

Legislative Assembly of Alberta

Title: **Wednesday, May 22, 1991**

2:30 p.m.

Date: 91/05/22

[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 both our province and our country.

Amen.

head:

Introduction of Visitors

MR. JONSON: Mr. Speaker, seated in your gallery today is the Member of Parliament for Cambridge in the British House of Commons, Mr. Robert Rhodes James. I understand that you had the pleasure yesterday of hosting Mr. Rhodes James and his wife, Angela. He is in Edmonton as the distinguished guest speaker at the Sir Winston Churchill society memorial banquet. In addition to his formidable reputation as a scholar and parliamentarian, Mr. Rhodes James has been extensively involved with the United Nations, more recently as a senior advisor to the secretary-general of the United Nations. He is also a noted political historian and author and holds numerous fellowships and an honorary doctorate of letters. I would ask that he now rise with his wife, Angela, to receive the warm welcome of the Assembly.

head:

Presenting Petitions

MR. SPEAKER: The Member for Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Speaker. I'd like to present a petition signed today by all members of the Official Opposition New Democrat caucus present requesting the government to sponsor legislation which would enable election of the Speaker by secret ballot by the members of the Assembly.

head:

Notices of Motions

MR. WICKMAN: Mr. Speaker, I wish to serve notice that pursuant to Standing Order 40 I wish to propose the following motion to the Assembly:

Be it resolved that the Legislative Assembly of Alberta express its shock and sadness at the tragic assassination of the former Prime Minister of India, Rajiv Gandhi, and extend its deepest sympathies to his family and to the Indian nation.

I have the required number of copies here to file.

head:

Introduction of Bills

MR. SPEAKER: The Member for Westlock-Sturgeon.

Bill 225

Office of Treaty Commissioner Act

MR. TAYLOR: Thank you, Mr. Speaker. I'd like to introduce Bill 225, entitled Office of Treaty Commissioner Act.

Mr. Speaker, this Bill is modeled after one in Saskatchewan, where the provincial government has taken the lead in working with the native peoples in pressuring the federal government for a speedy and expeditious settlement of their treaty claims.

[Leave granted; Bill 225 read a first time]

head:

Tabling Returns and Reports

MR. ORMAN: Mr. Speaker, I have two documents which I would like to table with the Legislature. The first is the Alberta Oil Sands Equity annual report 1989-1990. The second is the Alberta Petroleum Marketing Commission annual report for the year 1990.

MS BETKOWSKI: Mr. Speaker, I am pleased to table with the Assembly the annual report for Alberta Health and the Alberta health care insurance statistical supplement for the fiscal year ended March 31, 1990.

I also wish to table Alberta Health's schedules for 1989-90 showing actual payments to hospitals and nursing homes by facility.

MR. McINNIS: Mr. Speaker, I have two items of correspondence to file. The first is a letter from Alberta-Pacific Forest Industries to Alberta Environment informing Alberta Environment that they do not wish to have their application under the Clean Air Act and Clean Water Act made public, and the second is a letter from Alberta Environment to an Alberta environmental group stating that the government will not make those applications public.

MR. MITCHELL: Mr. Speaker, I table internal Department of the Environment documents which indicate that officials of the Department of the Environment had recognized that there were serious environmental concerns with the Al-Pac mill which were not addressed by this government prior to the announcement of that mill.

head:

Introduction of Special Guests

MR. SPEAKER: The Minister of Family and Social Services.

MR. OLDRING: Thank you, Mr. Speaker. I'm pleased to introduce to you and through you to the Members of the Legislative Assembly six participants in the Rotary International group study exchange program who are visiting and studying in Edmonton. This Rotary exchange program allows young professionals to visit another country for four to six weeks to study its institutions and ways of life and to observe their own profession as practised in the host country. Hosted by Mr. Frank Reid of the Edmonton downtown Rotary Club and led by Mr. Nils Bengtsson from Hammenhog, Sweden, are Christina Söjdahl, Lena Johansson, Charlotte Gissén, and Helene Felt from Sweden, and Anna Wiczorek from Poland. I would ask that they all rise in the members' gallery to receive the warm welcome of this Assembly.

MR. SPEAKER: The Minister of Career Development and Employment, followed by the Minister of Labour.

MR. WEISS: Thank you. Mr. Speaker, in March of this year staff members from the access initiative branch of Career Development and Employment traveled throughout the province promoting to students the concept of equal opportunity in the trades regardless of age, sex, nationality, or possible disability. This initiative focused on the submission of creative ideas for a T-shirt that would capture the spirit of this message. I'm pleased to say that seven Alberta students were recognized for their efforts in several age categories. One student, however,

was chosen as the overall winner, and T-shirts have now been produced based on this student's creative submission.

Mr. Speaker, it is my pleasure to introduce to you Miss Chrystal Whitney from Hinton, who was chosen the overall provincial winner and who inspired this attractive T-shirt, of which I have copies for you, Mr. Speaker, for the Premier, and for the Leader of the Official Opposition. With Chrystal are her parents, her sister, and her brother. I'd ask them now to stand and receive the warm welcome of the Assembly. They're seated in the members' gallery.

MR. SPEAKER: The Minister of Labour.

MS McCOY: Thank you, Mr. Speaker. It gives me great pleasure to introduce to you and through you to the Members of the Legislative Assembly 82 members of the A.E. Cross junior high school who are visiting us here from the fine constituency of Calgary-West. Of course, that is the town of what we are now calling the Calgary North Stars. They're accompanied by teachers James Schell, David Lea, Diane Tarabula, Janice Irvine, Joann Bogda, Al MacDonald, and a parent, Anjia VanDamme. I would ask all of you to give everyone the traditional warm welcome of the House.

MR. SPEAKER: Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Speaker. On behalf of my colleague from Edmonton-Belmont I have the pleasure of introducing to you and to Members of the Legislative Assembly 44 students from John Barnett elementary school. They're accompanied by their teachers Mr. Gerard Collins and Miss Kim Goulard, also parent Mrs. Val Laschowski. They're seated in the public gallery. I'd ask them to rise and be greeted by the Assembly.

MR. SPEAKER: Edmonton-Calder.

2:40

MS MJOLSNESS: Thank you, Mr. Speaker. I'm delighted today to introduce to you and to members of the Assembly 28 students from McArthur elementary school, which is located in the constituency of Edmonton-Calder. They are accompanied by their teacher Mr. Badger and parent Mrs. Crandall. They are seated in the public gallery, and I would ask them to rise and receive the warm welcome of the Assembly.

MR. SPEAKER: The Member for West Yellowhead.

MR. DOYLE: Thank you, Mr. Speaker. I'd like to introduce to you and through you to the Members of the Legislative Assembly Mr. Don Johnstone and his wife, Betty Lou, from Edmonton, Karl Holba and his wife, Joe, and Ivan Dubeau from Hinton, and also Tom Roycraft, an environmentalist from Hinton. Three of these people are workers injured by the contaminated fuel. I want to thank the minister of Occupational Health and Safety for meeting with them prior to the Legislature sitting today. I would hope that we get more than a promise but a public inquiry to get to the bottom of this matter.

MR. SPEAKER: Thank you. Introductions are not really member's statements period, hon. member, and you know that. Additional?

MR. DOYLE: Mr. Speaker, I'd like them to stand and receive the warm welcome of the Assembly.

MR. SPEAKER: They're welcome.

head:

Oral Question Period

Poverty

MR. MARTIN: Mr. Speaker, to the Premier. In response to my questions last week concerning the skyrocketing numbers of Albertans forced to the province's food banks, your government responded in typical fashion: we're not supposed to bring bad news to the Legislature. It basically refused to acknowledge that any problem exists and made it clear that it simply doesn't care to do anything about it. Well, now we see that a survey of 460 low-income Edmonton households reveals some further startling facts about life for the poor in Alberta under this government. Nearly 80,000 people, or one in eight Edmontonians, are hungry or at risk of hunger. These are the people who work for low wages, these are the people who receive social allowance from this government, they are people with disabilities, and they are people with children to raise. My question to the Premier: what does the government intend to do about this report? More specifically, what is it going to do for the hungry in the province?

MR. GETTY: Mr. Speaker, I'm really surprised that the Leader of the Opposition would lead into his question in the way he did. As a matter of fact, the hon. Minister of Family and Social Services took some time to discuss the matter of food banks. We all expressed our concern about the need for the use of food banks or for anybody being hungry.

I'd ask the Minister of Family and Social Services to reply to the hon. member, since it's in his area of responsibility.

MR. OLDRING: Mr. Speaker, I too received a copy of the study the member is referring to, and I think that if anything, it reaffirms the initiatives and the steps this government has taken. If you look at the timing on that particular study, it was done back in November and December. Since then, the member knows full well that we have introduced a totally new supports for independence program, which implements and takes into consideration a number of the observations and recommendations within that study. So if anything, it confirms the timeliness and the appropriateness of our reforms.

MR. MARTIN: Mr. Speaker, only this minister can take a report like this, where there are 80,000 people hungry in Edmonton, and say that it confirms what a wonderful job the government's doing.

If the minister has read this report, he's aware that the respondents in this survey were clear. They said: having a job, more education and training, and higher wages; in other words, the exact things that this government's policies have been working against and slashing. My question is perhaps to this minister or to the minister of career development: how does the government justify the slashing of such things as retraining programs and refusal to do anything but study to death the raising of the minimum wage? These are the exact policies needed to help lift these people out of hopelessness and hunger.

MR. OLDRING: Mr. Speaker, first of all, the member should take the glee out of his eye. I can tell you that on this side of the House we take no joy in seeing statistics like that even if they're remotely accurate.

Let me say this: the member just said that having a job is important, yet he constantly undermines the efforts of this government to create job opportunities in this province, Mr. Speaker. We've created some 107,000-plus jobs in the last five years in spite of that member. We've anticipated another 12,000 jobs this year in spite of that member. If we'd listened to that member, we'd have another 1,200 people from Gainers at the food bank and wouldn't have the thousands of spin-off jobs there. If we'd listened to that member, we wouldn't have a Daishowa and the thousands of jobs there. If we'd listened to that member, we wouldn't have the diversification that this government has provided for in . . .

MR. SPEAKER: Thank you.

MR. MARTIN: You'll see glee in my eye when we get rid of you so we can do something for the poor. That's when you'll see it. Mr. Speaker, the reality is that this document is a damning indictment of this government, if the minister wants to recognize that or not.

Rather than talk and hot air, Mr. Speaker, we went around the province and consulted with people. We saw that thousands of children were under the poverty level, and we predicted some things that could be done. This government's done nothing. Rather than talk, just one simple thing: when will this government be raising the minimum wage and increasing the social service's food allowance? Just those two things. When are you going to do it?

MR. OLDRING: Let's talk about what the government has done since that report was started. Mr. Speaker, we have just recently increased shelter rates. We have just increased food rates, with an emphasis on the child rates in particular, with up to over a 19 percent increase there. We've increased the standard benefits that we've provided to those on social assistance. We've increased the client support services that we're offering those on social assistance. We've increased the benefits for those that we recognize are on assistance on a long-term basis. We've added additional frontline workers.

Above all, Mr. Speaker, what I want to reiterate to that member – and the report makes it very clear. I applaud the authors and the people that worked on that; they made it very clear. It's something that I've said for a considerable period of time: this government isn't going to wave a wand and put an end to poverty on its own. We're determined to do what we can. We're determined to work with all levels of government. We're determined to work with community agencies to break that cycle, to get away from those third and fourth generation welfare families. But we're offering more. The members opposite would simply offer more welfare. We don't believe that just more welfare is the answer. We believe that it's incumbent upon us to continue to work and make sure that there are job opportunities for Albertans that want to work, and we're doing that.

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

MR. MARTIN: Lots of poor people out there that . . .

MR. SPEAKER: Second main question.

Health Units Funding

MR. MARTIN: To the Minister of Health. Let's turn from this government's assault on Alberta's poor to its lack of concern

about public health, Mr. Speaker. We all know that because of this government's cutbacks, Edmonton and Calgary boards of health have had to eliminate over 66 health care positions. Included in these numbers are five environmental health inspectors cut in Edmonton and two in Calgary, inspectors who ensure minimum standards of hygiene and health in everything from restaurants and rental accommodation to polluted industrial sites. My question to the minister is simply this: in light of her own department's study released in January of 1991, a study which urges that health units be given immediate additional funding, how does this minister justify funding levels which see reductions for health care inspectors in this province?

MS BETKOWSKI: Mr. Speaker, I'm assuming that the hon. Leader of the Opposition is referring to a study which the Department of Health initiated in concert with the Department of the Environment and with private consultants to look at an environmental health strategy. It was something I announced when I spoke to health units a year ago, when we started looking at the issue of developing an environmental strategy. The first stage of that strategy has been completed with the private consultants study. We will go on to identify appropriate roles between the Department of the Environment and the Department of Health as we move towards an environmental health strategy in the province of Alberta.

2:50

MR. MARTIN: Yes, Mr. Speaker, we are referring to that report. One of the clear indicators in that report is that more money would have to be put into the health units to deal with these environmental health concerns. My question is: why isn't that being done?

MS BETKOWSKI: Mr. Speaker, as I have said in this House – and I will repeat again for the hon. leader, because he obviously hasn't heard – the allocation to public health in this budget that we are currently discussing in the Legislature was a 20 percent increase, far different from the less than half that size increase to acute care, which is in recognition of the growing role of the community and, quite frankly, a very different situation than we had 10 years ago, when exactly the opposite was true. The acute care side of health was getting the extraordinary increases, and public health was getting the smaller ones. It's part of a transition. Public health is now into exactly the same process as are all other parts of the health system, and that is identifying their role within it. It's not simply adding on and doing everything that everyone would like but rather: what are the things we should be doing most importantly? That is something that this first phase of the consultant's report is leading us towards a discussion on. Certainly the health units are very much involved in that discussion and part of the consultation.

MR. MARTIN: It seems to me that there's not a lot of study created. The Department of Health conducted an audit of Calgary's environmental health division in 1987 and concluded at that time that Calgary was six inspectors short. With this year's cutbacks and growing duties, it's now short at least 10 inspectors, and they are actually worried about being sued because they're not fulfilling their mandate, Mr. Speaker. That's the reality out there. My question to the minister is simply this: how does the minister justify putting the public health of Albertans at risk by refusing to ensure that there are enough inspectors in this province?

