

[Chairman: Mr. Oldring]

[10:02 a.m.]

MR. CHAIRMAN: Good morning, everyone. We'll call the meeting to order and start right in on our recommendations. We have 15 recommendations left to deal with, and perhaps if we can focus in on the recommendations for the full discussions this morning, we'll be able to complete them.

We'll begin with recommendation 52, and the Chair would recognize the Member for Lethbridge-West.

MR. GOGO: Thank you, Mr. Chairman.

That the committee recommend the establishment of a water resources institute at the University of Lethbridge, and that \$5 million be allocated from the Alberta Heritage Savings Trust Fund to provide an endowment fund for this purpose.

Mr. Chairman, this is a motion that was successfully carried last year. However, the response of the government was that this was something that could be and should be done out of general revenue. I disagree strongly with that, because programs operated out of general revenue are subject to being discontinued as part of a government economic policy. Recognizing that the irrigation capital of the country is southern Alberta, if one looks at the history, beginning with the Canadian Pacific railway in 1883, irrigation has become a reality in southern Alberta. We have now made, I think, substantive progress with regard to water supply in the form of the Oldman dam, which is proceeding. We know, as the former Premier has said, that water will be more valuable than oil by the turn of the century.

Even though we have a water commission in the province of Alberta, I think the water commission -- and the hon. Member for Dunvegan is on that commission -- doesn't really deal with, in my view, the research component of H<sub>2</sub>O, or water, or its uses in terms of irrigation and other specialty crops. It deals primarily with matters such as the river system, flow, and so on.

This proposal, Mr. Chairman, with the recommendation of \$5 million in the form of an endowment to the University of Lethbridge -- first of all, the U of L is Alberta's third largest university. It is in the heart of the agricultural community. Alongside it we have Canada's largest research station, under Dr. Gordon Dorrell. I think we have all the ingredients there to do adequate research on the use of water and research on water itself. It would seem to me the advantage of this is that assuming a 10 percent return, we'd be looking at about \$500,000 a year in terms of the resources or income flow from the endowment, and that could do a tremendous amount of work in terms of research within that resources institute.

Mr. Chairman, if we are as concerned as we say we are about the future of Alberta, certainly in economic terms I think this would be an excellent use of money from the Heritage Savings Trust Fund. I don't feel the \$5 million is particularly significant when you recognize the benefits that could flow from it. The Member for Cypress-Redcliff is better knowledgeable than myself, but certainly the formula we have adopted in Alberta in terms of agriculture with irrigation is that with the 86/14, the community or the public benefit to the tune of 86 percent of every dollar in irrigation and 14 percent to the owner. So I would think there are many, many factors to recommend the establishment of this initiative of establishing this water resources institute, and it would go a long way in terms of that matter we continually talk about, and that is diversification.

I'm reminded of a recent project within the last five years, the Canadian long-baseline array, or CLBA, which at a cost of about \$63 million would have provided 300 jobs. We saw that

that didn't transpire. Calgary wanted it, not that it was a drop in the reservoir dam at Glenmore. But as a result of that it was unachievable, because government policy, in my view, was that if the communities couldn't agree as to who should have it, no one was going to have it.

I would hope, having said that, recognizing the minimum investment of \$5 million and the tremendous benefit to the community of southern Alberta, that members of the committee would support it. So I argue, Mr. Chairman, in favour of motion 52.

MR. CHAIRMAN: Thank you.

The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. As I was listening throughout our committee hearings about the effective use of endowment funds, I understood from the various comments that were made that approximately 5 percent of an endowment fund should be set aside per year for expenditures and that the remainder would be reinvested and allow the endowment fund to grow and maintain its values over the years. Using that formula, I calculate that this endowment would generate approximately a quarter of a million dollars per year for the establishment of such an institute. Maybe included in his comments the hon. Member for Lethbridge-West, who's proposed this suggestion, would indicate why it is that Farming for the Future appears not to have given this their priority.

If you look at the public investment going into irrigation, as found on page 9 of the trust fund annual report, agriculture is about \$212 million, and later on, if we look under the Environment department, it's \$315 million. That's only a portion of the total investment in irrigation in Alberta. Why it is, perhaps, that Farming for the Future has not given research in this area a higher priority -- perhaps given our investment as a trust fund in that project of somewhere around \$40 million and \$5 million in this fiscal year... Why haven't they made more use of the funds available to them to do this kind of research? It would seem to me, at least on initial review -- and I'm looking forward to the member's comments -- that rather than setting up an entirely new endowment fund or an institute, with the duplication that might entail in administration costs and so on, is there not maybe a more effective way to accomplish the same purpose using the Farming for the Future program?

With those kinds of questions, perhaps the member could in his closing comments address those. Thank you.

MR. CHAIRMAN: Member for Cypress-Redcliff.

MR. HYLAND: Thank you, Mr. Chairman. In supporting the recommendation by the Member for Lethbridge-West, a few comments on some of the suggestions made by the Member for Calgary-Mountain View, in that Farming for the Future has had some research activities related to irrigation. But the way Farming for the Future is set up, projects have to be brought before the board of Farming for the Future, and on the applications they outline what they intend to do with their research. It isn't an organization that goes out and looks for it; it's related to the research for the term as suggested by those applying to it. It isn't ongoing, steady, stated funding as this situation suggested by the Member for Lethbridge-West, where a fund would be set up and there would be a certain income into it. I guess we could argue that whether it's 10 percent of \$5 million or 5 percent of \$5 million, we in the south are used to starting small and build-

ing on it. I think if such a centre could get started, we could quite possibly see money from the private sector move into it to add to it, rather than government doing the total funding of it.

So in submission, the suggestion made by the member is for the steady continuation of a project and not a project that's funded on a per project base that works under Farming for the Future. As we all know, Farming for the Future is set. We're in the second year of a four- or five-year cycle on Farming for the Future, so the amount of time and funding that's set out for Farming for the Future is not an ongoing continuation of a project such as the water institute at the U of L would be. It obviously wouldn't be totally irrigation; other methods would be studied. It would just happen to be something that would be unique to the University of Lethbridge, a young university in comparison to the other universities in the province, and it would be something that could be unique to them, as the other two universities have different things that are unique to them.

Thank you.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Kingsway.

MR. McEACHERN: Yes, Mr. Chairman, just a minor point. If I heard the Member for Lethbridge-West right, he said that this recommendation was put forward last year. Checking in my report for last year, I believe he really meant the year before last. I didn't recall it from last year, so I checked back and found that the Treasurer had responded to it from the year before.

MR. CHAIRMAN: Thank you.

The Member for Lethbridge-West.

MR. GOGO: Thank you, Mr. Chairman. The Member for Calgary-Mountain View makes some good points, but I think they're really explained by the hon. Mr. Hyland. I considered this coming under Farming for the Future till I looked into Farming for the Future. There are two problems with that. One is that there's an assumption made that water deals only with agriculture, and as hon. members know, by statute we have prioritized the use of water in Alberta, which is domestic, agriculture, followed by industrial. In other words, it's a multi-use, multifaceted resource. Farming for the Future deals with projects that are applied for in terms of the research component and their uses, and trials and pilot projects.

I would be very nervous because this would fall into the category of what the Provincial Treasurer has said, that it should be out of general revenue, which means hit and miss. We all know what happens, Mr. Chairman, when programs are paid for out of general revenue: they're subject to the various restraints. My purpose is to establish an endowment whereby there's a certainty of revenue each year. Whether it's a quarter million or \$500,000 is not the issue to me. The issue is: because of the high priority we're putting on water, I think we should be studying ways of dealing with that water -- its use, its cleanliness; its use not only to the agricultural community but, as far as I'm concerned as the Member for Lethbridge-West, the domestic use of water.

