we enter the 1990-91 fiscal year, economic diversification continues to be a key element in the government's agenda. Stewardship is also on the government's agenda, and it means many things to many people. For Forestry, Lands and Wildlife the statement is especially true, I believe. We touch almost every Albertan in some way. Throughout all this there's a common theme which I think ensures that a broad range of interests and involvement is carried forward with sensitivity and with responsibility. The theme, Mr. Chairman, is sustainable development, and it embraces good stewardship, conservation, and good management. Those are all sound principles from which we've never wavered and we never will.

Mr. Chairman, I may not have the opportunity to answer all the questions raised by hon. members today, but I promise to undertake a thorough review of *Hansard* and circulate a package to all members of the Assembly with answers to those questions which were not fully addressed. I thank you, Mr. Chairman, for this opportunity to present my department's budget before you, and I look forward to comments and questions from all hon. members.

MR. CHAIRMAN: Thank you, hon. minister.

The hon. Member for Edmonton-Jasper Place.

MR. McINNIS: Thank you, Mr. Chairman. I thank the minister for his opening comments. You know, there are so many things that go on in the Department of Forestry, Lands and Wildlife

that I think the minister is absolutely correct to say that what they do touches on the lives of every Albertan, not to mention the lives of the generations of Albertans unborn. I have a lot of material I'll attempt to get through in the time that's available. My hope is that one day we won't be restricted to a half hour presentation, that we'll be able to have a little more in-depth dialogue into the meaning of the numbers in the budget book and how these will impact upon Albertans all across the province.

I want to first say that I'm an admirer of the courage and the conviction of the hon. minister. I understand that he's been under a lot of heat and a lot of pressure over forestry development. I hope that he will find within him the wisdom to see the difference between courage and stubbornness over a period of time and to know when he's across the line and when he should perhaps look at things from a different point of view. I've heard the minister say on numerous occasions in the last several months that he, the minister, has been painted as wearing the black hat and the Environment minister, Ralph Klein, has been painted as wearing the white hat. I appreciate that that puts him in an unfavourable light dealing with what is in effect a government decision. I think one of the comments that sort of summarizes to me the situation we're in as a province came in an article published in the *Vancouver Sun* last Tuesday, April 17, in which the minister referred to "the province's economy reeling from record low oil and natural gas revenues and farm produce receipts." He said that

the premier looked at the virgin boreal forests of northern Alberta for diversification.

So he said to me, "LeRoy, get it done."

The minister, I think, takes some pride in the fact that he went out there and he got it done. I don't belittle the accomplishment. I understand that he and his staff worked very hard. They prepared the now famous or infamous video *Room to Grow*. It was sent around the world. They in fact hustled these pulp deals as hard as they possibly could.

However, there is another point of view on this, and I think it's incumbent upon me to state some elements of the other point of view. The reality is that what the government is in the process of doing is making a mistake of truly historic proportions. What they are doing is signing forest management agreements which grant perpetual tenure to a very few international pulp companies over the major share of the forest resources of our province. The reality from the history of this industry, which reaches back in time to the 19th century, is that owners of forest tenure are motivated by profits, not by the environment and not by community stability. It is at this late stage of the game a very real gamble, in fact something that runs counter to the experience of people all around the globe, for us to say that we can bring in a forest tenure system like this and escape the problems that have been well documented in this industry around the world. It's a mistake, as I say, Mr. Chairman, of truly historic proportions.

Now, I'm not saying anything the minister hasn't heard before, and I'm not saying anything that's inconsistent with the view of the public. I recently saw that the federal Forestry department spent a very large amount of money, a few hundred thousand dollars, hiring some public opinion firm last year to survey all of Canada: how do you feel about the forest industry and what's happening? Well, 83 percent of the people in our part of the world, in the prairie provinces of Canada, feel that the forest industry has done a great deal of damage to the forest, not a little amount of damage but a great deal of damage. Sixty-six percent, two-thirds of all Albertans walking around there, feel

that environmental concerns should have the highest priority when it comes to developing the forests in the future: not the lowest priority, not a middling priority, not a priority that sits in relation to all of the others, but the highest priority. That's where Albertans are at today.

Now, today we have before us a budget of some \$171 million, a large sum of money by anyone's reckoning, up by about \$6 million from last year. I have recently tried to obtain some information through the minister about the revenue that comes from the department into general revenue. He mentioned briefly in the opening comments the revenue from fishing licences and from the sale of these longer term tags to the guiding and outfitting industry but not very much about forest revenue. The information provided from last year is that the total forest revenue is about \$43.2 million in relation to that \$171 million budget, something less than 25 cents on the dollar. Why is that information not available in the estimates? Why can't you find it in the breakdown of budget revenue in the Budget Speech. You can't find the forest revenue, and it seems to me that there's very little reason to not make that information freely available. You shouldn't even have to ask for it, but if you do ask for it, I submit that it should be available.

I'm concerned, as the Auditor General is, about leakage of forest revenue through the export tax system. Rather than do the right thing, which is to increase stumpage to where it starts to meet the economic rent that's associated with exploitation of that publicly owned resource, Alberta chose instead to allow the federal government to levy an export tax and rebate the revenue back to the province. The Auditor General points out that Alberta may have lost some \$10 million as a result of that because the province of origin is not always clear at the point of export. A lot of Alberta timber in the form of lumber is exported through British Columbia and sometimes incorrectly identified as originating from that province. So we have potentially a \$10 million leakage just within the rather modest revenue structure that's there from the province, and I think that's a question that needs to be answered.

But I think what we need to deal with today, among many other things, is: what's the consequence of having a government that operates where the Premier says to the minister, "LeRoy, get it done," and LeRoy gets it done? Well, I think the major consequence is that we have attracted an industry to the province which, as I say, is firmly rooted in the last century. We are dealing with a sulphate kraft type of process which was perfected in the last century. What's happened since then is experimentation with finishing of the end product. Very many different types of papers are now made from pulp that were never dreamed of. Different kinds of chemistry and processing and biological processing have been applied to the effluent. But we're still dealing with essentially that 19th century technology. I think if you think about it just briefly, perhaps turning all of the province over to that industry at this one point in time is at the very least a gamble and, I think, pretty long odds that all of this is going to succeed in the way it's expected to.

From a purely financial point of view I appreciate that the government has layered incentive upon incentive. You know, we've still got all of those loan guarantees. We've got stumpage, which has been described in independent reports as being a hidden subsidy in the forest industry. We have grants that pay for the infrastructure. All of these things contribute to these economics. I'm quoting from a speech given last year by Stuart Lang, chairman of Crestbrook Forest Industries. He had to explain to the good people of Cranbrook why that company was

investing in Alberta rather than investing locally, and he had a very simple answer. He said: it costs us just over \$400 a tonne to make pulp in Skookumchuck, but in Alberta it costs about \$250. The net effect of the subsidies, the low stumpage, the transportation relief, and the infrastructure grants is 'to reduce their production costs from \$400 down to \$250. A lot of that, I submit, comes directly from the pockets of the taxpayers and from the opportunities that would otherwise be available to future Albertans. So obviously it looks pretty good from Al-Pac's point of view, Crestwood Forest Industries being the parent company, in turn owned by Mitsubishi and Honshu paper company. This is pulp they can sell for \$700 to \$800.

