

[Chairman: Mr. Oldring]

[10:06 a.m.]

MR. CHAIRMAN: Good morning, ladies and gentlemen, and welcome to another meeting of the select committee on the Alberta Heritage Savings Trust Fund. I want to begin this morning by welcoming the new minister of forestry, the Hon. LeRoy Fjordbotten. We're pleased, sir, that you could find time in a busy schedule and a new portfolio to be with us this morning. It's customary in our committee to allow an opportunity for you, sir, to begin with some opening comments, and we would certainly welcome that. Then from there we turn it over to questions from the members.

MR. McEACHERN: Mr. Chairman, why don't we settle this thing first? Really, I was not intending to partake in all of today's session, and I think we should get it out of the way and this past business finished. I don't intend that we would take, you know, a lot of hours or anything or have a long discussion, but I do think I have the right to appeal. That decision was made the last time you and I talked, and it seems to me that the first order of business is to get that out of the way.

MR. CHAIRMAN: Well, what I would suggest is that we have a minister here with us who has an extremely busy schedule. We've scheduled this meeting to deal with his department, and I think it would be appropriate to do that. I would recognize the Member for Stony Plain.

MR. HERON: Yes, Mr. Chairman, I would ask that given the busy schedule of the minister and the fact that he's here, we use that opportunity to question him on all aspects of his department's involvement with the heritage fund and that we set aside this one committee member's motion for a business meeting. Perhaps we can work it in later today. But I certainly have some thoughts and comments, and I think it's fair to say that the discussion on this motion circulated will not be brief. So in the interests of the minister's time and getting the most out of this committee, I'd ask that we defer this item.

MR. McEACHERN: Well, I just think I should have at least the right to make . . .

MR. CHAIRMAN: The Member for Edmonton-Kingsway.

MR. McEACHERN: Standing Order 62(1) says:

The standing orders of the Assembly shall be observed in the committees of the Assembly so far as may be applicable, except that

(a) a member may speak more than once . . .

and so the order of business is that

Speeches in committees of the whole Assembly . . .

Sorry. I've got the wrong one. Sixty-two(3) says:

The Chairman shall maintain order in the committees of the whole Assembly, deciding all questions of order subject to an appeal to the Assembly.

Now, that translates, according to *Beauchesne* 607 on page 196, into saying that "All decisions of the Chairman may be appealed to the committee." So who else do I appeal to, and why shouldn't I do it now? Why should we have to wait till some specially assigned time? We do not have, as far as I know, until near the end of the sessions of the heritage trust fund hearings any open scheduled meetings. So if we don't do it now, that means it gets put over till sometime in the middle of January.

MR. CHAIRMAN: Mr. McEachern, I would remind you that in

Standing Order 62(3)

The Chairman shall maintain order in the committees of the whole Assembly, deciding all questions of order subject to an appeal to the Assembly.

If you wish to appeal it to the Assembly, the Chair would have no choice but to follow subsection (6):

In case of an appeal to the Assembly, the Chairman shall leave the Chair immediately and report in writing the point of order which he has decided.

It would have to be ruled on by the Assembly, and we would not have the opportunity of hearing from the minister this morning.

MR. McEACHERN: But numbers (2), (3), (4), and so on apply to Committee of the Whole of the Assembly, and we are a separate committee from the Assembly. So the analogous situation is -- you see, if a ruling of the Chair of the Committee of the Whole is appealed, then it's appealed to that body. I don't think I have the right to appeal to the big Assembly. I would do so if . . .

MR. CHAIRMAN: That's the only way we can do it.

MR. McEACHERN: I think you're misreading the Standing Orders. I can appeal to the Assembly. In fact, I wanted to do that; that was my original intention. I don't think the Standing Orders support that. Certainly 607 of *Beauchesne* does not. All decisions of the Chair may be appealed to the committee.

MR. CHAIRMAN: I would remind the member that our Standing Orders do take precedence over *Beauchesne*.

MR. McEACHERN: Yeah, but they're talking about Committee of the Whole. Read 61(b).

MR. NELSON: Mr. Chairman, can we deal with the minister and do all this nonsense later?

MR. McEACHERN: Well, I don't think it's nonsense. I think I have the right to make the appeal. I have the right to not only make my case but ask you for the reason for your decision.

MR. CHAIRMAN: Again, Mr. McEachern, if you wish to appeal it, the avenue of appeal is to the Assembly. The committee . . .

MR. McEACHERN: You know very well what will happen [inaudible] . . . But make me one promise then. If I try to appeal that to the Assembly . . .

AN HON. MEMBER: Open the door.

MR. McEACHERN: . . . and the Speaker and his Parliamentary Counsel decide you are wrong on that point, then I will be able to bring this back up to this committee later.

MR. CHAIRMAN: Well, but certainly . . .

MR. R. SPEAKER: On a point of order, Mr. Chairman.

MR. CHAIRMAN: Member for Little Bow.

MR. R. SPEAKER: There was the suggestion -- and I'm not sure whether Mr. McEachern agreed with that or not -- that we do have a special meeting to discuss that kind of procedure and

the way witnesses handle themselves and under what kind of rules the witnesses are to proceed. The suggestion was made that we have a special meeting looking into that, and I think there's some merit to that. If Mr. McEachern could make comment on that as to whether he would be prepared to do that, our committee has certain powers within itself to set up special meetings to deal with special occasions before we go to a stage where we have to appeal to the total Legislative Assembly. We are an authority within ourselves -- on that basis, any committee is -- so we could be guided by a rule such as that. If Mr. McEachern...

MR. McEACHERN: That sounds like a reasonable suggestion. I guess what I was concerned about was that you would rule that it isn't this body I've got to appeal to, meaning this committee, but rather the Assembly; then the Assembly, being the Speaker and his Parliamentary Counsel, would rule that no, you're wrong, that in fact it's this Assembly, and somehow we'd not get around to dealing with it. I am prepared to deal with it before this committee, which is what I think the Standing Orders imply. So I will seek further counsel from the Parliamentary Counsel, if you like, on that. I certainly would accept his suggestion, as long as we don't put it off till after Christmas or something. It should be done this week if possible. In fact, it should be done now, and we should get this out of the way. It's not something that should hold up the committee in the future.

MR. HYLAND: Mr. Chairman, on the point of order.

MR. CHAIRMAN: Member for Cypress-Redcliff.

MR. HYLAND: Mr. Chairman, maybe it's on another aspect, but I thought somewhere in *Beauchesne* -- and I can't find it -- or in Standing Orders it says that when a challenge is issued to the Chair, either to the Speaker or to a chairman of committees, it should be raised at the earliest opportunity. Yesterday was the earliest opportunity, not today, and I wonder...

MR. CHAIRMAN: Again, to bring this to a conclusion, the Chair's ruling would be that it's appropriate to appeal it to the Assembly if the member wishes to. I think we should get on with the matter we've scheduled to deal with this morning. I'd like to recognize the minister, the Hon. LeRoy Fjordbotten.

MR. McEACHERN: I will appeal it to the committee [inaudible].

AN HON. MEMBER: Open the door.

MR. CHAIRMAN: Mr. Minister... [interjections] Thank you, member for Edmonton Kingsway.

Mr. Minister, welcome. I'm sorry for the delay, and we do appreciate you being with us this morning and look forward to your comments.

MR. FJORDBOTTON: Thank you, Mr. Chairman. I appreciate you moving expeditiously on the matter, and I'm pleased to appear before the committee today as a new minister who certainly is on a steep learning curve. It's an exciting industry. The grazing reserve development program that falls under the purview of the committee is one that's an exciting program.

