

Standing Committee on The Alberta Heritage Savings Trust Fund Act

Tuesday, October 6, 1981

Chairman: Dr. Reid

1:30 p.m.

MR CHAIRMAN: The committee will now come to order, and we'll continue with discussion of proposed Recommendation No. 1 of the capital projects division.

MR ISLEY: Mr. Chairman, I just wanted to respond briefly to Mr. Sindlinger's concern on a gross totalling up and his question on the price tag of No. 1. No. 1 is stating that planning should be started. I think it would be very difficult for us to try now to put a total price on it. If we follow the concept through as I visualized it and as I believe we're discussing it, we're talking about what would be an ongoing major parks development. Hence, any totals we came up with would affect the total of the fund 20 years from now, not necessarily today.

MR SINDLINGER: Mr. Chairman, I'd just like to make clear that I do not have a concern about the concept. Unquestionably, the idea of a park for northern Alberta is a good one, and I certainly support the idea. I'm only suggesting that when we make recommendations, we try to identify what the cost parameters are. I realize any project that deals with the future cannot be specifically narrowed down to one number. But there have to be bench mark numbers, an order of magnitude, that we can use for something like this. Because again, it would certainly be embarrassing if we were to make recommendations which in total were to exceed the entire heritage fund. Unless we do something like this as we go along, I don't know how else we can do that. If nothing else, as Mrs. Fyfe has pointed out, we have the precedent of the Kananaskis project to go by to give us a ballpark number. There is a number we can pin our hat on a little bit and say that this particular recommendation could cost somewhere in the order of magnitude of this.

I disagree with Mr. Pahl saying that we don't have to bother with this, that the responsibility rests with others. Perhaps in the final analysis the responsibility for deciding to go ahead with this or not does rest with other people, but that does not absolve us of the responsibility in this committee to take into account the cost of the projects we're recommending. Because again, the heritage fund is not a bottomless well that we can just go making recommendations with abandon without consideration of their cost.

MR CHAIRMAN: Are there any other members with remarks to make? Can we put proposed Recommendation No. 1 under capital projects division to a vote? Those in favor of the recommendation? It's unanimous.

We can then go to Recommendation No. 2 proposed under capital projects division.

MR R SPEAKER: Mr. Chairman, the object of this recommendation is very obvious, I think, in that we're branching out into not only the mountain areas of the province, the lake areas, the prairie areas, in terms of heritage savings fund projects, and I think one thing we have to keep in mind at all times is the

impact on the environment. What I'm saying we should have written in principle is that in the development of capital projects we take into consideration the impact and we recommend studies.

MR D ANDERSON: Mr. Chairman, I'd be surprised if that's not something we've done in the past. I agree with the hon. member that it would be helpful to have that in writing and certainly would strongly support the intent of this recommendation.

MR CHAIRMAN: Agreed? Unanimously?

Proposed Recommendation No. 3. The hon. Member for Spirit River-Fairview.

MR NOTLEY: Mr. Chairman, as a matter of fact, this is one recommendation that came to me during the course of my public hearings, by the Alberta Wilderness Association, presented by the president. It's an observation and a proposal that I felt was sufficiently strong that I introduce it as one of the 18 recommendations I made myself.

Rather than summarize it, I'm just going to read a couple of paragraphs from the submission made by the Wilderness Association, if I could. We just talked about environmental impact studies, and I quote from the Alberta Wilderness Association brief. Cline River Development has already received a permit from the department of the Associate Minister of Public Lands and Wildlife. The permit is subject to a number of conditions, one being the completion of environmental impact assessment, an EIA, that we have just voted unanimously should be the basis. Recently we were able to obtain a copy of the EIA. As we discovered, the EIA was not an EIA but simply a general overview of the impact on site, an important distinction. The overview did not consider the impacts that would occur off site, either to the wildlife or the adjacent wild lands and wilderness areas. The overview also fails to consider impacts that may occur on the native people in the area; the social, economic, environmental impact of the new town required to house the staff; the impact on utility lines; the impact on traditional users of the area. Because of the manner in which the proponent has prepared the environmental overview and the overall lack of planning that occurred, the Alberta Wilderness Association would request that the government of Alberta buy back the lease issued to Cline River Developments, using the Heritage Savings Trust Fund. Then it just goes on to argue the case as to the heritage of that area.

Mr. Chairman, it seems to me that we already have a precedent for that in terms of our reclamation commitment under the Heritage Savings Trust Fund, and I think what the Wilderness Association is saying is that this is the kind of approach that would be consistent with that. By preserving part of our existing wildlife, we in fact would be ensuring a heritage for the future.

MR PAHL: Mr. Chairman, I have a long-term interest in environmental protection and have been following the concerns related to the Cline River project with considerable interest for a fairly lengthy period of time. Just looking at the recommendation, I note that the recommendation says "in the interest of protecting the irreplaceable natural environment of the Kootenay Plains". My understanding is that the Odyssey project is some 7 miles from Kootenay Plains so I don't quite appreciate the linkage there.

Similarly, the White Goat and Siffleur wilderness areas and the Cline River area are in the area and in fact are subject now to backpacking traffic and that probably will continue, Odyssey or non-Odyssey. Probably the most essential point is that there has been an environmental impact assessment.

Obviously from what the hon. member has read, it doesn't satisfy the requirements of the Alberta Wilderness Association, but it appears to have satisfied the professionals within various government departments within certain limits. I understand they haven't totally approved the project so I somehow find the cause and the effect here just haven't quite matched together.

I wonder why we would be spending Heritage Savings Trust Fund money to buy back something that hasn't been in place and won't be in place unless the environmental concerns are responsibly met. It sounds to me like a bit of a red herring here. I appreciate that the Wilderness Association has some concerns, and I think they should be responded to within the process. But the process is not completed, and to immediately run in and spend the money to save something that is not threatened -- at least demonstrated to my satisfaction -- strikes me as being a little irresponsible.

MR NOTLEY: Mr. Chairman, I'd like to respond. It's my understanding, Mr. Pahl, that in fact the permit has been issued subject to conditions that have been met by the proponents at this stage. The difficulty with that is that it seems to me there are certain legal obligations there.

The problem with the EIA that the Wilderness Association brought to my attention -- I think it's a very valid point, and certainly relates to Recommendation No. 2 that we just unanimously accepted. There's no point in having an environmental impact study just on site. That's not an environmental impact study at all. You can't have a major development and ignore the off-site impact in a sensitive area, and that's the very point the Wilderness Association was bringing forward. We've said these impact studies we're undertaking be made public. With considerable difficulty, the Alberta Wilderness Association got hold of the EIA and discovered it was restricted only to on site as opposed to off site. Of course, if it's to be consistent with Recommendation No. 2 that we've made, it clearly has to be both off site as well as on site. Their view is that, while the department has accepted the EIA -- regrettably apparently -- it is a very qualified one that is narrowly restricted to the site itself as opposed to the area that will be affected, including the Kootenay Plains which is several miles away but still obviously, if we're talking about environmental area, will be influenced and possibly affected. Certainly the EIA should look at that possible effect if it's to be properly conducted.

MR PAHL: Mr. Chairman, I guess the approach of the member, and I would suspect the Alberta Wilderness Association, reminds me of a quote by I think it was the founder of the Sierra Club of America, who said that when we try to divorce something and take something from its environment and study it, we find it's attached to everything else in the universe. The point is well taken that there is an interrelation between the ecologies of that area, as all areas, but I have just a little more faith in the professionals within the various departments that have studied it. It has not been approved.

I also can't quite relate the linkage to Recommendation No. 2 in the capital projects division because this is not a Heritage Savings Trust Fund investment. It is not stuck out in the wilderness; it is very close to the highway, in my understanding. They just don't link up for me, I'm sorry.

MR CHAIRMAN: Any further remarks on this subject?

MR NOTLEY: I won't dwell on the subject, Mr. Chairman. I think we have funds made available now under the Department of Environment for land reclamation, and properly so, to reclaim land that for one reason or another has been used for other purposes. I think that's an appropriate use of the heritage trust fund as far as the capital works division is concerned. What the Wilderness Association said to me, and through me to you as members of this committee, is that we have a project in an area that is environmentally sensitive; that the EIA was not satisfactory; that rather than being readily publicly available, it was difficult to obtain but when they obtained it, it was restricted to on site as opposed to the kind of environmental impact study I think we all agree should be undertaken in these projects; that we have issued a permit; and that there will be some obligation, so there is no question about the area going ahead.

Their recommendation to us is that we buy back the lease. That's straightforward, and it seems to me that if we're talking about preserving an area such as this -- and I realize there's some controversy over this. There are proponents who argue very strongly in favor of the Odyssey; there are other proponents who argue just as convincingly, perhaps more persuasively in my mind, opposed to the project. Should we oppose -- and there are obviously going to be some costs involved -- I think the issue is, should the government buy out the lease? I guess you could argue it could be done from general revenue. That's certainly possible. But you could also argue that with our present reclamation project. It could be done directly by the Department of Environment.

So it really is a question of whether there are obligations, which the Wilderness Association tells me there are, and their recommendation frankly is that we should buy out the lease. So I have presented the recommendation, and I guess that pretty well summarizes the arguments as I see for it.

MR SINDLINGER: Just out of interest, Mr. Notley, I wonder how much it would cost to buy back the lease.

MR NOTLEY: I don't have the figure in front of me. To be quite honest with you, Mr. Sindlinger, I can't give you that figure. I presume some negotiation would have to be involved, but I can't tell you what that would be. We have an estimate here, and it's an estimate only, of \$6 million. That came up in terms of the questioning we held during our hearings with Mr. Staszewski. That is the estimate of the president of the Alberta Wilderness Association. I have no confirmation beyond that figure of \$6 million.

MR CHAIRMAN: No more remarks? Now if I can put the question about Recommendation No. 3 proposed under capital projects division, those in favor of the recommendation, and those against?

Proposed Recommendation No. 4: the Member for Calgary Buffalo.

MR SINDLINGER: Mr. Chairman, this recommendation reads as follows: "Consideration be given to guaranteeing an adequate fresh water supply to small communities". I present it to the committee for its consideration.