But how does anybody know that the price of pulp is going to continue? This is something I really would like the minister to comment on. The price of pulp has started to tumble in recent months and weeks, and I submit that these forecasts – you know, Al-Pac met with some people in our caucus, and they said, "Well, the world needs half a dozen new Al-Pacs every year because that's the way the demand for pulp grows." Well, there ain't no guarantee that because it grew that way in the past, it's going to grow that way in the future. In fact, when you look at 17 U.S. states that require their newspapers to use recycled paper, when you look at a majority of United States state governments that require much the same thing, when you look at a decided consumer preference to move away from disposables, and when you look at the ministers of the environment stating that they want to reduce paper packaging in our country by 50 percent over a period of years, there are a lot of reasons to think that the world will not continue to suck up all this virgin fibre product in the way it has in the past.

If there is a softening in the market, if the financial experts in the industry who say that this weakening of the market in this part of 1990 is a symptom of a long-term trend are correct, in what position does that leave us as Albertans? We've come into it in the period of the 1990s. I think it stands to reason that if somebody has to cut back on production, perhaps they cut back on higher cost rather than lower cost operations, the subsidy not withstanding. And don't forget we have all of these loan guarantees in place, as well as communities we're building up, people who are being brought in. You know, most of these mills look for skilled people on the floor. They want skilled millwrights and mechanics, people who know their way around a pulp mill: a lot of population increase into the province. What happens to all those people in those communities if the price of pulp starts to trail off? There is no guarantee that in the future we'll continue to have the kind of demand for that product that we've had.

Some people worry about jobs in the forest industry. I certainly do. A year ago the throne speech said there would be 12,000 jobs created in our province by this forestry development. I don't see that figure in this year's throne speech. I don't hear any figure for jobs coming out. I recently got some information about Weldwood. Weldwood have just completed their expansion. They've gone into the production phase. Now, when these announcements were made, my recollection was that in the pulp operation 370 direct jobs and 740 indirect jobs were to be created by the Weldwood expansion. Well, the hourly paid work force at Weldwood over the past couple of years: in January '88 it was 478; September of '88, 522; January of '89, 507; September of '89 – this is the peak – 593 jobs. In January of '90, when we go back on stream, it's down to 557 jobs working in the mill. At the very most the employment impact is 30 to 40 jobs in that

particular mill, yet the propaganda circulated by the government was 370 direct jobs and 740 indirect jobs.

There was a report done for the Alberta-Pacific EIA Review Board by Thompson Economic Consulting Services, in practice a social planning company. Now, the minister previously rose and said, "No, I don't like that report; I like the other report, the one that was done by . . ." Who was it who did the work for Alberta-Pacific? It was one of the big accounting firms.

MR. McEACHERN: Peat Marwick?

MR. McINNIS: No. I believe it was Price Waterhouse who forecast the enormous number of jobs that the government laid out in the beginning. Alberta-Pacific was looking at a very major – I think the employment number was around 1,300, whereas practice found that the local numbers were very, very small indeed because the employment multipliers used were excessive; the assumptions about processing in the local area of supply and so forth were wildly out of whack. They figured the total impact of the project in the local area was something like 120 jobs compared with the 1,300 that had been talked about by Price Waterhouse and the provincial government, and in the northern region 175 jobs, for a total of 295. So I think the employment impact, if Weldwood is any guide at all, is way, way out of line with what the province indicated.

I submit that rather than the 12,000 jobs that were forecast if all of this goes ahead, we would be probably closer to 1,000, based on what we've found out so far. Some of the material at Globe '90 in Vancouver indicates the industry is looking at even more mechanized logging in the future, using robots a step beyond the feller/delimiter and the feller/buncher and all of this other high-tech equipment that at the present time makes for very few jobs out of the pulp industry.

Now, a lot of people in our province are demanding that we have an environmental impact assessment into timber harvesting operations. This is a long-standing demand. People are saying to me that they want to have social and economic impact assessments for all of the communities that are impacted by logging operations. They would like to know by what means the provincial government will protect all of the forest users, which is certainly more than simply the pulp industry. What about domestic watersheds? What about fish and wildlife values? What about the tourism industry? What about the circumstances of the native people who are the denizens of the forests at the present time? What about hunting and trapping, land claims? What about wilderness protection? What about old-growth forests?

Last year the minister stood up and said that we've got to get rid of the old growth because it's good for the province. He said, "Do you want to breathe out of 100-year-old lungs or do you want to breathe out of 40-year-old lungs?" Well, you know, it turns out that that's a total myth. That's absolute nonsense. There was a very lengthy study published in *Science* magazine, February 10, 1990, by Mark Harmon, William Ferrell, and Jerry Franklin. These are scientists, Mr. Chairman; they're not politicians at all. They found that young forests hold less than half the carbon of old-growth forests – less than half.

Now, if we're talking about the problem of global warming, the buildup of carbon dioxide in the atmosphere, and you reduce by half the amount of carbon that's held in a young forest compared to the old forests, it takes about 200 years for the storage capacity of the replanted forest to approach that of an old-growth forest. You know, the plain fact is that this super-

ficial argument disregards the fact that older forests store much more carbon than younger ones and that much of the harvested wood doesn't get stored in long-lasting structures. A lot of it gets burned and otherwise converted. So that's certainly a fallacious argument. Yet we continue to have a policy in Alberta which you would have to describe as genocide against old-growth forests. To certain people in the industry an old-growth forest is a fire waiting to happen. Companies have been allowed in the past to increase their annual allowable cut so that they could get rid of the old-growth forest. Our problems with the mountain caribou are largely related to the targeting and elimination of old-growth forests.

Watershed. I've been dealing with a lot of people up in the Naylor Hills area about the watershed erosion and siltation that's occurred there as a result of forest industry activity. As near as I can figure, the approach of the department to this point in time is to deny that the forest industry is responsible and to try to blame the farmers as much as possible, but I think the facts are otherwise. You know, there's a serious warning here for Albertans. If we're not careful about how we handle watersheds, we're going to get into some problems.

Now, it's sensible, normal people who request environmental impact assessments into these projects. The majority of them realize that damage has been done, and two-thirds of them at least want to make sure that we don't goof up again. The minister likes to talk about what a sham the royal commission on forests for the future is in Ontario, where they're spending \$30 million trying to figure out what went wrong in their forests. Well, cast your mind ahead. Twenty years from today, where are we going to be? We're going to be like British Columbia and Ontario. We're going to be trying to figure out what went wrong. A lot of people are telling you, Mr. Minister, and telling the government that you should look at these things now. You should look before you leap rather than wait 20 years and try to pick up the pieces after the fact. We don't want an Ontario situation in Alberta; we don't want a B.C. situation in Alberta. We're looking to the government to give people the opportunity to have their say in how these things are going to be run.

I asked the minister last year about creating a boreal forest reserve of some six townships or more in size in northern Alberta. He wrote a letter back to me in which he said that under the Wilderness Areas, Ecological Reserves and Natural Areas Act these things are the responsibility of the Minister of Recreation and Parks. Well, we all know what's happened to that. The Minister of Recreation and Parks has gone on a Rambo rampage. He's gutted his department, thrown all the people out who were dealing with that. That program has ground to a halt. Meanwhile, this minister is continuing to sign forest management agreements, to approve ground rules, logging plans – business as usual in the department. And there is no commitment to a boreal reserve, another thing that I think we need an environmental impact assessment to attempt to deal with.

