

[Chairman: Mr. Oldring]

[2:02 p.m.]

MR. CHAIRMAN: Good afternoon, everybody, and welcome to another meeting of the Alberta Heritage Savings Trust Fund select standing committee. We're very pleased to have the Hon. LeRoy Fjordbotten with us this afternoon. Welcome, Mr. Minister.

In front of us this afternoon we'll be dealing with grazing reserves development, on page 19 of this year's annual report, so I'd remind the members to focus on that. It's been customary, Mr. Minister, to extend an opportunity for you to open with some introductory comments, and then we turn it over to the members for questions. What we've been doing is allowing each member one main question and then two supplementaries. So on that note again, we're pleased that you could be with us this afternoon.

MR. FJORDBOTEN: Thank you very much, Mr. Chairman. It's a pleasure for me to be here before the committee. One of the programs that we're discussing today is one that was extremely successful within my department. There was a decision taken in 1976 to use the Heritage Savings Trust Fund moneys to develop grazing reserves. As you know, there are 32 grazing reserves in the province, and 24 of those are located in the forested portion of the province.

The department recently completed the 10-year program that spent \$40 million from the Heritage Savings Trust Fund on the grazing lands range-improvement program. What the program really did was provide assistance to enhance grazing capacity in response to urgent requests that we received from the ranching community. The program was extremely well received by the general farming and ranching community and made for a significant increase in the grazing capacity that was available on public lands. The program was a \$40 million program, as I said, Mr. Chairman, that expended \$39.1 million. It didn't expend the full \$40 million, the reason for that being that there were weather conditions, et cetera, that precluded us completing the program. I think it shows the responsible nature of the department in utilizing the funding, as they didn't use up the funding just because it was there. They targeted it very carefully to maximize the returns to the Heritage Savings Trust Fund and by returning the money showed, I think, responsible leadership. My compliments to them for taking that kind of an approach.

Grazing reserves generally have been developed in areas where the soil isn't suitable for cereal crop production, and development of the grazing reserves involves the clearing of aspen brush cover and the establishment of tame forage. Fences and corrals are built to handle and control the livestock, and the heritage reserves are located in the gray-wooded soil areas where soil conditions are particularly poor. By providing land on which livestock can be grazed during the summer months, it frees up privately owned land for crop production. The grazing reserve program helps to diversify and stabilize agriculture in these relatively poor soil areas. There's high demand for grazing reserve privileges. We've established fairly stringent eligibility requirements, and they're always weighed in favour of the local, small-scale farmer or rancher. So it's the smaller farmer or rancher that truly benefits from it.

The grazing reserve program, Mr. Chairman, has always operated at a deficit, and that, in the time of restraint, could not continue. Also, there was a lot of criticism, frankly, coming from private-sector operators who said that the grazing reserves grazing lease fees were so low that it was a disincentive to the

other ranchers around, so we embarked on a cost recovery to get rid of the operating deficit. In 1986-87 we had an operating deficit of \$511,000, which is \$1.88 per animal unit month, and in '77-78 it was \$168,000, or 59 cents per animal unit month. Now, you've got to realize, too, that the patrons also pay into a revolving fund, so they pay for salt, minerals, and pharmaceuticals that are needed on the reserve.

Each reserve, Mr. Chairman, has to be based and developed on an integrated land-use plan, and the plan is really drawn up by an interagency team. The members of that team include the Fish and Wildlife division, the Alberta Forest Service, and the public lands division of Alberta Forestry, Lands and Wildlife. Alberta Recreation and Parks, Alberta Environment, and Alberta Agriculture are also there on a consultative basis. Grazing reserves are developed and must be operated in accordance with those land-use principles, and it's resulted in clearing patterns that have accommodated in all cases wildlife habitat. All the additional fencing that's needed has generated some higher operating costs, but those costs that are attributable to multiple-use management on grazing reserves run about 11 to 19 percent of the reserve operating costs. The department doesn't intend to recover those fees because of the multiple-use aspect.