I don't know how else that could be done. I point out again, Mr. Chairman, that we have in place the two major facilities: one is the University of Lethbridge, which I think, being in the heart of the agricultural community, is uniquely geared for that, and the Canada Research Station at Lethbridge, the largest one

in the country. By working together, it seems to me that the amount of money involved is fairly minimal when one recognizes the benefits.

So just in summary, Farming for the Future is not an option because of the nonpermanent nature of it, and I think that if we're going to deal with a water institute, we'd better look at the long term. Therefore, I would hope hon. members would support motion 52.

MR. CHAIRMAN: Thank you.

We'll now turn to recommendation 37. The Chair would recognize the Member for Athabasca-Lac La Biche.

MR. PIQUETTE: Yes. I'm very pleased to move this recommendation to the Alberta heritage trust fund committee hearing:

That under the capital projects division of the Alberta Heritage Savings Trust Fund a \$75 million capital fund be set up for an Alberta North tourism recreation and development program.

The whole idea behind this is that it's an idea advocated by many people in northern Alberta. I believe it even takes into account the Minister of Recreation and Parks, Mr. Norm Weiss, who has advocated an Alberta North type of recreation development project.

In our travels with the economic task force last fall, we as the Official Opposition heard from a number of communities in the Bonnyville, St. Paul, Lac La Biche, Athabasca, Peace River country -- very definitely a feeling that the northern part of the province had been forgotten in terms of recreation and tourism development and not only in that area but even in terms of historical and cultural development of various projects which had been advocated by community groups. So by putting forth a capital projects division which would be a fund which would have a diversified type of approach, that would not simply be a big project like Kananaskis but would be available, perhaps working with organizations, the communities, and small business in terms of developing the potential that exists in northern Alberta, it would go a long way to make tourism a very important industry in northern Alberta.

For example, I was at a meeting last night in Lac La Biche, where the Lac La Biche Historical Preservation Society was successful last year in getting the Lac La Biche Mission, one of the oldest communities in Alberta, designated as an historical resource. Unfortunately, the money available through the department of culture is very minimal. They were able to obtain about \$50,000 to get some of the emergency type of repairs to some of the buildings there on their way, but there's very little money available to initiate approximately a \$3.5 million to \$5.5 million renovation of the complex and putting them into a historical museum/park type of complex. The report that was done by the government is very encouraging in that they conservatively estimate it can draw about 100,000 visitors to the Lac La Biche area when the project is fully under way, putting approximately \$1.2 million in the local economy. This is just an example of the many projects that could be developed in the northern part of the province.

There's been a call, for example, for a fur interpretive centre in my constituency. Again, the area is very historical; it was a transportation link for the early fur traders way back in the 1700s and 1800s, and it's actually one of the first parts of the province settled by the province. Not only that, the Lakeland area contains approximately 80 percent of all the lakes in Alberta with some of the most majestic and beautiful sandy beaches anyone can encounter. Next to the Rocky Mountains

they're definitely some of the most beautiful country we have in Alberta but, again, an untapped resource. We have done little in the past 15 years to initiate a lot of the studies the governments and tourism associations, et cetera, have called for in terms of developing thematic recreation, enhancing and completing loop roads through the area so that the tourists are able to access many of these beautiful lakes that are available for Albertans and for people outside the province.

We traveled as well to the Peace River country. The same situation exists. If we're going to be making the Yellowhead Highway, the road heading out into British Columbia through the Peace River country into the Alaska Highway area a place where people are attracted by having a number of attractions -- local, historical, cultural, recreational, lake resorts, et cetera -- accessible for people and drawing them in as a magnet to be attracted to coming to that part of the country, we will need to move ahead in terms of making money available to the Department of Recreation and Parks and the department of culture to advance a lot of these projects that are very worthwhile projects in northern Alberta.

So this capital projects division of \$75 million is not at all an extravagant fund that we're advocating but over, say, a four- or five-year period would provide a pool of money available to the government, to the Department of Recreation and Parks, and to various associations and groups that are advocating a lot of these projects, a pool of money where tourism as an important resource can be further developed.

There are other ideas. For example, I got a call last week from a couple of businesspeople who are looking at the feasibility of building a riverboat on the Athabasca River, which would bring tourists from the town of Athabasca up the river. There's just no money available to do the feasibility study. They're having difficulties accessing grants to make those kinds of feasibility studies available. But they would like to get into partnership, perhaps with government and themselves as a private enterprise that could explore the restoring of some of the historical kinds of things which happened in our early history of Alberta.

So I would urge the members of this committee to restore a proper balance in the whole area of tourism as an industry. It is time for the north to have their needs addressed. It is time the north feels they are not the forgotten cousins of Alberta in terms of tourism development, and it's time for the northern part of the province to really realize its potential in the tourism industry in the future of Alberta.

MR. CHAIRMAN: Thank you.

Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Chairman. There isn't a lot to add to the rather eloquent appeal of my colleague. However, I do want to put on record that as the critic for tourism in the province, I find this is the kind of thing we really should be doing. I want to add my voice to Leo's to say, you know, the time is now. I'm from the Peace River country originally and could extol the virtues of that magnificent region of the province as eloquently as anyone else, I'm sure. But rather than stopping to do that, I'd like to just add a few edges to what Leo was saying.

It would seem to me that this fund we're suggesting be set up could generate a lot more money than just the \$75 million we're asking to be put in by the province. The local tourism associations and the local chambers of commerce and town councils all

over the regions of the north would be only too glad to get involved and co-operate, as they have done with the rural parks projects, for example. I am sure there are tourist and cultural dollars available from the federal government that could be accessed. But what we need is somebody to take the lead and start the drive for some systematic planning and some exploration of the possible grants that are available so we could have the three levels of government all co-operating together to make this project work over the next four or five years.

A point I could also add: the Peace River country is the access route to Alaska and to the Yukon in the future as roads develop up into that region. I don't think we want to see the traffic just sort of traveling through the Peace River country and not stopping. Certainly it has a magnificent number of things that could be developed in the tourism, recreational, historical, cultural sort of areas. If there were a systematic development of that so we could develop what we might call circle routes -- I don't think you can attract somebody to drive up to the Peace River for one thing, you know, for one tourist sight. But if you had a series of six or eight or 10 around the Peace River country, that would be easy to develop. Then you could attract people to go that far. You could do the same thing in the northeast.

So that's the kind of concept we have in mind here. I certainly hope the members of the committee will think this would be dollars well spent out of the heritage trust fund. They would certainly not be wasted. They would be multiplied by private entrepreneurs getting involved in some of the projects -- certainly local officials, local governments, tourist associations. Hopefully any federal dollars that would be available would be accessed. So we see this as something that could really get off the ground and do just a tremendous job for the people of the north.

MR. CHAIRMAN: Thank you.

The Member for Lacombe.

MR. R. MOORE: Thanks, Mr. Chairman. I think this is a very worthwhile project that the Member for Athabasca-Lac La Biche has brought forward. I don't think any one of us would argue, even with the things that were said by the previous speaker. I hope he's noting that I am supporting what he said. It's a tremendous project that is projected here. However, the timing I would have to question. We haven't that kind of money. I have a motion in here saying just exactly that: that in this time when revenue is not flowing into the heritage trust fund, we continue to support the terrific programs and projects we have in there and see that they are carried out to their fullest potential until money flows back into the heritage trust fund from royalties. Then we can look at a lot of these new, worthwhile programs.

However, I must make a comment on this. It's interesting to note -- I said this a year ago, and I have to draw it to the attention of the staid members of this committee -- that one has to wonder about the individual who has brought this forward and his political affiliation. Back when Kananaskis Country was being developed and after it had opened, for three total years they spent practically every moment within this Legislature and then with the media attacking the irresponsible use of money in Kananaskis Country, developing exactly the same things they advocate here. They said it was a waste of taxpayers' money of the highest degree, catering only to the rich tourist and of no benefit to Albertans. Now, I listened to that for three years, Mr.