Now, I'd like to try to deal with a number of issues quickly in the Fish and Wildlife area before I return to the need for an EIA and, I submit, a new Forest Act for the province of Alberta. The minister has yet to satisfy me, at least, what is being done about the allegations of damage to fish and fish habitat in the Wapiti River by Procter & Gamble. There was a complaint laid by some citizens over a year ago which has resulted in no discernible activity from the department. An additional complaint has been laid, and I think people in that area would very much like to know when this government, which has respon-

sibility for the federal Fisheries Act, is going to take seriously its responsibilities to investigate those particular allegations.

There are important questions about the future of the game ranching industry. The industry, by the way, is not real pleased with the distinction the government sticks to as to what's farming and what's ranching. They realize that that is a distinction without a difference for all practical purposes. But it is known that there is discussion about placing certain aspects of that industry under Alberta Agriculture rather than Fish and Wildlife, and I would like to know the minister's attitude towards that over the coming year: whether he sees this as primarily a wildlife issue that will remain within the purview of Fish and Wildlife or whether he's prepared to allow certain aspects of it to slip under the control of Agriculture, where they look at it from a very different point of view. That's an important question that's outstanding.

There are many questions outstanding about the new guiding and outfitting policy. A lot of Albertans, despite the secret deals that have been made, object to having to go on a waiting list and a draw for hunting in their own province while an industry is allowed to gain long-term tenure over nonresident hunting through the bid process so that they can go and sell a hunting licence for cash to a foreign hunter. There is – and the minister knows full well – a relatively small group in the guiding and outfitting industry who pushed this policy through with his co-operation and support. I would submit that probably at least half the people in the industry are opposed to it. A great many of the Alberta hunters are opposed to it as well – and, I submit, quite a few others beyond that universe – and they really would like to know where the government is going with this particular policy.

There was mention made of the Report a Poacher program. I think that's a very good initiative. I also want to congratulate the minister for his part in the training program at the Drumheller correctional institute to create wildlife technicians to give some of the inmates their training in that particular job. I hope there will be jobs for them when they get out.

I want to ask him about the IPN infection in the trout industry. I was a little shocked to learn that the province had put a fairly large number – according to this year's Guide to Sport Fishing some 2,228,000 rainbow trout which may be infected with IPN were stocked into 178 lakes. Now, the guide goes on to say, well, we did this because these fish die every year, basically. They can't spawn. They can't escape. They'll go there; they'll be caught or not caught. They'll die at the end of it, and there will be no trace.

But I wonder if the minister and his officials thought about possible contamination of waterways and other industries. In particular, I've been contacted by a lot of trout farmers who are concerned that some fisherman may get this material either on his or her hands or on the tackle and somehow bring it into a commercial trout farming operation and affect that operation. If that happens even once in our province, you know, somebody in the department of Fish and Wildlife will have a lot of answering to do. I wonder if the minister could explain to us whether that was taken into account by the department before they put more than 2 million rainbow trout into 178 lakes. I appreciate they kept them out of the Eastern Slopes, but in other regions of the province a lot of known or suspected IPN trout have been put into the lakes, and there is some danger of it moving into places where it shouldn't be.

I have a question about the Wynd valley situation. The minister announced Wednesday, April 11, that a land swap had

taken place, that the Crown gave up 846 acres of prime commercial sites south of Highway 1 between Canmore and Pigeon Mountain in return for 1,271 acres up the valley which was described as critical habitat. Now, the government obviously goofed when it failed to acquire that property when it became available in the bankruptcy of yet another of Peter Pocklington's business ventures in the province of Alberta, but I always understood, and local people always understood, that they would get two acres for one in the land swap when they were buying into that area. It turns out to be 1.5 to one. A lot of people would like to know why you sold out on that particular point. There is a tremendous amount of critical habitat in that area, and I think it's quite inconsistent with the need to develop wilderness protection in that area to turn that over, to allow it to fall into the hands of a private consortium which desires to develop a resort and a golf course in that area. Again, that's one of many important projects that ought to be before an independent body such as the proposed natural resources conservation board. But it's not there, and like so many things, it's sort of being allowed to slip through the cracks while we're waiting for the government to get its act together and whoever is drafting that legislation to finally get around to doing something.

We're still anxiously awaiting the wolf management plan. I'd like the minister to give us a firm date by which the public can finally become involved in that, bearing in mind that it becomes quite difficult to change the mind of this government once they reach a policy decision. He should come to realize that all of us aren't doing this to give him a hard time and to put a black hat on him, but we're trying to get better decisions made by involving more people in the process.

I'd like to comment briefly on public lands, the question of grazing leases. As I understand it, the position of the government has been since 1980 that

the holder of a grazing lease is considered to have the common law right to maintain an action of trespass in the civil courts against any person who enters the leased land without his permission. In addition to this right ... a grazing lessee is entitled to rely on Section 41 of the Criminal Code to use as much force as is necessary to remove a trespasser.

That's a quote from an Alberta public lands division letter to grazing leaseholders back in 1980. Well, since that time the courts have intervened. Judge John Robbins ruled in July last year that in fact these are public lands and that it doesn't appear that the holder of a grazing lease has the right under common law to prevent anyone from hunting upon a grazing lease. The province's politically flawed policy was legally flawed as well.

Now, the only thing the government has done in response to that is to appeal the decision. I think it's unfortunate, given that decision, that the government continues to take the view that you can use as much force as is necessary to remove a trespasser from what is public land. That issue has not yet been addressed by the government, and I think it's time we recognized that public land is public land and started working at a feasible solution instead of the all-or-nothing approach: send it back to court, appeal to the judge, say it's wrong, say that our original position was right all along. The world doesn't always work that way, and I think people are looking for a more reasoned approach, something that will allow the various users to have what they need and not have government documents going around encouraging leaseholders to use force to remove people who may very well think, with good reason, that they're exercising their legal right to be on Crown land. I raised the issue last

year of the windfall profit that . . . [The hon. member's speaking time expired]

MR. CHAIRMAN: The hon. Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Chairman. I would like to pursue a series of issues with the minister of forestry, and the bulk of my comments, I believe, will be related to the forestry projects: "the development of forestry resources in northern Alberta." If there were a heartland issue with respect to this matter, it must be the question of open public hearings into forestry management agreements.

I have resurrected a statement the minister of forestry made on March 9, 1988, in which he said that public hearings processes scare away potential investors. I believe that reveals the clear bias of this minister with respect to public hearings into forestry management agreements for forestry developments in this province. I believe that action by action and inaction by inaction, this minister has revealed a very clear bias. He wants to proceed with these forestry development projects regardless of the environmental costs, and I expect that he probably is the ringleader for a cadre, probably a pretty large cadre, within his cabinet and his caucus that is prepared to take whatever environmental costs there may be in order to jam these particular projects through. It is simply incomprehensible that any proper environmental policy for this province could exclude public hearings — proper public hearings — into the forestry management agreements which will cover a huge portion of the area of this province and an even larger portion of the forested area of this province.