MS BETKOWSKI: Mr. Speaker, there is more to protecting environmental health than simply employing more people to do an inspection. There are different models, one of which we are looking at with respect to restaurants, which the hon. member mentioned in his initial question. Instead of hiring an increasing number of public health inspectors to go around to the restaurants, what we're doing is training restaurant operators on how to ensure that they are acting in accordance with public health and preparing and training the employees to police themselves. I think that in fact it's a far more constructive, far more contemporary model of looking at how we might best use the limited resources in health than simply suggesting that the only answer is to simply add more, whether it's people or dollars or beds or whatever theme the opposition happens to have for the current week.

MR. SPEAKER: Edmonton-Meadowlark.

Alberta-Pacific Pulp Mill

MR. MITCHELL: Thank you, Mr. Speaker. Recent revelations have raised serious concerns about the credibility of this government's Minister of the Environment and in fact this government itself in approving the Al-Pac mill project. Internal departmental documents indicate that officials in the Department of the Environment put in writing serious concerns about chlorate and chlorite emissions from that mill, concerns which were not redressed prior to the approval by this government of that mill. In fact, these documents indicate that the levels of chlorate and chlorite in Fort McMurray drinking water may well exceed World Health Organization standards for those chemicals by 10 to 30 times. My question is to the Minister of the Environment. How could this minister have approved the Al-Pac pulp mill project while serious concerns of this nature, concerns raised by his own departmental officials, remained unresolved?

MR. KLEIN: Mr. Speaker, these were documents that have been filed in preparation for a court case, and under Standing Order 23(g) it would be inappropriate to comment.

MR. MITCHELL: Mr. Speaker, the court case has nothing to do with these levels of emission. It has everything to do with the decision-making process. That minister is hiding behind a procedural detail in order to avoid answering these questions.

My second question is to the Minister of the Environment. How could this minister authorize that the Al-Pac mill project be approved when his own department indicated very clearly in a briefing memorandum to him that in fact chlorite and chlorate emission levels could exceed 10 to 30 times those levels specified in World Health Organization standards for healthy drinking water in this country and elsewhere in the world?

MR. KLEIN: Mr. Speaker, the hon. member has referred to documents that have been filed in preparation for a court case, and under Standing Order 23(g) it would be inappropriate to comment.

MR. MITCHELL: I'm sure the minister filed every single document he could find so that we couldn't ask these questions or at least he could hide behind that detail, Mr. Speaker.

Mr. Speaker, did this Minister of the Environment tell his cabinet colleagues and his Premier, who were involved in the approval of the Al-Pac mill, that in fact this information raised

serious concerns about emissions that hadn't been addressed, or did he simply suppress and ignore that information all by himself?

MR. KLEIN: Mr. Speaker, I can only repeat once again that this is a matter that will be adjudicated in a court of law. The documents that the hon. member refers to are documents that have been filed in preparation for that case, and under Standing Order 23(g) it would be inappropriate to comment, and he knows it.

MR. SPEAKER: Calgary-Foothills.

Natural Gas Sales to California

MRS. BLACK: Thank you, Mr. Speaker. Alberta natural gas sales to California generate about \$800 million annually to Alberta producers. Today media reports suggest that the Minister of Energy has warned the industry that he will cut off gas exports. Could the Minister of Energy enlighten the Assembly as to whether or not these reports are accurate?

MR. ORMAN: Well, Mr. Speaker, I appreciate the interest and concern expressed by the Member for Calgary-Foothills. I should say that there's only one media account, and that's the *Calgary Herald*, that suggested that we would in any way use our ability to stop flow of natural gas to California as a retaliatory measure. My discussion with the media was to indicate to them our desire to extend the existing netback arrangement between Alberta and Southern and the producers and Pacific Gas and Electric. As I indicated, my comments were in response to a question that asked whether the United States domestic supply could make up that volume if Alberta natural gas in fact stopped flowing. I indicated that no, it could not, that the United States domestic supply could not replace 1 billion cubic feet a day of natural gas. I simply did that to indicate the magnitude of the reliance of the California market on Alberta natural gas and did at no time suggest that we would cut off supplies under sound, long-term contracts. The article later said, and I quote, that we are "not ready to stop supplies in protest," and that is an accurate account of our position.

MRS. BLACK: Well, Mr. Speaker, I understand that the minister recently returned from California and Texas and had discussions with regard to supply. In light of the misrepresentation in the media I was wondering if the minister could brief the Assembly as to what transpired in his meetings.

MR. TAYLOR: Point of order, Mr. Speaker.

MR. ORMAN: Mr. Speaker, we did meet with the Texas Railroad Commission, which is the principal supplier of natural gas into . . .

MR. TAYLOR: Point of order.

MR. SPEAKER: You were acknowledged, hon. member, the first time. I'm sorry.

Please continue, hon. minister.

MR. ORMAN: Thank you, Mr. Speaker. As I indicated, we did meet with the Texas Railroad Commission, which is the equivalent to the Energy Resources Conservation Board. Although we are competitors in California, we have a common

objective, and that is that any restructuring of gas purchasing policy within California should be effectuated through commercial negotiations, not through regulatory intervention. We had a very interesting conversation about the future of domestic supply from Texas into the California market.

I also met with the Public Utilities Commission and Pacific Gas and Electric, and we made three very important points. First, the long-term successful trading relationship with northern California is important to Alberta; second, the importance of extending the netback pricing agreement between Alberta and Southern's producers and PG and E to serve as an umbrella for market restructuring is very important in California; and lastly, Mr. Speaker, that the market restructuring in California be freely negotiated between buyer and seller without regulatory intervention. I was very pleased with the reception and the mood of the conversations that we had.

3:00 Environmental Impact Assessments

MR. McINNIS: Mr. Speaker, I have a policy question for the Minister of the Environment. The Al-Pac case is unique only inasmuch as a fair amount of the information has now been made public because the Prosperity farmers took the unusual action of suing the government over the wrong decision they made. What's emerged about the process is that the companies do all of the project evaluation, provide that information in confidence to the government, and then the companies release only that information that they want to. My question to the Minister of the Environment is: does he now understand that you can't make project evaluation a private industry function unless you ensure that that information is available to the public with or without the permission of the proponent?

MR. KLEIN: What I can say as to the documents that refer specifically to the case, Mr. Speaker, is that I've been advised by Legislative Counsel that this indeed is information that will be properly adjudicated as the court case evolves; therefore, it would be inappropriate to comment on those specific documents. The hon. member knows this. He knows the rules of this Legislature under Standing Order 23(g) as well as anyone else.

With respect to the specific question relative to process, I can say that we have recognized that the environmental impact assessment process has to be strengthened. It's an evolving kind of thing. That's why it's proposed under the new environmental protection and enhancement Act that we legislate EIA guidelines. That's why we have put in place the new Natural Resources Conservation Board to create a level playing field and provide a process to have these things properly adjudicated. I think we have gone some distance to put in place a process that will ensure that these projects are given a reasonable environmental, economic, and social impact study.

MR. McINNIS: Well, Mr. Speaker, that's four times now that he's taken the fifth, in effect. Standing Order 23 says that it's only disorderly to refer to court documents if "any person may be prejudiced in such matter by the reference." I would like the minister to identify who it is who's going to be prejudiced other than he himself and the incompetence of this government?

MR. KLEIN: Well, Mr. Speaker . . .

MR. SPEAKER: It's asking legal advice.

MR. KLEIN: Thank you, sir.

MR. SPEAKER: The Member for Edmonton-Gold Bar.

Poverty (continued)

MRS. HEWES: Thank you, Mr. Speaker. The report of the Edmonton Food Policy Council interviewed 460 low-income Edmontonians living substantially below the poverty line about their food needs and their food security. Rather than doing anything about that report and the results of this devastating study, the assistant deputy minister is challenging the methodology. How very condescending. If you don't like the message, kill the messenger. My questions are to the Minister of Family and Social Services. Let's find out about the reports from his department. Will the minister now table his department's studies on this very issue so that Albertans can scrutinize and determine the accuracy of those studies, just as his ADM is challenging those of the Edmonton Food Policy Council? How did you decide? What's your precious methodology?

MR. OLDRING: Mr. Speaker, I have no idea what studies the member is referring to.

MRS. HEWES: I'm referring, Mr. Speaker, to how on earth the department decided what was a sufficient food allowance for Albertans.

Since the minister is always alleging that the moneys allocated by his department for the food allowance are sufficient to meet proper nutritional requirements, would the minister now agree to attend a public meeting to listen to and to tell the single parents, the working poor, and those on social assistance how they can manage? Would you attend a public meeting?

MR. OLDRING: Mr. Speaker, I attend many public meetings, and I meet with many groups right across this province. I involved many Albertans in formulating the social reforms that we've just brought through, and I'll continue to do that.

MR. SPEAKER: Calgary-Glenmore.

Free Trade

MRS. MIROSH: Thank you, Mr. Speaker. There are many reasons that dictate the strength of the Alberta economy and the success of economic diversification, and one is attributed to the North American free trade agreement between the United States and Canada. Canada West Foundation has released a study outlining the advantage of this agreement. Presently there are negotiations to expand the free trade zone to include the country of Mexico. Would the minister of intergovernmental affairs, who's been involved in these negotiations, please advise the Assembly of the results of his recent visit to Mexico and its leaders?

MR. HORSMAN: Mr. Speaker, I returned late last night from Mexico from a two-day series of discussions with Mexican governmental officials and officials of Pemex, which is the state-owned petroleum producing company in Mexico. There's a great deal of interest in the negotiations proceeding. There's great hope on the part of Mexicans, as represented by the people I met with, quite large numbers of people, that this will continue to assist Mexico in really entering into the full economic opportunities provided by a market-oriented economy and permit the Mexican people to then raise their standard of living. It was quite an extensive series of discussions, but it involved

Pemex and the ministries of commerce, energy, and agriculture. I believe from those discussions that we have a much better understanding now as to the ambitions of Mexicans, and I think they also have a better understanding of the goals of our government and the government of Canada in pursuing with them and the United States opportunities for liberalizing and expanding on trade.

MRS. MIROSH: Would the minister expand by outlining the specific opportunities there are for Alberta companies and how Albertans will benefit?

MR. HORSMAN: Mr. Speaker, the opportunities for Alberta obviously exist in the field of agriculture, where we are now expanding, particularly in the area of red meats, through export to Mexico of live breeding stock in cattle and swine. In addition, there are opportunities for expanding upon our oilseeds and cereal crops. I expect, as well, that there will be a great opportunity in the field of telecommunications, since the Mexican telecommunications system is really very much behind the times. I am encouraged that there are many other opportunities as well for expansion of trade, and I believe strongly, as does our government, that when there is trade that is fair and free, prosperity will flow and the standard of living of all countries that experience that will increase. I'm pleased that Mexico has turned the corner, as they did in 1986 when they joined the GATT, and are now turning their backs on the state-managed socialist economy that had oppressed them for decades.

MR. SPEAKER: Edmonton-Kingsway.

Emery Apparel Canada Inc.

MR. McEACHERN: Thank you, Mr. Speaker. My questions are to the Minister of Economic Development and Trade. It gives me no pleasure to report that an Edmonton-based apparel company called Emery Apparel has been shut down, putting 200 people out of work and leaving behind a string of bad debts. It didn't stop the company from, of course, donating almost \$1,400 to the party coffers of the Conservatives in 1989. Given that Emery Apparel had a \$900,000 guarantee under the export loan guarantee program, can the minister tell Albertans whether any of that money was still outstanding at the time the company was shut down and, if so, just how much?

MR. ELZINGA: Mr. Speaker, the hon. Member for Calgary-Buffalo asked that same question about a week ago, and I answered it at that time. If the hon. member wishes to consult *Hansard*, he'll see the answer there.

MR. McEACHERN: The company had not shut down at that time. I think the people of Alberta deserve an answer.

Last fall three members of the Starko family removed certain assets from Emery Apparel and, along with a \$1.25 million Vencap loan, were able to set up a new company called Protective Apparel Inc. Given that Emery Apparel lost its protective clothing division to Protective Apparel Inc. as a result of the Vencap financing, is the minister satisfied that the formation of that new company did not contribute to the demise of Emery Apparel?

MR. ELZINGA: Yes, Mr. Speaker.

MR. SPEAKER: Edmonton-Beverly.

3:10

Municipalities Funding

MR. EWASIUK: Thank you, Mr. Speaker. My questions are to the Premier. Last week the Premier stated in this House that this government is not downloading onto municipalities. The fact is that since 1989 this government's action has caused the cities of Edmonton and Calgary to increase property taxes substantially, and the rural municipalities have had to make similar adjustments. My question to the Premier is this: how can the Premier justify his claim that there will be no tax increases in this province while he is cutting funding to local governments and leaving them the choice of no choice but to increase regressive property taxes?

MR. GETTY: Mr. Speaker, I'm surprised the hon. member would be raising that matter now, because the Leader of the Opposition raised it last week. At the time he made some incorrect allegations, and I pointed out to him that they were incorrect. If the hon. member merely looks at *Hansard*, he'll find the answers.

MR. EWASIUK: Mr. Speaker, hundreds of municipal officials are complaining about cuts to grants, such as the CRC grants and the social services and transportation grants. Now, due to the \$12 million cut in provincial transportation grants, first-time home buyers in Edmonton will have to pay even higher taxes on their homes in new subdivisions so they can get paved roads. The question to the Premier is this. Will this government finally acknowledge this hardship they're imposing on municipalities and do something right: reinstate fair and proper transfer payments to local governments?

MR. GETTY: Well, the hon. Minister of Municipal Affairs I know will want to straighten out the hon. member, but one thing we should acknowledge in this House: other than New Brunswick, there's only one government and one province in Canada that has a balanced budget. That is really caring about the taxpayers, and that's what this government does. I understand the socialist propensity to spend, spend, spend, but let's be very clear that there is only one way to help taxpayers, Mr. Speaker, and that's to make sure you have a balanced budget.

MR. SPEAKER: The minister, briefly.