I have with me today Mr. Bill Irvine, who is the section head of the grazing reserve program. Any of the tough questions on

specifics I'm sure Bill will be able to handle very, very well. The grazing reserve development program falls under the Forestry, Lands and Wildlife portfolio. While the programs in Forestry, Lands and Wildlife for public land in Alberta are many and varied, the committee here today is really present to discuss matters relevant to the Alberta Heritage Savings Trust Fund, specifically the grazing reserve development program. I'm certainly happy to be here to discuss that.

I should at this time define what a grazing reserve is. Grazing reserves are tracts of public land developed for the purpose of grazing livestock. These reserves are totally operated and managed by the department. The reserves differ from grazing leases and grazing associations in that leases and associations manage their own operations. The grazing reserve program is composed of two separate and distinct parts. The first component is the regular grazing reserve program that's funded by the General Revenue Fund. This fund provides for the annual operation of the 32 grazing reserves in the province, and it also funds the new developments and the pasture maintenance on the 20 grazing reserves developed prior to the heritage fund program.

The second component of the Heritage Savings Trust Fund grazing lease reserve program -- and that component is what we're really here to discuss today, Mr. Chairman -- involves the development of 12 grazing reserves as well as the Cooking Lake Blackfoot grazing wildlife and recreation area. The 12 reserves mentioned are part of the 32 reserves previously mentioned that are operated by the department. The development of these reserves has been financed by the Heritage Savings Trust Fund funds allocated in 1976 for the grazing reserve development program. The heritage reserves are located in the gray-wooded areas of the province where soil conditions are basically very poor. By providing land where small-scale farmers and ranchers can graze their livestock, the farmers and ranchers are able to free up their privately owned land for crop production. By doing so, the grazing reserves program...

MR. McEACHERN: Mr. Chairman, on a point of order. I just want to make it very clear, because I don't think I was clear enough, that I will appeal your ruling that you've just made.

MR. CHAIRMAN: What is your point of order, please?

MR. McEACHERN: The point of order is that you ruled... [interjections]

MR. CHAIRMAN: Order please. The Member for Edmonton-Kingsway has the floor, but I'd like you to cite the standing order that you're appealing.

MR. McEACHERN: Okay, 62(1) lays out the rules and *Beauchesne* 607, which I already cited, said that I can only appeal to this committee. You have ruled that I must appeal to the Assembly. What I want to make really clear -- I thought I did before I left, but I want to make it really clear and put it in writing -- that we will appeal that decision, too, because it is a wrong decision.

MR. CHAIRMAN: Okay, then. Put it in writing.

MR. McEACHERN: Okay. Well, I'm appealing your decision that I have to appeal to the Assembly, because I will not be allowed to because that is not allowed in the Standing Orders.

MR. CHAIRMAN: What is your point in reference to 62(1), please?

MR. McEACHERN: John, you didn't . . .

MR. CHAIRMAN: Member, you cited 62(1).

MR. McEACHERN: . . . give me any ruling about why you ruled me out of order yesterday, and now here you are all of a sudden standing on big precedents and words. It says in 62(1) that a Committee of the Whole must appeal a chairman's decision to the Assembly of the Whole, the Committee of the Whole. By analogy, in a committee like this, when the chairman makes a ruling, then his ruling, if it's to be appealed, must be appealed to this body. I do not have the right to appeal it to the Assembly. You have said I must appeal to the Assembly. All I'm saying to you is that I want to make sure you understand that I'm appealing that decision, because otherwise I will get frozen out and will not get my hearing. So I expect to get a hearing from this committee at some point, and we're going to have to set a date and do that. I would hope it does not wait till after Christmas.

MR. CHAIRMAN: If the Member for Edmonton-Kingsway would like to have a seat for a moment, I'm just going to quickly refer to some information. [interjections] Order please. Order please.

MR. BRADLEY: Mr. Chairman.

MR. CHAIRMAN: Member for Pincher Creek-Crowsnest.

MR. BRADLEY: Perhaps it would be in order for us to adjourn for 10 minutes to give you an opportunity to review this matter.

MR. CHAIRMAN: I think probably, if you don't mind just waiting for about another two minutes, I'll be able to comment on it, if it's agreeable.

A five-minute adjournment would be appropriate; it's agreed. Sorry, Mr. Minister. I don't like to hold you up like this, but . . . All those in favour?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Thank you.

[The committee recessed from 10:22 a.m. to 10:38 a.m.]

MR. CHAIRMAN: The Chair will call the meeting back to order. It is the decision of the Chair to reserve my ruling on the process of the appeal until the conclusion of the meeting. I've had an opportunity to consult with Parliamentary Counsel. They're looking at it right now and will continue to do so, and I will rule at the conclusion of the meeting.

MR. McEACHERN: [Inaudible] would you make sure I get a copy of that decision?

MR. CHAIRMAN: I'd be happy to. The Chair would once again recognize the hon. minister.

MR. FJORDBOTTEN: Thank you, Mr. Chairman. I was making comments a few minutes ago about the heritage reserves.

They're located in the gray-wooded areas, and I said that the soil conditions in those areas are normally very poor. By working in those reserves, we're providing land where small-scale farmers and ranchers can graze their livestock and are thereby able to diversify and free up their privately owned land for crop production. It certainly, I think, stabilizes the agricultural economy in areas where there are poor soils. The moneys from the Heritage Savings Trust Fund have been used for development of tame pastures on brush covered lands. The procedures that are involved are really fivefold, I think. The first one is clearing of the brush, the second is breaking of the land, and then working down the breaking of the land and eventually seeding the land to tame or grass/legume mixtures. In addition, fences and corrals are built and controlled to manage the livestock that are put in there.

All 12 heritage fund reserves are now operational, and final developments will be completed by the end of 1987-88 when the program ends. As a result of those new developments, a number of new reserves will not be at full capacity for 1989. An example of that would be the Cooking Lake/Blackfoot grazing and wildlife recreation area, which is a special case because we're integrating grazing with other land uses in that particular area, and that was recently transferred to Recreation and Parks to be administered by them. The 12 new reserves, Mr. Chairman, cover an area of 257,641 acres, of which 96,776 acres have been seeded to tame pastures as of March 31, '87. Available grazing has increased over the past year, and I'd like to bring the volume increases to your attention.

It might help, Mr. Chairman -- I have presented at your table a small package with a map that identifies some of the grazing reserves, and I'd appreciate it if you could distribute it to members. It also goes into some of the facts that may help members to have a greater appreciation of what has happened, where it's happened, and be able to identify more clearly as I speak about them. Mr. Chairman, could you . . .

MR. CHAIRMAN: Yes, the members have . . .

MR. FJORDBOTTEN: The members have them? Oh good. You're so efficient; you're one step ahead as usual.

In 1982-83, the first year livestock were grazed on the new reserves, we achieved just over 31,000 animal-unit months of grazing and served 220 patrons. For your information, an animal-unit month is measured in the amount of forage required to graze one cow for the period of one month. So 31,000 animal-unit months in a season would be about 6,200 cattle for five months. It brings it down so it makes it easier for us all to understand. In 1986-87 we achieved over 76,000 animal-unit months serving 381 patrons, so in a matter of four years we more than doubled the grazing capacity of these reserves. By 1989 when the reserves are at full capacity, we expect a total of about 92,000 animal-unit months. So it's been a very significant increase that's taken place in the carrying capacity.