My first question with respect to public hearings relates to the matter of whose decision in fact it is within this government to call proper public hearings into the forestry management agreement process. On the one hand, the minister has been quick to point out over a number of years that he's done public hearings: forty-one public hearings were related to the Concord report. As I understand it, he has said that publicly. Well, it seems to me that he's taken a great deal of pride and a great deal of responsibility for having implemented a process whereby public hearings — I use that term loosely in this case, because they are not in fact truly well structured, properly structured public hearings. But he's taking credit for having called for those. There has never been any doubt, it seems, in his mind that he would call for hearings or refuse to call for hearings in the north with respect to forestry management agreements.

Literally days ago in this Legislature, however, he stood up and very clearly said that it is not his decision to call for public hearings into the forestry management agreement process. No; quite the contrary. Environmental hearings into forestry management agreements and forestry management areas should be conducted, initiated — would be the responsibility, therefore, of the Minister of the Environment. I would like to know what role the Minister of Forestry, Lands and Wildlife believes he plays in calling properly structured public hearings into forestry management agreements. If there's any doubt in his mind that he has responsibility, and clearly there must be, he need only look at his Act, where it says very, very clearly that he can structure whatever kind of process he wants to get whatever kind of public input he wants. He has contradicted himself time and time again. He has contradicted time and time again this statement that he made just days ago that said that it's not his

responsibility, that it is the responsibility of the Minister of the Environment.

Of course, then we would have to ask ourselves this question. We know from earlier events in this Legislature and outside the Legislature — statements made by the Premier — that the Premier does, of course, the Minister of the Environment's job. Now we are led to believe that the Minister of the Environment does the forestry minister's job. The question I would have to ask that derives from that logically is: whose job is the Minister of Forestry, Lands and Wildlife doing? I believe this is merely an effort to obscure, delay, create noise over this issue so that proper public hearings never have to be done into forestry management agreements for these pending and in progress projects in the north.

[Mr. Jonson in the Chair]

If ever there was an indication that public hearings, proper environmental impact assessments of forestry management agreements had to be undertaken, we find that in the study done for the company Canfor Ltd. last year into the Naylor Hills/Keg River area. What that study showed was that after 30 years of clear-cut techniques, the drainage in that area had been so adversely affected that it will take as much as \$3.6 million for that problem to be corrected so that reforestation techniques can be undertaken. It is clear from that study that had there been a proper environmental impact assessment of forestry techniques in that particular area, many of the problems that have been encountered could have been avoided. Despite that very clear precedent, the minister continues to say, on the one hand, that we don't need public hearings or a proper environmental impact assessment into forestry management agreements, or he says, "Well, in fact we'll do them as we proceed."

Could the minister please answer this question? What proper, open environmental impact assessments is he doing for those cutting initiatives that are taking place right now in this province? Is it a fact that Alberta Newsprint isn't cutting trees somewhere? Would it be possible that Daishowa isn't cutting trees in anticipation of its project? Is it possible that Weldwood in Hinton, that the pulp mills there aren't cutting trees, having trees cut for their projects? If that is the case, and if the minister is telling us what he believes to be true, which is, "Well, we're not going to do an overall, comprehensive environmental impact assessment of forestry management agreements before we start; we're going to do them as we proceed" — well, all these projects are proceeding with cutting trees. Have we seen announcements of proper open public hearings? Have people been given warning? Have they been given intervenor funding so that they can take their concerns each year or for each given cut block so that they can have input into some kind of public board? Of course not.

The minister on the one hand says, years ago and continually: "I am responsible, but I'm not calling them. Oh, well, I am calling them, in fact; I'm doing them as we go along." But we're not doing them as we go along. Then he says, "Well, it doesn't really matter, because it's not my responsibility anyway; it's the responsibility of the Minister of the Environment." Well, whose responsibility is it? When are you going to do them? Are you going to do them before the projects, or are you going to do them as we proceed? If he does mean that we're going to do them as we proceed, year by year, annually, then why is it that we're not hearing about that in the case of mills that are already under way?

Next question. Will he please respond. How can he respond as he has been responding, negatively or not at all, to the Al-Pac review board recommendation that there must be proper forestry management agreement environmental impact assessments before that project or any other project of its nature proceeds? How can he deny the recommendations that are in the new Dancik report saying that there must be proper environmental impact assessments into forestry management agreements? How is it that he can deny the recommendations of the Environmental Impact Assessment Task Force that would call for similar kinds of environmental impact assessments into forestry management agreements? How is it that he can deny the force of all those recommendations and not, at the very least, insist on having proper environmental impact assessments into this range of forestry management agreements in northern Alberta?

I believe, Mr. Chairman, and I would ask the minister to clarify this, that much of his dilemma, much of his inconsistency and uncertainty in this issue probably is a direct reflection of the conflict of interest which is inherent within his department. On the one hand, his department specifically includes a division which is responsible for forestry industry development. This is a division of the department which has been promoting industry development projects with respect to forestry. On the other hand, he has a division which is responsible for fish and wildlife conservation directly, a responsibility with environmental implications. It is inconceivable that a minister caught on the horns of that dilemma could do both of those jobs properly. He has opted to do the forestry industry development job as a priority. Could the minister please indicate to us how he proposes to resolve that? Will he ask the Premier to take away the forestry industry development division and hand it to economic development, where it properly should be? Or will he ask the Premier to take away, on the other hand, those areas of his department for which there are direct environmental protection implications? He simply cannot do both, and if ever we needed an indication that there is a conflict of interest, we need only look at the minister's equivocation, lack of direction, predisposition to say that it's somebody else's responsibility in the area of environmental impact assessments into forestry management agreements.

The minister did say several weeks ago to environmentalists, and did in fact later follow up with some kind of documentation, that he was going to contend with this problem with his new integrated resource planning program. It has been developed over the last 13 years, and he did release on March 30 a document entitled *Alberta's Public Land and Resources - Planning for the Future*. He says that this will be the way in which the public will have input into forestry management areas and agreements. Well, a couple of problems. He also said that the public won't be able to see the agreements until they're signed. Not much you can do once they're signed. Secondly, if anybody reads this document, they will see very, very quickly that this is a much, much broader focus, that this is an integrated resource management planning process that was designed for something quite different than the specifics of a forestry management agreement review. It is clear that the minister has simply latched onto this as a way to buy himself time or to buy himself credibility or to somehow say that yes, we are doing what it is that so obviously must be done with respect to forestry management agreements. I would like to ask the minister how it is that he will structure, under this integrated resource planning program, public hearings with intervenor funding, how

those public hearings will be scoped so that we can be sure we are covering all the features required in a proper environmental impact assessment.

Little, apparently, has been done in the process of considering forestry industry development, pulp projects, to assess alternative strategies or alternative processes for developing pulp. It seems that the government has basically accepted the companies' proposals initially, and had there not been public pressure to reassess that, no reassessment in any way would have been done. I would ask the minister to comment on Tigney Technology's wood explosion process, which has been presented to the government but which the government has been inclined not to embrace, and whether he has seen and, if so, whether he could comment on a study by an NCREC/Xerox professor from a department of McGill University, R.H. Marchessault, in which he endorses that procedure. Now, he may be right, he may be wrong, but I would like to know what it is that the minister's department has done to assess a process of that nature and what kind of results they have encountered.