MR. R. SPEAKER: In terms of details, I would like to add to the answer of the Premier. We have provided on a consistent basis in January of each year an increase in the municipal assistance grants. In terms of the AMPLE grant, we have made a firm commitment to the municipalities that it will continue. That grant is unconditional, so a municipality can use it on their priorities as they see fit. I want to say, Mr. Speaker, that that's very well accepted by the municipalities across this province.

MR. SPEAKER: Calgary-North West.

Emery Apparel Canada Inc.

(continued)

MR. BRUSEKER: Thank you, Mr. Speaker. This government's record on loans and loan guarantees continues not only to astonish the Legislature but also Albertans whose dollars are at risk here. I want to go back to the Minister of Economic Development and Trade with respect to Emery Apparel. Emery Apparel received a \$900,000 loan guarantee that the Royal Bank did not even want to honour by advancing any funds to them,

and scant months later the company is in receivership. Now, the question that I think is important that we get forward from this minister here is: what kind of process did this minister follow in providing a \$900,000 export loan guarantee to a company that was in such bad financial shape that scant months later they're on the ropes and out of business?

MR. ELZINGA: Mr. Speaker, the process, if the hon. member wishes to take the time, is outlined in a booklet that I tabled in this Legislative Assembly which outlines our financial programs. There are strict criteria one has to go through as it relates to accessing our export loan guarantee program. The financial analysis is done with due diligence by the lending institutions themselves. We backstop the export loan guarantee to a maximum of 85 percent. The lending institutions themselves are involved with some 15 percent. If the hon. member is willing to take the time, the information is all available to him in information that is before this Legislative Assembly.

MR. BRUSEKER: Well, Mr. Speaker, that's all well and good, but what's on paper and what actually happens aren't necessarily one and the same thing. The question I want to put to the minister is simply this: was the minister aware that according to Royal Bank officials who were going to provide the money, financial documents provided by this company were not accurate and, further, source deductions that were supposed to be taken off employees under the federal Income Tax Act weren't happening either? Was the minister even aware of that before he gave them the money?

MR. ELZINGA: Mr. Speaker, I indicated to the hon. member – and let me repeat for him, because he is obviously a very slow learner – that we rely on the due diligence of the lending institutions themselves. One moment the hon. member is critical of us in that we do not do a thorough enough analysis, that we should rely on third party analyses. We do rely totally on third party analyses such as he has suggested consistently within this House. The hon. member cannot play both sides of the issue. If he wishes us to rely on third party analyses, as he has consistently indicated in this House, he has to rely on that in this instance also.

MR. SPEAKER: Red Deer-North.

Poverty (continued)

MR. DAY: Thank you, Mr. Speaker. My question is to the Minister of Family and Social Services. I think all members would agree that even one person going hungry in the province is a cause for concern. The accuracy of reports of the problem is also important so that we can know what type of resources need to be applied to the problem. Maybe the report is accurate. Maybe it's high; maybe it's low. Maybe there are a hundred thousand people in Edmonton who are hungry. I wonder if the minister has looked at or investigated who exactly was involved in compiling the report to see if they could offer any special insights into this problem?

MR. OLDRING: Mr. Speaker, certainly we have taken the time to look at the report. I personally took the opportunity to read it as soon as I received it.

In reference to the statistics, there's no question that my officials have raised some question marks around the validity of

the numbers that are being projected, but I don't think that's really pertinent. I think what we have to focus on is that we have a problem in this province and in this nation in that as long as there's a need for food banks, as long as we have a caseload of some 150,000 Albertans that are dependent on our system, as long as we have this cycle of poverty in existence, there's more work to be done.

I can say that we're going to continue to work very diligently with groups like the Edmonton Food Policy Council. The member asked specifically about the makeup of that council. I can't say that I know all of the individuals involved. I know some of them. I am pleased that they took the initiative to do this kind of research, and I was particularly pleased to note that they involved social allowance recipients, who know only too well the kinds of problems that are there. So we look forward to continuing to work with them to solve these outstanding issues.

MR. DAY: A supplementary, Mr. Speaker. A significant portion of those interviewed indicated that they felt they would appreciate more education in determining how to effectively handle a monthly food budget. I know that's only part of a possible answer, one part of the problem, but I wonder if the minister is aware, whether in the community itself or through his department, if there are any programs in terms of assisting people from an education point of view in understanding how to handle that monthly budget.

MR. OLDRING: Mr. Speaker, the supports for independence program that we introduced last year does make some services available that weren't there in the past. There's no question that we are putting a greater emphasis on employment counseling; we're putting a greater emphasis on individual counseling. We're increasing the number of front-line workers that we have to be able to work with and counsel individuals, and yes, there are some community agencies as well that are taking it upon themselves to provide additional supports and additional counseling. I think, as I've said all along and was very pleased to note, that this particular group reaffirmed what I've been saying: it's not a problem that we can solve alone as a government; it's a problem that's going to take a co-ordinated effort, certainly amongst many ministries here but also amongst all levels of government and community agencies.

MR. SPEAKER: Edmonton-Avonmore.

Sexual Abuse of Children

MS M. LAING: Thank you, Mr. Speaker. My questions are to the minister responsible for Family and Social Services. We hear repeated calls by the Alberta Council of Women's Shelters for government funding to cover 100 percent of basic emergency services so that shelter's fund-raising can focus on providing services to the 87 percent of children in shelters who have been targets of abuse, a majority having been subjected to sexual abuse. My question: inasmuch as the government is not providing core funding, what programs is the minister going to put in place to treat these children so they themselves do not grow up to be perpetrators or victims of abuse?

3:20

MR. OLDRING: A couple of questions there that I'd want to address. The first one raised relates to core funding for basic programs. We have had some discussions around that with the Alberta Council of Women's Shelters. We are currently working with them to establish once and for all, very clearly, what basic

funding should and will be, and we're committed to doing that, Mr. Speaker. I hope to be able to finalize that in the coming months.

As it relates to supports for children that need counseling, I can only say that as a ministry we spend some \$167 million on child welfare services, and we're going to continue to offer some of those supports through that process. We spend another \$35 million through FCSS. There are some programs that address that. The Minister of Health has announced recent initiatives in terms of mental health supports, again a partnership effort, which is so often the case.

MS M. LAING: My second question to the minister. Children who are sexually abused by someone not living with them also require treatment, although they are not in need of protective services under the Child Welfare Act. Parents of these children are not able to access government fee-for-service funded treatment because the department does not consider these children within its jurisdiction. Mr. Speaker, in view of the fact that these children do need treatment and parents often cannot afford the cost of therapy, what initiative does the government propose to meet the needs of these children and their parents?

MR. OLDRING: Mr. Speaker, the Minister of Health might want to supplement my answer. Again, as I've pointed out on many occasions in this Assembly, there are counseling services that are available to the children as described by the member. There are community agencies that are providing those services as well. A number of them do have a sliding scale as it relates to their fees for services to make sure that it is available in particular to low-income Alberta families that might otherwise not be able to afford it. As I say, I know the Minister of Health has announced some recent changes as it relates to Alberta mental health.

MR. SPEAKER: Westlock-Sturgeon.

Farm Family Assistance

MR. TAYLOR: Thank you, Mr. Speaker. My question is to the Minister of Agriculture. On March 18 the minister, in answer to a question from me about the obvious discrimination against farm wives when applying for loans or disaster assistance through the Agricultural Development Corporation, said that

the hon. member will be pleased to hear that the Agricultural Development Corporation board of directors is currently reviewing the issue that he identifies.

That was followed a day later by the minister in charge of women's issues, who said:

I know that the Minister of Agriculture is in consultation with a great many people, including myself . . . I've had discussions with the Minister of Agriculture. I know that he has the matter in hand and that it's under review.

Now, this was two months ago, which, even knowing this minister's glacial speed of reaching decisions, should have been enough. Could he inform the House now whether the Agricultural Development Corporation will be treating men and women, married, who are in full partnership, as partners rather than as a single unit?

MR. ISLEY: Mr. Speaker, if the hon. member watches the announcements over the next few days, I think he'll get his question answered quite clearly.

MR. TAYLOR: Mr. Speaker, at times, like the four litre jug thing, a "few" could be two years, but I hope the "few days" is a few days.

The supplemental question then: lest we get a more intolerant minister by appointment in the future and one not as bright and quick to act as this minister, would this minister consider moving a Bill in the House that would guarantee forever in the future that there would not be any discrimination against farm wives?

MR. ISLEY: Mr. Speaker, I'll take the member's representation under consideration.

Professions Legislation

MR. GESELL: There's a concern by members of the professions affected by Bill 37 that this Bill may proceed through the legislative process without the opportunity for their input. Will the Solicitor General assure that such opportunity for input will be there prior to the final decision on this Bill?

MR. FOWLER: Mr. Speaker, in the introduction of Bill 37 by the hon. Member for Calgary-Glenmore it was indicated that there was a task force being struck by the Health Disciplines Board to address the concerns of the professions of eye disease and glasses prescriptions. This part of the Bill will not proceed until the task force has completed its duties and reported back to myself as minister.

MR. GESELL: With your permission, Mr. Speaker, I'd like to address my question to the MLA for Calgary-Glenmore as the chairperson for the Professions and Occupations Bureau. To the member: was there appropriate consultation on the white paper that was introduced and on the proposed legislation, Bill 37, with the ophthalmologists, the optometrists, the ophthalmic dispensers, and the psychologists prior to the introduction of Bill 37?

MR. SPEAKER: Calgary-Glenmore.

MRS. MIROSH: Thank you, Mr. Speaker. I met with all of these groups when we introduced the principles and policies governing professions and occupations in 1989. There was a discussion paper presented to all professions, and then tabled in this House in 1990 were the results of those discussions and the final analysis of the principles governing all professions. That is now being introduced to all legislation. With regards to the three groups that are named in Bill 37, I've had meetings with each of those associations. I met with the optometrists three times about two weeks prior to the introduction. Now the process will be as the Solicitor General has described.

MR. SPEAKER: Thank you.

Before we go on to points of order and Standing Order 40, perhaps we can revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

In this order: Cypress-Redcliff, Minister of Culture and Multiculturalism, and the Member for Athabasca-Lac La Biche.

Introduction of Special Guests (reversion)

MR. HYLAND: Thank you, Mr. Speaker. On behalf of the Member for Taber-Warner, Mr. Bogle, I'd like to introduce in the gallery a group from St. Joseph's school in Coaldale. There are 42 students and four supervisors in the group. Mr. Gary

Saler is their teacher in charge. I'd like them to rise and receive the warm welcome of the Assembly.

MR. SPEAKER: The Minister of Culture and Multiculturalism.

MR. MAIN: Thank you, Mr. Speaker. I, too, have some out-of-town guests from way out of town. I'd like to introduce 15 visitors from Ukraine, who are here in this province and have been participating for the last several days in a conference that is part of a double-ended conference, in which I had the honour to take part last year in Ukraine. This deals with the scholarly research into the study of some 100 years of settlement of people of Ukrainian ancestry in this province. This Migration of Ukrainians to Canada Conference has been taking place at the University of Alberta and at the Ukrainian cultural heritage centre. There are 15 guests. I would like their delegation head, Dr. Oleksander Kostiuk, from the Rysky Institute with the Ukrainian Academy of Sciences; other members of the Academy, Dr. Oleksander Rosinsky, Mr. Shevchuk, Dr. Yuri Makar, Dr. Georgi Kojolianko; and other members of the delegation from museums, the Ukrainian Academy of Sciences, the universities involved in this cultural preservation to stand, along with two members from the Department of Culture and Multiculturalism here in Edmonton, and receive a traditional warm welcome.

3:30

MR. SPEAKER: Athabasca-Lac La Biche.

MR. CARDINAL: Thank you, Mr. Speaker. I'd like to introduce to you and through you to the Assembly five AVC students from Smith. They are seated in the public gallery, and they are accompanied by their teacher Jan Thiessen. I'd like the teacher and the students to stand and receive the traditional warm welcome of the Assembly.

MR. SPEAKER: Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Speaker. Once again on behalf of my colleague from Edmonton-Belmont I'd like to introduce 44 students from John Barnett elementary school, situated in Edmonton-Belmont. They are accompanied by their teachers Gerard Collins and Kim Goulard and also by parent Val Laschowski. They are sitting in the public gallery. I'd ask them to rise and receive the welcome of the Assembly.

Point of Order Oral Question Period Rules

MR. SPEAKER: Point of order in question period. Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker. My point of order is with reference to the question asked of the Minister of Energy by the Member for Calgary-Foothills under 408(1)(b) and also under 409(10). 408(1)(b) says that a question should "not inquire whether statements made in a newspaper are correct," and 409(10) says, "A question ought not to refer to a statement made outside the House by a Minister." Well, normally I wouldn't pay much attention, but this was so obviously planted by the Minister of Energy to get back into the swim of politics that I thought I should raise the item, because if we continue with this, it could cause a feeding frenzy amongst the backbenchers, and we'd have this type of question day after day.

MR. ORMAN: Mr. Speaker, I have before me *Beauchesne's Parliamentary Rules & Forms*, and the Member for Westlock-Sturgeon has cited 408(1)(b). In 408(1)(b) it says that questions should "not inquire whether statements made in a newspaper are correct." Well, first, the Member for Calgary-Foothills did not inquire as to whether the information in the newspaper article was correct. I pointed out to the member that the article was incorrect, so it was not the inquiry of the hon. member.

Second, if you go on to 409(3), it says that "the question ought to seek information," (4) says "it ought to be on an important matter, and not be frivolous," and (5), that "the matter ought to be of some urgency." Since the Member for Westlock-Sturgeon has moved out of Calgary, I can tell you that on those accounts he has lost substantial touch with some matters of extreme urgency and importance to this province, and that is \$800 million a year of natural gas trade with California. That party, the Grits over there, have from time to time expressed concerns about jobs in the energy sector, and today he stands up and makes a point about a vital gas trade. Forty percent of our export market is under attack by regulatory authorities in California. That could result in the deterioration of millions of dollars of revenues and billions of dollars of take-or-pay liabilities through regulatory action. For that member to sit there and suggest that this is not an urgent matter and that it is frivolous shows just how out of touch that party really is, Mr. Speaker.