MR ISLEY: Mr. Chairman, I have a number of questions to Mr. Sindlinger. I presume, Mr. Sindlinger, that "guarantee" means pay for. That's question number one.

Question number two would be: what is your definition of small communities? Through the Department of Environment, we currently have some excellent

funding programs for hamlets, villages, and towns. When I say excellent, I mean we pay the major share of water and sewer systems for people in those types of urban areas. Are you implying by "small communities" that we incorporate clusters of rural acreages where you have 16 acreages on a quarter section? Are you suggesting we include a farmyard where there are at least two homes, or a farmyard where there is one home?

My final question is: what is the total cost of this recommendation? That one is a bit facetious.

MR NOTLEY: Mr. Chairman, I really think we have to endorse this principle. I would say that notwithstanding some of the programs available at the present time -- I can speak for my own area of province -- this business of adequate supply of fresh water to small communities is probably the biggest single municipal problem in the Peace River now, bar none. If we think the existing programs are adequate, I don't know what kind of dream world we've been living in because they do not even begin to tackle the problems we face in the Peace. Albeit, we have bigger problems in terms of the availability of drinkable water in the north. But something as simple as the restriction in the department of just one main trunkline for a town . . . New towns that are expanding need two or three -- no funding beyond one main trunkline under the present regulations.

Without naming it, we have one community in my constituency that is facing property tax increases where new homes taxes are going up to as high as \$3,000 a year, largely because of water bills that have been run up for having to truck in water. Let me tell you, Mr. Chairman and members of the committee, I think that if other Peace MLAs were here, the one thing we could all agree on, irrespective of our political vantage point, is that we have to improve the funding. Whether that be done through the heritage trust fund or through the normal operating costs of the Department of Environment, provision of adequate drinkable water in our northern communities is one of the most crucial issues facing us in the north at the moment.

MR PAHL: Mr. Chairman, I certainly support the sentiment of concern for potable water to communities across the province. But the recommendation reads in a way that makes it pretty obvious that the hon. member is an economist, not a hydrogeologist, because when you undertake to guarantee adequate fresh water to certain communities, you're either implying an horrendous expense or something in the technology that doesn't exist to this point. I think that although we certainly have to be sensitive if programs now in place, specifically in Alberta Environment, are not covering it and it looks like it's a long-term deficiency, then I think we should respond to it. I think we should also be aware of the fact that the criteria for the location of towns and their growth should have to bear in mind the realities of the environment to sustain that urban growth. For example, to build a town on tar sands where there is no prospect whatever of ever gaining a reasonably economical supply of potable water, is not a responsible decision. I think that if we meet our responsibilities with respect to water supply, we also have to make sure we don't go to guaranteeing adequate water supply to supply all communities because that's not realistic, and I don't think people would expect everything at their front door if they're making a decision to live where some of these deliveries are well nigh impossible.

MRS FYFE: Mr. Chairman, just to carry on a little further the comments made by the Member for Edmonton Mill Woods, I agree that it is very difficult to say

there will be adequate funding to guarantee a certain supply of water for communities. One community, which I believe would be a hamlet, had a proposal for a large hotel -- large for the area. The community is Spedden. The proposal for the hotel to go in depended on the drilling of an adequate water supply. They have drilled a number of wells and have come up with dry wells. This certainly becomes a problem for the economic development within that region. But assuming this recommendation passed and there's no water within that area, would that then be a requirement of the trust fund to pipe water from some other source to that supply? What criteria would there be to say what is a community and what is not a community?

I have been relatively successful within my own constituency. One hamlet -- it actually doesn't have the defined boundaries; it's a community that does not have the status but it could qualify as a hamlet -- received a grant just last week under the community water and sewage program, which will allow the pumping of water from a well about three-quarters of a mile away. This will serve that community well.

I appreciate the sentiment of the recommendation because adequate water is certainly an extremely important aspect of our daily life, obviously, but I would be most concerned if I had a municipality in my constituency that had municipal taxes of \$3,000 a year. I would very much like to know the name of that community and certainly would try to help the member in any way in assisting in achieving the goal of getting adequate water. That's absolutely unbelievable: \$3,000 for municipal taxes. I had not heard of such a level of taxation in Alberta, certainly in other parts of North America but not in Alberta.

So I simply conclude by saying that while I think we must continue to support the community water and sewage program which is an expenditure through the Department of Environment which has grown to be a department with a very large annual expenditure, I think that is the appropriate way to supply the communities so we're not in a position of having to react to any individual who wishes to develop whatever type of industry on any type of land and then says it's my right to have adequate water pumped or supplied from some other part of the province. Obviously, even in wealthy Alberta, we have to set priorities in expenditures, and they have to be priorities that are met on a basic set of criteria.

MR NOTLEY: Mr. Chairman, just to respond to both Mr. Pahl and Mrs. Fyfe. First, there's really not much we can do about existing communities. In terms of new communities, there's not going to be a town just develop on tar sands. We have planning legislation; we have regional plans. So if you'll permit me, Mr. Pahl, that's a red herring, a blue herring, or whatever you want to call it, but it is a herring. So in terms of the future, that's not an issue.

The question is, what do we do in terms of communities that have been established? This is a government that is apparently committed to decentralization. This is a government that I assume is ready to make investments in communities, some of which frankly are not in the best places. But they're there, they have traditions, and they have histories. Are we going to say to those communities: no, you can't grow, you can't compete for economic development? That's what we're saying to them if we don't ensure that they have potable water.

It is a major problem for us in the north. It's a bigger problem there than perhaps any other part of the province because in most of the Peace, for example, run-off water is a source of water. It's sloughs, massive dugouts. It shocks people when they go up there for the first time to see that whole

region of the province has to exist on this kind of water. But the point is that it does create problems.

Mrs. Fyfe raised the question that she'd like to know the community. The community is Spirit River. The Northern Development Council was in Rycroft about two weeks ago, and some of the members could hardly believe it. Your colleague from Lac La Biche-McMurray almost fell off his chair when the submission came in. It's not the fault of the local town council. If you have to bring water trucks in and haul water, dammit all, because you don't have the run-off, in a small community of 1,000 people it doesn't take too many days of hauling water, and if you're going to do it for 2 or 3 months then you have one massive bill. When you begin paying off those operating debts -- because there's no money for that in the Department of Environment -- then that very quickly adds to the tax bill. So here you have a town council -- I don't blame them. They're caught in an absolutely impossible situation. It's such a recent event both in my mind and also I think in the mind of the Northern Development Council that I think Mr. Sindlinger's proposal has a great deal of merit.

It's not something we have to worry about in terms of future urban development because that's very clear. We're not going to be placing communities in places where costs are prohibitive. But I do think that with the existing communities it's not an unreasonable proposition, and I think the proposal has a good deal of merit. I know that in northern Alberta it would be the one proposal we've dealt with, setting aside all the politics of this committee, that would have people, regardless of their political vantage point -- left, right, or middle-of-the-road; blue, red, orange, or whatever -- jumping up and down saying: aye, ever ready, aye; this is the kind of investment from the heritage trust fund that we think makes sense.

MR MACK: Mr. Chairman, the concern I would have with the resolution in its present context is its breadth, where it's almost an out-of-control kind of proposal. I have tremendous empathy for any community that is established and has been established over a longer period of years and they find themselves without an adequate water supply, which is a very important commodity. However, I would question the expanding of that community in terms of growth as opposed to probably a neighboring community that would have or would be able to supply adequate water for its citizenry. I don't know the circumstances. I take frequent trips into the north and think am fairly acquainted -- although I go further north than Peace River; I go into the Territories quite frequently. From the air it's nothing but water, but it's not all drinkable water.

MR NOTLEY: Like *The Ancient Mariner*: "Water, water, every where. Nor any drop to drink".

MR MACK: Having said that, I would also add to it that maybe if the community is paying \$3,000 a year in taxes just for the water supply, perhaps there may be some merit in fresh representation from that area to ensure that there was an infusion of funds into the area to accommodate the need for the community.

Having said that I have empathy, Mr. Chairman, for any community that is having difficulty with water supply. I think I would much rather be able to address that particular community and its needs as opposed to a very broad brush in approving a resolution that would basically place an almost uncontrollable demand on what it is that this committee is approving. On that

basis, I cannot support the breadth of the proposed resolution, having empathy for needs in specific areas in the province.

MR R SPEAKER: Just to add, I would support the principle we're trying to get at here. Possibly it is a little broad or not well defined, but the hamlets of the province are having some difficulty in this specific area where they are under the jurisdiction of the county or municipality and when they have populations, say, from 50 to 150, it's very difficult for them to pay back a water system. I find, as I travel around the province and in my own constituency, these are the ones having difficulty at the present time.

Heritage fund money -- yes, we could guarantee it, and also it would make the point in our recommendation that the government should place a greater emphasis in their general revenue spending in this specific area.

MRS FYFE: Mr. Chairman, this one causes me some concern. We're into areas where we've been involved in irrigation and a number of other areas, and I guess I haven't spent enough time as a member of the committee and, in researching, I didn't realize the extent of the problem. I wonder if it would be possible to refer this recommendation to our next meeting and allow a little additional time to research out areas that may have specific concerns on the part of the province. If they are not able to receive adequate funding under the existing Department of Environment programs, it's perhaps something the committee could look at in a long-term proposal.

I make the motion that we refer Recommendation No. 4 to our next meeting to allow that time.

MR NOTLEY: I'd like to support Mrs. Fyfe's motion, notwithstanding my colleague's wishful thinking about fresh representation. I would like to clarify one thing because I don't want it left on the record that anyone was paying \$3,000 for a water bill. I wouldn't want that to be left on the record. If that was, perhaps I did not make myself clear: taxes as high as \$3,000, but very high taxes and very substantial increases caused in the main by very heavy operating costs which were occasioned by having to haul water.

What I think might be useful, and if members would like, I could certainly supply the brief that was given to the Northern Alberta Development Council by some of the citizens of Spirit River. I'd be quite happy to make that available to committee members before next Tuesday's meeting.

MR CHAIRMAN: We have a motion to table. Is that acceptable? The Member for Bonnyville wants to get in with one more.

MR ISLEY: On a point of information, and I labelled it a point of information because I understand the motion is not debatable . . .