The question would then arise that with the addition of the new reserves, what's happened to the regular grazing reserve budget? I am pleased to say that with the addition of the 12 reserves that have been added -- and I think this is a very important point -- to the list operational reserves, that has been done without increasing the operational budget. In fact, this year the total 32 reserves will be operated on a budget that is \$600,000 less than the budget allocated in 1982 to operate 28 reserves. So it's been a significant improvement in the operational costs.

A few years ago there was a major concern about the regular

grazing reserve program, and it was operating at a very high deficit. The difference in 1982-83 between the revenue and expenditure was \$1.8 million or \$8.25 per animal-unit month. In 1986-87 this deficit has been reduced to \$511,000 or \$1.88 per animal-unit month after adjusting for the cost of the multiple use aspect of the management. The reduction in that deficit has really taken place for four reasons, and those four reasons are: there's been increased involvement by the patrons, there's been increased utilization, there are higher grazing fees, of course, but there's been more innovative management on the part of the grazing reserve staff. So they all worked to bring down the deficit on those reserves very significantly over the course of the last four to five years.

I'd like to move on to discuss the funding that's provided for the program. As you know, the program was allotted \$40 million over an 11-year period to develop 12 new grazing reserves. We will have spent \$39.2 million by the end of this year, so there's \$800,000 that will be remaining and won't be spent out of the \$40 million. The Treasury guidelines for the year, for example, reduced the allocation for '87-88 by \$200,000. And then there were some wet weather conditions; there were poor weather conditions, and they didn't allow a number of the innovations to take place on the projects on those reserves. I don't believe it's right to start those renovations and do them unless you can complete them, and not just spend the money because the money's running out and not be able to complete the job. We could start the renovations on unproductive grass stands without having any assurance that there were funds thereafter to complete those projects. So it's not reasonable just to spend the money because it's there and is surplus to the program, without being able to complete it. And the regular budget, Mr. Chairman, doesn't have sufficient funds allocated to it to complete the projects should we not be able to complete them under the heritage fund program. So there's no other money available to offset that.

In closing, I'd like to refer to the January 14, '87, proceedings of the standing committee. The committee made reference to expanding the grazing reserve program, and my staff have worked on developing a proposal based on that recommendation. The proposal is to develop some of the older reserves as well as some of the earlier developments on heritage reserves. There's no intention, Mr. Chairman, to expand the number of reserves that we have. The intention is to improve or expand to some degree the reserves that are there. That proposal that I suggest to you as a follow-up to the recommendation of the committee is a \$21.9 million commitment over a five-year period to redevelop those lands that have reverted to brush because of some of the earlier development methods. You have to remember, when those reserves were initially developed from brush covered lands, it was time consuming and costly at that time to do the proper cultivation to kill the aspen and willow roots, and so it wasn't done. As a result, those lands are reverting to brush at a rapid rate and becoming unproductive. Unless these reserves are redeveloped, the operational costs of those reserves are going to go up significantly. The program, I think, from what I see, could increase as much as 40 percent, and the capacity will be reduced somewhere around 30 percent if action isn't taken of some sort. And it should be mentioned that those funds that I'm suggesting as a follow-up to your recommendation, Mr. Chairman, from this committee are only to redevelop on existing reserves; they're not to create any new ones. I don't think that's the proper approach at all. I hope that as I'm able to bring forward this program, you would be supportive of it.

I think I'll stop there, Mr. Chairman, and I'd be happy to try to respond to any questions that you might have on the accomplishments and the current status of the Heritage Savings Trust Fund grazing reserve development program.

MR. CHAIRMAN: Thank you very much, Mr. Minister, for a very comprehensive overview.

MR. CHUMIR: Well, I'm wondering whether the minister was going to be making some comments with respect to the reforestation program, because I'm going to have to be leaving to go to another meeting as well. My primary comments and questions relate to forestry issues in general. I was wondering -- last year we had comments on both issues, and I think it makes the questioning process much simpler. I think it's been traditional to get the full commentary from the minister and then to question. So could I...

MR. FJORDBOTTEN: Mr. Chairman, I'd be happy to do that. The reason I didn't make those comments in my opening comments was that I wasn't sure how to proceed basically, because we're dealing with the report and really past history, not the future so much. Since that program has ended, I didn't know what kind of comments I should make or maybe give an update. Is it your wish that I should give basically an update of what's happened with that program since it expired? Maybe I could make a few comments, Mr. Chairman, about how effective the money that was spent really was.

MR. CHAIRMAN: I think that would be helpful at this time, Mr. Minister.

MR. FJORDBOTTEN: Thank you, Mr. Chairman. There was a program, and it expired. It was a program that ran from '79 to '86. I think it was supposed to run from '79 to 1985 and was given a one-year extension. With the inception of that program, there has been, I think, 120,000 acres and \$25 million invested in seedlings.

As you know, the Pine Ridge nursery was part of that program, and the Pine Ridge nursery is operating very well. It was constructed at Smoky Lake, and there are 20 million containers and 18 million barefoot seedlings annually. There was \$15.6 million that was used from the heritage fund to finance that particular facility. You might find it interesting to note that to date, because of that facility being there -- and I should say it's world renowned. There have been a number of American Senators that I had the opportunity to take there. John Drew from our department was very effective in being able to share with them and show them what it's able to do, and they're very impressed. We've also sent seedlings to China. Because of their forest fire situation in China they lost one-third of their forest. We provided seedlings to them that will allow -- I can't remember, I think 1.1 million trees will be planted in China because of the Pine Ridge nursery being there to help them in their reforestation, because of course they don't have anything that would be equivalent, or would have access to anything equivalent to the Pine Ridge nursery.

To date 197 million seedlings have been produced at Pine Ridge for planting in Alberta forests. Looking over the facility, it's weathering well, and it remains pretty well state of the art. There is some additional upgrade work that I'm looking at that's required to reglaze the greenhouses and expand and upgrade some of the cold-storage facility, but that's going very well.

When the program ended, a Canada/Alberta forest development agreement was put into place, and basically that is a total of \$6.4 million over a period from 1984 -- I believe it expires in 1988. So it works out to a little over \$2 million a year. That agreement seems to be working fairly well in maintaining the plantations, et cetera, that have been put into place.

I might, while I'm speaking about it, make a comment about right now what I would suggest, because there has been some suggestion from the committee, Mr. Chairman, about what should be carried on or if the heritage fund should have some involvement in the forestry aspect. I can't give you an answer because I don't know the answer. The reason I have some difficulty in providing an answer is that right now in Alberta we are utilizing -- well, we're in a surplus wood position, and we're not even utilizing half of our forests. I have some difficulty in coming forward to the committee and justifying a major expenditure in something that we aren't utilizing the full potential of at the moment. That could change to some degree. I'm stepping beyond bounds, Mr. Chairman, to a certain degree into the future, but I take the question from the hon. member to lead to that, that with the number of projects now being planned or under construction in Alberta, that could change. That would mean that I think there is some potential for the role of the heritage fund to recognize and realize the potential beyond what is required of our industry to achieve a sustained yield. So I think there will be a point where the heritage fund could be involved. At the moment I think the Canada/Alberta forest development agreement is doing fairly well at meeting that target, recognizing that it will end in 1988.

MR. CHAIRMAN: Good. Thank you, Mr. Minister.
The Member for Calgary-Buffalo.

MR. CHUMIR: Thank you. I'd like to welcome the minister to our hearings and to wish him good luck in his new portfolio. I'm sure it must seem like going to school once again, trying to master a whole new range of disciplines.

