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Standing Committee on The Alberta Heritage Savings Trust Fund Act

Wednesday, October 3, 1979

Chairman: Mr. Payne

1:30 p.m.

*The first hour of the meeting was not recorded. Recording commenced at 2:25 p.m.*

MR. SINDLINGER: . . . in terms of athletes leaving the province. It doesn't take anything more than thinking about the football teams in Alberta. I can think about Calgary, and the young Canadians playing on the Calgary Stampeders football team: Tom Forzani, for example, one of the outstanding Canadian athletes that we have, received his training in the United States. You could go down the list of athletes in various sports and find that they've had to go out of Canada to get their experience and training to come back to contribute to Albertans and Canadians. At the same time I think you could find a list twice as long as that of athletes who have gone from Alberta, from Canada, to other areas, the United States, and never returned; people who had leadership abilities and skills that could have contributed to the cultural well-being of Alberta.

So what I'm suggesting here in this recommendation is that we look at an area in Albertans' lifestyles that requires attention and more need. There's no question in my mind that the leisure areas and recreational activities of Alberta are underdeveloped. By encouraging Albertans to go to Alberta universities and colleges and hone their skills in this province, I think the population would benefit from that while they're learning those skills and also from their leadership after they graduate.

I have before me two calendars, one from the University of Alberta and the other from the University of Calgary. They list various scholarships, awards, bursaries, grants, loans, and what have you for things like agriculture and forestry, economics, mathematics, sociology, music, dentistry, commerce, education, engineering -- a lot in engineering -- household economics, law, library science, medicine, surgery, nursing, laboratory science, et cetera, et cetera -- it goes on and on. There's only a very small area here for physical education. In fact, the calendar from the University of Calgary, although it has as many awards, grants, scholarships, and bursaries as the University of Alberta, doesn't have any at all for physical education or recreational activities.

So I'm suggesting to you that people before us have also seen the need for scholarships for universities and colleges, and a lot of the areas have been adequately covered. However, one that hasn't been covered is the area of leisure and recreational activity. There is a demonstrated need for scholarships in that area. I would ask the committee to consider that when we think about providing scholarships from the heritage fund.

MR. R. CLARK: To the Member for Calgary Buffalo: I have a lot of sympathy with the recommendation, but -- perhaps it's just a matter of terminology. As I understand the situation, and I sure could be wrong, the Canadian Intercollegiate Athletic Union just last year turned down the proposition of scholarships for the various team sports like football, hockey, and so on. I could be wrong there, hon. member, but that's my recollection from talking to them at the University of Calgary.

Secondly, are we talking about funding intercollegiate teams and individuals on those teams, which I think is interesting, or are we in fact talking about designating some money directly in the area of physical education, to give leadership in the area of lifetime activities? It seems to me there's not an automatic carry-over from the intercollegiate teams to the lifetime activities kind of thing.

MR. SINDLINGER: Two questions were asked. First of all, in regard to the intercollegiate athletic conferences and their governing agencies in regard to athletic scholarships, athletic scholarships have been discussed at great length over the years, and they were turned down over the last year. But it wasn't because they didn't approve in principle. They approved of athletic scholarships in principle; however, they were at a loss as to what type of mechanism could be put in place to handle those things. That's the reason it was turned down. The concept is there, and it has been discussed for many years in the intercollegiate bodies. They do approve of them in principle.

Second, in regard to the disbursement of funds, whether to teams or to individuals, I would suggest that they be to the individuals whom we want to encourage to remain in the province to develop their skills. Incidental to that question was the carry-over aspect from the development of those skills. There's an immediate benefit from having athletes in Alberta perform in Alberta. I would liken it to a professional sport like hockey. We have the professional players at the top, and then we have semiprofessional people playing below that level. Below that level are amateur groups, bantam groups, recreational groups, young people's groups, et cetera.

You have a pyramiding effect. Because you have this elite group at the top, you have other groups below trying to emulate or simulate achievements or accomplishments of those at the top. For example, when you see young people out in the street playing hockey, young boys out there, some fellow will be in goal and say, "I'm Tretiak today," and some other fellow out there will say, "I'm Bobby Orr". But you don't see any of those boys saying, "I want to be Joe Blow from Bill's Bar and Saloon" or anything like that.

What I'm saying is that if we can promote . . . I gather I didn't make that point quite as well as I would have liked to. If we can promote elite athletes in our country, it gives an opportunity to our youngsters to emulate something, to strive for excellence, to attempt to be better than they are today. By keeping the athletes in our province, that's one thing that would result immediately. In terms of carry-over benefits, I think the people involved in athletics do contribute once they're out of university, through their participation in sport after they've finished, through coaching, sponsorship, organization, administration, or whatever. It does have carry-over benefits that last a lifetime, not only for the individual recipient but also for other people in the sport.