AN HON MEMBER: It's a motion of referral.

MR ISLEY: A motion of referral?

MR CHAIRMAN: It's a motion of referral, not tabling.

MR ISLEY: Okay, then it is debatable, no longer a point of information. I wonder if the hon. Tom Sindlinger would respond to my three questions and then I'd like to make a couple of additional comments on the motion of referral.

MR SINDLINGER: Why don't we cut this stuff about the honorable business. I'm Tom, and you're Ernie. Let's roll up our sleeves and get down to business.

MR CHAIRMAN: Definitely within the committee I think you're the Member for Calgary Buffalo and he's the Member for Bonnyville.

MR SINDLINGER: Mr. Chairman, we had Dave Russell in here, though, a while ago and he was sitting there very casually referring to each of us as good old Tom and good old Milt over here. What's the difference between an hon. member from the back bench and a front bench minister?

AN HON MEMBER: Status.

MR SINDLINGER: Mr. Isley has asked me three questions. I first would like to thank him for putting the questions to me and thank the others for debating the issue. The recommendation was given to me from several sources, and they're from southern Alberta, not northern Alberta as Mr. Notley has been referring to, but I guess it's a general problem throughout the province.

The first question Mr. Isley asked me was if by the word "guaranteeing" I meant "paying for". I suppose, yes, if it came down to that I would say the word "guaranteeing" should be "paying for".

The second question Mr. Isley asked me was for a definition of small communities. What are they: hamlets, villages, towns? Then reference was made to clusters of small acreages.

Mr. Chairman, the reason the recommendation is as general as it is is because I have to admit to something, and that's what Mr. Pahl brought up: I'm not a hydrogeologist. And I have a strong suspicion no one else in this room is a hydrogeologist either. I cannot bring expert opinion to this particular recommendation. I would also suggest that's also the case with most of the recommendations before us. That's why I brought it to the committee the way it is, in conceptual form. It's not a detailed plan. When I use the word "consideration", I would expect that if it were passed on to others, they would interpret the word "consideration" to mean to identify and define the need. Those people would have the expertise and then I would defer to their judgment.

The third question was in regard to how much it would cost. Again, we have to find a suitable bench mark. I find a suitable bench mark and precedent for investment under the capital projects division of the heritage fund and that's in irrigation and irrigation headworks rehabilitation. That's dealing with a water supply to specific areas, and if we can deal with a water supply to those areas, we can to small villages and hamlets as well. Using that as a bench mark, and the precedent in the money spent on the irrigation and headworks rehabilitation, I wouldn't think something of this nature would exceed the limits of \$10 million.

MR ISLEY: Now may I speak on the motion to refer?

First of all, thank you, Tom -- if we're becoming informal -- for the information. I have a little difficulty following how you can put an estimated price tag on a project without knowing what communities we're talking about. It seems to me the whole range can be changed around.

Leaving that aside, on the motion to refer, I would reiterate points I made in my opening remarks. I've had a hamlet of between 60 and 75 people, a hamlet of less than 200 people, and a hamlet of less than 300 people all move into water and sewer projects within the last four years, and all do it under

what I consider some generous financing. Initially that financing came from two sources: both provincial, through environment, and federal, under NIP. With the cancellation of NIP, Environment responded by substantially improving the mode of financing for small communities.

I would suggest that if we have unique problems around the province, this probably isn't the forum to address them. The representatives of those areas should be dealing with the ministers involved and, if the programs can't be adapted to suit the local need, then may be the time to make it a provincial program, but at this time I have difficulty with that.

My suggestion to my friend Grant would be that maybe he should spend some time working with the communities in his constituency instead of trying to tell the ones in mine that they're not getting a good deal.

MR CHAIRMAN: I think the Chair would appreciate it if people would make some attempt to maintain the parliamentary form of address. It's all right when it's joking; it's not so good when it's the other.

We have a motion to refer this to next Tuesday while further information is brought to the committee. I think it's time to take a vote on that motion to refer. Those in favor of the motion to refer the matter to next Tuesday? Those against? The motion is carried.

If we could now go to proposed Recommendation No. 5: the Member for Calgary Buffalo.

MR SINDLINGER: Mr. Chairman, there's a typing error in here that I'm sure the members will catch as I read this motion. It reads as follows:

Consideration be given to funding modifications to facilities required by the 1988 Winter Olympics so that those facilities thus modified will serve broader long-term needs of Albertans.

So the word that has to be changed is the one immediately following the word "serve" to "broader long-term needs of Albertans".

Mr. Chairman, I'm not going to give a detailed plan or identify specific capital investments at this point in time. All I'm asking is that consideration be given to this subject matter. If I can give as an example the construction of capital facilities for the Commonwealth Games in Edmonton, the construction of the stadium met the specifications or requirements of the Commonwealth Games people. And it was well done; there's no question about that. I'm suggesting that perhaps if a further expenditure had been made on the stadium -- for example, a dome -- there would have been a longer term, broader use of the facility. All I'm suggesting is that some such consideration be given to capital facilities for the 1988 Winter Olympics.

MR PAHL: Mr. Chairman, after visiting Kananaskis and seeing some of the facilities that were aimed toward the 1988 Winter Olympics, I was under the impression that this was really incorporated into the design already, but none the less I'd be proud to support this recommendation.

MR CHAIRMAN: Just for clarification, I think that the Minister of Recreation and Parks said the costs of any services and facilities for the Olympics were not included in the present Kananaskis expenditures.

MR PAHL: I may have misunderstood, but my understanding was that there were facilities in Kananaskis Country that were compatible with the needs of the

Olympics. So strictly speaking, quite so, but a complementary relationship still I think will exist and will evolve, and I'm supportive of that.

MR MACK: Mr. Chairman, I don't conceptually disagree with the concept. However, I would have some concerns that this type of recommendation would not be perceptually misinterpreted whereby unlimited funds would be available to do a lot of the exotic types of things to a facility that would not necessarily be necessary, therefore, cost-effectiveness would be lost in the initial planning and approach to that kind of concept. I would have some concern with that. I think much of the commendation and applauding of the Commonwealth Games has been because they lived within reasonably tight budgets. Although I suppose it would have been nice to have a covered stadium, none the less it's functional, and it did not present a burden, both during construction and postconstruction, and even now in terms of its use and the cost of maintenance and its use to the community. Mr. Chairman, I would not want us in Alberta to have the experience Montreal experienced in terms of lack of cost-effective control. So with that comment, I'm prepared to support it but with a degree of trepidation.

MR MUSGREAVE: Mr. Chairman, I must confess I've been busy trying to determine how we can make the farmers of Alberta happy vis-a-vis the oil industry so I'm not as up to date on the Olympics as I should be, but I recall that a presentation was made to some MLAs in Calgary about a private company that wanted to put facilities in Kananaskis Country. I heard one of them speaking on the radio last week when the Games were announced for Calgary, and he was saying that their company is still interested and one of the proposals is doing the investing. I hope we wouldn't be blocking the door to those kinds of proposals by just saying, let's take it from the heritage fund.

MR CHAIRMAN: I think the motion is addressing modifications that are going to benefit the long-term use, not the provision of the facilities necessary for the Olympics. Is that correct interpretation? Any further remarks?

MR MUSGREAVE: Mr. Chairman, I'm confused. What are we modifying, and what do they mean by "prouder longer term needs of Albertans"?

AN HON MEMBER: Broader.

MR MUSGREAVE: Sorry, broader. It says prouder here. "That consideration be given to funding modifications": what modifications? This whole thing is so full of weasel words that you could spend billions on this thing. And if you oppose it, you're considered to be against the Olympics, which is absolute rubbish.

MR CHAIRMAN: Any further remarks, or will we put this proposal to a vote? Any further remarks by the Member for Calgary Buffalo? Those in favor of proposed Recommendation No. 5? Those against? The recommendation is carried.

Recommendation No. 6: the Member for Calgary Buffalo.

MR SINDLINGER: Thank you, Mr. Chairman. Recommendation No. 6 reads as follows: "Consideration be given to upgrading the recreational value of Gull Lake". This recommendation is similar in intent to that of Recommendation No. 1 presented by Mr. Pahl, Mrs. Fyfe, Mr. Isley, and Mr. Anderson, and I present it for the committee's consideration.

MR PAHL: Mr. Chairman, I would not want this one to fly with the other one because it is so site-specific as to preclude, I think, the sort of evaluation that departments responsible for bringing these items forward would be somewhat inhibited. I think this is an area where the member for the area should make his representations to the department. I have no information whatever on Gull Lake or any other specifics, and I would oppose it from the point of view of it being simply too site-specific for this committee to make a meaningful assessment of it without a lot more information than I think can be reasonably presented by any member.

MR MUSGREAVE: Mr. Chairman, going back to Recommendation 5, I think this is an excellent recommendation if you want to go that route, where you're running around the province picking up items you think you should support. To me it has no more validity than the first one, because I think the residents of Gull Lake will think it's an excellent idea, and I agree with them; for them it's excellent. But is this the kind of thing that the Heritage Savings Trust Fund Committee should be addressing?

MR ISLEY: Mr. Chairman, I have to share the same concern as the hon. Member for Edmonton Mill Woods when you get this site-specific. I'm not personally familiar with Gull Lake. I'm not sure whether they've ever proposed a provincial park concept out there under the Department of Recreation and Parks. I'm not sure they have ever been listed as one of our new recreation areas under that concept. I don't think any of us is sure what the desires of the people are in that area of the province as far as where the development of Gull Lake fits with respect to other lakes in the area. If the hon. Member for Calgary Buffalo was suggesting the upgrading of the recreational value of Alberta lakes then I could see it on this table, but I can't support a specific lake.

MR MACK: Mr. Chairman, I too wish to voice non-support for it simply because over the years I've spent a lot of time in that area and I don't really know what the hon. member had in mind when he brought the resolution forward. My family basically spent their summers over there. Over the years the government has in fact invested hundreds of thousands of dollars in that particular recreational area. It's not as though it's a forgotten area.