Earlier it was raised that we seem to have proceeded with these forestry projects in a way that could be considered obsessive, that the one Conservative value that has been applied and might be said to be reflected in this process is economic development, economic development at any cost. Well, if the assessment of these projects were to be done properly, that assessment would include an evaluation of economic trade-offs, of opportunity costs. My belief is that this department simply has not done that, and again it's a weakness of having this kind of economic development focused in the department of forestry, because it will not get the balanced review that it might otherwise get in an economic development department, a department which would have a broader mandate for assessing economic development initiatives in any given region of this province and would better be able to say, "Well, this one compared to that one - we might go with something other than a forestry development project in a given instant."

My argument has long been that this obsession with forestry development projects has been based upon the notion that somehow this is state-of-the-art economic development. Well, I would ask the minister to prove it. There are certainly no studies that would indicate an in-depth analysis of whether or not that is the case, and a review of market trends, an assessment of market trends in today's environmentally aware context raises serious doubts about whether markets for bleached kraft pulp paper will be sustained for any significant and substantial period of time. It may be that this is state-of-the-art economic development, and it may well be that this is in fact a dying art.

Wildlife studies. One of the huge gaps in this government's approach to forestry development projects has been baseline wildlife, fisheries, habitat studies. It is interesting to note, Mr. Chairman, that the minister revealed that over the last 10 years there have in fact been 79 studies of one form or another into fisheries, habitat, wildlife issues and topics of that kind. What is very interesting to note is that one-third of those studies weren't undertaken by the Department of Forestry, Lands and Wildlife or its predecessor departments. In fact, one-third were undertaken by the Alberta oil sands environmental research program over a relatively small and confined area that related to oil sands projects in the Fort McMurray area. It is very interesting to note that the other two-thirds, the other 53 studies, were spread out over a 10-year period and over almost, therefore, the entire bulk of this province. What it underlines is that this government has not been particularly rigorous in pursuing

proper wildlife and fisheries habitat studies, and in fact it has fallen upon another organization to demonstrate leadership that should have been accepted by this minister in undertaking proper baseline studies.

I would like to know why is it that the Alberta oil sands environmental research program has had the foresight to do in-depth and detailed wildlife studies whereas this minister has been reluctant and in fact has not undertaken to do them. And I would like to know how it is that this minister can continuously deny the recommendation of the Al-Pac review panel that such studies should be undertaken. Is there any other explanation, Mr. Chairman, than that this minister suffers from a direct conflict of interest and has made his choice?

The powerful section in his department – and the people who are in the gallery are with that section – is clearly the forestry industry development section. It's a pampered, privileged, winning kind of section. I know that if I were in that department, I guess right now I'd want to be working there because, boy, you've sure got the ear of the minister. On the other hand, a more appropriate structuring of that department would put that division where it belongs: in economic development. Then we wouldn't be having to ask the kinds of questions that arise today and that demand answers, answers which we simply have been unable to receive from this minister day after day after day.

The minister talks a great deal about reforestation. He talks with pride of his facilities in this province which undertake to support reforestation. Well, in light of the Naylor Hills study, a very specific study of a very limited area of this province, could the minister please indicate what more broadly based proof he has that reforestation techniques work? What indication is there that in fact his no-net-loss policy with respect to reforesting is working? What studies have been done, and how has he come to the conclusion and comforted himself that in fact reforestation is working?

It's indicated in his department's budget that over \$18 million are being spent on reforestation and reclamation. I would ask how that compares with the amount of money that the government says it's requiring companies to pay for reforestation, and why would it be that this government would incur any costs related to private-sector lumbering operations? Could the minister please explain where that \$18 million is being spent? Similarly, the one study that we know about into reclamation and reforestation problems – that is, the Naylor Hills study – was done for Canfor by a private-sector consultant. What's interesting to note, however, is that it was funded, at least in part, by this provincial government. That study wasn't done by the company that did the clear-cutting that created the problem, that made the money from the logs that it cut; that study was funded, at least in part, by this department. Could the minister please indicate, one, how much he spent on that study; two, why he would have spent anything on that study; three, who is it that's going to be responsible for paying the \$3.6 million it's going to take to reclaim that land so that reforestation may work; and four, what steps is he taking now and in the future to ensure that bonds will be posted by companies like Canfor so that if damage is done, we won't be paying for it – the people of Alberta will not be paying for it – but the company that did it and made the money, by virtue of having done it, will be paying for it?

It was very, very revealing to listen to the minister's answer to that question several weeks ago with respect to the Naylor Hills study, and it was that he was very evasive about who was paying, about why the company would not be required to pay, about

when that reclamation project would be undertaken, and about processes and procedures that will be taken in the future to ensure that similar problems do not arise.

The minister and his officials over the last several years have indicated plans to increase staffing for fish and wildlife enforcement by 53 positions. He mentioned that in 1989 and that that would occur, hopefully, in three years. So far there has been almost no action apparent to achieve that objective. In fact, vote 2, Fish and Wildlife Conservation, we see this year has received only 1.7 new full-time positions in addition to what appears to be a 14-position increase last year, 1989-90. How is it that the minister is going to meet the statements that he made last year concerning a 53-position increase? And how is it that he's going to fulfill the promise embodied in a statement by Mr. Higginbotham in an Al-Pac review submission that they were planning to increase staff in the enforcement division by 14 this year? Fourteen is a long way from the 1.7 that in fact this department is now indicating it will increase its staffing by next year. The importance here is whether or not this government is prepared to place an emphasis on monitoring and enforcement of its fish and wildlife conservation regulations or whether this is simply more rhetoric. Fifty-three positions: when are we going to get them? It certainly isn't happening this year. Is he planning, therefore, to bring in 38 or 39 next year, and what kind of commitment has he got from his Treasurer and his Premier to ensure that that will occur?

Grazing leases. Last year I asked the minister to confirm figures that in fact grazing leaseholders have received as much as \$21 million annually, after their rental and other costs, in net profit due to oil and gas revenues received from the holding of their grazing leases. The minister stood up in the House at that time and said that it's not \$21 million. Well, I then pursued that question in the Heritage Savings Trust Fund committee, where I asked the minister: "If it isn't \$21 million, you must know what it is or you couldn't possibly know what it isn't. He knows that it isn't \$21 million, so then could you please indicate what it is?" At that time he said: "Well, I'm sorry; we really don't know. We can't know. It's a third-party agreement. It's an agreement between the leaseholder and the oil company." Well, what is it? Does he know or doesn't he know? I suspect – I'm willing to give him the benefit of the doubt – that he probably doesn't know, so my next question is: how is it possible that he would not know? There are huge potential revenues at stake here, and whether or not they should rightly be with the grazing leaseholder is a question that can be debated, but it can never be debated properly until such time as we know what those figures are. Will the minister please commit, if it is a third-party agreement problem, to changing the nature of the leases that he undertakes with grazing leaseholders so that there must be reported to this government as a condition of holding that lease an indication, an audit, a report, of any revenues received from oil and gas rentals of grazing lease properties?