MR. SPEAKER: Well, with respect to the purported point of order, citations are interesting and are useful in this regard. The Chair on this occasion regards it as a complaint, not really a point of order, but the Chair is greatly encouraged to find that the Member for Westlock-Sturgeon is becoming a keen student of things parliamentary.

head: Motions under Standing Order 40

MR. SPEAKER: A Standing Order 40 request. Edmonton-Whitemud, please.

MR. WICKMAN: Mr. Speaker, the motion that is in front of us today is to express our shock and sadness at the tragic assassination that has happened in India. I think it is vital that this Legislative Assembly, that Legislative Assemblies across this country and throughout the world, express their shock and sadness at this type of assassination that we see in a country striving towards democracy.

MR. SPEAKER: Under Standing Order 40, the request for the matter to proceed. All those in favour of giving unanimous consent, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The matter carries.

Rajiv Gandhi Assassination

Moved by Mr. Wickman:

Be it resolved that the Legislative Assembly express its shock and sadness at the tragic assassination of the former Prime Minister of India, Rajiv Gandhi, and express its deepest sympathies to his family and to the Indian nation.

MR. WICKMAN: Mr. Speaker, it's with sadness and shock, of course, that this motion is put forward in the House, and I think it illustrates to us a number of things. It illustrates to us

the potential impact that it could have on a nation as far as its political stability is concerned, and I think it illustrates to us how precious democracy is and how some other countries have to undergo such tragedies in their thrust for a democracy, something that we at times take too casually for granted. This particular tragedy is highlighted by its being the second one in that same family leading India. It's unfortunate; it's sad. I would ask that all members of the Assembly go on record as supporting this motion to express our shock and sadness at this event.

MR. STEWART: Mr. Speaker, no doubt the world was indeed shocked when we received news from Madras yesterday of this tragedy. It's something that goes to the very roots of our democracy, something that we feel very strongly about; also, obviously, in terms of human life. On behalf of the members of the government I want to join in support of this motion brought forward by the hon. member.

The tragedy is indeed a sad commentary on our times, when violence on occasion seems to supersede democratic process, and indeed that grieves us all. Mr. Gandhi and indeed other members of his immediate family before him have a tradition of service and commitment to their country. Unfortunately, they've also experienced sorrow and tragedy in the course of carrying out that public service. There are many Albertans, Mr. Speaker, who have their roots in India who I know are saddened by this particular event. So we join in this expression of sympathy as well as in the words of praise that have been delivered with respect to Mr. Gandhi by many leaders throughout the world. We're happy to join in support of this motion.

MR. SPEAKER: Thank you.
Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Speaker. I'm sure that motions like this have been pouring in to the government centre in India for the last 24 hours and will probably continue to pour in for several days, and I suspect that they are all unanimously approved by the Legislatures or parliaments of origin.

I'd like to add comments to both the sponsoring member and the Deputy Government House Leader. It seems to me, Mr. Speaker, that murder is always very sad, and we have to call this what it is: murder. But what we have to recognize also is that where democracy emerges – and let's face it; our own parliamentary tradition has had some rough occasions in the past. Fortunately, we're talking about a few hundred years ago, but there are still incidents today that remind us that those who offer their services in the public service, who, generally speaking, work very hard regardless of political stripe, should not in the course of those duties face this supreme sacrifice. It is murder. It is sad, and it is especially sad that it can happen to leaders of political parties or people who put their time and energy on the line to serve the people. I think it is very rare in modern democracies that those are not the noble motivations of those members who serve in this way.

On behalf of the Official Opposition, I add to the comments by the sponsoring member and the Deputy Government House Leader and look forward to the message being conveyed to the Parliament of India.

MR. SPEAKER: All those in favour of the motion, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Let the record show the motion passed unanimously.

head: **Orders of the Day**

head: **Committee of Supply**

3:40

[Mr. Schumacher in the Chair]

MR. CHAIRMAN: Before calling the committee to order, the Chair would like to express its appreciation for all the warm and kind sentiments that have been expressed over the last couple of weeks. It's just two weeks ago today that I had to leave the Chair rather suddenly. I guess I'll just infringe on the armed forces' copyright perhaps a little bit and say that as far as I'm concerned, there's no life like it here, and it's nice to be back amongst all of you. I want to say thank you again for all the warm thoughts and tokens of your feelings over the last number of days, and we'll look forward to the remainder of this process. I just want to say that I enjoy it very much and it's sure nice to be back. Thank you. [applause]

head: **Alberta Heritage Savings Trust Fund**
head: **Estimates 1991-92**

Energy

1 – Renewable Energy Research

MR. CHAIRMAN: Today we are dealing with the estimates of the Alberta Heritage Savings Trust Fund capital projects division, and we will commence with vote 1 on page 12, Renewable Energy Research.

The hon. minister.

MR. ORMAN: Thank you, Mr. Chairman, and welcome back.

Mr. Chairman, the southwest Alberta renewable energy initiative has a request before the Assembly under the capital projects division of the Alberta Heritage Savings Trust Fund. For 1991-92 the department plans to proceed with the second year of their initiative with heritage funding of \$1 million. I should point out to the Assembly that the \$1 million that was budgeted for 1990-91 was not fully expended. The amount unexpended will be requested for the '93-94 fiscal year, to bring total expenditures to \$3 million.

The background to this initiative is quite significant and, I know, of interest to all members. The project first came before a cabinet committee on November 15, 1989, whereupon that committee agreed to recommend approval for a long-term initiative to support renewable energy technology demonstration projects in southwest Alberta on a cost-shared basis with the private sector. On November 28, 1989, the Treasury Board approved and requested that the capital projects division of the Heritage Savings Trust Fund approve a \$1 million a year over three years budget for this southwest Alberta renewable energy initiative.

This initiative really was the result of a special interest that was shown by Premier Don Getty in late 1986, when he made an announcement to launch a program to introduce a large-scale renewable energy project in Alberta. Mr. Chairman, it also received substantial support and input from the Member for Pincher Creek-Crowsnest. I believe that without his support, his interest, and his drive this project would not have proceeded to the stage that it is at today.

By early 1988 Neil Webber, then Minister of Energy and the Member for Calgary-Bow, appointed an advisory committee

from the area that was chaired by Dr. John Rottger. There were five specific recommendations for a prospective program. From those recommendations was shaped the southwest Alberta renewable energy initiative. The initiatives that are under this program stimulate development in the use of energy generated by solar and wind power, energy conservation measures, and other renewable forms of energy. The money from the Heritage Savings Trust Fund, as I indicated, is \$1 million a year over three years, and it will be to match dollars put forward to assist private developers in the construction and operation of renewable facilities. Mr. Chairman, this has been a very successful program, in my view, a double-barreled program. First, it is addressing the issue of renewable energy, and at the same time, it addressed an issue of economic stimulus for southwestern Alberta that was really the thrust of the representations made by the Member for Pincher Creek-Crowsnest.

Mr. Chairman, there are, I believe, six initiatives – and I'll just describe them briefly – that have resulted from the funding provided by the heritage fund last year. A Canadian developer and manufacturer of wind turbines, Adecon Energy Systems Inc., established a subsidiary in Alberta, an electricity-generating wind farm capable of producing 1.5 megawatts of electricity in the Pincher Creek area. Up to \$600,000 of the project's \$2 million will be provided by the southwest Alberta renewable energy initiative. A second project is located in Lethbridge, and that's the Lethbridge wind research test site. That project will be cost-shared, with \$176,000 provided by the research entity.

Mr. Chairman, additionally there are four renewable energy projects that were announced by the board of governors of the Alberta Office of Renewable Energy Technology. The largest of the four projects is a turbine demonstration wind farm that is located at Cowley Ridge, southwest of Cowley, Alberta. The wind farm is expected to cost \$11.4 million over three years, and it will be financed entirely by U.S. Windpower Inc. The other three projects: first, a 2.4 megawatt hydroelectric power plant located at the Waterton dam. I should point out that the Minister of the Environment and myself will be attending upon the opening ceremonies of this most important initiative next Monday, and I certainly look forward to that event.

The next project is a demonstration of solar and wind powered water pumps to provide water for wildlife habitat near the Oldman dam. This project will be conducted by Canadian Agtechnology Partners of Olds, Alberta. Mr. Chairman, the last one will be the development of a wind powered water pumper made by Maverick Wind Energy Ltd. of Twin Butte, Alberta. There will be funds provided, up to \$60,000 in funding towards this project, which totals \$132,500.

Mr. Chairman, that is some of the background. There are other initiatives being planned. The office that is located in Pincher Creek is working very well and getting great attention by passersby and tourists in the area. I certainly would ask that all members of the Assembly consider their strong support for this very important direction that we're going. I have said in the past that we are not, as a province, just in the business of nonrenewable energy production. If energy production, whether it's renewable or nonrenewable, is to be developed in this province or, for that matter, anywhere in the world, we want to be sure that as a government we provide the initiative, the support, and in some cases the dollars required to put us in the forefront of technologies that will lead us into the next century. For those reasons, Mr. Chairman, we are very pleased with the

success of this project, and I urge support by all members of the Assembly.

3:50

MR. CHAIRMAN: Thank you.

The hon. Member for West Yellowhead.

MR. DOYLE: Thank you, Mr. Chairman. I'll do my best to be as brief as the Minister of Energy. I would like to congratulate the minister on the initiatives he's taken towards a clean environment and renewable resources that should benefit this province for years to come. However, I would like to point out to the minister that for some years in the United States and around the world, wind power and solar power have been studied and studied again, and I would wonder how much it costs us for a new study before we finally get these projects off the ground.

Mr. Chairman, I want to congratulate also the member from Crowsnest Pass for his initiative to get these facilities on stream and for locating the office within his riding. Indeed, the Member for Pincher Creek-Crowsnest has made some great moves through the Alberta Research Council to find other uses for other sources of energy such as coal, which the Minister of Energy refuses to address in this Legislature.

Mr. Chairman, the Minister of Energy did mention that he would support projects whether they be renewable or nonrenewable. I would like to say that the member should take a look at the Alberta Power plant at Grande Cache, which uses the slack from the mine site and which generates electricity for that area and transmits power throughout the northwest part of the province. The minister should also pay more attention to the most viable and most environmentally safe ways of using coal and other resources in order to supply energy to needed customers throughout the province of Alberta and in fact, through the electrical system, across the border, if they so require to tie those lines together.

I would also say to the minister that many dollars have been spent on wind power and solar power, and I'm very pleased to see that the private sector has become involved to assist in these. Indeed, the governments over the years have helped such power companies as Alberta Power and TransAlta Utilities to develop. In fact, I believe it was the Social Credit that turned over some of the plants for \$1 to TransAlta Utilities. Now we see

TransAlta Utilities in Ontario developing projects in Ottawa and in Mississauga to use western Canadian natural gas for electrical use, which in fact causes some question as to the sale of western coal to the eastern markets, because Ontario Hydro for years has spent billions upon billions of dollars importing eastern American coal in order to generate electricity. Here we have a company like TransAlta, who took over all these power dams and many of the coal fields in Alberta and with their profits have moved now to Ontario to compete – to compete, Mr. Chairman – against the western coal in those particular areas.

So I would hope that the Minister of Energy, as he promised he would on May 1, would address the question of coal. He stood up and never even mentioned the word once, and you can check *Hansard*. There wasn't one peep out of him, after me receiving a letter the same day that he indeed would be addressing coal. People in Alberta, of course, who work in those fields of nonrenewable energy certainly would benefit through the sale of western coal to the eastern markets. Indeed, it would help people on the railroad across this country; it would help people in small towns and villages where some are needed on the trains

as they pass through. Many truckers and small businesses in the province of Alberta would certainly benefit, along with a lot of other people within the province.

If the minister would just take a look at the clearing up of land and the redevelopment, where Cardinal River Coals this year got the Big Horn award. Certainly the province must be congratulated that the minister – as the minister of forestry did in giving the Big Horn award to Cardinal River Coals. Indeed, they have reclaimed that land. They have a beautiful lake there now that someday soon, I hope, will be open, when it's turned back to the government, and people throughout Alberta can go there and see such a beautiful sight, catch those nice private-stocked trout that are in there. Indeed, it'll be a great place for people to take holidays.

Mr. Chairman, I'd like to say, as I've said other times in the Legislature, that many dollars have been spent on wind power and solar power, yet within the province of Alberta, especially in western Alberta, we have large bodies of geothermal water, especially throughout the central and northwest regions of Alberta. The minister well knows that this water is, of course, deeper than it is in, say, Klamath Falls, Oregon, or in the Kaiser fields of California, but I would hope that the minister, now that he has developed the wind and solar power for the people of southwestern Alberta, would take a very serious look at developing geothermal throughout this province and indeed put some money behind it so that the private sector, too, can become involved, so they can start up not only things for energy, but perhaps it would help places like Jasper.

Alberta Power was going to build a new transmission line to Jasper to do away with the old, smelly, and loud-running power plant they have there, but they have now put that on hold. Of course, TransAlta, I understand, is still continuing from their substation at Edson to build a transmission line up near the park gate so that when Alberta Power is ready to go with that, they could tie on. Indeed, geothermal use around the world has helped electrical companies by not having coal burning or other uses to hurt the environment.

I would hope that the minister would look at this as a possible alternative to using other modes to generate electricity in this province. In fact, it might not all fall, Mr. Chairman, under the Minister of Energy's portfolio. It would, in fact, have helped in hot tubs and many of those recreation things that perhaps the Minister of Recreation and Parks would be interested in investing in, perhaps the Minister of Tourism would be interested in investing in. Of course, the minister of economic development, rather than throwing money towards companies who are dead losers from the start to the finish, could invest in such things as geothermal hot tubs in the province of Alberta, where people would come from afar, in fact, to visit these centres. In fact, the geothermal can also be used for heating hotels and facilities adjoining these particular hot tubs.