If they had one major concern perhaps it's the water level dropping in the lake. Again, they have spent a lot of money to try to come to grips with that particular aspect of it. I would not support a specific particular lake area or recreational area for upgrading simply because it suggests that the government has not done so; they have, over the years. In fact they have purchased much of the land surrounding the lake plus other areas to provide for trailer hookups and parking. It's just a beautiful recreation area now, and I think it's not an area that has not received a tremendous amount of attention as well as investment by this government and previous governments, so I could not support this particular resolution.

MRS FYFE: Mr. Chairman, I guess I resent saying that this recommendation and the one I had my name to previously had the same principle, because I don't think they have the same principle at all. The other referred to a large recreational area that would serve a very large percentage of people within the province and also contribute to the tourist industry which is a very important element within our economy. I see no reason why this recommendation would come forward any more than upgrading the recreational value of any of

the developed lakes within the province. To me it makes very little sense, so I don't support it on that basis.

MR R SPEAKER: Mr. Chairman, I'd only refer members to page 15 of the annual report and the Lesser Slave outlet. We have provided \$1.2 million to be spent on that project, and in the last 12 years I have had the opportunity to be involved in discussion on both these areas and both had as their purpose the control of lake levels and the flooding. Gull Lake rises and falls very quickly and there are mud problems, et cetera. People at the east end of Lesser Slave Lake, if I remember correctly, have somewhat the same problem. The beach is there and the beach is destroyed. The recreational value is there one day and gone another. There's also flooding on the outlet. So the principle has been established that we have specified certain projects. I think the hon. member is saying here that this is one which in his mind has priority in the province to have the same type of treatment.

MRS FYFE: But why?

MR D ANDERSON: Mr. Chairman, initially as this discussion progressed I accepted the arguments of my colleagues with respect to its not being general enough and now I'm happy to have pointed out to us by Mr. Speaker that we have indeed funded a specific project elsewhere. However, I still am not going to vote for this recommendation, and I'm not because I'm not capable of evaluating whether or not Gull Lake requires that kind of assistance over others in the province. It's not to say that Gull Lake isn't a viable project or that this isn't a concept appropriately dealt with here, but personally I'm just not capable of making that evaluation without the other information and priorities in that area.

MR CHAIRMAN: Are there any more remarks by the Member for Calgary Buffalo in closing?

MR SINDLINGER: Just to underline the precedent cited by Mr. Speaker on page 15, the Lesser Slave Lake outlet. In Mr. Pahl's terms, that's pretty site-specific. The Paddle River development to provide an assured water supply, which is what we were talking about in an earlier recommendation, and also to provide recreational facilities. The Paddle River basin development is site-specific as well. Mr. Pahl also mentioned something in that there not being enough information to assess this, and that was also reflected by Mr. Anderson's saying that he's not capable of evaluating this particular recommendation. I've admitted to the same inability in earlier recommendations, specifically when Mr. Pahl pointed out that I was not a hydrogeologist and that we do not have enough information to assess those things thoroughly here as well.

The only point that I'd like to bring to members' attention is that each of these recommendations has started out with the words "Consideration be given to". All we're asking is that some consideration be given, and that in that consideration there be an identification and definition of the need by those people possessing expertise in those areas. All I'm suggesting is that we pass this on as something for consideration by those having the competence and expertise. If we want to apply the criterion of not having enough information, or not being capable of evaluating this particular recommendation, then I would suggest that might follow through on a good number of these recommendations, because qualified though each member of this

committee may be, I doubt that we have the qualifications to thoroughly assess each one of these recommendations if the criteria of adequate information and the qualification of individual members is taken into consideration.

Thank you, Mr. Chairman.

MR PAHL: Mr. Chairman, I plead guilty to not expressing myself adequately in it, but obviously my comments were not sufficiently understood by the member who proposed the recommendation. It would seem to me that a more helpful recommendation to the decision-makers whose performance we are reviewing on an annual basis would be a sentiment that would perhaps use Gull Lake as an example. I'm sure that the citizens of Gull Lake have already made their representation in other areas and will continue to do so, but I think that for us to pull that one out of the hat, if you will, and put it forward does a great injustice to other areas of the province where there is an element of water based recreation and perhaps agricultural uses that could be enhanced by some remedial work.

So I would certainly be very pleased to support a recommendation that would say "Consideration should be given to investing Heritage Savings Trust Fund money into upgrading the recreational value of our lakes presently used for recreation, such as Gull Lake". If you want to use that by example, fine; but I would still resist as being inappropriate zeroing in on one of, I'm sure, many. I know there are several bodies of water that have an element of recreation that could certainly be upgraded through the application of funds. I hope I've made myself clear to the mover of the recommendation.

MR CHAIRMAN: The question on Recommendation No. 6. Those in favor? Those against? The recommendation is defeated.

Recommendation No. 7 The Member for Edmonton Mill Woods and the Member for Calgary Currie.

MR CHAIRMAN: Perhaps Mr. Pahl could start.

MR PAHL: Thank you, Mr. Chairman.

The recommendation is based on the presumption that we need to build on our strengths, and at this particular point one of these is some financial strength. I would submit that an investment in industrial research would help to attract high technology industry which is, I think, a desirable diversification for our province. It was brought home to me last night in a news report that indicated that one company -- I think it was the Siemens Company of Germany -- spent more on research and development than all the governments in Canada. Now I would submit that it has a high probability of return and the area of the industrial sector hasn't been targeted to the extent that medical research has, for example, and I think there's a high pay-off there in terms of the objectives of the Heritage Savings Trust Fund.

MR CHAIRMAN: Has the Member for Calgary Currie anything to add to those initial remarks?

MR D. ANDERSON: Thank you, Mr. Chairman. Only to support what Mr. Pahl has said and indicate that from my point of view the general nature of the resolution is a result, at least in my case, of not being sure how one would implement the program but, for the reasons Mr. Pahl has outlined, primarily our lack of research and development in the country as a whole in the

industrial sector, feeling quite definitely that this needs to be done. I feel we've moved in the right direction in other research areas such as the Alberta foundation for medical research, cancer research, and other such research, but for future economic diversification we're going to have to do considerably more in this particular area.

I sit on a committee at the University of Calgary looking at a software computer institute, and research we've initially carried out there has indicated that currently software research is certainly so much more available in the United States in particular than it is here. That is one example of areas we may wish to consider seriously. But I would emphasize that the recommendation is broad. It allows for consideration in a number of areas and feel that this is indeed underlining the need to strengthen and diversify the economy as per the requirements for investments from the heritage trust fund.

MR NOTLEY: Mr. Chairman, I don't think any of us would differ with the spirit of the resolution and even with its broad general wording I would support it. Obviously we do need a higher level of research in the industrial sector of the economy, but I really think that the members sponsoring it have to be a little more specific in terms of this committee because we have to have some idea of what we're being asked to approve here. Foreexample, who is going to manage this kind of research fund? Is it going to involve the universities? What is the relationship with the private sector? How much money are we looking at? Are we going to have a sort of parallel organization at the Research Council of Alberta?

I think there are a number of questions that we at least have to grapple with when we look at a recommendation like this. Are we going to set up a foundation similar to the medical research foundation? Is that going to be the proposition, where we set aside a certain block of money, then the interest is used to fund programs, or is it going to be an ongoing drawing on the heritage trust fund, so much each year? If so, then we have to be able to reconcile that with what we've said about operating costs in other areas of the heritage trust fund.

While I support the spirit of the recommendation -- obviously it's an area that we all would endorse -- I think we have to be a little more specific. There's a difference between being specific to the point where you close off the options and being general to the point where you leave the thing too vague. I suggest that we have to have a little more information from both members, so I'd like the members to respond to several specific questions.

First of all, do they see a foundation so that in fact we set aside money, the interest of which we use? Secondly, I would like to know how they visualize the use of obvious agencies that are available to government or the universities and the private sector; the relationship of those three obvious arms of any substantial research development.

MR MACK: Mr. Chairman, I too appreciate and support the spirit of the resolution. However, its openness and breadth leave me with a great deal of discomfort in that it does not provide any type of charted course that the intent is to follow. I think that probably that little ship would hit the rocks pretty fast without having some course that has been definitive as to what it is we're addressing in terms of industrial research. I think, for example, of initiatives that were taken some time ago in the purchase of the LRT cars, and where the approval to go ahead with the purchase of these cars mandated that there be a component in the province which I thought was very, very positive and that, although not strictly in the sense of research,

certainly provided a tremendous amount of learning skill for a lot of technical people here because the assembling of the vehicles for both Edmonton and Calgary was done in the province. If that's what we're talking about, I can see its value in researching that particular aspect whereby we can have an industry that we could develop in the province to help Albertans. But if it's just sort of an open chapter without any definitive I would have some difficulty in supporting or approving that open type of resolution.

MR MUSGREAVE: Mr. Chairman, I have the same concerns the hon. Member for Edmonton Belmont has. However, I support the motion because I agree with the hon. Member for Edmonton Mill Woods that the Siemen Corporation which he mentioned is a very significant organization, one of the world's largest and obviously one of the world's most successful, and there is a very direct relationship between the amount of research and development they do and the profit picture of that company. At the Research Council, and also as chairman of the science policy committee, I should point out that we have had several recommendations somewhat along this line of: should we have a technical advisory council funded similar to the medical research foundation; should we have a science council of Alberta recommending how we should do this; should we have tax benefit programs to industry; should we have joint programs with the federal and ourselves.

And so there are many ramifications to this particular motion. I had all those concerns -- I was not going to speak -- but I think just from the point of view of once again emphasizing to the people of Alberta and Canada that we have to do more research in our country if we're going to maintain our present standard of living, I would support the motion.

MR NOTLEY: [Inaudible] respond to the specifics because I think it would be useful, Mr. Chairman, if they have had an opportunity to give some thought to that.

MR CHAIRMAN: Mr. Pahl, in summary.

MR PAHL: Thank you, Mr. Chairman. To summarize I would of course say that it would be my recommendation to the committee that we start small because anything is better than what we have now, with the possible exception that there is some assistance from the Alberta Research Council for small manufacturers who really want to undertake what might be called applied research. My model might be a combination of resources from the Alberta Research Council, and a set-up similar to the environmental research trust where there is a modest amount of funds available to people to undertake research in the area of broad environmental concerns. I would suggest that an investment in the scale of the Farming for the Future project where up to now there is a total investment of \$6.5 million over three years would be a start. If we want to put a starting dollar on it I'd suggest about \$5 million.