I'd also like to compliment him on the information which he has provided to this committee with respect to the grazing leases. The information is somewhat limited but still leap years beyond what is normally provided to members of this committee, which can be characterized by a virtual absence of any detailed information with respect to the programs that we are supposed to be reviewing on behalf of the people of this province. If I might comment, the heart of the commotion in the Legislature yesterday related to the issue of members of this committee being able to obtain information that is needed to assess programs. I made the comment last week when the minister of hospitals was before this committee and I made it last year, that I consider the process of informing this committee to be totally inadequate to allow MLAs to do their duty. We are continually forced to play the role of Sherlock Holmes, delving around trying to find scraps of information which should be provided to us by way of some form of report in advance instead of being able to focus on policy. You have, in a manner, given us greater information than we normally have, and I compliment you on that.

I would like to deal with some of the issues of forestry. We've had two programs within the heritage fund, one with respect to maintaining our forests on which we've expended \$25 million, including \$700,000 last year, and there is an Alberta reforestation nursery. Forestry is obviously playing an increasing role in the economy of Alberta, and this has been recognized

to some extent by our heritage fund expenditures.

At the same time, the heritage fund makes expenditures which promote tourism and conservation. I'd like to get some sense, if I could, with respect to how we balance some of these competing concerns with respect to our logging policy, particularly in relation to several logging projects which have been approved during the course of the last year: one, the Hidden Creek area in which a 300-year-old forest with great tourist potential and of the highest conservation rating has been logged, and then the Cypress Hills in which a 40-year logging permit has been leased within a provincial park. I'm wondering whether the minister just might advise the committee how decisions are made within his department in balancing the economic benefits of logging against the ecological, environmental, wilderness, and tourism concerns. What is the process within the department? What type of input is there, independent input?

MR. FJORBOTTEN: Mr. Chairman, that's one area that's a very important question, and I thank the member for his comments. Yes, it is a learning curve, and yes, it is like being back in school.

The whole area of competing interests, of course, is one that makes this portfolio so difficult. There are all kinds of interests out there that everybody feels they have to have their oar in the water on every issue. That's been basically accommodated in the process that we go through vis-à-vis public hearings on integrated resource planning, et cetera. Alberta has about the toughest standards, I think, in Canada and somewhat in the world, at least from what I've seen prior to becoming minister of this portfolio and being able to see what happens in other countries about their logging techniques, et cetera. Alberta has some of the toughest reforestation standards in Canada.

With respect to the logging, trees are basically like harvesting a crop. We have to recognize that they grow, and nature has its way of taking care of them if something isn't done with them after they reach a certain maturity. If nothing is done, we have a lot of deadfall or we have disease or whatever that comes into the forest and can destroy wide areas. And then of course you have a lot of deadwood and then forest fires, and that's basically what's cleaned out the forest and done it in the past.

Managing the forest. Everything is taken into consideration on each project; for example, habitat, watershed. Everything else is considered in the process. We can either allow the fire, and we use fire to some degree to get rid of some of the deadwood, and then, of course, that triggers nature to reseed the area. What's happened in the past is that by using that technique we ended up with an equivalent forest or, many times, a poorer forest in 120 years. By using proper reforestation and good seed -- and hence the Pine Ridge nursery -- we're able to end up with a better forest than what we had in 80 years rather than 120. Areas, for example, like Hidden Creek: one of the things that that area, of course, has is mature wood that needs to be taken. I know the area well. I hike there, so I know it and I understand it. In that particular case, and most cases, a landscape architect would work, and there would be a lot of studies done with respect to how that cutting would take place as far as the aesthetic appeal. I would be happy to provide to the member what would, I think, give him more information in five minutes of his reading than I could possibly give this committee. I'd be happy to circulate one showing how the forest branch works landscaping techniques, et cetera, into doing it. For example, the scenic view, the proximity to creeks, the watershed, the shapes of the cuts, where they're done, and how that's done is clearly defined

in that book. Before the meeting's over, my staff is listening and they'll make sure that you all have copies of that that can give you that information.

There are very, very stringent steps that have to be gone through before logging is done. You only have to go across this province, and you can see over the course of history in many places how it was done. It was very poorly done, and it shows. There are other areas, since our techniques have improved significantly, that it is getting better. I'm not saying we've achieved the maximum; we still strive for that, but it's a very stringent process that each one has to go through on each area. I am convinced in my own mind in the cases that I'm aware of that all things are taken into consideration, recognizing of course that not everyone's going to be pleased, because of the competing interests that are there. Some say nothing should be cut; others say everything should be cut. Some have no concern about the habitat; others have great concern about it. All those things must be taken into consideration and I believe are. I'd be happy to provide that information to your committee, Mr. Chairman.

MR. CHUMIR: Would the minister consider the establishment of a forest advisory council with independent membership similar to that of his fish and wildlife council, which would advise on sensitive issues of this nature, spraying and environmental issues, and also perhaps consider the issue of holding public hearings when sensitive areas such as Cypress and Hidden Creek are to be logged, so that full input could be obtained?

MR. FJORDBOTTEN: Mr. Chairman, I always consider good initiatives. In the cases I'm aware of, I think there is adequate opportunity for public input, but of course if there's a better way to build a mousetrap, I'd be the first one to agree to it. I'm not always convinced that establishing another committee is the right approach. In fact, I'm in the process, and I intend over the next year to look at the wide variety of committees that have been established, while in this department, to do a wide variety of things. In some cases there are far too many members on the committee, and I don't know how they would ever come to a conclusion. It just seems like everybody wants to be on a certain committee. They get unwieldy. I think there are far too many committees. I think oftentimes we feel we have a problem so we appoint a committee, and then you get committees meeting with committees. Really, I don't know what it achieves. I think there's merit in your suggestion, and I would like to consider that in the overall context of the committees. To be frank with you, I don't even know all the committees I've got. I find a new one every day, and I intend to deal with them. There have been some that have had members on for a long time. There should be a turnover of members and some freshness put on them. That would be part of my review, and I'd be happy to add your suggestion to that review process.

MR. CHUMIR: I appreciate that.

The minister also referred to the Canada/Alberta agreement pursuant to which Alberta is receiving \$6.4 million, approximately \$2 million a year. This is a matter that was referred to by his predecessor during our hearings last year. Mr. Sparrow made some comments that were of concern to myself in the sense that he indicated that other provinces had been accessing this funding for some time and that the amount the province of Alberta had been receiving was less and was not on an equal basis to that compared to other provinces.

This issue of the manner in which our government accesses federal moneys on behalf of the people of the province has concerned me. I raised last year the issue of the failure of the government to access Canada Assistance Plan funding for women's shelters, which was costing us millions, that other provinces were accessing. So this fits into a general theme. The minister indicated in his comments last year that he was reviewing the issue of how to increase our accessing to that level of other provinces. I'm wondering whether the minister has as yet had an opportunity to review that issue, whether perhaps Mr. Irvine, if that's his area, might be aware of what's happening. Are we doing better than we have in the past? Where are we going with respect to making sure that we get our fair share of federal funds in light of the fact that we are prone in western Canada to complain about not being treated fairly?

MR. FJORDBOTTEN: Mr. Chairman, on first blush you could say that the member has gone beyond what the heritage fund is supposed to look at with respect to this. I don't believe he has at all. I think he's on the issue. The issue is -- it's on my desk, and I haven't had an opportunity to fully review it yet, but the review I've done upsets me because I think we are getting pit-tance, to tell you the truth, from that program for forestry. I think there are other provinces who don't have any forest basically getting more money from that agreement than we are. I do intend to do something about it, but I have to -- like a coyote scouting out the henhouse, I suppose -- find out what the reasons are behind that, what we are getting. I'm not so much interested in just making sure we get our share, but what we would do with the share if we got it.