Mr. Chairman, I would hope that the Minister of Energy would certainly consider investing some money into geothermal energy. Not everything is gas and oil. We must bring forth something that's renewable, like geothermal. It can be pumped up, put through a heat exchanger. You could use surface water if in fact there were contaminants or undissolved solids that could not be used on the surface, and the geothermal water would be put back down, by only dropping one or two degrees, into a major body of water that could be somewhere between 6,000 and 7,000 feet in the Edson-Hinton area; in fact, closer at places like Miette Hotsprings. That water would not contaminate the earth or the rivers in our province, and the surface water could be used in the heat exchanger to run through all

these heating facilities. Any people who have visited Miette Hotsprings, I'm sure, will go away with a good feeling and a good remembrance of what a great benefit geothermal brings to the province of Alberta, not only to the Minister of Energy, of course, but indeed to tourism. It was the federal government that spent millions of dollars on that development, and not far way, right along Highway 16, are perfect places for development of geothermal energy.

Mr. Chairman, I would like to say to the minister that indeed renewable energy is very important, not only to the province of Alberta but to Canada in general. I would hope the minister would pursue things other than wind and solar power. I have my questions on solar power. Indeed, except for perhaps the southwest part of the province – with the inconsistent winds we of course have in the northern part of the province, we cannot depend on it like the Member for Pincher Creek-Crowsnest can. As I worked on many transmission lines for the power companies down there, I certainly know how windy it is on top of a 90-foot pole in that country.

4:00

So, Mr. Chairman, I'm pleased that solar and wind are going to help the wildlife in southern Alberta. It was a question I had as I toured southern Alberta, whether there'd be further uses of the Oldman River dam to enhance the fish and wildlife in the southern part of the province. I would hope that by good planning and good management by both Environment and the Minister of Energy, we will see a buildup of fish and wildlife in the southern part of the province and bring recreation for those people who nowadays perhaps can't afford to travel as far north to the beautiful lands of northern Alberta.

Mr. Chairman, in closing, I would like to say to the Minister of Energy that indeed these dollars seem to be working properly with investments in the private sector. I would hope he would seriously consider taking a look at what some power companies are using – and that's the slack they don't use, like at Grande Cache – and that we get on base and promote the sale of western coal to the eastern markets and look at what geothermal could do to assist the people and the developers, in fact, in the province of Alberta. Some would come from afar to assist the Minister of Energy in these developments.

Thank you, Mr. Chairman.

MR. CHAIRMAN: The hon. Member for Calgary-Buffalo.

MR. CHUMIR: Thank you, Mr. Chairman. I'm going to be very economical with my time on this particular matter this afternoon. I'm very supportive of the initiative of the minister with respect to this program. It's a good program. It's important to this province that we develop renewable sources of energy, particularly important with respect to electricity in light of the environmental concerns relating to the generation of electricity through coal fired plants. Might we also say that it's also very important with respect to economic development and diversification in different parts of this province, in this instance particularly the southern portion of this province. We're very, very hopeful in the Alberta Liberal Party that this will prove to be a successful initiative not only for the environment but also on an economic basis.

I can't help, however, continuing to ask the question I've asked for the last five years in this Legislature: why is this expenditure being made through the heritage fund? Why is this not an expenditure being made through the General Revenue Fund budget of this province? We have, for example, research

being done under AOSTRA, which is funded through the General Revenue Fund. Many types of research projects are funded through the General Revenue Fund, but lo and behold, without rhyme or reason or principle we find this expenditure going through the heritage fund. What rationale can there be other than the fact that this expenditure reduces General Revenue Fund expenditure and thereby reduces the budget deficit? It's a nice place to park expenditures so that they don't show up in the budget deficit calculations. So carry on, Mr. Minister, with good programs like this. We hope these don't fall on their sword in some manner, as is often the case with programs the government has been involved in, but please get this program out of the heritage fund. Let's start to rationalize the way in which we make expenditures and new programs and get it into the right pot, where it should have been all these many years.

MR. CHAIRMAN: The hon. Member for Pincher Creek-Crowsnest.

MR. BRADLEY: Thank you, Mr. Chairman. I'd like to congratulate the minister and his department for their work with regards to this specific project, the southwest Alberta renewable energy initiative, and the work of the members of the Office of Renewable Energy Technology. Those people working together have brought this project to fruition, along with the community of Pincher Creek and area, to see what I think is going to be a very exciting prospect for Alberta in terms of alternate energy in the future. I'd like to congratulate all those involved and should note, as the minister did, that this proposal came forward because of the specific interest of our Premier back in 1986 in this whole area of looking towards alternatives in terms of energy in the province and targeting in on the southwest corner of the province as being a site for this particular development. It's very farsighted, particularly given the environmental concerns we see today. This project moving forward, I believe, will prove out the use of renewable energy. We'll see it being spread throughout the province in the future, but Pincher Creek and area certainly, I believe, will be a centre for a long time to come in terms of renewable energy initiatives, whether they be in the wind power area or other areas as mentioned by the minister. So the community is certainly looking forward to the results of this project, and they are very exciting projects, as the minister has outlined.

I was surprised to see that the question of coal was raised today in terms of these estimates. However, I feel I must comment on some of the remarks made by the Member for West Yellowhead, because I know that our Minister of Energy has been a strong supporter of coal related issues in this province and a supporter of the western coal initiative, which is a combination of the three western provinces and Ontario in terms of funding various projects, including the integrated gasification combined cycle project. There have been projects up in the Cold Lake area. There have been projects, I believe, in the member's riding of West Yellowhead to assist Smoky River Coal with some new ideas in terms of underground coal mining. So he has certainly shown that support, and when the hon. member speaks about moving western coal to eastern markets, there's no stronger supporter of that initiative than the government of Alberta. It has been a leader in pushing for that.

It's ironic to note that today the present government of Ontario in terms of its approach to Ontario Hydro, in terms of the energy requirements of that province in the future, is not a supporter of the use of coal. Really, the message which has to

be taken forward is to Ontario and the present New Democratic government there as to whether they wish to see western coal utilized in Ontario. It's not going to be a decision made by this government here in Alberta that western coal will flow to Ontario. It's solely in the hands of the Ontario government, who can direct Ontario Hydro, in fact, to take western coal. All the benefits which the hon. member mentions can flow in terms of western coal going to eastern Canada, but it's going to take a decision by a New Democratic government in Ontario to put that pressure on, and to date they are moving away from the use of coal. They are not promoting the use of coal or the use, in particular, of western coal in terms of their energy mix in the future. I would encourage our minister to continue his efforts in that regard, because we're going to have to do some very serious negotiating with the current New Democratic government in Ontario if we're going to see that western coal flow eastward.

In conclusion, Mr. Chairman, I congratulate our minister particularly in terms of this initiative which is under consideration today, and I would urge all hon. members to support this very exciting renewable energy initiative for Alberta.

Thank you, Mr. Chairman.

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

4:10

MR. McEACHERN: Thank you, Mr. Chairman. A number of questions and a few observations at this point.

The document we have before us shows that only \$77,000 of I believe the \$500,000 initially assigned to this project for the '89-90 fiscal year was expended, which means the first year was a pretty slow start compared to the number of dollars that were allocated. Also, the minister indicated at the start of his comments that the million dollars allocated last year was not all spent either, but he didn't go on to elaborate what portion was spent. Perhaps he would be prepared to do that before we go on to pass these estimates, the \$1 million for this year.

I appreciated his breakdown of the kinds of initiatives, the six different projects that he mentioned, but I couldn't help noticing that a lot of it has to do with wind turbines, which is well and good, and I'm certainly not knocking that in any way, shape, or form. But I can't help thinking that the \$1 million is a very small amount of money. Now, it may take time to build to a bigger research and development approach that can use more dollars than that effectively, so I'm not suggesting that the government throw piles of money in all at once and waste some of it. But it does seem to me that we're talking about energy in Canada and Alberta. We've been the suppliers of most of the oil and gas energy across this country, and we are now faced with an environmental need to start using nonrenewable resource energy as much as possible. I can't help thinking that this is a very, very modest, to put it kindly, start on trying to shift our emphasis from energy sources that are polluting, like coal, coal being the worst, oil being the next worst, I guess, of the conventional ones, and then natural gas being less polluting than oil. Obviously there is an advantage to solar energy and to wind energy to the extent that you can use them, but the concept does pose some problems.

If you take the coal situation for a moment – and we're talking about transporting western coal to Ontario – one would not be surprised at Ontario taking a really hard look at that. If there is a gain to be made from using rather poor eastern coal – and western has some advantage, I believe, in terms of the heat it produces. There is some lessening of the sulphuric acid,

I believe. SO₄, I think, is the main problem with burning coal, and hence the acid rain problem is rather acute. I think western coal is better than eastern coal in that regard. I guess the question Ontario would have to ask itself – and we don't know what direction they'll take on that yet – is whether or not the gain is big enough or whether they're better to switch to, say, natural gas, for example, which right now is very, very cheap in North America. It would be quite a saving from the point of view of the environment and probably price, at this stage, in terms of transportation costs, so don't be too surprised if the dream of shipping western coal to eastern Canada does not come about. That may be for very good reasons, both economic and environmental. I think we just might have to face that. It's not to say that we don't check that out and pursue all the different angles of it before we concede that point, but I think we may very well find that to be the case.

In terms of the experiments being done, I noticed a lot of them were to do with wind turbines, as I said, and I can't help wondering what's happened to the solar energy side of it. It seems to be almost nonexistent. I wonder if either the Member for Pincher Creek-Crowsnest or the minister himself would comment a little bit on the solar side of that. I think there's sort of a myth that the further north you live the less energy you can get from the sun, and that's not really the case. Other than cloud cover all sections of the earth get the same amount of sunlight. Of course, it doesn't come in even amounts. Here in the north we get a lot longer days in the summer, so obviously solar energy is a more viable option to heat homes, for instance, in the north during the summertime. In the winter, of course, the amount of heat one would get from solar energy would be rather minimal, so we'd have to have backup systems, coal or natural gas or oil or electricity.

One of the problems, it occurs to me – and the minister did not deal with this; perhaps he would be prepared to add some comments about it. If you were going to generate electricity by wind power in small amounts in parts of southern Alberta, or even if you get the technology to do it in fairly large amounts, you then have to look at how you get that electricity into the grid system. I don't think this government has been very forthcoming in terms of insisting that our utility companies accept the right of small producers of energy to buy into the grid system. The government has been very reluctant, and it has taken a long time and a lot of negotiations to get even the smallest amount of electricity into that grid system. Recently some was put in, but even so, the terms aren't particularly advantageous to small producers that would like to buy in and be able to produce some electricity to offset the costs of their own electricity. Clearly, if wind and solar energy are to produce very much electricity in any kind of substantive way, one will have to deal with that problem. Maybe the answer is, of course, to get the big utility companies themselves involved in a major way in solar and wind energy production or electricity production. That is not likely to be all that easy, because we have a lot of coal and a lot of gas and oil – not so much oil left anymore.

I wonder if the minister, then, could explain in a little more detail just how much . . . I know he gave us some numbers, but it was not clear to me if the breakdown he gave was last year's amounts actually spent or if that is the allocation for this year's dollars. He did start out by saying – and I'll just repeat it to remind him – that the million dollars for last year was not all spent, but then he went ahead and gave us some numbers which would indicate that it wasn't that far from most of those dollars being spent. Perhaps he could clarify a little bit the parameters

of those dollars' being spent, how much of that was last year and how much they intend to spend in those categories this year.

With that I'll wait for the minister to answer a few questions to see if I have anything more I want to say.

MR. CHAIRMAN: The Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Chairman. I wanted to get a few questions in, if I could, to the Minister of Energy. I'd like to also pay him some tribute for doing some generation of alternate forms of energy. I don't think I'll put my arm out of joint slapping him on the back, though, because many years ago when I was a small tad, my father had a wind generation system that ran the whole electrical apparatus on a farm in southern Alberta in the 1930s. I suppose it's in keeping now that in the 1990s the minister would be adopting a system that most of the farmers used in southern Alberta in the 1930s. Nevertheless, you should be thankful even for a late arrival on the scene rather than be too caustic about it; therefore, my congratulations.

I have a couple of questions, Mr. Chairman. I hope somebody in the minister's department is taking this down, because the minister looks like he could be asleep. I'm not positive. No, he isn't; there is some movement over there. That could be deceptive too. Sleepwalkers do that.

The two questions I have. One, why would not we give some sort of incentive in payments per kilowatt-hour to what we call clean energy, energy that carries zero or very close to zero environmental damage? Maybe we could be taking a lead here. My understanding is that the power that is generated from these projects will get, if anything, a little less than what the giant power companies get for theirs generated by coal, under the reasoning that they are small and come under the small powers initiative. My own estimation would be that if you came here from Mars, this type of energy should be getting paid more than generators of energy that cause environmental damage, whether it's sulphur or carbon dioxide or whatever it is. I'd just be very curious as to why they are paying them less.

The second question is more, I suppose, along the line of somebody encouraging business and research in Alberta. I notice this agreement had some American input; there are some American companies. I've nothing particularly against the U.S., Mr. Chairman. As a matter of fact, some of my best friends are American, if you'll pardon the pun. I did wonder, though, why we could not do more, seeing that we'd already spent quite a little money subsidizing computer and laser cutter developers and what we think is the cutting edge of technology. I'm just wondering whether the minister is doing everything he can to encourage Alberta or Canadian companies to interface or work in generating these alternative energy systems. It's not as important to generate a lot of energy as it is to generate a lot of technology in developing clean energy.

Those are my only two questions, Mr. Chairman. Thank you.

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

4:20

MR. BRUSEKER: Thank you, Mr. Chairman. I, too, just want to ask a few questions of the minister responsible for this particular vote, Renewable Energy Research. One of my favourite topics is not just solar and wind energy but also indirect solar, I guess, or indirect wind, whichever way you want to look at it: using solar power to produce electricity which can then in turn be used to hydroelectrically crack water, which is

H₂O, into a hydrogen molecule and an oxygen molecule and produce hydrogen fuel. The reason I ask that is that in southern Alberta, as the minister knows, we have the advantage of having the Provincial Treasurer living in Lethbridge, so the wind source is fairly constant; we've got ample wind resources available down there. We also have ample water resources available, thanks to the Minister of Public Works, Supply and Services. Water is not usually thought of as a resource in terms of fuel, but in fact it could be so, and it's a very environmentally friendly source of fuel.