Another element that I feel is very, very important, and I have noticed its absence over the years in my professional work, is that for the small inventor to take an idea to where it becomes viable in the market place there would be just a tremendous value to having some form of subvention for the small inventor to come in with an idea and an opportunity to receive, say, a \$25,000 grant to put the idea on paper, patent it, or whatever. That's the direction of my thinking and, as with all our recommendations, I think we have to accept that there's going to be some sophistication applied to the concepts once

we've put them on the table. I would certainly hope that that would be the case for this recommendation as well.

MR D ANDERSON: Mr. Chairman, I guess I would just add that I agree in principle with all those items identified by the Member for Edmonton Mill Woods. I think though that quite a number of vehicles could be used and probably a package of them is what would be most useful. Mr. Pahl mentioned the environmental research trust which I sit on. Another dimension of that particular trust is that it tries to encourage companies to contribute to a research project along with the funding from the trust itself, and raises money therefor through that method in addition to government funds. I'd like to see that encouraged through this direction as well. But I think it's something that could be looked at in a package sense rather than any individual project and that's why from my point of view the general approach, be it a bit 'shotgunish' -- if there is such a word -- is preferable at this juncture.

MR CHAIRMAN: Before we put this to the vote, I think the Chairman has an interest in this subject as well, having seen the Byer plant at Leverkusen and the [inaudible] in Switzerland and what the Japanese are doing. In each of those countries there are benefits to industry that indulges in industrial research, but in addition we have the financial resources here to do something different and I wholeheartedly approve of this particular recommendation.

Having now biased the vote, can we have a vote on Recommendation No. 7? Those in favor? Those against? The recommendation is carried.

Recommendation No. 8 The Member for Edmonton Mill Woods.

MR PAHL: Thank you, Mr. Chairman. This recommendation follows directly from the report from the Minister of Agriculture when he was before the committee and in effect his comments were that with respect to the uptake of research funds from the Farming for the Future program, it was not a question of not being enough money; it was a question of finding qualified scientists to undertake the research. It's my view that where we identify pockets of deficit in terms of either qualified or, on the other side of the coin, if a number of qualified people are available to apply themselves to a research task and they're short of either operating or capital funds, I think we should have the flexibility to direct funds on an *ad hoc* targeting basis to those areas of need. So it was stimulated in terms of the target area of agriculture in the case of the testimony from the Minister of Agriculture, and I'm aware of a similar situation where in Alberta there is a core of researchers who have directed themselves to the problems of multiple sclerosis. I think we should background that with saying that the incidence of multiple sclerosis in Alberta and western Canada is higher than anywhere else in the world. They have this core of people, they have reasonable capital facilities to do their work, and yet they're short of operating funding. I simply feel that when we see these deficiencies in our building program, if you will, we should have the flexibility to direct the resources toward them.

MR D ANDERSON: Mr. Chairman, while I would certainly agree with the initial remarks made by Mr. Pahl and the end objective that he wants to reach, I have some serious concerns about directing specific scholarship moneys to given areas. I worry that people in the educational facilities in Alberta are

there, gaining a basic training, and then proceeding to a specific program of their choice, and that we as citizens ultimately benefit most by having individuals choose the area they're best able to learn and grow in, and that by catering too much, that the money we supply to what we see to be specific needs at a given time, we may in fact curtail the abilities of individuals. Just for example, one who may be best suited to go into engineering but, because money is available in agriculture, would attempt to move in that direction less successfully.

Having said that, I'll be interested in the rest of the discussion on this particular topic and will take it into account. I agree with the intent, but am somewhat fearful of the method.

MR MACK: Mr. Chairman, I too agree with the spirit of intent of the resolution. I have some concerns with its specifics. I'm wondering if the hon. Member for Edmonton Mill Woods has given consideration -- I'm sure he has -- to a very substantive endowment towards it [from] the medical research we currently have. Rather than establishing yet another medically orientated research, he might consider expanding the specific medical research we currently have, and perhaps providing a larger endowment if one is necessary.

I can't be specific about the agricultural one. Certainly as far as the medical one is concerned I think that it should be a comprehensive, all-inclusive one which would, I believe, provide much greater continuity and a much greater usage of the experts and scientists in the field, as opposed to having small pockets of research which this could conceivably generate. I'm not prepared at this point to make a definitive statement that that would not be good, but certainly I think for value and in terms of facilities and equipment in those facilities, I would deem expanding the already established facility to be the appropriate route to go medically.

MR NOTLEY: Mr. Chairman, I just had a couple of comments on it. I'm not quite sure, I'm just trying to recollect from memory the name of the scholarship program for undergraduates, but members will know the one I mean even if I can't identify the Albertan it's named after.

The concern I have -- and this is subsequent to the minister being present -- is that some counsellors have advised me that rather than virtually every student who attained the necessary requisite, which I believe was 80 per cent or maybe somewhat higher than that -- I forget the exact amount; again, I'm a little hazy on the details, I confess -- being eligible and having some reasonable chance of getting that scholarship, that in fact there was such a response that now there is going to be a large number who won't. I raise that because it seems to me that the idea of the scholarship based on a high standing of excellence, and I think 80 per cent is by any standard a high standard of excellence, that perhaps we have to look at beefing up that particular program. If that needs more funding so that we can provide assistance for those young people who have met the academic qualifications to go into whatever field, whether it's medicine, agriculture, commerce, or engineering, whatever the case may be -- or even arts, which leads God knows where, maybe even to the Legislature -- it seems to me that is one point I'd like to leave with members of the committee. Should we be looking at more funds to that particular undergraduate program?

The other is that if we're dealing with target areas, while I obviously have a good deal of sympathy for the agricultural question -- I think the medically orientated research, as the Member for Edmonton Belmont properly point out, undoubtedly is already covered -- it seems to me that there are probably other

areas we could look at. We just passed Mr. Pahl's recommendation that we look into the industrial sector. Surely, if we're talking about targeting, one of the areas we would look at would be the industrial sector. So it strikes me that if we're going to deal with target areas, then we should talk about target areas, rather than identifying one or two areas, because there well may be other areas that would just as legitimately be ones we would want to focus on.

Before we cross that bridge, Mr. Chairman, I do want to leave with members of the committee the representation I have had from not only the federation of Alberta students, but also some counsellors, teachers in the area, who are saying that we might well look at more funding for that undergraduate scholarship program so that we can stay within the academic ground rules that have been set.

MRS FYFE: Just briefly, Mr. Chairman, I would like to speak in favor of this motion. I think the Member for Edmonton Belmont made some comments with regard to the research foundation, but I don't think this in any way duplicates the existing research program that's in effect. In fact I think what it does do is encourage Albertans, people who have grown up in this province, to be educated and to find specific areas which I think are important target areas. In addition, we may attract young people who would like to continue their learning, people who would come to Alberta and work within our institutions as we develop a very technical and a very solid agricultural and medical research field within this province. So I think it's a very suitable program and I think complements the initiatives that we have taken already. On that basis I support this recommendation.

MR CHAIRMAN: Any more remarks? Perhaps the Member for Edmonton Mill Woods would like to make some final remarks.

MR PAHL: Thank you, Mr. Chairman. I'll attempt to respond to the members' comments.

With respect to the concerns of the Member for Calgary Currie, the recommendation stresses academic excellence but, in responding to his remarks, I would like to draw on the comments of the Member for Spirit River-Fairview who has quite properly pointed out that there are students, or prospective students, certainly with the academic qualifications, who are lost in the cut-off. So the idea of targeting would mean that where the need has been identified as greater than that of an overall level of improving the level of education of our population where there's an identified need, in effect you move the cut-off down, but still not compromise the area of academic excellence because we've identified that a large number of students are qualified for entry into our institutions who don't make it in part because of a financial constraint coupled, perhaps, with an unwillingness to move out of their area of interest.

I think the Member for Edmonton Belmont has raised the concern about whether I've identified the specific target areas, but in truth I was trying to indicate a "for example" in my drafting in the area such as agriculturally or medically orientated research, and those two areas were drawn from my experience or what people have drawn to my attention.

Finally, I would just like to thank the hon. Member for St. Albert for her support.

MR CHAIRMAN: The question on proposed Recommendation No. 8. Before we vote on it, there are a couple more of my inimitable typographical errors in here. It should read: ". . . be directed at providing increased scholarship funding . . .". Those in favor of the recommendation? Those against? The recommendation is carried.

Recommendation No. 9 The Member for Bonnyville.

MR ISLEY: Thank you, Mr. Chairman. This recommendation is put forward in, I suppose, the concept form to get some discussion and reaction from the committee. I'm going to be making some comments on the implementation later on in case anyone has questions in that area. I think that through the Heritage Savings Trust Fund the provincial government has made a tremendous commitment to agriculture through our irrigation programs in the south, and I commend us for it. I see we will be discussing that in Recommendation No. 10.

What I'm looking for here is support for a similar commitment to agriculture in the northern half of this province. My argument would be as follows. The major problem facing the development of agriculture in the south is a lack of water. We've stepped in through irrigation to bring that needed product to the farmer's gate. If you analyse the difficult problems facing the development of agricultural land in the north, I think you would have to agree that the major capital outlay is for land clearing and drainage. Now I'm aware that we do have northern farmers eligible for draining programs under the existing irrigation and draining funding, but there's not much point in draining bush land if you want productivity. So I'm suggesting that we provide support for the development of northern agriculture; to providing on-farm capital assistance in land clearing and draining. One of the reactions we're going to get from critics of this is that we're expending public dollars on private land and hence enhancing the value. I think we've already crossed that hurdle with the irrigation program, because the minute you deliver water to land you have enhanced the value.

As far as the implementation of such a program, if the concept is supported, I would see it on a type of cost-sharing basis with the landowner making a contribution so that he also has a commitment; I would see it as an ongoing program with a certain amount put into the budget each year and used in different areas of northern Alberta.

Thank you, Mr. Chairman.

MR NOTLEY: Mr. Chairman, I certainly support the principle of it, but what breakdown do you see as being feasible in this: the 86:14 formula, or some variation of that; the 75:25 formula; or have you given any consideration to the appropriate breakdown between the individual landowner and the public? How much money would you see as being necessary to get the project started?