I don't believe there's a recognition in Canada of the major resource we have here in Alberta and that we are really the last place on the North American continent that has surplus wood that can be taken economically. What the demands are going to be on that resource and how we maintain and sustain that resource for future generations, not only for harvesting but for all the other reasons -- I think you're on the issue. I think the former minister was.

I haven't had the chance to go into it in depth, but it has great impact on the heritage fund, for example, because there isn't a heritage fund program, and this program has basically replaced it. If we're not getting our share, how do you make a decision on what the heritage fund is to do with respect to the future in reforestation if we don't know what we should be getting out of this other program? So I appreciate the member raising it, and you can be sure I'm working on it.

MR. CHAIRMAN: I compliment the minister for tying that in to the trust fund so nicely.

I recognize the Member for Pincher Creek-Crowsnest, followed by the Member for Edmonton-Kingsway.

MR. BRADLEY: Thank you, Mr. Chairman. I wanted to compliment the minister and his department with regard to these initiatives under the Heritage Savings Trust Fund, particularly the maintaining our forests project. I think it's very important to my area of the province. In terms of the Bow-Crow forest reserve, there's been a lot of logging activity in that area over the past 70, 75 years.

In terms of the sustained-yield philosophy of the department, there have been shortfalls on quotas. With the program the minister has in terms of replanting former industrial areas and also some of the previous logging activity areas that weren't under

the same strict reforestation provisions -- I think it's very important for my area that we have a continued, sustained yield of timber to supply the sawmills in the area.

We've had very high unemployment in my region. I just wanted to comment on the Hidden Creek logging, which was approved by his department, because it had been raised earlier by the Member for Calgary-Buffalo. It's very important to my area that areas like Hidden Creek be considered for logging. We must also look at the fact that the department has set aside, through the natural areas program, the Beehive natural area, which contains 300-year old forest similar to what is being logged in Hidden Creek. So there are areas set aside that preserve these types of natural features.

We have the integrated resource planning process -- that particular area is in the Porcupine-Livingstone plan area -- which has received massive public input from all different interest groups, has had public scrutiny, which basically forms the plan for permitted uses in different areas of the planning area. So there has been that public input which the Member for Calgary-Buffalo was referring to.

There's also been some very restricted logging procedures put in place on the Hidden Creek area. In fact, I perhaps have some concerns over the restrictions, in terms of what would be normally put in in terms of logging areas. There are certainly more restricted logging practices in that area than in our other areas which have similar terrain in my area.

So I commend the minister for what he's done in terms of this particular project on maintaining our forests. I'd just like to ask the question whether or not he sees that we require a continued commitment to this type of program, the maintaining our forests program. Has it in fact done the job it was intended to do? Have we reforested all those areas that had been not sufficiently reforested by previous industrial activity prior to our very commendable reforestation program requirements in the logging permits today?

MR. FJORDBOTTEN: I'm not sure if I can give an honest answer to that, Mr. Chairman. The review I've done to this point would suggest probably not, that we have more work to do. How much? I don't have that answer. You can't undo years of not doing it properly and correct it in a very short time. To make the blanket statement "Yes, we have," I don't think would be proper. That's why I think the Pine Ridge nursery and the reforestation that's now done, not only on what we're doing today in the logging area but also in undoing some of the work that was poorly done in the past -- I think we'll be doing that catch-up process for a number of years.

MR. CHAIRMAN: If I may just briefly greet some visitors to the members' gallery, we have some young boys and girls and parents and teachers with us. For your information, this morning the Standing Committee on the Alberta Heritage Savings Trust Fund Act is meeting. Appearing before the committee is the Hon. LeRoy Fjordbotten, the Minister of Forestry, Lands and Wildlife. We're at this time reviewing the 1986-87 annual trust fund report. It's so nice to have you visiting with us this morning.

Member for Pincher Creek-Crowsnest.

MR. BRADLEY: Mr. Chairman, I guess in terms of the capital projects division we're moving up towards the 20 percent, and there are many worthwhile projects that I'm sure all of us would like to have considered for inclusion in the capital projects divi-

sion. I just think that this one, in terms of maintaining our forests, is one that should receive some consideration by this committee. In terms of my previous question, the minister wasn't able to give us a firm conclusion on that, but I wonder if he would consider reviewing the work, have his department consider what still needs to be done in terms of the original mandate of this maintaining our forest program and perhaps be able to provide us with that information. Is there still work that needs to be done that could be considered under the capital projects division, or is it something his department would, also in this review, consider: whether they'd continue a program, if it's necessary, out of general revenues?

MR. FJORDBOTTEN: Mr. Chairman, I'd be happy to do that, and I'll give an undertaking to the committee that within the next two weeks I will provide a preliminary memo to you and the committee as a follow-up to that question. I don't believe I could get all of it done in a two-week period, but recognizing the time frame that you're working in, I'll try to give you a preliminary look at what it is.

Also, I will attempt to respond to the question that was previously raised with respect to the Canada/Alberta agreement and what other provinces are getting and what we're getting, so that the members have an adequate understanding of that, because I don't believe you can make one decision in isolation from the other. I'll be happy to provide that then, take that undertaking to do that within a two-week period. Then if there's more information needed -- because I can't do an in-depth review in two weeks, but I could give you a preliminary look, if that would be sufficient for the committee.

MR. BRADLEY: Mr. Chairman, I'd like to thank the minister for that. I think if he could give it to us by the end of the year, prior to our meetings in January, that would be useful in terms of our committee and consideration for recommendations from the committee. Thank you.

MR. CHAIRMAN: Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Chairman. A few questions. First, how much heritage trust fund money is being spent in supporting game ranching in Alberta, if any?

MR. FJORDBOTTEN: None.

MR. McEACHERN: Good.

MR. FJORDBOTTEN: Because there is no game ranching in Alberta.

MR. McEACHERN: Do you have any further comments on game ranching in Alberta at this stage?

MR. FJORDBOTTEN: There's game farming in Alberta at the moment. That's a private-sector operation. There are certainly no dollars, as far as I know, within that program. We do not have game ranching in Alberta, so of course there would be no money going into that.

MR. McEACHERN: Can I ask you for a distinction between game ranching and game farming?

MR. FJORDBOTTEN: Game farming is when you raise ani-

imals for breeding stock that are sold. Game ranching is when the meat is raised for slaughter and sale. I could make the distinction even more clearly by saying that the way things stand at the moment in Alberta, game farmers who slaughter some animals -- and of course, you can't have breeding stock without having some slaughter of animals, whether it be age or whatever. They are presently, I think, shipped to Saskatchewan because you are able to slaughter those animals there, and then the meat is maybe sold back here in Alberta, which is, in my view, ridiculous. But that's the way it's happening. It would only seem logical that game farmers who need animals slaughtered could slaughter in Innisfail, for example, at the Lambco plant, which belongs to the government. But that is game farming. Game ranching would be when you are actually raising the animals for slaughter. It could be the step in that approach . . . And of course, we don't have it, so we don't fund it.

MR. McEACHERN: Okay. Thank you.