The question I want to put to the minister is: what proportion of this \$1 million is going towards research in terms of producing hydrogen as a fuel from our abundant water source? I think the development of renewable energy research is an appropriate thing for this department to be doing; it's an appropriate thing for Alberta to be doing, given our expertise in other fields of energy, at least in the past. I applaud this and support the concept, but I'm just wondering if the minister might be able to detail a little more some of the initiatives that are being undertaken.

Thank you.

MR. CHAIRMAN: The hon. Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. I wanted to raise a concern with the minister that I believe has been raised with him already, but I'm doing it on behalf of a constituent, Melanie Wyllie, who wrote to me expressing her concern as a member of the Solar Energy Society of Canada about the involvement of a U.S. firm in the wind project that the minister described down at Cowley. I wonder if the minister would have a chance to tell us exactly what sort of efforts we're making to encourage the development of Canadian expertise and what sort of involvement he envisions for Canadian entrepreneurs in the development of the wind energy industry in our province. I think the concern expressed by Melanie Wyllie and other people in her Solar Energy Society of Canada are very valid ones: that we need to be on the leading edge of alternative energy research and development, and that being said, we want to make sure that as much of the benefits as possible accrue to Albertans and to Canadians in terms of the investments that are made and the jobs that are provided in the development of that technology.

I'd also like to talk to the minister a little bit. I can't decide whether to vote in favour of or against this vote asking the Assembly to approve the expenditure of \$1 million to fund research into alternate energy, Mr. Chairman. I think that's a very laudable goal, and I'm in support of it, but I don't think a million dollars is a sufficient commitment. I'm trying to decide how to vote, whether to vote with this paltry sum, support this paltry expenditure, or to stand up and propose an amendment and try and convince the Provincial Treasurer to allocate more money to something that I think is very . . .

AN HON. MEMBER: There's more money than you've ever seen there.

MR. FOX: Wait till I'm Treasurer; I'll see it all.

Anyway, I think it's a very important area, especially for Alberta, Mr. Chairman, being a province that has been sort of the energy heartland of Canada for so many years. I think we need to really increase our efforts to make sure that we're a major supplier of energy and energy technology to Canada and indeed to the rest of the world for years to come. We have, I think, taken our nonrenewable energy resources for granted for

far too long. We've been blessed by a quirk of nature with an abundant supply of oil and natural gas and coal. We've done a fair bit to develop those resources over the years, and as a result, we've been able to enjoy a very high standard of living. I think it's incumbent on the government of the province of Alberta to make a major commitment to fund research into alternate energy sources so that we can make that transition smoothly from nonrenewable to renewable resource development. We need to make that transition smoothly from nonrenewable sources to renewable sources so that we can keep industry alive and healthy in the province of Alberta and try and encourage the responsible use of our resources in a way that's consistent with the friendly treatment of the environment.

The minister has talked about the development of wind energy. I think that's very important. My colleague for West Yellowhead talked about geothermal. The minister has talked about solar energy. I think there are all sorts of exciting opportunities and things that need more effort, more work in order to become viable and productive sources of energy in the future, but the one that I'd like to raise with the minister this afternoon is one that we've spoken about before, and that is the development of an ethanol industry in the province of Alberta.

I well remember having a debate in this Chamber with this minister either a year or two ago, when I really had the impression that I had found an ally in that Conservative government, a proponent of the ethanol industry, someone who maybe would have the courage to speak up in caucus and in cabinet to advocate for the development of an ethanol industry in the province of Alberta. Now, I don't want to change that high opinion I have of the Minister of Energy, but I've not seen much in the way of evidence to substantiate my faith in him.

Mr. Chairman, it's been a long and difficult struggle for the Member for Vegreville and, indeed, members of the Official Opposition caucus to try and convince the government of the province of Alberta of the merits of the development of an ethanol industry in the province of Alberta. We've been trying for five years, and I can't say that we've enjoyed anything in the way of substantial success, because this government has not moved, has not taken any initiative, has not done anything positive to encourage the development of an ethanol industry. In fact, there are many things that they, through the departments of Economic Development and Trade and Agriculture and with one of their agents, the Alberta Grain Commission, have done to frustrate the development of an ethanol industry, to try and use sort of outdated economic models, technical models, to decry the benefits of the industry in an effort to discourage its development. I think that's a shame. I've understood that to be primarily because this government is so closely linked to the oil industry in the province and in Canada. They're very reluctant to bite the hand that feeds them, the hand that funnels money into Conservative coffers at election time, but I think we've got to look beyond politics and take a good long look at the ethanol industry and see what kind of potential it has.

I'll just reiterate some of the benefits for hon. members on the government side who seem to be so keenly interested in what I'm saying this afternoon. There are substantial environmental benefits. The Minister of the Environment would well know about the environmental benefits of the ethanol industry. The first and most obvious is that it is indeed a renewable source of energy, that it doesn't depend on a steadily depleting resource to produce power. It's a renewable source of energy, and certainly that's the trend of the future, something that we not only have to be looking at but that we need to be looking at.

AN HON. MEMBER: Wind.

MR. FOX: Wind. The Member for Vegreville has a lot of wind, and he's going to continue to consume as much as he possibly can to convince this government to look thoughtfully and responsibly at the development of an ethanol industry.

There's the basic renewable quality of ethanol that has to be mentioned when we're considering the environmental benefits. There are others. It acts as a very good replacement for lead in gasoline as an octane enhancer, Mr. Chairman. It has the ability to juice up gasoline; in fact, ethanol blends generally have the highest octane rating of any fuels available, at least in the prairie markets. So it replaces a harmful pollutant with something that is relatively benign. That's an environmental advantage. It has the ability to substantially reduce the carbon dioxide emissions into the atmosphere. Just by blending a relatively small amount, 5 or 10 percent, of ethanol in gasoline substantially reduces the carbon dioxide emissions, and we all know about the benefits that has in terms of the greenhouse effect.

4:30

The other advantage that one has to consider when talking about the greenhouse effect that ethanol provides is that it recycles atmospheric carbon. The carbon dioxide that's produced from burning ethanol is recycled, because the plants grow – be it wheat, barley, corn, or whatever plant you're using – and they take carbon from the atmosphere. When they're fermented and the fuel burned, that carbon is released. It recycles existing atmospheric carbon. It does not put new carbon into the cycle, whereas when you consume fossil fuels, what you do in a sense is reach centuries back into history and pull up that atmospheric carbon and release it into the atmosphere, so the burden of carbon in the atmosphere is steadily increased by the burning of fossil fuels. That's a problem for a country where the climatological balance is so fragile in terms of our being able to produce crops, or not, on vast areas of Alberta and indeed the prairie provinces. So I suggest that this government has to be concerned about the greenhouse effect and that Albertans need to be, and ethanol offers some advantages there as well.

I'd like to appeal to the minister for some positive action on the development of an ethanol industry in the province of Alberta for some other reasons. The economic development benefits are obvious. The plants could be located in communities outside major cities. They could provide, you know, some local development initiative, consistent with the desires expressed by the Minister of Municipal Affairs, to help promote industrial and economic development in areas outside our major cities. I think that's a positive thing, the economic spin-offs. And the agricultural benefits are not to be understated, Mr. Chairman, because I think people have to recognize that at a time when we have surplus grain and we're looking for markets for our grain, at a time when farmers are being paid very poor prices for their grain, we need to try and find market alternatives. I suggest a domestic market alternative like an ethanol industry would provide some much needed stability for agriculture. It's not going to be the panacea; it's not going to be the end of problems in agriculture. I don't pretend that it will be, but it will provide an important domestic market alternative for agricultural producers, who will be able to fill a reliable and predictable demand with their product. So I think there's some obvious agricultural benefits, obvious economic development benefits, and of course the overriding environmental benefits to the development of an ethanol industry in Canada.

I do remember the Minister of Energy talking in the fall, during the beginning stages of the Gulf crisis, about the need to look at rationing energy in the province of Alberta. In fact, he was talking about taking some fairly dramatic steps to reduce consumption of oil and natural gas and gasoline products in the province of Alberta, lest we find ourselves in a worldwide shortage as a result of the Gulf crisis. I tried to point out at that time that one way we could dramatically reduce consumption of gasoline in the province of Alberta is to start blending ethanol into the gasoline. You blend the ethanol 10 percent with gasoline; you reduce consumption of gasoline by 10 percent, just like that. It wouldn't take much to figure out the impact that that would have on our long-term reserves and current consumption patterns, Mr. Chairman, so I think that's something the minister has to look at as well. He's talked about the need to conserve and to reduce consumption. I think developing an ethanol industry needs to be seen as something that would not jeopardize the large and mighty oil industry that dominates the Conservative Party. It could be looked at as an adjunct, something that would not only sort of mitigate the environmental impact of the fossil fuel energy industry but also extend the reserves, the rapidly depleting reserves of our traditional energy sources. So I think those are all benefits of the ethanol industry that have to be seriously considered by this government.

Now, I want the Minister of Energy to know that in spite of all of the naysayers in his government, in his caucus, in his cabinet – the Minister of Agriculture; the former Minister of Agriculture, now the minister of economic development – trying to knock the ethanol industry, saying that it won't work, that it's not viable, I want to assure him that it's alive and thriving in neighbouring provinces in western Canada. The ethanol plant in Minnedosa, Manitoba, operated by Mohawk Oil: I've visited that plant three or four years ago. It's doing very well. They sell everything that they can produce. It's had a positive impact on the economy of Minnedosa. In fact, they're using that ethanol to sell in gasoline in Alberta. They make money selling gasoline in the province of Alberta because nobody here makes ethanol. I think we need to be a little bit more forthright and stiffen our resolve to try and get some development in the province of Alberta, promote economic development in this province and get some ethanol here.

As well, there's a plant opening up in Lanigan, Saskatchewan, Mr. Chairman, a joint venture operated by the Saskatchewan Wheat Pool, Pound-Maker Feeders, and Mohawk Oil. They're going to be producing ethanol there. Mohawk Oil has committed to buy every litre of ethanol produced by that plant. Before it even opens, the market's there. The market's strong. The feedstock, the grain that's going to go into making that ethanol, is going to serve more than one useful purpose, as most of these plants do. They're integrated plants. You get double-rectified busthead out of one end of the plant, moonshine; call it ethanol and burn it in cars. What you get out of the other end is mash; it's distiller's dried grains, and it has a variety of uses. In the case of the plant in Lanigan, they're going to use it to feed livestock, to feed cattle on the Pound-Maker Feeders feedlot operation. So the food value is not diminished. You don't lose much in the way of total digestible nutrients by fermenting the grain and making ethanol out of it. There are some plants in the world – in the United States some of the more modern plants use the distiller's dried grains to make a protein enhancer, a product that can be used to enhance the protein value of relatively low value, low quality grains. I think we need to see the responsible environmental benefits of that as well.

So this plant in Saskatchewan is coming on stream, there's a commitment to sell all of the ethanol they produce, and yet we've still got a government in Alberta that says: "It can't work. It needs massive subsidies. The industry's going broke all over the world." You know, that's their attitude. Those are the blinders they put on, Mr. Chairman, but the fact is that the industry is thriving in some provinces in Canada and is continuing to develop in other provinces. The only thing that I've asked this government to do, and I'll ask them again today, is to make sure that the incentive programs in place in the province of Alberta are at least equal to the incentive programs in place in our neighbouring provinces. Now, if memory serves me, it's a 2 and a half cents a litre break on the fuel tax in the province of Manitoba for fuel blended with ethanol; it's 4 cents a litre in the province of Saskatchewan. When you figure it out in Alberta, the little incentive that we have is based purely on the ethanol component in the fuel. It works out to about four-tenths of a cent per litre. We might as well not have any incentive program at all. If it was the same incentive program that's in place in other provinces, then if an industry is to develop in western Canada, it has as much chance to develop in Alberta as in our neighbouring provinces. That's a simple concept, one that even the Member for Vermilion-Viking could understand.

If it's not a viable industry, if, like the government says, it's not going to go anywhere, then this incentive program won't cost the Provincial Treasurer one penny because no one will take him up on the offer. So I'm urging the government to do what I've asked them to do for the last number of years, and that is to make the incentive program in place in the province of Alberta for fuel blended with ethanol at least equivalent to the incentive programs in place in neighbouring provinces so that the industry can develop here if there's people with enough entrepreneurial spirit and determination to make it happen.

4:40

I want you to know, Mr. Chairman, and members of the Assembly to know that there is indeed at least one group in the province of Alberta with that kind of entrepreneurial spirit and determination, and they're located in the county of Two Hills. There's a number of advocates for this industry all over. A number of communities have advocated, including the town of Vegreville, the town of Provost, people in Flatbush, and people all over the place. But the people in the Two Hills area, their economic development committee and local advisory group has gone forward with some plans to construct an ethanol plant. They've got design. They've got commitment from Mohawk Oil to use the ethanol, to purchase the product once available. They've got some plans to integrate this plant with some local feedlots as well. It's a very positive kind of initiative taken by some people out there. They got a little assistance from the government in terms of funding a study, assistance that was much appreciated, and things are ready to go. What they're trying to do now is raise the capital, and it would be so much easier to raise the capital if one had the sense that the industry was, you know, not being aggravated and frustrated by the government in the province of Alberta. [interjection]

You know, ethanol plants don't seem to require operating subsidies. What they do operate on is an incentive on the fuel tax, hon. Member for Cardston. Now, one can use different terms to describe that, I suppose, but what it would amount to is a slight reduction in income flowing into the provincial coffers rather than an expense to those provincial coffers. I suggest it would be more than compensated for by the increased economic

activity generated in the agricultural industry and the economic development opportunities afforded rural Albertans in places outside our major cities, and I suggest that it would be a clear signal by this government of their commitment to help clean up the environment and make some long-term decisions that make sense.

So I'm making these representations once again to the Minister of Energy hoping that he will have some good news for me about this government's action with respect to the development of an ethanol industry and to let him know the good news about what's going on out in the county of Two Hills among a group of spirited and determined entrepreneurs and farmers who want this industry to succeed. They'd like it to succeed all over the province of Alberta, and what is needed is a reasonable incentive program that is at least equivalent to those in place in neighbouring provinces.

MR. CHAIRMAN: The Minister of Energy.

MR. ORMAN: Thank you, Mr. Chairman. Listening to the opposition comments on this initiative, it brings into question their preparation when they come into this Assembly.