MR. CHAIRMAN: Perhaps we could have Mr. Pahl speak to his recommendation, which is the fifth of the five, and then we'll come back to the question of principle.

MR. PAHL: Thank you, Mr. Chairman. I think there's been a sort of four and five split, and mine more appropriately fits in discussion with the first three. I would say that it also tends to break into two parts, and I will speak more to the first part than to the second. If you will, I'll use the parallel that the first part really addresses itself to an investment in Alberta's natural resources and the opportunities to exploit those resources, the second part being an investment in the human resource.

I think the concentration of the other three recommendations would tend to support an investment in those human resources. That is part of mine. But the central, sort of unique element of the recommendation I've tried to formulate is to draw a parallel to the medical research fund being put in place, where an ongoing amount of money can be made available to undertake research into the physical sciences. The immediate parallel that comes to mind is the oil sands research. I understand the Alberta Oil Sands Technology and Research Authority funding is really of a one-shot variety. I think it has a lifetime of probably 10 to 15 years, but I would be very surprised if that research would find all there is to know in that period of time. Also, there is a need for coal gasification, because we have more energy in our coal than in all other energy resources in Alberta put together.

So we have a strength there that we should be building on with an ongoing research endowment. I think now is the time to put together the autonomous ongoing cash flow or funding to support that research on a long-term basis. It would also address the need for having somewhere for the people we invest in in terms of education to go and work once they have acquired those skills through the use of the scholarship funds that have been proposed by the other recommendations.

MR. CHAIRMAN: Questions of Mr. Pahl? If not, perhaps I could try to summarize the discussion to date. We have before us five recommendations that deal with the principle or concept of use of heritage funds for scholarships. In addition, two of those five recommendations advocate as well the use of heritage funds for ongoing research. I would be interested in hearing from the committee comments to the principle, the concept of the use of heritage funds for scholarships, fellowships, and research, particularly as described in these five recommendations; that is to say, we've had specific references to the physical sciences, to recreation grants, and so on. It may develop that it's too difficult to try to reach a consensus on all five, and indeed to come up with a recommendation that satisfies the needs of all five. But I certainly welcome committee discussion on that point.

MR. SINDLINGER: Mr. Chairman, there's no doubt in my mind that scholarships fall within the purview of the Alberta Heritage Savings Trust Fund. If we look at Section 6, which gives the objectives of the Act, one of them is "long term economic or social benefits to the people of Alberta". I don't see how we can doubt that investment in our most important resource, young people, can fail to meet those objectives. Certainly there are immediate economic and social benefits, and there are long-term benefits as well from the contribution those people will make to the province after they acquire the skills which we feel they would get from pursuing these scholastic activities. Again, I don't know that we'd have to debate that very long. It's quite clear to me that there are economic or social benefits accruing from scholarships.

MR. BRADLEY: Mr. Chairman, I'm very much in favor of the principle of setting up an endowment for scholarships. I think it should be fairly broad-based and

include undergraduate scholarships and postgraduate studies, and to our other postsecondary institutions such as the technical institutions. There are two parts. One is the scholarship program, and the second is the endowment for research funding as suggested by Mr. Pahl and, to a great degree I believe, in Mr. Musgreave's suggestion. There might be two separate recommendations that come out, one being a scholarship endowment and the second a research endowment related to physical sciences and some of the other areas Mr. Musgreave was suggesting.

MR. NOTLEY: What I was going to say has basically been said. There's clearly no question that an investment from the fund in scholarships and research funding is appropriate. I would certainly support it. The question of how we do it, and how much, of course, is a little more tricky issue.

It seems to me that we can really break up -- just to follow what was said -- the scholarship end of it into two areas. There is the undergraduate question. That's one thing we have to take a look at and address. Then there is the question of the scholarships in postgraduate institutions here and especially outside the country. That is a very important aspect of it too. So I would really see those two being slightly different. There are probably three areas we're looking at now: the undergraduate, which is the access of young people into the postsecondary institution; secondly, the question of the gaining of expertise by sending people to other universities to gain postgraduate degrees; and then there's the question of research funding, some of which will be done elsewhere, much of which would be done in our own institutions.

MR. KNAAK: Mr. Chairman, I think I agree with Mr. Notley's division of the three areas. Just to re-emphasize the purpose of my recommendation, it's just as Mr. Notley correctly interpreted it. It really is to bring expertise we do not presently have, or not sufficient -- to bring it back home, to have our citizens obtain it at leading universities in the world and bring it back, as opposed to -- although I don't disagree with the concept of making scholarships available for undergraduates, that wasn't the intent of my own proposal.

MR. R. CLARK: The only useful comment I would add is that I had rather expected we would look at the recommendations as far as research funding is concerned. This is the hard research, if I might use that term, involved in some of the suggestions by Mr. Pahl and Mr. Musgreave. I would see that coming rather within the confines of some sort of Alberta science policy. But I have no objection to discussing it here. That's fair ball. It might be very appropriately discussed after we hear from the Provincial Treasurer next week on this whole question of diversification.