Chairman. It's interesting to note that suddenly they come back, and they weren't against the great expenditure, they weren't against feeding rich Americans to the detriment of Albertans. All they were worried about was the location. It was located in Kananaskis Country and not in northern Alberta. So I'm certainly glad that again this year they've come back and underlined the fact that they were mistaken. That socialist media out there had actually misquoted them is what they are basically saying. Because that's all I heard in the media and from them too. Everybody missed their point; they were actually supportive of Kananaskis Country. I just wanted to make sure that was on the record again this year.

I have one question, Mr. Chairman, on this motion. I understand historical -- you know, Peter Pond and so on in the north; all the historical things that went on and the development of the north: northwestern Alberta, northeastern Alberta, and so on. And I understand all the cultural areas of it. There's the Cree and the Beaver and there are the Lebanese that came in and contributed to the growth of the north. Even the Irish got in there and helped out, I'm sure, because the Irish are always the ones that give all these other ethnic groups the push to do something. So the successful growth of the north: I know there had to be Irish in there. I understand historical; I understand cultural. But thematic? I would like the member to tell me exactly what thematic is in relationship to -- without going into historical or cultural. We've already covered it. But he puts a word in there that's not in my Irish vocabulary, so I would like to find out from the member: what do you mean by thematic?

MR. CHAIRMAN: Thank you. Perhaps the member can address that when he sums up.

The Chair would recognize the Member for Ponoka-Rimbey.

MR. JONSON: Yes, Mr. Chairman. I certainly support the idea of the motion, which offers some constructive ideas for improving our number three industry, one which is thriving at the current time. But in the remarks made by the Member for Athabasca-Lac La Biche, I just thought I would like to comment on three or four things. First of all, northern Alberta, in my view, has not been neglected or left out in terms of the developments that have occurred. I am familiar with the northeastern part of the province, and I see a number of initiatives there. We have the Oil Sands Interpretive Centre -- I think that's the title -- in Fort McMurray. We have a great deal of government money that has gone into the lake district, which runs from Long Lake to Lac La Biche, and I do not think there is any indication that from a tourist standpoint, with the exception of the major investment in Kananaskis, northern Alberta has been neglected relative to other parts of the province.

Secondly, I have to comment, perhaps a bit tongue in cheek, that we've had quite a bit of discussion about the priority of southern Alberta and now the priority of northern Alberta. I hope we do not forget that there's something called central Alberta, which likes to go about accomplishing things and not get into a north/south debate. If it continues, we're going to have to get a third dimension to this debate and start talking about central Alberta.

The third comment I would make is that the resolution refers to a project. Many of the ideas, I would say many of them good, that were put forward by the mover of the motion -- this seems to me to be referring to perhaps something more appropriately dealt with as a motion dealing with increasing the operational budget and certain programs within the Department

of Tourism. I have a little trouble conceiving of this as a project, at least in the usual sense that we've used projects in terms of Heritage Savings Trust Fund moneys.

I'd like to just conclude my remarks, Mr. Chairman, by saying that I think the interest in tourism here and the specific suggestions that were made and so on are good to hear about, but I have some trouble with the concept here, and I did have to take issue with just a couple of the things the member said.

MR. CHAIRMAN: Thank you.

Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Chairman. Just a couple of comments, first about this party's stand on the Kananaskis. I'm not backing up from anything I said in this Assembly or any other place about the Kananaskis. It was very overexpensive to what it needed to be. This government should have realized that money was running out back in 1982, yet they continued to build that on a scale of luxury that was unnecessary. That was exemplified by the bringing in of the white sand at a time when we had lots of people lined up at our food banks. I stand by that. It was overdone. There is no question that the final product is a beautiful park and is attracting lots of tourists and may turn out to be relatively successful in the long run, but it was still much more expensive than necessary.

This project, on the other hand, is conceived as being very much a locally sponsored and responsible kind of suggestion, even in the tough economic times we are in. I wanted to deal with that because the member said there wasn't much money in the heritage trust fund to do this or something to that effect, or at least he didn't think there was money to do it. There is lots of money in the heritage trust fund. The Treasurer, investment committee, whoever you want to put in responsibility, has allowed some of the Crown corporations to pay out some of their debentures, and there is quite a lot of money right at this stage in the cash and marketable securities section, which is only serving to bring in -- and I'm not pooh-poohing that function -- its 9 or 10 percent interest or whatever they're getting on their bonds and T-bills and that sort of thing. There is over a billion dollars in that category, at least as of September 30. So there is no reason in the world why there isn't money available for this project if it is conceived as being a worthwhile project, and that really is the test. It certainly has great potential if we just get the local people behind it and involved. I know they're ready and willing. We've talked to people in the north, and there's no question that these dollars could be more than matched by the other levels of government and private people getting involved in helping the developments.

So there's lots of money available. I know the general revenue account is in difficulty, but this committee and this government had made a big thing about saying that the heritage trust fund will be protected, that we will not use the capital of the fund. Well, what better use could you think of for the capital of the fund than a project of this sort? It should be used for diversification rather than just sitting, you know, in T-bills and a fairly sterile kind of use. That's not to say that it didn't bring in some money for the province, and that's important too. But at this stage the priority of the fund should be for diversification projects that will help the economy and not worrying too much about the income side of the fund.

MR. CHAIRMAN: Thank you.

Member for Cypress-Redcliff.

MR. HYLAND: Thank you, Mr. Chairman. A couple of comments and a couple of questions. Firstly, I note that the Member for Athabasca-Lac La Biche I think will get the title with these recommendations, for if they all passed, he would have the title for the most money spent of any one year out of the trust fund that any members have put forward, about \$270 million in recommendations. But I noted that in the other two recommendations he has in there for substantial funds, he is dealing with an endowment fund rather than a capital fund. I'd like him to comment on: when he was making his pitch for passing of this recommendation, he related a lot to planning and things to go towards planning, yet the way the recommendation is worded, it says "capital projects." I'm wondering how he's tying that in when he's talking. At least my understanding of capital would be to build something -- whether it's a historic site or whatever it is, just the building portion thereof and not for planning or for people to get together to plan something.

The other question would be: when he's talking capital, whether it's towns, villages, or rural municipalities and/or private development, it doesn't say in there anywhere about a sharing of the cost, although the Member for Edmonton-Kingsway mentioned it in his comments. I don't know what sort of idea he's got in place for sharing.

The last one would be: there was reference made to the other parks programs, and they have a component in them of operation as well as maintenance. What is he thinking of operation? Is it the idea of once it's developed those who develop will operate it? Or will it be a shared thing in operation? And how many years does he expect this project to continue? Is it a \$75 million, one-year capital project, or is it a fund that'll last for a few years rather than, as I said, the other system he used elsewhere in having a set amount of money set aside and then using the interest off it?

MR. CHAIRMAN: Thank you.

Member for Athabasca-Lac La Biche.

MR. PIQUETTE: Thank you, Mr. Chairman. I'd like to answer some of the questions that were raised by the members. The Member for Lacombe asked a question about what I meant by "thematic" parks. I guess thematic parks basically means that you try to develop parks around a theme or an interpretive type of project situation. For example, the buffalo jumps would be a thematic type of park where it deals on a subject, whether it be early Indian hunting or trapping or whether it be a transportation theme or a cultural theme. So a thematic kind of approach, I think, is using a cultural/tourism type of approach to developing tourism.

In the past we've basically made use of only our rivers and lakes. You know, that seemed to be the concept of tourism. If we developed parks along rivers or lakes, that was what we meant by tourism. The thing we've learned, though, is that tourists are attracted not simply by fishing and hunting. They're attracted to take holidays because of interesting things to do, to learn, et cetera, like the Tyrrell Museum in Drumheller as an example. I spent an entire day there last summer, and I think that's just tremendous. It'll draw millions of people over the next years, and it's an educational tour. For a lot of people like myself -- I'm 40 years old now and I'm over the period of simply enjoying life by casting a bait in the water and trying to drag up a fish. I like to spend my holidays constructively. There are a lot of families that like to do that.