Let me start first with the Member for West Yellowhead, who waxed eloquent about coal initiatives, which is in fact a nonrenewable energy resource, Mr. Chairman. This is a renewable energy program. Secondly, he talked about geothermal. I should point out to the Member for West Yellowhead that there is no geothermal activity of any viable quantities in southwestern Alberta. This project is confined to southwestern Alberta, and certainly if the member had appropriately prepared himself for this discussion, he would have known that.

However, he did make some comments that, although they are totally irrelevant to the debate here today, did challenge some of the initiatives that this government has taken with regard to marketing Alberta coal. I should point out that we have for a number of years supported marketing Alberta coal into Ontario, and it was interesting to learn from one of his colleague members that in fact it's a lost cause and we might as well forget it, because it's not environmentally sound or other commodities are cheaper. I was quite surprised to hear that from the hon. Member for Edmonton-Kingsway. Quite shocking, Mr. Chairman. If he had an interest in this province, he would be out trying to sell Alberta coal to Ontario rather than giving up on an important initiative. I should also point out that the Minister of Federal and Intergovernmental Affairs is leading a major trade mission to Japan, with part of that focus being to market Alberta coal into Japan and Korea. So the Member for West Yellowhead, if he was here, would know that there are substantial initiatives that are being taken by this government to market Alberta coal in other jurisdictions.

Mr. Chairman, the Member for Calgary-Bufferlo asked about the rationale for the dollars being in the heritage fund. Well, the Member for Cardston, who is a member of that committee, pointed out to me, appropriately so, that one of the pillars of the heritage fund committee's objectives is to diversify the economy. This initiative is on the leading edge of diversifying the economy, moving into a new area that has pretty much been an area that has not been ventured into in the past, so for that reason it is in the heritage fund. It may not always be there, but it certainly is for this purpose.

Mr. Chairman, the Member for Edmonton-Kingsway questioned whether or not there were solar initiatives involved in here. Again I question the preparation of the opposition, because in the documents provided - I'm sure at least in my

comments I pointed out that there is a demonstration of a solar and wind pumping technology that has received about \$219,000. So the hon. member, if he followed this, would know from the press releases that these initiatives, when they come forward and are approved, are announced by the government.

I should also point out to the Member for Edmonton-Kingsway that the small power research and development program has given an allocation to the Alberta Office of Renewable Energy Technology of 12.5 megawatts of power generation capacity, which has a facilitation of 5.3 cents per kilowatt-hour of incentive or subsidy, Mr. Chairman. Therefore, there is a substantial commitment to getting electricity generated into the power grid, and we certainly do have the support of the utilities in this connection. The overall take-up for the Alberta small power research and development program is oversubscribed. So there is substantial interest and substantial support by the utilities in this connection.

Mr. Chairman, the Member for Westlock-Sturgeon asked if I was asleep. Well, if I was, he can take the credit for it from his tiresome rhetoric. The hon. Member for Westlock-Sturgeon again is questioning whether or not the best use of dollars should go to U.S. firms. Well, as the hon. member knows, if we want to be on the leading technology – and the Member for Vegreville made this point – do you want to be on the leading technology of Canadian technology, of U.S. technology, of world technology? What leading technology do you want to be on? We can confine it to Canadian technology, but in this instance the leading-edge technology came from the United States. The Member for Westlock-Sturgeon knows that if we confined our exploration expertise to nonrenewable energy such as oil and natural gas back in the early years of its development and we confined it outside of the U.S. expertise and investment that came here, we would not have the stage of development and expertise that we have today. So we do not want to carry that narrow focus into the development of this most important initiative in southwestern Alberta.

The Member for Calgary-North West asked about some esoteric research project that he's interested in. I would suggest that he make an application to the board that reviews these projects, and if in fact it fits the criteria, they'd be pleased to give it full consideration. Certainly I do not want to be giving direction to an independent board, Mr. Chairman, that makes decisions on behalf of this government. They've done a fine job to date, and I will continue to rely on their advice.

The Member for Vegreville, Mr. Chairman, talked again about leading edge. Leading edge is leading edge, and we want to be sure that we have the best expertise. Whether it's American, Canadian, Dutch, or Finnish, we want to encourage the best research technology we can for renewable energy research.

4:50

Mr. Chairman, in conclusion, the Member for Vegreville talked about methanol. Again I have to question the research; the methanol research has very little to do with this project. It's not in southwestern Alberta. It certainly does not have much to do with what we're discussing here in terms of the estimates. I know he has a personal interest in it, and I'd certainly be pleased to pursue that line of discussion with him.

Again, for all members, if they know of private-sector individuals who have projects that are worthy of consideration, all they have to do is make an application to the Alberta Office of Renewable Energy Technology, and a decision will be made based on its commercial viability.

So, Mr. Chairman, I again want to say that we're very proud of this project. It is a modest commitment. I appreciate the Member for Vegreville's suggestion that there should be more dollars in this program. Possibly during next year's estimates he could make that representation, and I may consider support of it.

Having said that, Mr. Chairman, I ask for the support of this Assembly for these estimates.

MR. CHAIRMAN: The hon. Member for Edmonton-Kingsway, followed by Edmonton-Meadowlark.

MR. McEACHERN: Thank you, Mr. Chairman. Just a few more comments and questions. The minister did answer some of the comments and questions raised, in a not too gracious manner, I might add, in a few spots, but never mind; he did answer them to some extent. I can't help thinking that the word he used toward the end, about this modest program, is certainly appropriate. It's very, very modest, as I said earlier when I spoke.

He has indicated in his comments that it's a three-year program, and looking at the books, I see \$500,000 for the first year and then a million last year and a million this year. Is he telling us that's the end of it, that that's the three years? This program, by the way, is sort of a resurrection, if you like – or perhaps it's a new program, if you want to consider it that, of an earlier program. The heritage trust fund did put money into solar and wind research half a dozen or so years ago; maybe further back even than that, in the early '80s. Somewhere along the line it was canceled by this government because the then Premier said something to the effect that: well, we've got gas and oil, so any kind of nonrenewable energy resource development would be a conflict of interest, so we're going to just keep on pumping out gas and oil as fast as we can, no matter what the consequences to the environment, and trying to sell as much as we can without really considering what we might do to further cleaner forms of energy.

I wanted to just comment a little bit on one of the projects. The minister mentioned something about wind and solar. I suggested that most of the projects he mentioned were wind. It is true that he mentioned solar once in the list of things, but that's why I wanted some more elaboration on what they're doing with the solar side of it. The solar and wind water pumps that he mentioned to help with the wildlife habitat near the Oldman dam: now, that really is rather interesting. You build a dam and destroy incredible amounts of wildlife, but then you get an innovative project like wind and solar pumps to pump water to help rehabilitate some of the animal habitats. It's rather a small, token effort to pretend that they're concerned about the environment, having just destroyed an incredible environment. By the way, he put a number of \$219,000 on that particular part in his comments just now which he did not put out earlier. In the listing of the other numbers that he gave, he did not mention that \$219,000, because I wrote down the numbers as he mentioned them, and that one didn't get a number.

Now, that would indicate that there was about a million dollars spent, then, or maybe even a little over. I would just like the minister to spend a little more time on those numbers and explain to me why it is that in this set of estimates he said, if I heard him right, something to the effect that most of the \$500,000 for the first year was not spent. In fact, the books indicate that only some \$77,000 was spent as of March 31, 1990. Yet in any of the other budgeting done by the government, and

the Treasurer might like to check on this point, it's my understanding that if a department or a project does not spend all its money in any given year, that money goes back to the Treasurer, so to speak, or is not carried over to the next year automatically. I wonder what kind of provision the Treasurer and the minister made for saying that in this case the money will be left with the project and can be spent in the subsequent year without any particular renewal of that mandate to do so.

What it points out is something that the Member for Calgary-Buffalo raised: why are expenditures of this type done under the Heritage Savings Trust Fund when they would be better spent out of the regular budget and get the same treatment and have to compete for the same dollars as everybody else? It just raises the point of why do we have a capital projects division of the heritage trust fund, other than it just makes it easier for the government to spend a little money sort of out of the public eye in the sense that it does not have to compete for the same dollars along with all the other projects that are under the regular budget. So this project, which is very, very modest, does have some rather odd parameters, as I've just pointed out.

Now, one of the things that the minister defended was that the utility companies are quite willing to let small producers onto the electrical grid. I just say to him: how many years did it take to get the first little agreement and the first few kilowatt-hours of electricity into the grid?

In any case, I'd like to move on to another consideration. The minister seemed to think that we shouldn't talk about coal. In a way, it's certainly not a renewable source of energy, but when you're talking about developing renewable sources of energy, surely you're contrasting that to going on in the old way of burning and using nonrenewable sources of energy. You have to weigh the pros and cons of all the various kinds and types. Now, I do think he was a bit unfair when he said that I was suggesting that Ontario not buy western coal. I just pointed out to him that time and economic and environmental concerns might bypass the chance of doing that; that's all I said. I didn't say that I had the detailed technical knowledge to know what the alternatives were for Ontario that would mean we should be down there advocating that they burn more western coal. If they can replace the eastern coal with natural gas, and it would probably be Alberta natural gas, that might be a better environmental solution than trying to figure out how to get our coal down there cheaply enough so they use that. That's all I was saying, and I wasn't suggesting that we tell Ontario what they should do.

Now, the minister also took a swing at the Member for Vegreville about ethanol. Does he not understand that ethanol is produced from grain and that that's a renewable resource? I don't see why or how he thinks this program somehow should be confined to a region of the province. It may be convenient to do your energy research in terms of wind and solar energy in southern Alberta. I would agree with that, but that doesn't mean that we shouldn't be looking provincewide to some other types of renewable resources that are cleaner and better for the environment than the present carbon-based energy that we have now.

It seems to me that in looking at this whole problem, the million dollars of course, as I said, is a total drop in the bucket, and the minister should be thinking in terms of expanding this program. One of the things that the state we are in now and this debate really points out is the rather stupid approach that we have used to the development of oil and gas in this country. We have left it almost totally in the hands of foreign corporations. Now, does anybody here believe for a minute that

Imperial Oil and Shell and some of the other big oil companies are going to sit by and watch us shift from gas and oil over to renewable forms of energy and not be big players in that shift? They will be working and experimenting on hydrogen, for example, that the Member for Calgary-North Hill mentions. They will be working on solar and wind energy. They will make sure that they stay major energy companies in the future if they possibly can. Otherwise, they will die like the dinosaur as those new forms of energy are developed. Yet here we are in Alberta putting in a piddling little million dollars one year and a million dollars last year and \$500,000 the year before and saying that this is some kind of wonderful program to develop renewable sources of energy.

5:00

Now, it doesn't seem to me that it makes sense to reject any of the kinds of energy forms that will lower the rate at which we are polluting our environment. We not only have to look at hydrogen; we have to look at wind and solar and geothermal, whether it happens to be located in southern Alberta or not, and wheat for ethanol and any other form of energy that will improve the environment that we are living in. I don't see why the Alberta government, which has enjoyed a lot of money from the development of our gas and oil, should leave itself on the sidelines while other people in other places develop new forms of energy and totally displace our energy forms and leave us with no source of revenue from different forms of energy in this province. Certainly the million dollars that you're putting in is not going to come anywhere near the point of keeping Alberta in the running, so to speak, for what happens in the energy field over the next 20, 50, 100 years. If you think that this million dollars is going to help us through this transition, then you're just kidding yourself.

It's time the Alberta government came up with a plan of how it can get itself back into changing from the kind of nonrenewable energy forms that we've been squandering in this province, quite frankly, to renewable forms of energy that are cleaner and healthier for the environment. I don't see anything on the government side that would indicate they have any concept of grasping the issue and running with it or doing anything important in that area. All we see is a stalling and a refusal to really recognize the damage to the environment that we're doing now with our present forms of energy and our pulp mill developments. I'm very disappointed that the government can't come up with something better than this. I guess we'll agree to the million dollars, because at least it's something, but certainly it's totally inadequate.

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

MR. MITCHELL: Thank you, Mr. Chairman. In his comments the minister made what I think was a very valid point concerning his reluctance to limit research and development support to Canadian or Alberta technology. He is right that if this kind of a program is to provide the utmost potential benefits from research and development, it would have to pursue the best possible technology. At the same time, however, his refusal to limit the program to Canadian technology or Alberta technology is inconsistent with the program's clear-cut limits to southwestern Alberta, for example, and to the rather insignificant amount of money, \$1 million.

There are plenty of reasons why, if he's concerned about limits, he should be looking at those two particular limits. It

isn't as though this program is supplemented elsewhere in his department budget or in the estimates of his colleague in the Ministry of the Environment. The fact is that much of what this government does, as little as that is, comes under this particular program. There are many reasons why a program of this nature should not be limited to \$1 million and should not be limited to southwestern Alberta. The overriding reason, of course, Mr. Chairman, is that there are serious and increasing air quality problems in this province related to the burning of fossil fuels, and clearly that has implications for our place in the world with respect to this particular kind of problem. We need only consider the international panel on climate controls, a very clear assertion that the greenhouse effect is occurring, that it is occurring, among other reasons, because of increasing amounts of carbon dioxide being emitted into the atmosphere, and that it will have long-term, serious consequences: social, economic, cultural, and certainly for the health of human beings on this planet.

It's also true, Mr. Chairman, that we are now beginning to see very specific measures of air quality in cities like Edmonton and Calgary with respect to ground level ozone gases, NO_x and VOC, which raise very serious concerns about the impact of fossil fuel emissions on the health of Albertans and certainly of people elsewhere in the world.

My point is, Mr. Chairman, that \$1 million isn't enough, that southwestern Alberta, as important a region as it is for solar and wind energy research and development, is not enough, but that this government needs to enhance, renew, re-evaluate its commitment and the balance of its priorities between the conventional energy industry and the potential for discovering and developing new, more environmentally sound, renewable forms of energy.