From time to time the province of Alberta has been party to a federal/provincial forestry development agreement. The most recent one was for the period of 1985 to 1989; \$23 million was spent under this agreement, with \$11.5 million coming from the federal government and \$11.5 million coming from the province. It's been a year, and we see no indication of a subsequent agreement which would enable the federal government to pay money to Alberta. Could the minister please indicate what the status of that agreement's negotiation is? Could he please also indicate how it is that we would compare so unfavourably with New Brunswick, which has a current five-year agreement over

forestry with the federal government not of \$23 million but in fact of \$92 million? Could the minister please indicate how it is that New Brunswick can negotiate so much more effectively than his department, himself, this province, with the federal government and can get almost four and a half times more money under the federal/provincial agreement program for New Brunswick than we can get for the province of Alberta?

The issue of commercial and sport fishing. I have received much input from Albertans with respect to this issue. The minister alluded to it and emphasized the importance of both sport fishing and commercial fishing to the economy of this province. Sport fishing, in an absolute dollar sense, is much more significant than commercial fishing. It accounts for approximately \$500 million of economic enterprise in this province each year but would tend to have less impact on rural regional economic development than commercial fishing, which accounts for about a \$3 million economic impact but at the same time would tend to be focused, and rightly so, in rural Alberta. Could the minister please indicate in some detail what steps he is taking to ensure a no-net-loss policy with respect to fisheries in this province? I have received many, many complaints and concerns that in fact the resources simply haven't been applied to ensure that sport fishing and commercial fishing reserves are sustained. Could the minister please indicate specifically what he's going to do about that?

The issue of development in Wynd valley. We're now aware that not one, two, three, four, or five golf courses have been proposed or are being proposed for that area, the Bow valley corridor, but in fact six are being proposed for the Bow valley corridor. The impact of this kind of development on a sensitive ecological region such as the Bow valley corridor cannot be overstated. Could the minister please indicate what his plans are for that region and what environmental impact assessment processes he is going to implement to ensure that there is public input, that there is a forum and a vehicle for public concern, and that before plans have finalized with respect to which projects and how many will be allowed to proceed, a proper process is in place? Could he please indicate what he's got in mind for that particular issue?

Some other specific questions, please . . .

MR. DEPUTY CHAIRMAN: Hon. member, your time has expired. Thank you.

The Member for Grande Prairie.

DR. ELLIOTT: Thank you, Mr. Chairman. It's a real pleasure to take a short turn in this debate this afternoon, but I'll try to save some time for the minister to respond to some of the many questions that have been put forward to him.

The constituency of Grande Prairie, of course, is a major forestry constituency along with its other activities like agriculture, gas and oil, manufacturing, and tourism. But forests and the Beaverlodge research station . . . [interjections] Thank you, yes. But the forestry issue is the one that is really coming to the front. It is a major contributor to the economy in the community, and when I see other forested constituencies in northern Alberta that have not had the opportunity to see a major forest industry develop, my heart goes out to them.

My own background in forestry is somewhat blurred, because I'm a third-generation homesteader that clears the forest to get at the agricultural land, and that's becoming almost a no-no in our modern society. Not only that, but I happen to be a trained biologist, and I'll expand a little bit further on that for those who

are not sure what a true environmentalist is and how those words become entangled. I'm also qualified as a home landscaper, at least a husband of one, because when you're married to a home landscaper – and that's not a professional landscaper I might add, but a home landscaper – you spend an awful lot of time planting trees. When you're not planting them, you're moving them. Anyway, today we're involved in major forestry issues, and with that kind of a background I've been sitting and watching the activities in northern Alberta in recent months and years. I see four major sectors that attract one's attention.

Number one, it's not a perfect world that we're living in. There are changes daily in every sector, and the forestry sector is in no way immune to this. For example, the changes in technology, the changes in markets, the changes in species are just some of the things that are taking place before us. We have changes in the level of public awareness and involvement – and I'd like to comment a little bit on that in a few minutes – and our changes in leadership and the excellent role that this particular minister is playing at this particular time with all of these various forces being pushed upon him. Fourth, but not least, there's the role of industry.

I'd like to make a comment about the changing issues. My introduction to research in agriculture as a summer student was to work with evaluating a new chemical called 2,4-D, on how to remove sweet clover from barley. I have followed the agricultural chemical industry with considerable interest since that time, and it's an industry that has been panned in many respects on many occasions, and often falsely. I think that we're going to have to take a new look at where the new chemicals are coming from and the role they can play, especially in our forestry sector. We're seeing new machines coming in for cultivating forest seedbeds for planting, for harvesting of wood.

We see the change in species. All of a sudden we have poplar or aspen, whatever you want to call it, becoming a major species as opposed to the pine and spruce in our forestry sector. In fact, contrary to some of the things we've been hearing here this afternoon, the poplar fibre is going to be the fibre of the future. It's going to be the one that's increasing in demand and in the world price and will be replacing the fibres of those other species. Also, we've had a change in attitude and a change in consumption of wood over the years when you think that for the first 60 years in the life of this young province, there were more trees cut by homesteaders than there were by the forestry sector. Then in the next 10 to 15 years following that, there were more trees harvested or knocked down by the energy sector with their seismic lines and the preparing of drilling sites. It's only in the last few years that the forestry sector is now in a role where they are cutting down more trees than any other particular sector.

Our public awareness program: my second major point. The throne speech focused on this particular point, and to me it is truly the major concern in where we are today in Alberta. As I see it, it's not only in Alberta; it extends across Canada, North America, and around the world. But I think the awareness situation among the people of this country can be summed up on the following basis. We have well-funded pressure groups. They're being supported by strong partisan political opponents. They're backed by an emotional and sensation-seeking media, and they're focusing on a basically uninformed public, which is no fault of their own. And the results: as we go around the world, we find that governments are being pressured daily to make short-term and not necessarily always sound policies and decisions. Thank goodness our minister and our government in this province have resisted that pressure to make those short-

term and illogical decisions with respect to our forests, and I compliment them on that.

My third point is where we stand with leadership. I think one of the strongest pieces of leadership that has been shown in our forestry sector in this province was the way the minister and his department, with the support of this government, went out and attracted forestry projects to come to this province and take a look at what we had in the form of an unharvested, unused product. I also compliment them on their role in forest fire fighting. It's because of the leadership role that this government took many years ago that we even have a forest in this province today to talk about. Manitoba just last summer lost more forest than the entire area that's being considered for the Al-Pac forest reserve, and that forest is there in Alberta because we have a forest protection service. Anybody in this Legislature, whether we're on the government side or the opposition side, anybody in this forest service, including the Member for Edmonton-Jasper Place, who has not visited the fire protection system and understands what the fire protection service that we have in this province is all about is truly missing something very important. We have a reforestation policy, and the minister might want to comment on what degree of the seedling production will be under contract as opposed to under the Pine Ridge nursery or expansion of that particular program. Today, because of these policies, we have more trees growing in Alberta than at any time in the history of this province, a fact that I don't think many people appreciate. But I do find a tremendous amount of comfort in the budget estimates where the minister is allowing a major increase in dollars for communication and information sharing, basically education and increasing the public awareness.