So I think what we have to do in our development of tourism

is really broaden the whole aspect of tourism, where you draw people into a tourist zone by having a number of different types of attractions to bring people in to spend their money, more than simply spending a weekend there where they come in with their mobile or whatever, buy their gas and their food in the city and then come back to the city on Sunday afternoon. What we must be moving to is where people will take their entire holidays in parts of northern Alberta, where you will maximize spending of the tourist dollars in the communities they travel in. That's where you maximize the revenues to small business, to communities, et cetera, rather than simply encouraging the weekend type of holiday.

For some members to say, "It doesn't have the potential of southern Alberta with the mountains" -- well, you know, in Edmonton here, there's a captive market of 700,000 people looking for places to have a unique type of holiday. If we plan properly, that could be accomplished in northern Alberta as well as any other place in Alberta.

Now, the \$75 million I'm advocating here is a capital projects division as opposed to the endowment funds, which is not really a capital expenditure. It's not eroding the capital base whatsoever. So for the member who raised the question that we're advocating \$275 million worth of expenditures in the capital projects division, that is not correct. The only proposal we have here which will actually be an erosion of the capital money is \$75 million which I'm looking at, which is open to option, open that the \$75 million be available for research, be available for working with community groups and tourism associations, et cetera, to maximize the planning process and the development process.

It is not \$75 million to be spent in 1988. That is the entire cost of the project spent over, say, a five-year period. Comparing this with Kananaskis Country, remember that when the Official Opposition in the past criticized the government, it was not on the concept of the project but on the fact that you started out with a project which was supposed to cost \$40 million, which is now over \$225 million, and without having any kind of plan of exactly where you're going to be going. I don't want to see this kind of Alberta North concept making the same mistake. Let's put a dollar figure on it, and let's work out the options to make sure we maximize that use of dollars, as the Member for Edmonton-Kingsway indicated, where we work with other levels of government, with private business, et cetera, where we try to maximize how those dollars can be spent in the creation of tourism in northern Alberta.

So I think it's very responsible, very logical. I think all members from southern Alberta should jump into bed with this recommendation, because it would actually restore the balance. Because I have to say one thing politically, you MLAs from southern Alberta. There's a lot of upset people in northern Alberta. I can tell you one thing. If there's not more attention being paid to restoring some of these balances we see very visibly up north -- why do you think I was elected as an opposition MLA if people up in my riding didn't feel the government was unfair in the way tourism money, irrigation money, et cetera, was being spent? So start listening to what we're saying. What I'm saying is not coming out of my mouth; it's what people are saying up there. So it's time you started listening to northern Albertans, because there won't be many MLAs left on your side, of your political stripe, after the next election if you don't start listening, making sure that forestry and tourism are number one and number two priorities for Alberta heritage trust fund expenditures.

MR. CHAIRMAN: Thank you.  
Member for Lethbridge-West.

MR. GOGO: Well, just a very quick question. I've listened with interest to the hon. member. Perhaps he could indicate the number of Albertans in the geographic area he's talking about. I'd find that of great interest, whether there's 5,000 or 25,000 or 50,000.

MR. PIQUETTE: How many people are we talking about that have expressed that? Well, every town and place we've been to in northern Alberta in my meetings with people have expressed that need. For example, the NADC, the Northern Alberta Development Council, have come out in favour of this type of funding through the Alberta heritage trust fund. At many of the meetings I've attended through the NADC, for example, people have expressed that same type of need, that the government has to start putting a pool of money available for northern Alberta. So you know, we're talking here about something which is very popular in terms of northern Albertans. We know what our potentials are, but we just don't have the means and the resources to develop these potentials.

What we're saying here is that since we have emphasized through the Fish Creek Provincial Park, the Kananaskis Country . . . We have one recommendation from an MLA here from southern Alberta who is asking for a continuation of the Kananaskis Country expansion. You know, let's call fair and fair. I'm prepared to support your recommendation if you people are prepared to support this Alberta North concept. Maybe we can start doing a bit of jockeying here. Because I think it is time we addressed this important need for northern Alberta.

MR. HYLAND: Mr. Chairman, just to quickly say firstly that the member has done exactly what he accused ministers of government of doing. He didn't answer the question that was asked of him, and that was related to how many people.

But that wasn't what I was intending to say when I put my hand up. It would almost sound as if I was being accused of voting against or speaking against the project. I didn't speak against the project, just to set the record straight. I asked questions related to sharing of the capital and if he was including planning in the capital and stuff like that so that the proper planning could go on and people in the north would have a chance to develop what they thought was right rather than something being forced on them by government. That was related to my questions. I didn't say one way or the other whether . . . I didn't speak against the thing.

MR. CHAIRMAN: Thank you. Very quickly.

MR. PIQUETTE: I'd just like to answer the member. Did I not answer that question when I said they would be in consultation with various groups, tourism associations, et cetera, on how best to spend this pool of money over a four- to five-year period? So I hope I have answered that question. It would be a consultative process as well as a research and development project that this pool of money I'm advocating out of the capital division . . . Anyway, I think I'll leave it at that.

MR. CHAIRMAN: Thank you.

We've dealt with two of the 15 recommendations in the first hour. Perhaps as we move on to recommendation 38, members can also be giving some thought to when we want to meet again.

I recognize the Member for Athabasca-Lac La Biche.

MR. PIQUETTE: Okay. Another very well thought out recommendation here. I move that the land reclamation project, which is funded out of the Alberta heritage trust fund,

. . . be changed to the land and water bodies reclamation project so that it continues to reclaim land not governed at the time of disturbance by the Land Surface Conservation and Reclamation Act. In addition, that moneys be made available for research and reclamation of bodies of water that have been adversely affected by man-made pollution where no individual or corporation can be clearly held responsible.

The reason for this motion very definitely is that I like the idea of land reclamation where we turn back land which has been disturbed or a landfill site which has been disturbed by people and not restored back to its original condition. That's a very worthwhile goal. However, one of the things we're forgetting that's a real gap in our environmental concern is the fact that many of our bodies of water, lakes and streams, have been polluted by people over the years. I take a look, for example, at many of the lakes I used to be able to go and fish and swim in, in parts of northern Alberta even. If we go down to southern Alberta and central Alberta, we find the same examples of runoff from fertilizer, from farmers, from spills. Very often you cannot pinpoint any individual or group that could have created the problem so that you can reclaim the damages incurred by changes to the quality of water.

What we need to do is have again on an annual basis research and money available to reverse some of these situations. We find many of our lakes, for example, have experienced tremendous algae growth. They're very quickly killing the fish and the birds that are inhabiting these bodies of water and, again, even damaging the whole tourism potential of many of these bodies of water. There's now some very interesting research going on through the university. I talked to some of the professors, and they are having to scrounge and look and go for almost any kind of hope that possibly money could be made available for them to continue some of these research projects, which are looking very promising, to reverse some of the critical kinds of water-condition situations that exist in many of our streams or bodies of water. So what we need to have is a pool of money here which will be available for research and for pilot projects so that we can address and reverse many of the conditions we have created here in Alberta before it is too late.

I think we have a very excellent opportunity here, if we move quickly, that we can correct some of the mistakes we made in the past. We can perhaps correct some of the pollutants that are damaging our lakes. We can correct, by perhaps very inexpensive methods, algae growth or situations developing in our lakes and streams which will affect the quality of life for future Albertans.

MR. CHAIRMAN: Thank you.

The Member for Cypress-Redcliff

MR. HYLAND: Thank you, Mr. Chairman. I guess the questions I would have to the member on this one would be: he's suggesting a change of the name of a program. I suppose the first question is: is he suggesting that we leave the amount of money the same, not increase it? As I remember the printouts on that program, the numbers that were laid out to us by the minister, most of those programs were \$50,000 and under, and there were many of them. My concern is that if we're wrapping all that in in the reclamation of bodies of water -- I've no prob-



lem with that, except that the reclamation may be done in many cases for that kind of money, but the minute we start to say that money is being made available for research... Research is time-consuming, thus it's costly. I'd wonder why he's got research tied into the same amount of money. It's competing for money with the reclamation money without suggestions of increasing it. Because that program covers a lot of small projects throughout the entire province, and if we start pushing into research, we're going to start losing the effect of the program.