MR ISLEY: I would say even a 50:50 cost sharing would provide a tremendous impact out there. One of the advantages of keeping the percentages more or less equal is that whatever money you allot to it will impact that much more land. As I'm saying, I could see 50:50. If I were to set a preferred ratio, I'd say about 30 per cent from the landowner and 70 per cent in the grant. So my range would be anywhere from 30:70 down to 50:50

MR NOTLEY: Do you have any figures? [Inaudible]

MR ISLEY: If we were to plug in somewhere in the neighborhood of \$10 million per year on an ongoing basis, I think you could (a) develop a lot of the land out there right now which is being held back in its development because of brush and drainage problems, and (b) start opening up land in the north much faster than we're doing. There is a tremendous number of acres of land north of Highway 16 in this province that have agricultural potential which we haven't even touched, and some very excellent land in, I'd say, the country even north of Spirit River-Fairview. You get up into that Fort Vermilion area and you've got some tremendously good farmland -- under tremendously good trees.

MR NOTLEY: The recommendation has a good deal of merit. I think it's somewhat analogous to the proposal we've made for the last three or four years with respect to a new pioneer program for expanding infrastructure loans and assistance in opening up of public lands for homestead sale. I think it's complementary to it. I assume that this would be available both for people who own private land already to expand, plus young people who are getting into homesteading and have capital costs involved with clearing their homesteads as well. I suspect that it could be extremely useful in two ways: one, the expansion of agricultural land, which is important; the other is that with the slow-down in the energy industry, quite a number of small contractors have Cats and equipment that could well be put to work if a program of this nature was made available. So it would have a secondary benefit to many private operators in northern parts of the province.

So without giving it the kiss of death, Ernie, I think it's a good proposal, and I support it.

MR PAHL: Mr. Chairman, I would first wonder whether the committee might think about hearing from the hon. Member for Macleod with respect to Recommendation No. 10. I really don't see a lot of difference between the two of them, and after having thrown that element in, I would ask both members whether it wouldn't perhaps be an appropriate area to have funding provided through the Alberta Agricultural Development Corporation, where the emphasis is more on lendings and loan guarantees which both identify the need to foster and maintain family farms and the improvement of their productivity, but also recognize that there's a direct, if you will, personal benefit to the activity. I would be supportive if we were talking about, perhaps, enhancing funds to the Alberta Agricultural Development Corporation for this purpose, but I would raise the question of the subsidy, in effect, and wonder if both members might respond.

MR CHAIRMAN: Does the Member for Macleod wish to get into this discussion at this stage?

MR FJORBOTTEN: I'll hold my remarks, of course, until Recommendation No. 10, but I worded Recommendation No. 10 in the broadest sense for a very good reason: the Alberta Heritage Savings Trust Fund to provide funding for water management in dry land areas, and water management to include irrigation and drainage.

By the time we get on-stream storage and a distribution system of water, we could look at about 1.5 million acres that could be brought under irrigation. But by the same token, there's a lot of good land in low-lying areas, sloughs, potholes, and things like that, that there's another 1.5 million acres that can be reclaimed. Sure, there's a direct benefit to the one who owns the

land. The land that Milt Pahl owns now was owned by two before him and will likely be owned by two or three after him, but the land will still be there. Heritage money is a good investment for the long term.

If you look at the drainage part of the program itself and forget about the irrigation for a moment, I would see a lot of involvement by that landowner, whether he did the work himself on laying the tile, or however he did it. He would have to put in a considerable effort. Maybe it would be 50:50. I don't know; that's something that would have to be worked out. One caveat, I would say, before we did put public money into something like this, is that it couldn't be totally at the discretion of the landowner, that he wanted to drain something; it would have to be something the Department of Agriculture would have some control over, that the benefit of spending that amount of money would have a long-term benefit and would not be money that would be wasted.

If we look at irrigation, the 10-year life of the project we're now talking about is barely going to scratch the surface. I would like to see a long-term commitment on irrigation because it isn't something that can be done quickly. When we talked about fresh-water supplies for a lot of communities, whether it's done in the north, or south, or wherever it's done, a lot of communities rely on that water for their domestic supply. I have no problem with tying it together with Recommendation No. 9, even if you're looking at clearing land; that's an entirely different thing from maybe looking at drainage or irrigation and I suppose that would have to be worked out. But I think there certainly has to be a relationship, a tie, between the drainage of land as well as putting more water on the land. So I'm open.

MR NOTLEY: On a point of order, Mr. Chairman, if you look at 9 and 11 together, because they really are so much closer if you're talking about drainage and clearing, which is largely a problem of the north; if you're talking about improvement of public lands, [inaudible] agricultural lands in No. 11, perhaps we could have both members combine 9, 10, and 11 into one recommendation that would deal with three areas.

MR CHAIRMAN: We did put the three together because they seemed to be very close but there was just that slight difference between each one. One mentions clearing, another mentions forested land, and that was why I did it, but if the feeling of the committee is that these three can be handled as one general recommendation from this committee, then let's do it that way. It would simplify things.

The Member for Edmonton Mill Woods, followed by the Member for Calgary McKnight.

MR PAHL: Mr. Chairman, with respect to putting the three together, my notes on Recommendation 11 would be qualified by saying that this implies a long-term involvement, research, and remedial work, and I see that somewhat separate from the other where we're dealing with the private land owner's interests. I have noted we've had the Pine Ridge Nursery, we have maintenance of our forest program and the land reclamation program all addressed to the long-term stewardship, if you will, of both forested and agricultural land. I see a logical distinction between enhancement of productivity versus long-term protective, non-assignable cost benefits, and read into Recommendation 11, at least, a distinction. Perhaps the mover could help me.

MR FJORBOTTEN: On Recommendation 11, my thought on the public land concept was that we have to do something further to improve a lot of the public land we have in the province for grazing purposes, because there is brush encroachment and things like that on grazing land, also on public forest land. I know we have programs, a grazing reserve program and a reforestation nursery. We've spent \$3.4 million to date on improving our forests. But I don't think 9 and 11 could be lumped together. If we could take the clearing part of No. 9, move it down into public and private lands, maybe in 11, and merge 9 and 10 together, I think would be fine -- if the Member for Bonnyville is willing to do that?

MR CHAIRMAN: I think the Member for Bonnyville has some ideas as well.

MR ISLEY: Yes. Speaking on the combining, it would bother me a bit, because I think we're talking about three different things here. We've already pointed out that Recommendation 11 has long-term implications, maybe a long term before you get action. Whereas the intent of Recommendation 9 is to try to get something moving in the short term. The distinction I see between Recommendations 9 and 10 is that we've already made a substantial commitment to southern agriculture through our involvement in irrigation dams, headworks, water transfer, et cetera, which I'm not criticizing; I'm commending.

I suppose what I'm suggesting here is a commitment directed at land clearing and draining in the north with a special emphasis on the land-clearing component, because of the fact that trees are the greatest handicap to bringing land into production and the most costly one for a farmer to deal with.

I have to react a bit to the hon. Member for Edmonton Mill Woods and his comments with respect to subsidy. I think what we're talking about here is investment. If we want to use the word subsidy, just about every program we've dealt with has subsidy -- be it a water and sewer program, a medical program. I don't think we can bounce the word in one place and out another. What I'm advocating is a definite commitment to investment in agriculture in northern Alberta, which I think the hon. Member for Spirit River-Fairview dealt with some of the short-term secondary benefits. I think the long-term economic benefits are that you're developing the north, you're developing agriculture, you're providing more opportunities for the small communities of the north -- because as soon as you develop more land, you're obviously going to get more farmers -- you're going to [inaudible] the demands that some of the transportation problems can economically be addressed in the north. Hopefully, someday when we solve some other problems, agricultural processing

So basically what I'm asking for in 9 is a commitment to northern agriculture through a land-clearing, cost-sharing program.

MR CHAIRMAN: I think the Chair has to make a decision. It will handle these three separately. Are there any more comments on Recommendation No. 9?

MR PAHL: Mr. Chairman, I would like the mover to address again the question I raised. I'll just read from the annual report in terms of Alberta Agricultural Development Corporation:

Loans are made at preferred rates of interest and borrowers may be eligible for incentive rebates under a number of programmes.

My question again: wouldn't this be an inappropriate delivery mechanism for the assistance that is proposed in the motion? The ratios, I guess, would be set, but I still feel it's an appropriate mechanism for delivery in the program. I'm not sure why it's not an acceptable alternative that doesn't embody the intent of investing in the future and investing in productivity but still reflecting some gain to the beneficiary.

MR FJORBOTTEN: Mr. Chairman, I'd have to disagree with the Member for Edmonton Mill Woods because I don't think the Ag Development Corporation is the proper instrument to use. When we're talking about drainage and irrigation, we're not only talking about agriculture but we're talking about the Department of Environment that both would be involved in a process like that. There would have to be local government and the district agriculturalists and likely the planning commissions and the counties or municipal councillors would have to be involved in the planning of this. To add the Ag Development Corporation which actually fulfills an entirely different role would be, I think, so cumbersome you'd never get anything done.

MR ISLEY: Mr. Chairman, if I understand the hon. Member for Edmonton Mill Woods, his question is: would it be suitable to use the vehicles we already have, such as the Alberta Agricultural Development Corporation and a rebate method through that corporation for implementing this program. I have no problem with that. To me that's part of the administration and not the concept I'm pushing. If we were to say, administratively, okay, we will loan you X dollars at X per cent interest to do this project, and if this project is done to these conditions we will then rebate your 50 or 60 per cent and you will pay off the balance of the loan, to me that is an ideal way of working.

I think the other point I would make here is that by doing this we can probably have a protective environmental impact on land clearing, which is often ignored today. That is, to say to the private landowner, look, if we're going to clear this quarter section, that particular watershed must stay, because I think one of the problems in our northern lakes has probably been over-clearing in some areas and drainage that shouldn't be there getting into lakes. So I see a protection for the public as well from that viewpoint, and a little less control of the private landowner that he'd have to live with if he went under the program.

MR CHAIRMAN: We now bring Recommendation No. 9 to a vote. Those in favor of Recommendation No. 9? It's unanimous.