I would like to point out, Mr. Chairman, that as I'm sure the minister is now aware, the Member for Vegreville was not talking about methanol; he was talking about ethanol. Ethanol certainly has some clear-cut advantages. We see one gasoline company that now has competitive gasolines on the market with, I think, as much as 10 percent ethanol added to their gasoline. It seems to me that there is more that the minister could do in this respect without even costing money. In fact, guidelines that would phase in a portion of ethanol additive to all gasoline sold in this province over some period of time indicate some promise in promoting more environmentally sound gasolines. I'm wondering whether the minister might comment on that, whether he has considered it, and whether he thinks it is possible to do that more broadly than simply just one company that operates in Alberta.

Secondly, it's difficult to understand why the minister would not supplement this kind of renewable energy research with other forms of incentive. I'm thinking, in particular, of a bonus to small power producers who produce environmentally clean energy. That is to say, those electrical companies that produce solar and wind energy should be encouraged with a premium paid to them over and above what would be paid to small power producers who, for example, produce power by burning some form of biomass or some form of wood by-product.

My point is, Mr. Chairman, one, that it isn't sufficient to limit this kind of program. There are tremendous pressures, demands, issues in the environment today that require much more of a commitment from a government like Alberta's to this kind of program. Secondly, I believe that this kind of program should not be viewed in isolation. There are measures that need not necessarily cost money to this government and to the taxpayers of Alberta, such as ethanol additive guidelines, such as bonuses

for the production of environmentally clean power, that could supplement and enhance the effectiveness of a program of this nature.

I ask those questions and raise these points for the minister's consideration.

MR. ORMAN: Just a couple of points. One, the Member for Edmonton-Meadowlark brings up the point on ethanol. Mr. Chairman, as I pointed out in a private conversation with the Member for Vegreville, the responsibilities for ethanol rest with the ministers of Agriculture and Economic Development and Trade. If either of the members have some suggestions or ideas, I would encourage them to pass them on to one of those ministers for their consideration.

I was remiss in responding to the Member for Edmonton-Kingsway. He had to ask a question twice, and I do apologize. He asked about the 1990-91 expenditures: how much was committed, and how much was unexpended? Of the \$1 million for 1990-91, \$418,909 was committed, \$581,091 was unexpended. Mr. Chairman, I mentioned in my opening comments unexpended dollars this year, which is the end of the first year of the three-year program. There will be a request to carry those forward to other years because of the late start of the initiative in the initial stages. I do apologize for not passing those statistics on to the member in the first instance.

5:10

MR. CHAIRMAN: Is the committee ready for the question on vote 1?

HON. MEMBERS: Question.

Agreed to:

Total Vote 1 – Renewable Energy Research	\$1,000,000
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MR. ORMAN: Mr. Chairman, I move that the vote be reported.

[Motion carried]

Technology, Research and Telecommunications

1 – Individual Line Service

MR. CHAIRMAN: The hon. minister.

MR. STEWART: Mr. Chairman, thank you very much. It was about five years ago that the Premier, the Hon. Don Getty, announced the individual line service program. Now, just five short years later, we are nearing the completion of a very successful program. I'm very pleased to begin by mentioning that the individual line service program is on schedule: 99,635 rural Alberta households are now enjoying the privacy and convenience of individual line services, and that's 94 percent of the total conversions. That was the status of the program as of March 31, 1991.

Consistent with the Premier's commitment to provide the individual line service to all Albertans, the individual line program will be converting the lines of the remaining subscribers by the end of this fiscal year. Once those subscribers have been given an opportunity to convert to individual lines, then virtually every Albertan will have been given the opportunity to have individual lines. I think it's worth noting that when the program is complete, Alberta will in fact be the very first jurisdiction in North America to have completed the offer of individual line service to virtually every customer under its domain.

To complete the installations in 1991, the ILS program requires \$3,296,000 in this fiscal year. The cost of the program, Mr. Chairman, as you know, is being shared 75 percent by the provincial government and 25 percent by the rural customers. The largest portion of the money will be used for grants. The grants include the two rebate programs for subscribers, and they have been outlined in previous consideration of these estimates. I'll not go into that at this point in time, as I'm sure that all members are familiar with it.

There are some variances this year, Mr. Chairman, which perhaps I should bring to the attention of the members. Salaries, wages, and benefits are down by 31 percent due to the reduction of one and a half man-years. The reduction is identified in anticipation, of course, of the completion of the program. Supplies and Services this year will decrease by 46.3 percent. The decrease in supplies again is due to the anticipated completion of the program. The decrease in Grants by 95.5 percent and the decrease in the Purchase of Fixed Assets are both attributable to the completion of the program.

The approval of these estimates will allow the ILS program to give all rural Albertans the benefits of individual line service. It will also keep the program on schedule so that by this fall all 106,000 rural Alberta households can enjoy this basic telephone service, which many of us have taken for granted for a number of years.

Mr. Chairman, I think you will agree that the individual line program has provided a tremendous boost to all Albertans. It has given them access to high-quality, affordable telecommunication services. I know that Albertans are appreciative of the Premier's commitment to see this program through, and I know that they join me in congratulating the many men and women who have been active throughout the term of this very important program to bring this valuable service to their homes.

Thank you very much, Mr. Chairman.

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

MR. McEACHERN: Thank you, Mr. Chairman. You know, the minister stands up and glibly says, "Oh, this was a wonderful program." I agree; as he said, it will be the first jurisdiction in North America where all the farm people have an individual line. It's a program that we agreed with when the government announced it back in 1986 as an election platform. Our party had also said something very similar.

I would like to remind him that that was in the days when AGT was a Crown corporation and therefore controlled by the government. It shows what government can do when it owns an industry that is a utility and provides a service to people: that service can be provided not just to the cities, where it's lucrative because you've got lots of subscribers to telephones, but you can also have that apply to rural Alberta, where people are a long way from the nearest neighbour and it takes a lot of line to go from one to the other.

MR. CARDINAL: Use smoke signals, Alex.

MR. McEACHERN: Well, I think you've been smoking something. I've got to agree that sometimes, hon. Member for Athabasca-Lac La Biche, you get carried away on occasion, but in this case I think we're talking about telephone signals going through wires from one centre to another.

I don't understand why, when the minister can brag as much as he has about how good a company AGT was, he can then turn around and sell it and assume that they're going to provide

the same kind of service to rural Alberta. This individual line service was putting the icing on the cake, so to speak, to a long policy by AGT of trying to provide to all Albertans services equivalent to the cities for all the rural population as well. In that regard we think it was a great idea.

Another thing they did was to say that if a farm wanted to have a new line run out to that farm, AGT could actually do it for \$35 a mile. No other telephone company in North America came anywhere close to that; most of the private companies were charging \$2,500 or \$5,000 a mile of line. Yet this minister thinks it's perfectly okay to come before the taxpayers of this province, having sold them out in terms of the telephone company and the telephone service to this province, and particularly to rural Albertans, and say, "We want another \$3 million." Well, Mr. Chairman, we will agree to the \$3 million because it would not be fair to stop that last 6 percent or 5 point something percent of people in rural Alberta from having the same service as other farmers and other people in rural Alberta who have already gotten that service over the last five years of this very excellent program.

I say to the minister that what he needs to do is to put in a bill to Telus Corporation for the full amount of the individual line services provided by the taxpayers of this province. He has taken a company that belonged to all of us – we all owned this telephone company, and we therefore were prepared to use our tax dollars to build an individual line service for the province of Alberta – and then he turns around and takes that company out of the hands of all Albertans and sells it and puts it into the hands of less than 6 percent of Albertans and expects that we should still use taxpayers' dollars to provide them with a better company so they can make more profits out of the same taxpayers who had actually put the individual line service in place out of their own revenues and their own taxes. I find that totally unacceptable.

By the way, if the minister wants to add up the numbers, if last year's expenditures are equal to the estimates and if this year the \$3,296,000 is all spent, if you add that to what was already spent at March 31 of 1990, you'll get \$221,409,000 which the shareholders of Telus will owe the people of this province. Now, if they gave the money back, maybe that would help the Treasurer get his balanced budget, a little bit. He's going to need all the help he can get, and I suggest that that be one start toward helping him to get his balanced budget.

Another thing I wanted to ask the minister. I know that during the course of putting this individual line service in, there were some people who had cottages by lakes that they only lived in in the summertime. They sometimes complained about having to put out I think it was \$560 initially. You get back \$110 from the government.

5:20

MR. WOLOSHTYN: From Alberta taxpayers, Alex.

MR. McEACHERN: Yes, from Alberta taxpayers.

Some of the people objected to that. They said, "We really only use it in the summertime, and we don't mind sharing that line with the neighbour." You know, maybe three or four neighbours on one line. They objected to paying the \$450. I wonder if the minister can now, this near the end of the program, tell the people in the Assembly here and Albertans how he handled that. Was it a question of all, a hundred percent, will have the individual line service whether they want it or not? I'm not particularly hung up on that issue, but there were a few people who objected, and I remember passing on the

objections of a couple of them to the minister in earlier times. I wondered how that worked out. There are some 6 percent of Albertans, he said, that do not yet have the individual line service and that will be given it this year. I wonder if the people that objected are still in that 6 percent, or if they've now been billed for their share.

I just want to end by going back to the basic point. Telephone service is such a fundamental, important thing for all Albertans. Studies have shown that it is. In this day and age there are very, very few people who are prepared to get along without a telephone. It's just like we're not prepared to get along without sewage or water services. Those kinds of services are basically usually provided by either a local government or a provincial government, and AGT was doing a fine job of providing those services to Albertans. All the ministers talk about the need for capital and that sort of thing, and we've been through all those arguments many times. At least, I've laid them out; the minister hasn't answered half of the concerns. In any case, I don't understand why the taxpayers should be giving Telus a better company than they would have had. It now belongs to less than 6 percent of the population rather than to all Albertans. Why should the taxpayers be subsidizing that company when they are now going to proceed to try to make a profit out of the company rather than just provide services? In the past when AGT had a profit, that money was there for reinvestment to build up a better service. Now some 140,000 shareholders are going to be clamouring for their profits from their shares in the company. We gave them a fire sale deal, and we'll continue to do so, I guess, until you get the last 44 percent sold. I don't understand why some people should have that kind of a privilege when other people are digging into their pockets to help them do that. That's my fundamental objection.

I would like the minister to tell this House that he will now put in a bill to Telus. If not for the full amount of \$221,409,000, if he doesn't want to put in the whole bill, the least he can do is take it back to the date that Telus became the owner of the telephone system. By the way, the way the prospectus was written up, that purchase, although it was consolidated on October 4, really dates back to July 1. So half of the expenditures last year and all of the expenditures asked for this year should really be a bill to Telus, not to the taxpayers of Alberta.

One of the things that the minister said about the rates the other day, in terms of what happens now that AGT is owned by a private company – I suggested that long-distance rates had gone down and that monthly rates had gone up. The minister said, "No, no; that hasn't happened since the company took over." It's true the change hasn't come since the company took over; the change took place before the company took over, at the minister's say-so. It was the minister that decided those changes would be made, in anticipation of selling the company. Furthermore, Telus has now applied to the CRTC again for a reduction in rates on long distance, and you know what the second half of that application is going to be. You don't mind long-distance rates coming down some, but you know very well that the second half of that is that local rates are going to go up again for monthly subscribers and rural Albertans right across this province.

So, Mr. Chairman, I think the minister has done a disservice to all the people of Alberta, particularly rural Albertans, for the benefit of a few shareholders. I think that's ridiculous, and I think this individual line service program has become part of that. It's too bad that a perfectly good program planned at a time when AGT was a Crown corporation should then be changed – that is, the corporation was sold – and now this

program is becoming a way of taking money out of taxpayers' pockets and giving a benefit to a few shareholders. I just think that's wrong.

Now, I would not say I would vote against the appropriation, on the grounds that it would be unfair for those last 6 percent not to get the individual line service as everybody else did, but I say to the minister that he should be billing Telus.

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

MR. BRUSEKER: Thank you, Mr. Chairman. I just wanted to ask a few questions of this minister regarding this particular vote. The program is indeed a very appropriate direction for the government to be taking. I think the people in rural Alberta that I have spoken to approve of this program and think it's an appropriate direction. Therefore, I do applaud the minister and the government for this direction.

I did have a couple of questions, though, some of which the minister did not really answer in his opening comments. The minister did say that it would be completed in this fiscal year, and he talked about the total number of lines as being just over the hundred thousand mark, but I'm wondering a little bit about the nature of the lines. As the minister is aware, technology is changing, and I'm wondering if those lines are really capable of handling multiple uses in a single farmstead – for example, fax, modem – as well as conventional telephones lines.

The other question I had is: are the lines available, are there plans in place for future developments? As new farm home-steads are being developed, is there a plan for a line to go in there? Will those people also have the opportunity to have a line installed at \$450 as opposed to, say, several thousand dollars on a different program? As the minister is aware, earlier the cost was much higher on a per-mile basis, and I'm wondering if there is a provision for future development down the road under this particular program.

One question that I think is kind of a bit of a concern is as a result of the federal GST that came in in 1991, this year. What ended up happening, of course, is that there is now a 7 percent goods and services tax on things like this too. I'm wondering if in fact the new subscribers, that through no fault of their own are getting the line this year in 1991 after the GST has come on, are going to be charged the 7 percent on top of the \$450. That amounts to an extra \$31.50, and it's not fair to them, simply because they happen to be last, to have to pay that cost. I'm wondering if there is kind of a negotiation going on between this government and the federal government with respect to that cost. Is there going to be an adjustment made in that regard?

I applaud the government for the direction that they're headed here. I think it's a good step in the right direction, and I look forward to the response from the minister.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Is the committee ready for the vote on this matter?

HON. MEMBERS: Question.

Agreed to:

Total Vote 1 – Individual Line Service	\$3,296,000
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MR. STEWART: I move that the vote be reported.

[Motion carried]

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

[Motion carried]

[Mr. Speaker in the Chair]

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

Resolved that from the Alberta Heritage Savings Trust Fund sums not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1992, for the purpose of making investments in the following projects: to be adminis-

tered by the Department of Energy, \$1,000,000 for Renewable Energy Research; the Department of Technology, Research and Telecommunications, \$3,296,000 for Individual Line Service.

MR. SPEAKER: Thank you. All members that concur in the report, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed? Carried. Thank you.

[At 5:30 p.m. the Assembly adjourned to Thursday at 2:30 p.m.]