MR. CHAIRMAN: Thank you.

Member for Edmonton-Kingsway.

MR. McEACHERN: Yes, Mr. Chairman. I'll try to answer that question. I think the Minister of the Environment would be the best person to sort of decide to what extent that research would be required. It's just that I guess the reason you put research into a recommendation of this sort is that when you're moving into water reclamation, it's a fairly new area. There may be times when you don't want to move ahead too fast without stopping to check your research and making sure that what you do is effective rather than causing some other problems. So it wasn't really seen that there would be a major research effort in the area of water study, that sort of thing. It was more practical and necessary things to continue the kind of reclamation we've seen on small land sites and landfill type problems into the sloughs and lakes and rivers area of Alberta. I don't think our rivers on a major scale are all that badly polluted, although certainly the North Saskatchewan's not a great example of an unpolluted river. But it wasn't seen as a major expenditure, a major project. It's just that sometimes in order to do a particular recovery of, let's say, a slough, you might not want to barge ahead too fast until you'd had some time to do a bit of research and see how it was going to work. That was my understanding anyway of what we were thinking there.

MR. CHAIRMAN: Thank you.

Member for Athabasca-Lac La Biche.

MR. PIQUETTE: Yeah, that is correct. Research and pilot projects can be very inexpensive. You know, it doesn't have to come up with a lot of money. For example, three or four projects which I've been approached by a university professor here at the University of Alberta are fairly small projects but could have a very, very important impact. They were up in the Peace River country. For example, this professor had been testing putting some inert chemical in the water this past summer which has helped tremendously in controlling algae growth in those particular bodies of water. However, with the university cut-back of the research grant, she's not able to continue that project in 1988.

When I spoke to Mr. Kowalski about this, whether there's any money available for those types of things, he said no. I said: "Well, how come? I would have thought that out of all the projects for Alberta heritage funds, you'd have some money available there." "Well, we have some for land reclamation." So this is where the idea here of the water bodies should be included in land reclamation funding, so that the minister would at his discretion be able to have moneys available. We didn't put a dollar figure here, because I think the Minister of the Environment would be better able to determine on project application how much moneys are required on an annual basis.

At the beginning of this kind of project, it'd probably be

fairly minimal. But as it catches on and as success builds on success, we might have to look at quite a bit of money being made available in the future to complete some of these reclamation projects for bodies of water.

AN HON. MEMBER: Or maybe less.

MR. PIQUETTE: Or maybe less, depending on whether we could prevent some of these problems occurring in the future.

MR. CHAIRMAN: Thank you.

Perhaps before we move on to recommendation 39, I could do a quick poll of the members to find out who might be available to stay through until 1 or 2 o'clock to finish these recommendations.

MR. McEACHERN: Mr. Chairman, I would suggest that actually we're probably not that far off target on time. A number of the recommendations left are mine, and they sort of lump together and should not take all that long.

AN HON. MEMBER: Not if the member talks long.

MR. McEACHERN: No, I've laid a lot of the groundwork for them, and I think we should not be too hard pressed to finish at 12 o'clock by my reckoning.

MR. CHAIRMAN: The only thing the Chairman was thinking was that if we wanted to stay till 1 o'clock, I was going to arrange to have some sandwiches brought up for noon and we could adjourn for 15 minutes.

MR. HERON: Mr. Chairman, I'm sorry, but I have a commitment out in Wabamun with the Yellowhead Regional Planning Commission, and I have to leave here a little early.

MR. CHAIRMAN: Okay, we'd better press on then. Recommendation 39, and the Chair would again recognize the Member for Athabasca-Lac La Biche.

MR. PIQUETTE: Okay. Fairly briefly, because this is the motion I introduced last year:

That an individual whose land has been acquired by the Alberta Agricultural Development Corporation through foreclosure or quitclaim have the right of first refusal in respect of his former home quarter section in the event that the same is offered for lease or disposal to the public by AADC.

I'm hoping this is a very reasonable type of recommendation. I know the ADC task force headed by the government heard the same recommendation by many of the farmers that feel that situation should be addressed. I don't believe in foreclosures or quitclaims at this time in our agricultural crisis, what's happening in the grain sector of our economy. However, if we're going to be having quitclaims or foreclosures, at least let's not force families off the land or off the farm entirely. Let's give them a chance to at least lease back or buy back their home quarter section of land as a right to first refusal, and let's keep them in our rural communities as opposed to forcing many of these people into cities where they need to join the welfare roll or unemployment roll in our cities.

A lot of our agricultural problems are temporary, and a lot of people can rebuild. This would provide an option for people to start rebuilding their future. However, when you kick out an individual from his farm, his family from his home quarter,

without an option to buy it back and be a responsible farmer again in the future, you're really taking much more than simply his residence. A farmer has very much an emotional tie to his home quarter and to his home -- a lot more than someone in the city. I lived in the city for 10 years, and whether I lived in Mill Woods or Parkallen or Beaumont, it was all the same thing. A house in a little cul-de-sac was all the same. Being back on the farm, I can see that the whole relationship is so much stronger to the land and to the importance of keeping that in the family.

I think it's totally uncalled for for the government to have not responded to our agricultural crisis, but at least -- at least -- have this kind of an option available. It's unfortunate that this recommendation didn't pass last year. I'm hoping this year that the committee will at least pass this recommendation so that AADC will have some leadership from this committee on how best we can save the family farm.

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

MR. HERON: Yes, Mr. Chairman. Unfortunately, when I read recommendation 39, it doesn't say what the hon. member just discussed; for the motion, as you read it, would destroy the normal business relationship between a lender and a farmer. If you take what's written down here, it would mean that in every situation where a farmer purchased land and the market value declined, it would be to his advantage to go through a foreclosure action or just quit making payments, because he would know that he would have the right of first refusal on any offer that is made. So he would be going through an effective devaluation of the land.

However, what the hon. Member for Athabasca-Lac La Biche said made a lot more sense to me, in that if a farmer saw that he couldn't make it on, say, four quarters of land, he could decide to quitclaim three of them and negotiate remaining on the home quarter. That makes a lot of sense. We heard in the agricultural hearings a very strong representation along these lines. The Minister of Agriculture has not announced any recommendations of that review committee to which I just made reference, but I'm sure that very careful consideration is being given to the recommendations at this time.

I would like to note, though, that in many, many cases when we listened to the farmers, they acknowledged that they had made a mistake, purchased land at or in excess of a thousand dollars an acre, and that they simply wanted to quitclaim, get rid of it and get on with life. In many cases they didn't want to farm, but they wanted to maintain their life-style on the home quarter and use off-farm income to supplement a rural way of life which was formerly uneconomic. I don't see anything wrong with that. I feel it's a matter, though, of not having a policy interfere with the credit relationships between a lender and a borrower. For that reason, I have difficulty with this recommendation the way it's worded.

MR. CHAIRMAN: Thank you.  
Member for Edmonton-Kingsway.

MR. McEACHERN: Just very briefly, I appreciate the comments of the Member for Stony Plain. In fact, it sounds like, at least to some degree, we're on the same wavelength with this. But I think what we're trying to get at here -- and I'm not quite sure where his objections are coming from to the particular wording here, realizing that it's only a recommendation to the

cabinet, the investment committee of the heritage trust fund, which then has to recommend to ADC or whatever. There's certainly time for modification and rewording, if necessary.