I see another 17.4 percent increase in what we can call research. I appreciate the fact that the Member for Edmonton-Jasper Place made reference to and quoted scientists. I truly believe that was one of the few moments where you focused on real scientists, and I compliment you for it, because we have had the other thing happen in this agenda. We've had, I think, the Member for Edmonton-Meadowlark refer on March 16 – his quote's on page 127. He was quoting a man of considerable stature on screen, stage, radio, and television, who will remain nameless for the purposes of this discussion. But the member made reference to the fact "that science, in fact, will not solve the problem" of our forest sector today. I find that a little bit disturbing because I'm so concerned about the statements being made on a very innuendo and unfounded basis. At the same time, putting science down as a source of information doesn't fit in my world.

Our minister has a program where he's supporting research. He recently attended a University of Alberta symposium on old-growth forests, an excellent piece of work, and the work being done by the researchers in forestry at the university – I compliment them. We have an increase in the dollars going into establishing standards in timber management and in integrated resource planning, a whopping 65.3 percent increase, and we say thanks.

I, too, just spent a few days very recently in British Columbia, and I was engrossed in the media reports on television, radio, and in the newspapers published in that province, in Victoria and Vancouver. I agree with the statement made earlier that we surely don't want a British Columbia situation in this province, and I'm satisfied that we will not have, understanding what I see from the programs we have here as opposed to the programs over there.

My fourth point is the role of industry. I think that the industry responsibility and accountability that are being shown in this province have increased massively in recent years, and I congratulate them for that. We can talk about jobs being offered or being created through these industries – and the Member for Edmonton-Meadowlark, unless I misunderstood him, I don't think really appreciates the jobs. I have a few figures here from just one example, the Procter & Gamble Cellulose mill in Grande Prairie. Its contribution on an annual basis – annually, that one mill in the constituency of Grande Prairie, Mr. Chairman, in case you missed it: personal income tax, \$10.5 million a year; stumpage, forestry protection, \$1 million. By the way, while we're on stumpage, the minister might want to finally clarify again for those who don't understand how Alberta stumpage works. Roads, building of haul roads, secondary roads, and bridges: \$25 million has gone into that over the last 10 years. Paying into the county of property taxes, \$2.1 million annually. Now, wages, Procter & Gamble Cellulose employees – there are 800 of them in Grande Prairie – \$34 million annually for the wages of those direct employees of the company, and contractors that are hired by Procter & Gamble Cellulose, another 200 wage earners, earn \$13 million. Goods and services: in the Grande Prairie area, \$48.6 million spent annually; throughout Alberta, \$21.6 million; western Canada, \$10.5 million; in eastern Canada, \$25.9 million. Outside Canada Procter & Gamble Cellulose of Grande Prairie spends \$5.4 million. More than 2,500 firms supply goods and services to Procter & Gamble Cellulose on an annual basis. Now do you understand why the Member for Athabasca-Lac La Biche wants to see one of these activities in his particular constituency?

In summing up, I'm hoping that the minister will have a chance to make some comments. I repeat: public awareness is going to be the greatest single key. We somehow have to be able to get the public to become aware and understand on a very informed basis so they can become involved and participate in a very meaningful and positive way. To use two examples of what I'm referring to, after the pulp mills were announced in northern Alberta in the fall of 1988, a constituent of mine met me at the airport in Edmonton here. She was on her way home, and she proceeded to dress me down for the fact that I looked supportive with respect to the announcements on these pulp mills. She was really giving me a bad time. I listened to her position, thanked her for her information, and then as she left me to get on the aircraft, she said, "By the way, when is your stupid government going to twin the highway from Edmonton to Grande Prairie?" Now, she did not understand that one costs money and the other one produces money. She did not understand that you can't twin a highway through northern Alberta without knocking down trees, disrupting beaver dams, and a few other things. But twinning that highway was something she understood; a forestry program she did not understand. That's my example of an uninformed public.

Another example. On April 7, 1990, very recently, there was a group of people marching from Calgary to Edmonton to try to make a point that they were going to save Alberta forests. Here was a lady – she was interviewed on television, so I know what she said; I didn't have to read it or somebody else thought she might have said something. What she was telling us on television was that she was marching in that parade because she wanted to save Alberta's forests for her children and her grandchildren, not knowing a thing that she was talking about,

what constitutes a forest. A lady from the city of Calgary – Mr. Minister, how are we ever going to inform these people so that they can become useful citizens in this province and take a meaningful role in helping us establish priorities for the development of these resources?

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The Member for West Yellowhead.

MR. DOYLE: Thank you, Mr. Chairman. Like my colleague the adjoining Member for Grande Prairie, I would like to keep it brief so that the minister can spend the last few minutes on the topic that we're now addressing. I'd like to thank the minister for the last year of assisting me with many answers, and especially his assistant, Peter Kinnear, who is always available to help me go ahead with any questions I might have. Mr. Minister, I'd also like to say how pleased I was to hear that Cliff Smith became the deputy minister of forestry. I sure wish him well in the future and hope he'll assist you with any further developments.

Over the past three or four years it was also very encouraging to work with Toni Hafso on the Coal Branch integrated resource plan. I have reviewed that plan, and I'm generally in favour of it. I'm glad of the process they took, the co-operation they had with the municipalities, and all the input they allowed and the changes they made as that process went through. I do have some problems, of course, with one area, and that is the Folding Mountain area along Jasper park. Even though those leases were given out before the Eastern Slopes policy with its zoning, it nevertheless contravenes the policy which is supposed to supersede old ones and guide developments for the future. I would hope that the minister would look at rescinding those applications through public lands for development of coal mines along Jasper park and, further, look at putting a peripheral rim along Jasper park of approximately 10 kilometres to protect those very delicate species of wildlife and those clean streams that are in that area.

Also, Mr. Minister, it was pleasing to meet with you and talk with you on the sale of the Fletcher Challenge mill at Grande Cache. If that mill had not been sold, there would have been some 200 to 300 jobs lost in that area. The arrangements that were made between yourselves and talks we had with the different companies, Procter & Gamble and Fletcher Challenge – I was very pleased to see that you changed your attitude a little bit towards the chip direction and that now those chips will be going to Grande Prairie and other areas rather than just to Weldwood and Hinton, where perhaps they can get a better price.

Procter & Gamble, of course, Mr. Chairman, probably has at least as much money as the Alberta government and probably collects more revenue. Although we've protected those jobs in Grande Cache, I did have some concern that we had to write off the \$5 million that was being held by the provincial government in an arrangement with Fletcher Challenge.

No group, Mr. Chairman, gives more benefit to the local economy than the family farm and especially family tree farms. The independent loggers of Alberta have kept their families together. Fathers and mothers have worked together with their sons and daughters. Those people have gone on to employ their grandchildren, look after our forests in a very good way by doing selective cutting rather than clear-cutting. If you want to see the devastation of clear-cutting, as the Member for Grande Prairie

well knows, all he has to do is take Highway 40 from Hinton to Grande Prairie. Rightfully so, Mr. Minister, perhaps your policies are in place for reforestation, but those trees simply are not growing at any speed in that area.

The budget in vote 1.1.4, Communications, was increased by 79.9 percent. Perhaps the minister could advise me as to what type of communications would need that type of funding. Also, in vote 1.2.1, 16.4 percent to the assistant deputy minister's office, I would like to hear why that major increase is there.