Recommendation No. 10 The Member for Macleod

MR FJORBOTTEN: I think it's all been said, Mr. Chairman. I don't think I have anything to add.

MR CHAIRMAN: Any further comments? Recommendation No. 10: those in favor? It's unanimous again.

Recommendation No. 11. The Member for Macleod

MR FJORBOTTEN: Thank you, Mr. Chairman. I think it has pretty well all been said on that one also. With the investment and the heritage that we have in this province in public land, any money we spend on it is certainly money well spent. When we talk about public lands that are used for agricultural

purposes, there will certainly have to be some participation financially by whoever has that land lease. And in the forested areas, there are certainly improvements we can make. I'll just leave it at that.

MR PAHL: Mr. Chairman, the only criticism I have of the recommendation is that it's already incorporated into the one, two, three, four projects that are part and parcel of the Heritage Savings Trust Fund expenditures investments. I just think it's repetitive and, therefore, redundant, unless I'm misunderstanding it.

MR FJORBOTTEN: Mr. Chairman, that could be the case. However, the one you're talking about is a grazing reserve program which is a different concept to what we're really talking about. The reforestation nursery carries out one concept of reforestation but not really totally. Improving our forests: that of course is one that does fit under the program of what you're talking about. The land reclamation one for \$9.8 million, I think, is the other one. But that's mostly for garbage dumps, sewage lagoons, and gravel pits. So it really doesn't fit, I don't think, if I'm reading it right.

The concern I have is that I would like to see us place a priority on taking care of our public lands. As far as I'm concerned, there's no better place to put our investment. Now to get into the mechanics of how it will all work, I don't know. I'm satisfied enough to see that we put a priority on it.

MR CHAIRMAN: Any further comments on Recommendation No. 11? Those in favor of Recommendation No. 11? Those against? The recommendation is carried.

Recommendation No. 12. The Member for Calgary Buffalo.

MR SINDLINGER: Mr. Chairman, Recommendation 12 reads as follows:

The Select Standing Committee commission a consultant to determine how efficiently the 1,000 heritage rail hopper cars are serving Alberta farmers.

Mr. Chairman, this is just a small task but it's an important one, and it's not very expensive. I refer back to Mr. Mack's earlier comment about the lack of cost-effective control in certain recommendations. This is one method of ensuring that we have cost-effective control. The purpose of the hopper cars was to help move Alberta grain to market. By undertaking a study of this nature, we could determine just how much grain has been moved to market, and ensure that those cars have been used in the fashion for which they were designed to be used. I put that forward for the committee's consideration.

MR FJORBOTTEN: Mr. Chairman, I have some concern with this particular recommendation because we purchased the cars and of course we want to see them move Alberta grain, but we have turned them over to that use. The rolling stock is under the control of the Canadian Wheat Board, so even if we did a study, I don't know if we could find all the hopper cars. If we did, I don't know what we'd do with the study when we have it because the Canadian Wheat Board has control over that rolling stock. Hopefully they're being used to the best. Maybe you could clear that point up.

MR SINDLINGER: I'll respond right now, Mr. Chairman. The key word the hon. member to my right has just used is "hopefully". We must have more information to go on here than just the word "hopefully". Perhaps once we got

the study, we would be advised that the cars are being used very efficiently, it was a good investment, and we ought to buy another 1,000 cars. Or perhaps the study might say to us: the Canadian Wheat Board isn't using these cars as they were intended to be used, and perhaps we ought to advise them that we're dissatisfied with that and they should be used in another fashion.

MRS FYFE: When the cars are turned over to the Wheat Board, I think the time to do a study would be if there were a decision to buy another 1,000 cars. At this point the decision has been made, and they are no longer within our control. Supposing we get a study back that determines the cars are not being used efficiently. So what? What can we do about it? The cars have been turned over, and they're part of the western transportation system. I can't see any purpose at this point, unless we were considering the purchase of additional hopper cars.

MR PAHL: Mr. Chairman, the first observation I would make is that only 800 hopper cars are in the system right now so the study of 1,000 of them would tend to bias the results somewhat. The other observation I might make is that it was my understanding that the minister responsible had already indicated they would be undertaking a study of the utilization of the cars. On those two scores, I have a little trouble with the recommendation.

MR CHAIRMAN: Any further remarks on Recommendation No. 12?

MR SINDLINGER: I'm not too sure if I understood what Mrs. Fyfe said, but it was something on the lines of, so what if they're not being used efficiently. I think that's an important question that should be answered by this committee. We've spent the money, and we better know what we're getting for that money. This isn't a major undertaking; it's very simple. The records are there. It's just a matter of getting someone to do that.

My impression from the minister's appearance before us was that maybe we might do something like that but at this time, we don't have any particular plan to do so. I for one would like to know if those rail cars are doing what we wanted them to do. Now's the time to find out, rather than 10 years down the line. Or, for example, when the Minister of Hospitals and Medical Care came in here and we found out after the fact that there were cost overruns and there's a difference in responsibilities for those things. Now's the time to find those things out, before they complicate and feed on themselves.

MR NOTLEY: I don't have any quarrel at all with the question of the responsibility for deciding where the cars go being in the hands of the Wheat Board. I don't think there's any feasible way in which you could operate hopper cars other than under the control of the Wheat Board, unless you want total chaos in your transportation system. But recognizing that, it seems to me that there is a fairly important principle here. We're talking about the select standing committee commissioning a consultant and, despite the fact that there may be a review by the Department of Economic Development, it seems to me that from time to time this committee engaging consultants in an area where we have made an investment -- we've already done it once before, I believe, with respect to rate of return last year. Or was it the year before, Mr. Pahl? I forget the year that as a committee we decided to engage a consultant. But it seems to me that is an important principle. Just because there may be a study in the government, a separate study commissioned by this committee to audit, if you like, whether or not a particular investment is

performing its function . . . Quite apart from whether the Auditor General eventually has the power to look into it, from time to time the credibility of our committee requires that we commission that sort of study ourselves, obviously not on the entire range of the heritage trust fund but on individual items.

My guess is that were we to do so, it would probably confirm the decision of the government to place the cars under the control of the Wheat Board. That's my guess. For that reason I would be prepared to support the engaging of a consultant. But whether it does or doesn't, I think Mr. Sindlinger has a point. If it doesn't, if we find there are serious problems then, my heavens, we should know that. Because that's our job; we're watchdogs. We're going to have demands down the road from the rural community for more hopper cars. That's going to be something we're going to have to face as a province, and before you invest another \$50 million in hopper cars, it's not unreasonable that we have an independent assessment of what the present hopper cars are doing.

That being the case, Mr. Chairman, I don't take quite as pessimistic a view as Mrs. Fyfe. For practical purposes the cars are in the transportation system; so be it. That's true. They have to come under the purview of the Wheat Board, but the Wheat Board is not above -- nor would I suspect that they would be any obstacle at all -- working with a consultant, were we to engage one.

MR ISLEY: Mr. Chairman, while I can sympathize to a certain degree with the point of the hon. Member for Calgary Buffalo that once in awhile we should assess what we've done to see how well it is working, I would question strongly the timing of this recommendation. As the hon. Member for Edmonton Mill Woods has pointed out, all the cars aren't in the fleet yet so you're going to be assessing only a partial impact.

I haven't heard any evidence submitted in the arguments of the two proponents of this recommendation that either the Wheat Board or the Grain Transportation Authority are not using the cars properly. I don't have people coming to me saying, we're seeing 10 blue and gold cars sitting on such and such a siding for two weeks. Hence, I would question the timing, and I would question the need of commissioning something just for the sake of commissioning it. Unless there is some reason to suspect they are being used inefficiently, I would say at this point in time let's defeat it and reassess the situation when we have cause for concern.

MR MUSGREAVE: Mr. Chairman, the Member for Bonnyville made most of my points. I would add a further thing though. I appreciate we have a wide scope, and our mandate is as wide as we want to make it, but frankly if you want to do this, besides provide employment to a consultant who may be waiting for his telephone to ring to prepare a report that's going to collect dust up here, maybe there are other areas of concern that we should be hiring consultants for. Maybe we should hire a consultant for every program in the book because we've invested far more money than we have here. I'm surprised the hon. Member for Calgary Buffalo hasn't indicated concern in these other areas where there are much larger investments.

MR CHAIRMAN: None of the members have brought up a concern I have. It may be my medical background but when we do comparative studies in medicine, we always compare a new drug or new technique to that which exists, to another technique, or to doing nothing. The particular recommendation uses the word

"efficiently" but I wonder how you rate that efficiency to any other system. Do you rate it to 1,000 other cars in the system, or to what would have happened had the cars not been there? I have some difficulty, and it may just be because of the peculiarities of medicine that this is how we always look at things. We want to measure it against something. I have a concern with the concept of "efficiency".

Are there any more remarks before the Member for Calgary Buffalo sums up?

MRS FYFE: I'd just like to clarify what I said. I didn't say that I wasn't concerned about what happens to these cars. What I am concerned about is how much the study is going to tell us at this point. I think it's very important in future projects that we look at cost/benefit studies into whether the expenditures that are made are ones that will not have a long-term, negative effect on our economy, a long-term drain, versus the benefit to our economy and to our society as a whole.

I do not perceive at this point, without some direction to supply more hopper cars. what we're really going to achieve by doing a study of these cars at this point.

MR PAHL: Mr. Chairman, perhaps I could introduce a procedural question here. This is a recommendation, theoretically to be embodied in our report to the Legislative Assembly. It recommends essentially that an internal activity occur. It would seem that this is somehow misdirected. I note that same thread through -- and I apologize for not mentioning it sooner. The hon. Member for Calgary Buffalo has prefaced several recommendations with: "the select standing committee commission a consultant to". That seems to be an internal matter rather than a recommendation as part of our report to the Legislative Assembly as a whole and, to me, would seem to be more properly addressed in that form. Aside from the merits of this particular recommendation, I raise that question as well.

MR CHAIRMAN: It's a valid point, but it could be addressed by simply taking out the reference to the standing committee and recommending the Provincial Treasurer do it. The same recommendation is still there essentially, I think. For that reason, I think it should be dealt with.