I guess what we're trying to get at is that a banker or a lender wouldn't be able to claim the whole farm unfairly, particularly. I think of instances where the farmer seems to have to put up the whole farm to get a loan that isn't as big as the value of the whole farm. Sometimes they insist on foreclosing on the whole farm and then turn around and rewrite it down and sell it to somebody else anyway. All we're saying is that the farmer that had it originally must at least be given priority in sort of resurrecting the home quarter. So I think that we're not that far off in terms of the intention.

MR. HERON: Well, Mr. Chairman, I'll make it crystal clear: we are a long ways off from what the hon. member just said. I believe that if a person makes a decision to purchase something and they put up collateral, and they've made a bad decision or the projections that they've made go wrong, then the lender should have the right to realize upon that collateral or security that's been put up. Any government regulation which moves in to interfere with that relationship is going to reduce all farmers or lenders to the lowest common denominator.

Now, as I said before, I don't see anything wrong with a person entering into negotiations with a lender to, say, quitclaim three quarters if the security value on those three quarters will allow him to keep his home quarter. But my danger is in protecting those people who make a decision which is not speculative, for example, so that they will then be allowed access to credit in the future. I mean, attempting to put artificial negotiations into the transaction will only then put all borrowers at the same level of risk; that is, the lowest possible level.

MR. CHAIRMAN: Thank you.  
Member for Lethbridge-West.

MR. GOGO: Thank you, Mr. Chairman. In my view, Mr. Piquette's arguments in favour of the motion were uniquely different from the wording of the motion if we're talking about family farms, and he said "family."

I have some difficulty with a lawyer in Edmonton who is living outside of Morinville and has speculated in the land, for example, as Mr. Heron has said, and is living on the land. Based on the assessment of country homes today, which are primarily exempt from any taxation, and simply because it's uneconomic and the corporation is ADC, he loses the land. Why should he have the right to remain on that land? Now, if the hon. member wants to talk about farming, let's talk about farming. If he wants to talk about homestead in the sense of third or fourth generations, let's talk about that.

But I don't see that at all. I think in many cases farmers have lost their land because they shouldn't be farming in the first place. If the member is sincere about these people doing well, why isn't he recommending they take advantage of a retraining program that's being offered? I have some difficulty, because I agree in concept with what he says. But that's not what the wording of the motion is, and I have trouble with that, Mr. Chairman.

MR. CHAIRMAN: Thank you.  
Member for Athabasca-Lac La Biche.

MR. PIQUETTE: I don't see what the whole concern is about



the wording of this recommendation. All we said here is "have the right of first refusal." It's not talking here about interfering in terms of the rights of the people who hold the mortgage or the loan to exercise their right to recover their assets. The right to first refusal here means, basically, that when the home quarter is put up for sale, from what I've been told, the right to first refusal would allow somebody to outbid or at least to have a bid on that home quarter and to have at least an option to top a competing bid so that he's given a choice to be able to buy back his home quarter at the fair market price.

I do not understand the whole concern here about it. What I'm concerned about here and the Member for Lethbridge-West should be very concerned about is the depopulation of our rural areas. I mean, in the last few years if you travel rural Alberta, you'll see homes that have been abandoned, home quarters that have been abandoned. The neighbouring farmers are not interested in buying a residence; they've already got one. All they are doing is leasing land for agricultural purposes. Here we're trying to keep people in rural Alberta living in the residences so that our schools are not shut down, so that rural Alberta is not depopulated. And here we're advocating a very constructive recommendation which would allow that individual who wants to stay in his residence to be able to buy it back from the bank, or ADC in this situation. So I just fail to understand the arguments against this recommendation. It's a beautiful, conservative recommendation.

**MR. CHERRY:** Mr. Chairman, I just wanted to say a couple of things regarding this recommendation. First of all, I see "through foreclosure or quitclaim have the right of first refusal." And I believe that when there is a foreclosure or quitclaim, when it goes up for tender, doesn't that original owner have an opportunity to bid on it? Now, you must remember first of all, that when the quitclaim or the foreclosure was put in effect, he probably has had through the write-down interest through ADC already -- is it five years? In a lot of cases, from my information, there was no payment made at any time. So I think the way the policy is now, it stands for itself, where, you know, if he has the money, after he has a foreclosure or quitclaim, then he can go back and bid on it like anybody else. As far as the leasing, where do you stop at leasing? What do you do? Do you lease it to him for one year, or do you lease it to him for three years? At the end of that time, in all probability, he wouldn't have the money to buy it anyway.

I just say those few comments, Mr. Chairman.

**MR. CHAIRMAN:** Thank you.

Recommendation 42. I recognize the Member for Calgary-Mountain View.

**MR. HAWKESWORTH:** Mr. Chairman, I believe in a previous motion there was a similar concept. It's written a bit differently, but in general tenor and spirit it's similar to recommendation 32. Unless other members of the committee want to make additional comments, I would propose to let my colleague's comments on that previous motion stand in support of this one as well.

**MR. CHAIRMAN:** Thank you.

Moving on then to recommendation 43, I recognize the Member for Calgary-Mountain View.

**MR. HAWKESWORTH:** Thank you, Mr. Chairman. I again will be brief. I thought it was interesting to note that in the com-

pleted research projects and projects in progress funded by this occupational health and safety heritage grant program, there are a number of studies related to workers exposed to air pollution in the outdoors, where that air pollution might be found on the worksite from some gases and so on that are present in the drilling industry to -- there was a study done of the effects on those who work on road building, for those who are exposed to the products during paving. It seemed to me interesting that we would do that, and it's good that they were done for those who work outside.

But there are also many, many Alberta workers who work inside. There's a growing body of information and concern. Here is a study, for example, from the Canadian Centre for Occupational Health and Safety as to what the effects might be on workers who are working in offices that have recently had their building envelope tightened in order to create greater energy savings and greater energy efficiencies. It means that air inside of buildings tends to remain within the building for longer periods of time and that the airborne pollutants in that environment appear to be having a greater and greater effect on office workers, whether it be from downstream or sidestream smoke, cigarette smoke, or from gases -- if you can believe it -- that are emitted from materials, the new materials in furniture. Apparently, there is some initial evidence that these synthetic materials and the gas that they emit react with fluorescent and gas vapour lighting, and there are all kinds of by-products which are created from that. So there is at least an initial body of material available. It seems to me that a similar kind of study to determine whether this is really as significant as some might indicate or whether it's not significant as it affects workers in Alberta that are office workers . . .

Thank you, Mr. Chairman.

**MR. CHAIRMAN:** Thank you.

Member for Cypress-Redcliff.

**MR. HYLAND:** Mr. Chairman, just quickly, a couple of questions. I guess I would wonder why the member would want us to give direction to a committee, unless he's got information that somebody has put such a proposal forward, I suppose is the key. Because my understanding of that committee is that it looks at proposals that are brought forward. Does he have knowledge of a proposal that was brought forward and the committee refused to look at it, rather than . . . Why would we direct him, if there is that much concern in the private sector and/or by associations or unions? Has he any knowledge of anybody that's put something forward as a suggestion of a study that he's looking at that's been refused by that committee?

**MR. HAWKESWORTH:** Mr. Chairman, I'm personally not aware of any study that's been brought forward to the committee that was refused. I felt that it was an opportune time to raise the question with the selection committee and by whatever means are at their disposal to encourage a study to come forward that would be, I think, the full extent of our committee's mandate. It's for that reason I'm bringing forward this recommendation. So no, I'm not aware of a study that's been turned down by this committee.

**MR. CHAIRMAN:** Thank you.

**MR. HERON:** May I just briefly suggest, Mr. Chairman, in speaking to this recommendation, that we not spend much more

money, that we've had lots of studies saying that secondhand smoke is probably as harmful as anything. And perhaps I could urge all the members of this Legislature to set an example at the highest possible level -- that is, right in this Assembly, during committees of supply, et cetera -- to eliminate smoking from the the Legislature and perhaps even the legislative buildings altogether. To me, there doesn't appear to be any consistency. As I look about, even members of our own government, I think, can be faulted to some extent. I say that as a former smoker, undoubtedly, who quit many years back when the surgeon general said it was harmful to your health and harmful to the environment, and I choose to escape smoke wherever possible. But not so in the Committee of Supply, and not so in the caucus meetings, and not so in many, many of the meetings we attend in this very Legislature.