MR. KNAAK: In light of Mr. Clark's comment, perhaps it would be appropriate to divide it into two: the graduate scholarship endowment fund, and as a second point discuss undergraduate funding for a different purpose; that is, to increase the access of students to postsecondary institutions. I don't know if Mr. Musgreave would agree to . . . I don't know if there's a way of changing "university" to "postsecondary" in the second decision, but that would be one possibility.

MR. R. CLARK: If I might just respond to that suggestion, I certainly think the spirit of some of the recommendations is that this shouldn't be just

universities; this should be postsecondary educational institutions, including NAIT, SAIT, the colleges, and the universities. And it shouldn't be for just undergraduates; it should be for people involved in postgraduate work. There's a distinction between postgraduate work, as working toward one's M.A., as opposed to what I would call rather harder research work from the standpoint of the new techniques and technology that have been referred to.

MR. CHAIRMAN: I sense that to this point the committee is supportive of the notion in principle of the expenditures or use of heritage funds for scholarship and fellowship type of programs. Several members have, quite correctly in my view, observed that perhaps we'd be well advised to address the question of endowment funding for research as a separate matter. Do I have agreement on that? Can I then have a suggestion -- I'm certainly looking for one -- as to how we can formulate or draft a recommendation that incorporates the views the committee has expressed today, relative to scholarship and fellowship programs for both undergraduate and postgraduate levels? The reason I ask that question, of course, is that none of the five recommendations we have discussed today does that. So we need either some kind of distillation of those five, without the research component, or a new recommendation to be drafted. Could I have some committee comment on that dilemma I face?

MR. NOTLEY: I don't think it would be a very wise move for 15 of us to try to draft the distillation. Perhaps if we agree upon the principle we could strike a subcommittee of Mr. Clark, Mr. Knaak, and you to draft the resolution, bearing in mind the discussion. It seems to me the only other thing we really have to discuss here -- because as I say, it would be fruitless for us collectively to try to draft a resolution -- the one area where we do have to give some attention before consigning it to the subcommittee is the amount. Mr. Knaak has suggested \$30 million, Mr. Clark \$100 million; we had Mr. Musgreave saying up to \$500 million. It seems to me that that is the one area that we should try to reach some consensus on. Once we reach consensus on the amount -- or perhaps we may even choose not to put in an amount, but to accept the principle. Personally I would lean toward that view. Then I think we should consign it to a subcommittee to develop the resolution.

MR. CHAIRMAN: Mr. Notley, would it not be feasible to have this subcommittee address their minds, on a separate occasion, to the question of whether or not an amount should be there, and bring that recommendation back to us, rather than prolong the discussion?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Okay, we have agreement then on Mr. Notley's motion to the effect that Mr. Clark and Mr. Knaak, along with the chairman, will comprise the subcommittee which will draft a recommendation relative to the scholarship discussion we've had today.

MR. R. CLARK: Not that I'd like to change the balance at all, but it might be helpful to have the Member for Calgary Buffalo on the committee too, because I sense his feelings in this area may be closer to mine than the Member for Edmonton Whitemud.

MR. CHAIRMAN: Are you suggesting Mr. Sindlinger as an alternative or as an additional member?

MR. R. CLARK: As an additional member.

MR. CHAIRMAN: Any discussion on Mr. Clark's suggestion of an additional member in the form of Mr. Sindlinger?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: May I ask the subcommittee, if they don't mind -- could they meet over the balance of the day, while I'm embroiled in the herculean task of putting all this together in a binder for you by tomorrow morning?

SOME HON. MEMBERS: Agreed.

MR. CHAIRMAN: Great. I wonder if I could then ask for an adjournment motion so that I could devote myself, along with our research staff, to these other chores for the balance of the day, and then we'll reconvene at 9 o'clock tomorrow morning, by which time I would hope to have a complete compilation of the recommendations.

MR. PAHL: Mr. Chairman, I'm glad we established an accord on the scholarship element, but that leaves unhandled the research one. Would it be agreeable to the committee if a subcommittee of one redrafted a recommendation with respect to research in the physical sciences?

MR. CHAIRMAN: Any comments on Mr. Pahl's suggestion?

MR. APPLEBY: Mr. Chairman, I wonder if that could not be delegated to the same committee for drafting of a resolution.

MR. NOTLEY: It seems to me that it might be useful if we could hold that proposal in abeyance until Tuesday, because we are going to be talking to the Provincial Treasurer, and one of the subjects is obviously whether a science policy and where. It might be useful if we hold that until after our discussion with the Provincial Treasurer.

MR. CHAIRMAN: Do I have agreement?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Okay. An adjournment motion, please. Mr. Pahl and Mr. Appleby. Thank you.

*The meeting adjourned at 2:45 p.m.*