The second question I had intended to ask was somewhat pre-empted by a former question, so I'll maybe just ask kind of a follow-up on it. It was about the federal government's helping to fund reforestation and maintaining our forests kind of things. I just caught your answer on some of that a minute ago, saying, it seemed to me, that you wanted to check how much money was available from the federal government. Has that problem of Alberta not getting its share from the federal government in many different areas -- is that being overcome now? Are we at a point now where we can, not only in your field but in general? Is the government now demanding its share, in a sense? Because I think that in the past we had so much oil money coming in that we tended not to bother with federal programs. I guess I'm wondering now if we're starting to look at these programs in more detail and on a much broader basis than just one area.

MR. FJORDBOTTEN: Mr. Chairman, I can't respond for other ministers. Before the hon. member came in, I stated clearly that I didn't think we were getting our share of this program and I intended to try to correct that. You always have to be careful with that too. I mean, I have some difficulty with the federal government being involved in funding or having input into a provincial resource where then they feel they have the right to take over our resources. That's true in forestry, and it's certainly true in oil and gas. I can't speak for others. In anything I've been involved with, I've tried to make sure we get our share. If I could get a little more than our share, I never turned that down either. In this area I recognize that the federal government has a responsibility. They have programs across this country, and we should all be treated fairly. If we're not, I intend to see that we are, and in this case I don't believe we are. I'm going to follow up, and hence the memo that I'll provide to the committee before the end of the year.

MR. McEACHERN: Thank you.

I also think I heard in your remarks, and correct me if I'm wrong, that after many years of a certain amount of neglect of our forests in terms of taking care of them -- you know, allowing people to log them and not taking as good care of them as we might . . . I remember comments by our Premier that we do more toward reforestation and fixing our forests than any other province. I don't have the statistics at hand to confirm or deny that point, but my question would be: is it enough? Are we winning the battle, so to speak, to maintain our forests in Alberta?

MR. FJORDBOTTEN: Well, I believe from all I've seen, not only here but in other countries, that we are for sure one of the leaders in the world. Finland may be another country that takes it seriously because of their resource. I don't know how we fit with them, whether we're number 1 or number 2. I know they're very good.

Are we doing all we can do? I don't think we ever do all we can do, and I think that's why we need to keep improving. But yes, I believe we are getting much better, and I think we are winning the battle. Not only we but the industry is becoming more sophisticated in their approach. For example, if you have a pulp mill that you built here, it was natural to do all the logging close to the mill. So eventually you keep logging your way out until finally you get a 200-mile haul and then it's not economical. So you've had a plant that's been there for a number of years, and all of a sudden it's not economical. What happens to the jobs? The recognition now is that they don't do that. They break it up, and they do the distances as well as the close, so the economics would remain the same over a long period of time. That puts other demands on reforestation and how it is done and recognizing what is the mature forest that should be taken and what needs more time.

All of those things are taken into consideration, plus habitat, plus watershed. Plus the ecological impacts are now much better dealt with and, I think, will even be improved more so in the future. I think we made a lot of progress, but anytime anyone says, "I now have it; I have now arrived," they start to worry me.

MR. CHAIRMAN: Member for Cypress-Redcliff.

MR. HYLAND: Thank you, Mr. Chairman. One quick question. I wonder, now that the maintaining our forests program is coming to a close, if the minister and/or the department have ever toyed with the idea of having something in maintaining our forests like AOSTRA, where we would research faster growing trees, different ways of planting them, different ways of growing them, et cetera, to try and obtain the maximum productivity out of our forest.

MR. FJORDBOTTEN: Mr. Chairman, I think a lot of that work is now being done at Pine Ridge. It's an excellent facility, and the research that's taking place there -- not only there but the drawing together of new technology in other parts of the world -- I think is fairly effective. Whether or not there should be something like AOSTRA: I can't really answer that question. I don't see a perceived need at the moment for it. We also have a school at Hinton that does a fair amount of work in training people. I'm not sure -- there's some research done there -- to what degree; I've been there, but I can't really give a clear statement about it. But I don't perceive a need for more than what we're presently doing at Pine Ridge.

MR. CHAIRMAN: No further questions? Mr. Minister, again we thank you for your patience at the outset of our meeting. We appreciate the information you shared with us this morning. You've obviously gotten a tremendous grasp on that ministry in a very short order of time, and we know that Albertans continue to be served well in a very important department to both Albertans today and, of course, in the future. So thank you for being with us this morning and thank you as well, Mr. Irvine.

Perhaps a short recess would be in order. The Chair would be happy to consult briefly with Parliamentary Counsel and

hand down his decision. I would entertain a motion for a five-minute adjournment.

MR. HERON: I'd like to move that we adjourn for five minutes, Mr. Chairman.

MR. CHAIRMAN: Thank you. All those in agreement? Okay. We stand adjourned then until 11:30.

[The committee recessed from 11:24 a.m. to 11:36 a.m.]

MR. CHAIRMAN: The Chair would call the meeting back to order again. I thank the members for their indulgence on this. I think it's safe to say that the area that we're dealing with has been a very difficult area, and I can tell you that the Table officers have been meeting on this constantly since we adjourned.

It is the decision of the Chair, though, to interpret Standing Order 62(3), and I would suggest that in the instance of this committee, Standing Order 62(3) does not apply. It makes reference to committees of the whole Assembly. This particular committee is not comprised of all members of the House, so 62(3) does not apply in this instance. Therefore, I'm going to go to *Beauchesne*, and I will cite citation 607(1) and 608 too; 607(1) reads:

All decisions of the Chairman may be appealed to the committee.

Citation 608:

Procedural difficulties which arise in committees ought to be settled in the committee and not in the House.

The Chair would like to deal with this as expediently as possible and would suggest that it would be appropriate to deal with it within the committee at this time. If the Member for Edmonton-Kingsway would like to make a motion at this time, I would be happy to entertain it.

MR. McEACHERN: Thank you, Mr. Chairman. It is consistent with our interpretation of the rules also that this committee should set its own rules of procedure. And so in a sense when you question the Chair, it's like calling the Chair's ruling into question, and then the body which we are now is the one that should deal with that. So it's really a question of whether the Chair shall be sustained or not. I guess I would like to put my case, then have you, of course, speak to the reasons for your ruling, and then have this body decide whether or not my question was in order or out of order.

What I've put before the committee is:

Be it resolved that this committee does not concur in the ruling yesterday that a question soliciting the opinion of the Auditor General with regard to the mandate of this committee is out of order.

So I'd like to go to the wording of that resolution so that we really are very clear as to just what it was I was asking the Auditor General before we decide whether or not the question was in order.

I will skip over most of the preamble to the question because you all heard it then and it's in writing, and so you can look back and read it if you wish. The question that I was trying to get at is raised perhaps best in the second-last paragraph of my remarks, on page 58 of the transcript from yesterday's proceedings:

We don't even get the kind of details we need to do a Public Accounts kind of analysis, an example being your response to the questions about Alberta Mortgage and Housing, that that would be better done at another time and another place, and your refusal to respond to the Member for Calgary-

Mountain View.

That was on the question of the \$18 million contingency fund.

So it seems to me that this committee is really rather wasting its time unless we can either have some say and some meaningful input into future policy...

And I believe I suggested earlier a type of preview of the next year's plan, much in the way we do the budget.

... or unless we can have some details to do a Public Accounts kind of analysis, and you did recommend that yourself -- you or the former Auditor -- a number of years ago.

And so I guess my question really is: don't we need to change the mandate of this committee if we're really going to get anywhere with having some democratic control over the heritage trust fund?