To carry it one step further, I would urge the hon. member from his side to have the courage to get all parties' support to ban smoking. I find it somewhat unusual that some departments of this government have a smoke-free environment. Just the other day I noticed a bunch of smokers standing out in the corridor because the minister as of January 1 had declared it was a smoke-free environment. I find it unusual that the employees are subject to smoke-free environments, and yet the elected representatives do not have the courage of their convictions to ban smoking altogether from the Legislative Assembly.

MR. CHAIRMAN: Thank you. A point well taken, and as Mr. Gogo will attest, the only thing worse than a nonsmoker is a reformed nonsmoker. But I would hope that we're not going to get into that debate right now. Perhaps we can move on to recommendation 44.

MR. HAWKESWORTH: Thank you, Mr. Chairman, and I accept the comments on the previous motion. They're noted. As he knows, there are crosses we all bear in life that we would like to be able to be -- oh, I didn't say anything.

Number 44, Mr. Chairman, has to do with a commitment that was made in the previous year to fund solar and wind energy research. To the best of my knowledge this has not been proceeded with. It was approved by the Legislature, and in spite of that approval it was not moved forward by government. I for one, who come from sunny southern Alberta, which also frequently is windy southern Alberta -- it seems to me there's a great natural resource there for which we could be, I think, a leader in Canada and North America in developing technologies to maximize that advantage. And as all members recognize, when you want to diversify and develop an economy, you take advantage of your natural advantages. As far as I can see, these are two we've got that we've failed to really explore, and I'm sorry to see that this research and development has not taken place to this point. I would just urge that that matter be once again taken up by the provincial government.

MR. CHAIRMAN: Thank you.  
Member for Athabasca-Lac La Biche.

MR. PIQUETTE: Yes. I'd like to support that recommendation. The small power producers of Alberta have advocated this, and they're presently awaiting the Minister of Transportation and Utilities' report on the future of the small power producers in Alberta. The solar/wind energy research was done to advance the cause of the small power producers in terms of using clean power -- wind power, solar power -- to help diversify

the energy requirements of the province.

I guess I want to second the motion on the smoking thing. I guess down in southern Alberta, at least around Pincher Creek, where a lot of these windmills would produce a lot of power -- maybe we could send all of our smokers out there, because we probably wouldn't notice the smoke.

MR. CHAIRMAN: Thank you. Any more discussion then on recommendation 44? If not, then we'll move on to recommendation 46. I recognize the Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Chairman. We did talk about recommendation 45 -- I know you said 46 now -- last day when we were talking about recommendation 28, I think it was, from the Member for Calgary-Buffalo, so I won't go back over that ground except just to say that in a way that was a part of the next series of questions. Forty-five was to suggest that the government put forward its proposals to the Assembly for the heritage trust fund for the coming year and that that be debated in a general way in the Assembly and in as much detail as possible. The subsequent recommendations -- 46 is sort of the lead one, and then the others all relate back to it. In 46, I suggest:

that the Provincial Treasurer provide quarterly statements of all investments under the commercial investment division (schedule 5). Those details should include [which they do not now do] the date and price of purchase and all sales of securities as well as the market value of those retained.

What we get now on March 31 of each year -- and we still haven't got this year's, I might remind everybody, although we were told it was coming -- is a list of the book value and then of the market value. There are no dates given, and if any particular security is sold before March 31, it's not listed. Now, that would be okay if it had been listed the time before; I suppose if it had been purchased more than a year before, it would have been in the year-before statement. But what I'm suggesting is that that's not adequate, that we should have quarterly statements and it should give that additional information, the idea being that the heritage trust fund, to my mind anyway, is not as thoroughly accounted for as it should be to the taxpayers of this province. We as the MLAs should have access to that information, as should all taxpayers, as to just what is done with the heritage trust fund. We should have more detail than on the commercial investment division, which we do get some detail on now. Until we get a full and thorough analysis of exactly what's happening with each of the parts of the heritage trust fund, one is working with sort of a global figure and general comments.

As an example, I remind everybody of the conversation the other day in which we were trying to sort out advice and discuss some proposals by Dr. Geddes about what should be done with some of the money in the \$300 million endowment fund for medical research. We were talking generalities, and I guess in some ways the only advice we can give is sort of general advice, but it would be nice if it was based on an analysis of exactly what the facts are. We didn't have a statement before us in regards to just what happens with that \$300 million endowment fund in terms of investments. Dr. Geddes said something about it was worth over \$500 million on March 31 -- it's dropped down to, I think, \$481 million or some such number -- but it was all very vague. He said something about 18 percent of it is invested in stocks and securities as opposed to bonds and T-bills, and he thought that should go up to 40 percent.

It would be nice if the Treasurer had presented us with those details and had been available for a thorough discussion as to

how that fund might best be used or the value of it improved so that the medical endowment fund gets the maximum amount of benefit from it. Or on the other hand, if the Treasurer has some other goals for that fund, it would be nice to know what they are. If he thinks that that money should not be invested abroad, let's say, to maximize income, then at least the people in the endowment fund should know that. If one of his goals is to invest it in Alberta so that we also get the diversification or jobs created by that investment, if there are some other goals for the medical research foundation dollars, then we should know.

So having set that up in number 46, I then went on to say in number 47 . . . And could I just deal with them all at the one go?

that the Provincial Treasurer supply [the same kind of] quarterly statements for the cash and marketable securities section of the fund in a manner similar to that of the commercial investment division.

Now, of course the investments aren't quite the same, so it wouldn't entail nearly as much detail. If he's got \$200 million in T-bills for nine months, then that's a lot easier to list than 27 companies that he's got a few thousand dollars in, as he has under the commercial investment division. So I'm not suggesting that the outcome would look exactly the same, but there's not the same degree of attention paid -- quarterly, what's going on with that fund? -- and that information to be brought before this committee.

Number 48 says

that under the Alberta investment division the Auditor General under the authority of the appropriate minister provide detailed information on the five Crown corporations in a manner similar to the public accounts for general revenue expenditures. The minister and Auditor General should then appear together before the standing committee, as needed, to answer questions about those corporations.

That recommendation comes from a previous recommendation of the former Auditor General, Mr. Rogers. The present Auditor General was assistant Auditor General at that time. It was in the 1980-81 annual report of the Auditor General. They suggested that the provincial Crown corporations could be reported to the Assembly through this committee in the same detail that public accounts for government expenditures in other areas are reported. So that seems to me to make a lot of sense. If we had that kind of detail on Alberta Mortgage and Housing, maybe we could sort out just how much of that money goes to subsidize seniors' housing, for example, as opposed to writing down losses for devalued property. So the kind of detail asked for here is something that an Auditor thought could be provided and should be provided to the people of Alberta and to the members of the Legislature.

Number 49 applies that same idea to the medical research foundation. I already talked about that and how that would be a good example of how we should know more about what's happening with that fund. I mean, it's \$300 million of the fund that we don't really know what's happening with. We get a detailed account from the medical foundation on what they've spent, what research they've done, and that sort of thing. Therefore, of course, we find out how much from the \$300 million -- which is now worth around \$500 million -- is spent each year in actual medical research or buildings, as the case may be. But we don't know what's happening with the fund. That's the part of it that I was referring to here -- and again, quarterly statements with some detail. Number 50 is along the same line, applied to the scholarship fund.

So what I have done with this series of recommendations:

the first one, number 45, asking the government to put forward what it is they plan to do with the fund; and numbers 46 through 50, improving the reporting of detail to this committee so that we can really know what happened with the fund.