The licence fees for fishing, Mr. Minister. Being an avid fisherman myself, I was very pleased to hear that you upgraded those fees for fishing licences, especially to those Out-of-province people. We in Alberta that are avid fishermen will know that the fish stocks are going down and the minister must do something about replacing the stock. I would hope that in the future he would look, though, at areas like West Yellowhead where we have the main influx of fishermen, where those streams are gradually being depleted, that we also could have a fish hatchery in our area.

The Sundance mill, Mr. Minister, at Edson is showing good progress, and we would hope that with more trees missing all the time from our area, you'd also look at a greenhouse much closer to where those trees are being taken rather than moving them miles to transplant. We certainly have room. We have the people that can do it, and we would hope that you would look at putting a facility such as that close to the major mills that are operating in our area presently.

I would like to sum up, Mr. Chairman, by asking the minister to protect the area on the northwest of Switzer park – I had passed on to him that people were in there cutting trees at the north end, just outside the park area – to give us time to establish a lengthening of Switzer park to cover the complete lake.

On that, Mr. Chairman, I would sum up my comments.

MR. MUSGROVE: Mr. Chairman, I just had a couple of questions to ask the minister, and it has to do with our fish hatcheries. Of course, I recognize that there's been a problem with a virus in fingerlings in some of the provincially owned and operated fish hatcheries; therefore, the supply of fish for stocking lakes and ponds is limited. But we also have a private industry that is raising fish for resale and restocking, and to put those into a public reservoir – we've got some problems.

I understand the problem is that we don't want to transfer any virus into any public recreational fishing areas. However, now the situation has become quite serious in some places, and some municipalities are offering to buy and pay for fingerlings to restock some of the public recreation ponds, providing they are safe and are checked out by biologists with enough experience and expertise to make sure they are safe. Part of the problem that's been arising is that there doesn't seem to be enough of these experts to recognize whether these young fish are safe or not as far as viruses are concerned. Now, the concern is that if it's possible, we should have these publicly tested so that they can be bought by the municipality and they are not going to be creating viruses in some of our public ponds. Then municipalities will buy them and restock some of these recreational fishing ponds that are at risk. So the question is: would it be possible to change our policy to allow municipalities to buy restocking fingerlings to put into public ponds?

Now, it's my understanding that that is fine as long as it doesn't flow into some stream or riverway, but under the hundred-year flood plan most of our ponds that now don't flow

into a river or stream could if we got enough rain. So the question to the minister is: is it possible to change the policy to allow municipalities to restock some of the public ponds?

MR. DEPUTY CHAIRMAN: The Member for Redwater-Andrew.

MR. ZARUSKY: Thank you, Mr. Chairman. I also want to get up and commend the minister and his department on the many fine things that have been done in regards to forestry and wildlife. It's nice to see that we have a minister who is from a background in agriculture and also has knowledge of forestry and wildlife. I think these are the kinds of people who are very easy to work with and get things done in areas that should be done.

I just want to speak a little on the Redwater-Andrew constituency, and that's in regards to some of the grazing reserves we have out there. That is probably the best cattle country in Alberta, especially for cow/calf producers. That's where all the good calves come from that these southern feeders put in their feedlots and do wonders with all the time. So I'm glad to see that the department did put all this help into grazing reserves. We've got a provincial grazing reserve there which is second to none, and I know it's well utilized by many members. While farming, I myself did graze cattle on this fine reserve, and it's well managed. It's called the Smoky Lake grazing reserve. Some of the needs that were there – I know two years ago when there was a threat of drought, the minister was there meeting with the people to make sure that decent dugouts were put in and also that some wells were drilled for this area and that the cattle were looked after. I know that it's just about filled to capacity this year. There were many applications, and it will be well utilized.

I think, in this case, just a suggestion to the minister. Maybe we should revisit some of these areas and maybe put some extra programs for these pastures. I know some of them are in regards to weed control and shrub control. We have to do it in a way where it's going to help the grass grow well and at the same time not hurt the environment. I think that so far chemical spraying has been doing a good job, and that's something that could be used in there. So this is one area.

Then another area we have is some grazing associations that do graze land and at the same time look after their own fencing and their own management of the reserves and brushing and seeding programs. So I think again that they appreciated the help that was given in the past for fencing and for their portion of brushing and seeding. Again, it helped them. As I said, these areas do accommodate a lot of cows and calves, and I hope the minister will look at continuing again with looking into areas in which the need arises to help with these pastures, because I can tell you they are appreciated and well looked after.

Another area that I want to touch on which is of great importance and a great asset to the Redwater-Andrew constituency is the Pine Ridge Forest Nursery at Smoky Lake. I think that was one of the best things that ever happened back in the '70s when this government decided that there was a need for reforestation and came up with the idea of Pine Ridge right in an area of a lot of Crown land and just ideal conditions, near a river and near peatmoss bogs that fit right into the process of mixing sand with peatmoss and other ingredients to make perfect seedbeds for these seedlings of pine and other trees. I think most of the members in this House have visited Pine Ridge and understand what a complex facility this is. It goes right from the

seedling extractions to seeding the seedlings and then putting them out in the fields and harvesting them and storing them in cold storage and distributing them to the forests where the seedlings came from. So these are areas where you can see a lot of growth, and I think that because of this process that seedling, when it comes back into the field where the seed came from, can grow because it's got the vigour and is conditioned already for these areas.

I also want to thank the minister at this time for, again, announcing an expansion to Pine Ridge. I believe it's refurbishing and an extra half a dozen or so new greenhouses, and I know that this expansion/refurbishing will produce another maybe 7 million to 12 million new seedlings, with the capacity there for, I believe, 28 million seedlings a year. That'll bring it up to nearly half the requirements for Alberta in the future as our industries expand and our forestry industries keep growing. Our growth in the province I think is very dependent – and I support my colleague from Athabasca-Lac La Biche for his need in his area for employment, because I know how much employment in these areas means.

So in closing, Mr. Chairman, I just want to thank the minister for all the good he's done for the Redwater-Andrew constituency and maybe look at some extra needs like a third expansion to Pine Ridge.

Thank you.

MR. FJORDBOTTEN: I move that the committee rise and report.

[Motion carried]

[Mr. Jonson in the Chair]

MR. MOORE: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions of the Department of Forestry, Lands and Wildlife, reports progress thereon, and requests leave to sit again.

MR. ACTING DEPUTY SPEAKER: Having heard the motion by the Member for Lacombe, all those in favour, please say aye.

HON. MEMBERS: Aye.

MR. ACTING DEPUTY SPEAKER: Those opposed, please say no. Carried.

Hon. Government House Leader.

MR. HORSMAN: Mr. Speaker, it's proposed this evening to deal in Committee of Supply with the Department of Energy, and I would therefore move that when the members assemble, they do so in Committee of Supply and that the House stand adjourned until such time as the Committee of Supply rises and reports.

MR. ACTING DEPUTY SPEAKER: Having heard the motion, all those in favour, please say aye.

HON. MEMBERS: Aye.

MR. ACTING DEPUTY SPEAKER: Those opposed, please say no.

[The House recessed at 5:27 p.m.]