Now, I guess I would submit that however much one might not like the question, it does seem to me that it's a legitimate thing to ask the Auditor General. First, in view of the fact that he was Assistant Auditor General when Mr. Rogers, in the 1980-81 annual report for the province of Alberta, made a recommendation, recommendation 2 in regard to the heritage trust fund, that a function for this committee similar to the function of a Public Accounts Committee would be an appropriate one in an instance of a number of the heritage trust fund investments. So it was sort of that idea that got me thinking along that line of strengthening the role of this committee. I was trying to point out that we don't have the kind of detailed information we need to do that now. I thought that the Auditor General, who makes sure that the investment committee of the heritage trust fund, the cabinet, stays within the legal rules set out in the legislation about the heritage trust fund and who watches the operation of that fund very closely, audits it, and presents the papers to this committee, would be an ideal person to give us advice on how we might become a more effective committee. I don't really see any reason why he shouldn't be allowed to do that. I mean, we know that he's given us advice about what to do with the deemed assets. His predecessor gave us the advice I just mentioned. I'm sure we can find other cases.

So I thought that this person would be an expert witness who has an incredible amount of information, perhaps more and better than anybody else except perhaps the Treasurer. And of course, I'm quite prepared to ask the Treasurer the same question, but he hardly has the same chance to be an impartial analyst and observer as does the Auditor General. So I thought it was a perfectly good question.

I would be concerned if questions of this type were ruled out of order, if the ruling out of order of this question stands and becomes kind of a precedent. It's in effect saying that the people that come before the committee can't decide for themselves how much they can answer and what they will or won't answer. The Auditor General, as you know, refused to answer a question earlier. I think he was being overcautious on that, but he took that stand and stuck with it. It disappointed my colleague -- and myself, for that matter -- that we didn't get the kind of detailed answer we thought this committee should have. Perhaps a Public Accounts kind of function for this committee would make it clear that his mandate was such that he could give that answer without having to wait for the Treasurer to tell him that he was free to do so. It is supposedly at some point public information, and what are we doing holding the hearings before we have all the public information we need to do the job? Maybe we should have put them all off till January if we have to wait for the Treasurer to decide that these things should be released. I can't understand why all the information that's available right now to the Treasurer isn't available to this committee to do its job.

So if we start protecting the members that come before this committee -- I guess while I'm at it I may as well say that I was quite disappointed last year. My main disappointment last year in this committee was the number of times you said that I couldn't ask that question of the minister. I'll give you a for instance. The Deputy Premier of this province, who's been around the Conservative Party in government for a long time and knows a lot about the heritage trust fund I'm sure, is perfectly capable of looking after himself in any kind of an exchange between himself and the opposition. I wanted to ask him what he thought about the direction of the fund and were there some things we could do differently, sort of global kinds of questions, and it was insisted that no, no, his responsibility was only very, very narrowly in the field of advanced education, the scholarships, and that he didn't have to answer any questions further to that or beyond that. I maintain that this whole committee could have used his expert advice and opinion, and he would have probably given it had everybody on the committee not jumped up and down and screamed that he shouldn't have to answer it. He didn't have to answer it. He's quite capable himself of saying no, he doesn't want to answer it, and I would have accepted that. But I didn't see any reason why we should cut off a chance to get some information that could be useful to this committee.

Mr. Chairman, I guess the final point I'd like to make is that you gave no reason for your ruling. I don't say you've got to quote *Beauchesne* or Standing Orders -- although it would be helpful if you could -- or the mandate of the committee or something like that. But I don't understand why you said that question is out of order.

For the moment I guess I would rest my case and ask the committee here to overrule you and say that the question was in order. If that's the finding of this committee, I suppose rather than ask that the Auditor General be brought back so I can ask it again at another time -- although that's certainly one possibility if the committee so chooses -- I would suggest that I be allowed to send in written form the transcript of my question. I guess I would send the whole of that particular question to the Auditor General and ask him to reply to this committee, so that it goes on the record rather than just letting it drop, if the committee sustains my right to ask the question.

SOME HON. MEMBERS: Question.

MR. McEACHERN: Well, maybe the [chairman] should be allowed to reply.

MR. CHAIRMAN: Order. [interjection] Order please. I think I can speak for myself. Member for Pincher Creek-Crowsnest, followed by the Member for Stony Plain.

MR. BRADLEY: Mr. Chairman, I just wanted to speak to the motion which is before us, and it really deals with the question which was asked. I appreciate the Member for Edmonton-Kingsway had put in other arguments with regard to the operation of this committee beyond the question which is before us today.

I'd like to support the chairman in his ruling, and the reason I do is that the Auditor General is an officer of the Assembly. He's in an entirely different position from being a minister of the Crown who can respond to policy questions. The Auditor General is not in a position to respond to policy questions. His role is defined by legislation, and he's here to respond directly to questions with regard to assets on the report itself and not to

provide comments with regard to policy matters, and the question before us definitely relates to policy. The Auditor General obviously is not in a position to comment on policy matters. It's beyond his role, and it really puts him in a very difficult position being asked a question with regard to policy matters. So I support the ruling of the chairman because the question clearly which was asked was with regard to the mandate of the committee. It's a political question; it's a policy question, and I think the ruling of the Chair was in order given the nature of the question. I think we have to respect that the Auditor General is an officer of the entire Assembly and shouldn't be put in a position where he has to respond to political policy questions.

MR. CHAIRMAN: Thank you. Member for Stony Plain.

MR. HERON: Thank you, Mr. Chairman. The hon. member who spoke before me certainly put forth the strongest possible recommendation that we defeat this motion, and I agree with that. I believe that this committee would be unworkable if we expanded the role of the committee to that of opinion and possible policy scenarios and the rest of it. Our task at hand is to look at the report before us and base our questions on factual questions of that historical data.

The heritage fund, for the purpose of the record, is accounted for in accordance with generally accepted accounting principles, except for the recording of capital projects division investments as deemed assets, and other minor exceptions. I would draw the attention of the hon. member to footnotes 1 and 2. The presentation of deemed assets provides a means to recognize these important investments even though they do not earn a direct financial return. The government is accountable to the Legislature for investment of the heritage fund, and indeed the Legislature has control over many of the specific investments which are made. Investments under the capital projects division must be approved by an annual appropriation Act, and investments in provincial Crown corporations under the Alberta investment division require approval of the Legislature before any investment can be made.

The Legislature has set specific guidelines via the heritage fund Act, and it would not be workable for the Legislature to have direct day-to-day control over the fund's commercial investment division or marketable securities. And I can say as a former portfolio manager that these decisions made by portfolios have to be instantaneous. Certainly, I think the hon. member would have an appreciation for the cumbersome system which would be in place if in fact this committee had input on day-to-day market conditions. In order to maximize the return on the assets, careful day-to-day management by experienced professionals is required.

Further, the heritage fund is currently audited by the Auditor General of Alberta, who is independent of the government. Finally, an all-party select standing committee of the Legislature reviews the fund's investments and makes recommendations respecting existing and potential investments in our recommendations. To me, that is our role, and of course, we must recognize that the people of Alberta -- and all other Canadians, for that matter -- are kept apprised of the intent and value of the heritage fund through the Alberta heritage savings trust account annual report, which is a public document.

So I'm going to ask and urge all the elected colleagues in this committee to defeat this motion, Mr. Chairman.

MR. CHAIRMAN: Thank you.

MR. R. SPEAKER: Mr. Chairman, I just want to comment on my observations of yesterday and recount a little bit of history at the same time, because I do understand the frustration of the hon. member.