MRS FYFE: Excuse me for getting in again, but I wonder if we could cover some of the concerns by changing the recommendation to the effect that no more hopper cars be purchased unless there was a study done to determine how the present purchases have served the farmers of Alberta.

MR CHAIRMAN: I think that's a bit radical an amendment.

MRS FYFE: I'm not moving an amendment. I simply asked if it could be incorporated or if the mover would incorporate that. I'm not prepared to put an amendment.

MR CHAIRMAN: I think the Chair would have a little difficulty with such a radical change in the concept of the recommendation because to my knowledge at the moment consideration is not being given to purchasing further hopper cars.

Are there any more remarks before we put this recommendation to a vote?

MR SINDLINGER: Mr. Chairman, in the early history of the railroads, the railway supplied all the rolling stock. It's only been a recent phenomenon

where shippers have provided all the rolling stock or their own boxcars, tank cars, flatcars, or whatever. This follows a trend where the railway gets out of placing rolling stock on the rail for the benefit of the shippers. This trend started in the 1950s. The Alberta government isn't the only entity, agency, or firm that has its own rolling stock on the rails today. But in my experience, those firms, entities, or agencies which have had to supply their own rolling stock have set in place monitoring systems to ensure that rolling stock serves their needs. I know of firms that have as few as 10 to 20 cars that have a monitoring system in place that will tell them where those cars are on each day and enables them to review the service they receive from the cars on a weekly, monthly, and annual basis. It's in their own vested interest to ensure that occurs.

I think we have a similar situation here today, where we have -- as Mr. Pahl rightly points out -- 800 cars, supposedly serving the interests of Albertans to move grain to market. I would just like to demonstrate to the satisfaction of Albertans that that is in fact what is occurring, that Alberta grain is being moved to market by these cars. I'm not witch hunting. I'm just looking for a positive indicator that these cars are being used in the manner for which they were intended.

MR MUSGREAVE: I just want to make one point. The hon. Member for Calgary Buffalo says that these companies are monitoring how their cars are working and sort of indicating that we're not doing the job because we're not doing the same. I would suggest to the Chairman and to this committee that these cars he's talking about remain under the control and ownership of those particular companies. They're not given over to an independent government agency, such as the Canadian Wheat Board.

If the hon. member is concerned that the Wheat Board isn't doing its job, why doesn't he say so? In the meantime, I would suggest let's get the thousand cars rolling and working, then we can evaluate whether or not the program is satisfactory.

MR PAHL: I apologize for protracting the debate, but I feel that the hon. Member for Calgary Buffalo has identified a concern that I think is incumbent upon us as a committee. I would be supportive of his intent if he were to place a recommendation before the committee that this committee recommend that there be a monitoring system or a periodic or an ongoing monitoring activity of the effectiveness of this specific investment on behalf of the Heritage Savings Trust Fund, addressed to the movement of grain. I think that's a legitimate activity and recommendation of this committee, but I think we would be in fact wasting our time and some taxpayers' money if this committee took a snapshot picture of the effectiveness of the activity through the use of a consultant.

I think it would be a better recommendation to the aligned agency of government that has an ongoing responsibility. I'm certainly as interested, I'm sure, as the hon. Member for Calgary Buffalo is with respect to how well the job is being done. We are not without some pressure as a province if they're not being used properly. I for one would want to know that, but I would feel that the recommendation should be placed to the aligned agency responsible with some ongoing monitoring, not an activity of this committee. If we're not satisfied in the future with the results of the monitoring report based on the information we receive from various sources, I think that would be the time to commission our own report as an independent view. But I would

have the agency responsible do the monitoring in the first instance and provide reports to the committee on an ongoing basis.

MR CHAIRMAN: Are there any more remarks, or can we bring this one to a vote?

MR SINDLINGER: Taking into consideration the remarks just made by Mr. Pahl, would an amendment be in order here whereby we can insert the words, "the select standing committee recommends that the government implement a monitoring system to determine how efficiently" et cetera?

MR CHAIRMAN: The amended recommendation is: the government implement a monitoring system to determine how efficiently the 1,000 heritage rail hopper cars are serving Alberta farmers.

MR MUSGREAVE: Mr. Chairman, we don't have 1,000 cars. [Inaudible] should change that to cars that have been delivered or something.

MR SINDLINGER: Delete the thousand.

MR CHAIRMAN: Will we then leave it up to the appropriate departments to decide how they monitor them?

MR PAHL: Perhaps I could suggest another amendment and say, serving Alberta's agricultural industry. You might be reaching back a long way if you had to identify it to the farmer because we have an investment in elevators that is in part impacted by the effective use of those. I would just generalize a little because then someone on this committee could ask, what is it happened at the farm gate? We can, I think, identify benefits without having to go right back to the farm gate in terms of [inaudible] costs. So, Alberta agricultural industry? Okay.

MR CHAIRMAN: All right, on that basis can we have a vote. Maybe we better read out the amended recommendation for the Member for Spirit River-Fairview.

The government implement a monitoring system to determine how efficiently the heritage rail hopper cars are serving Alberta agriculture.

Can we have a vote on the amended recommendation? Those in favor? It's unanimous. Thank you.

Perhaps before we finish we can start into Recommendation No. 13: the Member for Bonnyville.

MR ISLEY: Thank you, Mr. Chairman. There is a substitute Recommendation No. 13. Has that been distributed?

With your permission, Mr. Chairman, I would now like to modify slightly the substitute recommendation for clarification purposes. I would request that it read as follows: The Alberta Heritage Savings Trust Fund (a) purchase transportation corridors to ensure rights of way for primary highways -- change the word "major" to "primary" -- major pipelines, and commercial transmission lines under a 10-year provincial transportation plan . . . (b) would remain as is, which states: establish a program in co-operation with the rural municipalities to purchase and fence rights of way expansion on rural

roads, both municipal and secondary, well in advance of planned construction projects.

If I could go back and address (a) first and then come to (b), I would say (a) one problem we seem to face in this province with respect to building highways is getting a budget in place and then encountering difficulty getting the land to build on. Very often, if building is coming up to a landowner's door, it puts him in an ideal negotiating position. I'm suggesting that we know now, for instance, that we want to twin the Trans-Canada, that we want to twin the Yellowhead Highway, and that we could, at a cost-saving in the long term, go out and purchase those rights of way. We could also purchase the rights of way on other important primary highways that we know have to be built within the next 10 years or so.

Major pipelines and commercial transmission lines: I'm thinking here more of the rights of way problems encountered as you near large growth centres. I realize the difficulties of trying to develop a whole pattern of transportation corridors or energy corridors, if you wish to call them that. But it would seem to me that as we approach the major centres that many of these major pipelines and many of our commercial transmission lines are going to go into, we might save a lot and make a good investment by going out now and purchasing half-mile rights of way, then getting all the environmental impact studies and public hearings over in one shot. Then, when a major pipeline or transmission line has to cross it or enter that city or leave [inaudible] of it, they simply lease space from the provincial government.

Moving on to (b), I'm suggesting that we have a program in co-operation with the municipalities for both primary and secondary reasons, the primary reasons being the cost savings of putting together those rights of way now and the efficiency in again building roads when that road is needed, as opposed to having another delay because of lack of right of way. I would suggest there are secondary benefits to a program of this nature and that through the fencing program, it would provide employment for many low-skilled people in rural Alberta. I know there was a high degree of success in my corner of the province this summer between Alberta Transportation and some of our native groups with them providing the labor of the fence-building crews. I would see other secondary benefits in fence post manufacturing sites in northern Alberta, et cetera.

With that, Mr. Chairman, I leave it for reaction.

MR MUSGREAVE: Really what the member is suggesting here is a form of land banking, and it's a very difficult subject to debate.

I'd like to amend item (b) of the motion to read: establish program in co-operation with -- take out the words "the rural" -- municipalities to purchase and fence rights of way expansion on -- take out the word "rural" again -- then just leave it the way it is. I could support that.

AN HON MEMBER: Could we go through that again?

MR MUSGREAVE: On item (b), take out the words "the rural" in the first line, and in the second line, just take out "rural".

MR CHAIRMAN: Is that agreeable to the mover.

MR ISLEY: Agreed.

MR PAHL: Mr. Chairman, in terms of working from (b) to (a), I would question whether it makes good sense to purchase and fence rights-of-way expansion on rural roads well in advance of planned construction projects simply for the reason that you would then lose agricultural capability because you've sterilized it into a right of way. You would also incur well in [advance] of the planned construction project, the cost of maintaining an unused right of way that would be pretty fertile ground for weeds and other uncontrolled growth.

The second concern I would have -- a number of them relate to the first recommendation. I guess it presupposes a 10-year, provincial, transportation plan, not only for major highways but also for pipelines and transmission lines. I'm not sure we're there yet, and that implies some problems.

The second question I would raise is that pipelines and commercial transmission lines are private sector activities and presumably there would be some expectation that they would bear the front-end costs. I would question whether you can in fact identify, when you have several power companies competing for, say, the Dunvegan dam, just who should be providing the front-end costs. The other alternative would be that the Heritage Savings Trust Fund would then bank the land and recover it. The question would be: do you recover your land from pipelines at a profit but not for utility or power lines?

The final editorial comment that I might have with respect to the purchasing of transportation corridors: I would hope we would use a little wisdom in terms of doing this and perhaps purchase on extended terms so that right away everybody doesn't know who's buying the land and, secondly, we might accomplish the same ends by having it on terms rather than cash up front. That range of concern would lead me to be a little hesitant to support this recommendation unless I could get clarification on the points I've raised.

MR MUSGREAVE: Mr. Chairman, I was just going to suggest that in view of the hour -- and this is a very important subject -- I wonder if we could table this until Tuesday.

MR CHAIRMAN: I was not suggesting we were going to get finished with this one. I thought we just might get started with the initial remarks so people could think about it until next Tuesday.

In view of the hour, I think we'll adjourn, to meet again at 9:30 next Tuesday when the Provincial Treasurer will be with us again.

I have one editorial remark. It's taken us two days to get through some 30 recommendations, and we have 75 altogether. So our schedule is going to run well into the beginning of the fall sitting of the Legislature.

The meeting adjourned at 4 p.m.