And just a final sort of summary comment on it. The reason for this two-pronged approach is basically because I've been disappointed in the government's response to our recommendations last year -- and recommendations by other members of this committee, I might add -- to have a full-scale public inquiry into the directions of the fund and to get the public involved in setting new directions for the fund. I came to the conclusion that if the government wasn't willing to do that, then they should at least put their plans on the line; they should at least tell us in great detail what they're doing, so that we can be in a better position to judge what our next move might be.

MR. CHAIRMAN: Thank you. Any further discussion, then, on recommendations 45 through to 50? I'll maybe give all members an opportunity to quickly review those again in case there's any discussion.

AN HON. MEMBER: I think we've heard the member say it so often [inaudible]

MR. McEACHERN: You may have heard some of the comments often about why I brought these forward, but I haven't really heard any good answers as to why we shouldn't do this. And yet I'm anticipating that they'll be voted down one after the other, in silence.

MR. CHAIRMAN: Okay. Move on then to recommendation 51.

Although the Member for Calgary-McCall is not here, I would still open the meeting for any debate.

MR. HYLAND: I think, Mr. Chairman, that the member's views on that are well known in that it's a motion, I believe, that he had before. We could always review the transcript of last year.

MR. CHAIRMAN: Thank you.

Member for Edmonton-Kingsway.

MR. McEACHERN: Yes, I would speak in favour of at least some sort of a study of the Alberta Mortgage and Housing Corporation. Certainly it has been the most difficult to justify -- at least the handling of it; I'm not saying the programs -- of the investments of the heritage trust fund in terms of how the corporation has operated over the last few years in trying to survive the real estate boom and bust, but also in terms of trying to claim that it's making money for the heritage trust fund and that whole triangle we've talked about before that gives a false impression of the amount of money the heritage trust fund is worth to the people of Alberta. So this motion gets, I hope, partly at that. But I think, also, it's intended to get at the internal administration of what has, I think, been a fairly major boondoggle of the government, so of course I support this motion.

MR. CHAIRMAN: Thank you.

Member for Lethbridge-West.

MR. GOGO: Mr. Chairman, although Mr. Nelson's not here -- we talked about editing and so on one other time. The second-

last line, I don't know whether Mr. Nelson would mean "four people" or "four citizens." It may seem a minor point, but maybe the terminology . . .

MR. CHAIRMAN: Perhaps we can note that and make that change prior to voting. Thank you.

Recommendation 53. Again the Member for Athabasca-Lac La Biche is not here, but we'll put it on the . . .

MR. McEACHERN: Perhaps I could speak on behalf of Mr. Piquette on that.

MR. CHAIRMAN: Thank you, Member for Edmonton-Kingsway.

MR. CHAIRMAN: Moved by Mr. Piquette:

That medical research patent rights funded under the Alberta Heritage Foundation for Medical Research be retained by the universities co-operating in the research.

It's just to urge the medical research foundation and the university people to try to maintain control of the technology that is developed. It's not to say that the companies participating and helping to fund it shouldn't have access, but they shouldn't have sole control or rights either, in the sense that the university and the medical research foundation lose control of that research.

A couple of reasons for this. It's just fair that if the taxpayers fund the research, or at least even partially fund it, they should also have some chance to recoup some of the benefits. So one would hope they could sell the patent rights to some degree and recoup some of the expenses which would then make money available for future research. But also from the point of view of seeing to it that the information becomes widely available, if a university or a research foundation helps make a breakthrough in new knowledge in any particular field, one wouldn't want that information to be sort of, in some sense, secret to some select group of people for too long a time, and other people have to turn around and do the same research over again to find out the same thing. One of the main things that we would like to maintain, I think, at our university is that knowledge is -- we know it's power, but it's also universal information that should be available to everybody. So that whole patent rights thing is very important, how you handle that.

I think we've had fairly good answers from the medical research foundation people on that in the past, but we thought it was worth reiterating it and putting it on the record again in that way.

MR. CHAIRMAN: Thank you. Any further discussion? Member for Lloydminster.

MR. CHERRY: Well, just a point, Mr. Chairman. The Member for Edmonton-Kingsway, listening to him, he said that he wanted the university to retain it and hold it. And yet, if I heard him correctly, in another sense he said that other universities could use it. So really I guess I'm a little confused here. The recommendation says to "be retained by the universities." Yet if university A, who did the research, and university C would want it . . . I always think about research as something, especially in the universities, especially if the government funds it -- it's for everyone. Any research that you can provide is a benefit to all of us. So I'm just a little confused as to what he's trying to put across to us.

MR. CHAIRMAN: Thank you.

Member for Edmonton-Kingsway.

MR. McEACHERN: I think he perhaps slightly misunderstood me. Maybe I didn't make myself quite as clear. In the sense of retaining it, I meant in the sense that if they had a partner, the partner not be allowed to take it and keep it secret to himself; that the University of Alberta, for example, if they were the other partner, would be able to retain that information. It would be fair enough, I would think, if the information was particularly useful for a commercial venture in the very near future, that the partner may be allowed some jump on the rest of the world in using it. So there may be time lags of six months or a year or whatever kind of patent time would be seen as reasonable. But certainly we wouldn't want it to be sort of 10 years' time, and that the university would have to sit on that information and not share it with other universities or with taxpayers in general or the world in general, because universities, of course, should make their information universally accessible to everybody. Okay?

MR. CHAIRMAN: Thank you. Moving on, then, to recommendation 54. Again I would recognize the Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Chairman. The motion reads:

That the Alberta Heritage Foundation for Medical Research put a high priority on research in the following three areas:

1. AIDS,
2. medical ethics, and
3. geriatric medicine.

The motion put forward by my colleague for Calgary-Mountain View about research on possible indoor air pollution for workers would lead me to say up front that we don't have any indication that research was proposed in these areas and turned down by the endowment fund. We weren't suggesting that in any way. This is just sort of a general direction that we would like to encourage at this time, given society as it is now and as we see it.

As we see medical technology improving and increasing every day, of course that means that medical ethics becomes more and more important. We heard the other day that, in fact, Calgary and Edmonton both are doing some work in this area. We want to encourage that, because there are many decisions to be made in the near future in that area. We could think of cells from fetuses being used to help people with certain diseases. We can think in terms of experiments with DNA and genetic research, and what we should and shouldn't allow there. There's a lot of questions. So medical ethics is something that we need to pay attention to. AIDS, of course, is a hot issue and a very grave danger to our society, and needs at least as much emphasis as it has now, we're saying, and maybe more. Maybe we're not doing enough in that area. And of course, geriatric medicine: just looking at the population and the aging curves when you look at graphs, we know that's an area that's becoming more and more important to this society.

So these are just sort of general direction guidelines that we would like to encourage the Alberta Heritage Foundation for Medical Research to make sure they don't neglect and make sure that they pay particular attention to in all the myriad things that they try to do. I know that there are so many that they must wonder, I think, which ones they should emphasize and which ones they should not, and since they react mainly to proposals made to them, it may be as hard for them sometimes to know

which areas to put emphasis on. So we're just saying that maybe this committee could give them some sense of direction, and from our point of view, we thought these were maybe three of the most important.

**MR. CHAIRMAN:** Thank you. Any further discussion on recommendation 54? If not, that concludes our recommendations.

I want to take this opportunity, on behalf of the committee, first of all to thank Ann Quinn for all the help and efficient service that she's provided us once again throughout our discussions, and also to extend my personal thanks to all the committee members for their co-operation, flexibility, and understanding throughout the meetings last year and this year. I appreciate

the co-operation; it's certainly helped to accommodate our schedule on short notice at times.

On that note I would remind everyone that our next meeting is March 1, 10 a.m., and at that point we will be voting on the recommendations.

Member for Lloydminster.

**MR. CHERRY:** I move we adjourn.

**MR. CHAIRMAN:** Thank you. We now stand adjourned until March 1 at 10 a.m.

[The committee adjourned at 11:45 a.m.]