As I observed what happened yesterday, the question that went to the Auditor was reasonable and can be asked, because it's in the report. But the response of the Auditor was that in a section of his Act he is unable to answer, firstly, because of opinion, and secondly, he felt that was a policy opinion. Secondly, a section of his Act prohibits the providing of working notes, that he doesn't have to as an accountant. I guess that's a historical pattern. Now, those were the two responses that we got from the Auditor at that point in time. That's a very frustrating response because, as members of the committee, we want the information. We feel that he has it, he audited it, and why can't he give it to us? Now . . .

MR. CHAIRMAN: Just to clarify a point. You're referring to the questions from the Member for Calgary-Mountain View?

MR. R. SPEAKER: Right. Yes. That's where the incident really started, as I saw it yesterday. Now, back in 1980 and '81, members of the opposition went through the very same cycle. At that point in time, we were not given the working papers. So that's a precedent for the Auditor not providing them to the Assembly or to members. We had to go through the political route, which was the Provincial Treasurer, who in turn refused to give us documents at that time, and that creates the discussion within the political arena. So I see what happened in terms of that question, in being that it's the way it is and difficult to accept. But that's the way it is.

Now, in terms of Mr. McEachern's resolution that's before us, soliciting the opinion, I would think the question could be asked. But the Auditor can say, "I cannot respond," and the issue is ended at that point in time; he doesn't have to give his opinion. No one that becomes a witness in committee has to give an opinion if they desire not to; no answer is the answer. So I would think that I don't see this resolution giving us greater capability as a committee. I think there is some misunderstanding of the ground rules, and if clarification of them could clarify your position, Mr. Chairman, as well as Mr. McEachern's . . .

MR. CHAIRMAN: Thank you.

MR. GOGO: Mr. Chairman, along with the Member for Little Bow I believe I can well understand the frustration of the hon. Member for Edmonton-Kingsway. I just want to recap very quickly. This originated with the Member for Calgary-Mountain View on note 8 of the annual report of the heritage fund dealing with contingencies at the \$17 million figure. Very clearly, I think it's been long established that to do his job the Auditor must have the working documents from the departments. I think it's been a long-term tradition that working documents, confidential in nature, under no circumstances are they disclosed. Not only have they not been disclosed in the past between ministers and their officials but, to my knowledge, never by an officer of the Legislature, the Auditor General. So I think I can well understand what Mr. McEachern is getting at and why he's frustrated.

I think, in fairness, the author of the report, who is the Provincial Treasurer, who is also an elected member of the Assembly, can be and should be asked to provide any and all information and explanations regarding his report. I don't think it's

up to the Auditor General, and I think it's unfair to the Auditor General to put the question to him.

I would agree with the Member for Little Bow, however. As Auditor General, I think there are two factors: one, his Act specifically states what he cannot disclose, and he was saying that yesterday; the other is his option as the Auditor General not to answer a question if he wishes. Mr. Chairman, I don't think you, as chairman -- now I'm talking with regard to the motion -- had any option yesterday but to rule the hon. member out of order.

I simply want to close on this comment. A suggestion was made this morning by the Member for Little Bow that I think there's probably great merit in this committee determining at some point how it views section 14 of the Heritage Savings Trust Fund Act; that is, this committee itself, its role, and should those powers be expanded. I think that would be a topic of great discussion and great interest to members of the committee at another time. I certainly don't think at this time we should be discussing it. So I have no option, Mr. Chairman, other than to uphold what I felt was your correct decision and therefore the vote against the motion.

MR. CHAIRMAN: Any further comments?

MR. McEACHERN: Do I get to sum up debate or another chance to speak?

MR. HERON: We all have that right to speak.

MR. CHAIRMAN: In committee, yes, you do have another chance to speak. The Chair would like to hear all speakers, and then I would like to sum up at that time. If you have something further to say, the Chair would be happy to recognize the Member for Edmonton-Kingsway.

MR. McEACHERN: Mr. Chairman, I wonder if there's any reason why I shouldn't have a chance to reply to some of your comments as well. I'm not saying that I necessarily have to have the last word. But I would think it would be in order for you to give your reasons why you ruled the way you did, and then I could still have some reason to comment, I would think. I don't think that would be unfair. I mean, the usual procedure in a challenge to the Chair, if I remember right, is for the person to make their challenge, for the Chair to reply, and then for the Assembly to decide.

MR. CHAIRMAN: The Chair will certainly add his comments and call the question. I would like to say that the Chair has tried to use as much discretion as possible, and I've tried to stretch the parameters of this committee as much as possible. I think that we clearly stray at times from the mandate that we have. I think we go well beyond the information that's in the annual report, and I think it's been helpful. So the Chair has tried to accommodate that.

There was a suggestion that the Chair perhaps had stifled the comments of the Member for Calgary-Mountain View. I would like to point out that if you look at *Hansard*, you will note that the Chair gave the Member for Calgary-Mountain View an opportunity to speak six times. He asked his question, I gave him the opportunity to pursue it -- his original question -- three additional times, and then he asked an additional two questions above and beyond that. So I think the Chair extended the privileges of this committee just as far as I could possibly extend

them, and it was because I recognized the frustrations the member was having in not being able to obtain the information that he wanted. I concluded by making it very clear that he should pursue that matter when the Treasurer comes before us. So I don't think I could have been any more flexible in that situation than I was.

In response to the question that I ruled out of order, I think the members here have summed it up very well. Clearly, it was a question of policy. I don't feel that it was within the mandate of the Auditor General, and therefore it wasn't a fair or appropriate question for him, and the Chair so ruled.

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: Member for Edmonton-Kingsway.

MR. McEACHERN: The Auditor has in fact given some opinions. We've just named a couple of instances of them, so I don't see why he shouldn't be asked for another opinion, particularly since one of them is related to something he had some hand in a number of years ago.

As to the Member for Stony Plain, I said nothing about this committee or the Assembly doing anything to do with the day-to-day proceedings of the heritage trust fund or handling of the heritage trust fund. I was talking about a previewing kind of function like we do with the budget, and we do not tell the Treasurer, day to day, what to do in effect. We are short an awful lot of information about what he does do until about a year or a year and a half later.

For the Member for Little Bow, I would say that the question did not get to the . . . You know, a lot of your analysis was based on how the Auditor might respond. My complaint today is that the question didn't get to the Auditor; it got cut off on the way there. So the Auditor may have his reasons. He's perfectly

capable of answering or not answering for himself, and my objection was to the idea not that he didn't answer but that he wasn't given a chance to decide for himself whether to answer or not. It was cut off on the way by the chairman.

As to the chairman's comments that he was very lenient with Mr. Hawkesworth, that has nothing to do with this appeal. My appeal was on my question to the Auditor. The fact that my dander was up a little bit maybe because of that is beside the point. The fact of the matter is that the Auditor still had the right to say no to me in the same way he'd said it to Bob, and what I objected to was the chairman saying that I could not ask him that question.

If we are not allowed to ask opinions of people in this committee, then we are going to hamstringing ourselves incredibly in terms of where we go and what we do with reviewing the heritage trust fund.

MR. CHAIRMAN: The Chair would conclude by first of all mentioning that my comments on the Member for Calgary-Mountain View were only in reference to your preliminary comments on your own motion. I think that from the Chair's perspective, and going through the [inaudible], it seems that the Member for Edmonton-Kingsway is having a difficult time in grasping the mandate of this particular committee and clearly doesn't understand the mandate of the Auditor General.

I would call the question at this time. All those in favour? Opposed? The motion is defeated.

MR. NELSON: A motion to move we adjourn.

MR. CHAIRMAN: A motion to adjourn by the Member for Calgary-McCall. Thank you.

[The committee adjourned at 12:03 p.m.]