One of the comments I'd like to make in closing off my remarks today is that since the program has now ended, I guess I would be negligent if I didn't put my oar in the water and say that I hope you would give consideration to a new program. Looking at a program, it would take some \$19 million to \$20 million to redevelop some 132,500 acres of low-yielding fields that are there at present on 21 grazing reserves. There are some 1,003 patrons that will benefit from that kind of development. You should also know that the current average allotment per patron on those reserves I'm talking about is 37 head each. So we're talking about the smaller operators on these reserves, and by increasing the forage production, we could increase that significantly.

Some of that's reverting to brush. The reason for that is that it wasn't cleared properly to start with. If we don't do anything, it could reduce the carrying capacity to 29 from 37 head per patron, which is pretty significant when you look at the 1,003 patrons I just talked about. So there's a number of head, and I think it could be dollars well spent.

Mr. Chairman, I think I'll stop there and entertain any questions you might have.

MR. CHAIRMAN: Thank you very much, Mr. Minister.

The chairman would recognize the Member for Lethbridge-West.

MR. GOGO: Thanks, Mr. Chairman. Before I put a question to Mr. Fjordbotten, Mr. Chairman, you made reference to the fact, I think, that we were dealing with grazing reserves, page 19. Now, although there perhaps are no funds involved in the other two areas, surely the minister's responsibility for Pine Ridge and Maintaining Our Forests remains. Would you entertain questions to the minister in that area?

MR. CHAIRMAN: No problem there.

MR. GOGO: Okay.

Mr. Minister, with regard to the grazing reserves, I think it goes without saying that they've made a major difference to many ranchers in Alberta. I recognize that for some time there have been some economic problems, and I commend you on

your ability to get it on a pay-as-you-go basis. My first question would be: it has long been the policy of the government of Alberta not to make capital investments on land not owned by the government of Alberta; Mr. Minister, does that mean that there is no grazing reserve capital investment on any Indian reserves in Alberta? We obviously don't own that land.

MR. FJORDBOTTEN: I think I would have to answer no, but I would have to leave that subject to my double-checking. I can't answer it for sure. I've just been advised that no is the answer.

MR. GOGO: Thanks.

MR. FJORDBOTTEN: They're shaking their heads. That either means no or that they want to leave the room; I'm not sure.

MR. GOGO: Mr. Minister, if there's a change, you could get back to the committee.

Regarding Maintaining Our Forest and reforestation, as the minister is well aware, forestry is a major priority of this government in terms of economic development for the future. In the past year there's been major criticism in parts of Canada about the lack of reforestation, and I understand that the Pine Ridge nursery and so on is one of the attempts to produce seedlings and so on. Could you take a minute, Mr. Minister, to assure the committee that for every tree that's felled in the province, there is in fact the equivalent of a seedling put back in and that that program is on schedule and what we might be able to anticipate in terms of mining timber -- I don't know what term you use -- and that Albertans and this committee can feel very comfortable that reforestation has taken place within that \$25 million dollars, so Albertans are assured that continuing forestry operations can go on in the future?

MR. FJORDBOTTEN: Mr. Chairman, the reason I didn't raise that program in my opening remarks is that it was a program of maintaining our forests that, I believe, started in 1979 and ended in 1986 with an expenditure of some \$20 million. I think roughly \$15 million of that money was spent on the Pine Ridge nursery, which is an extremely fine facility and doing an excellent job. I might say in response to your one comment that it was right on; we grow more wood than we use. In fact, the overall concern I've got is the perception in the minds of Albertans that when we have all these projects under way, we've got this minister out there promoting everything and cutting all our trees. Well, frankly, that is not true, because when all the projects are on stream, we are going to be utilizing less than 2 percent of the forested area of this province. The ones that are utilized, we want to end up with a better forest in 80 years rather than a poorer forest in 120 years. So genetics, et cetera, play a very large role in that.

In the period before reforestation became mandatory -- and I believe it was 1966 when reforestation of cutover areas became absolutely mandatory with inspections. We are working extremely hard to do that and have been so successful that, frankly, I can say that we're far more successful than anywhere else in this country. Up to the end of 1985 we cut in this province 430,155.6 hectares. Less than 5 percent of that now has not been reforested. The reason we have that figure -- it's not 100 percent; it's something like 95 to 96 percent -- is that some areas have been reforested but because of competition with aspen, et cetera, have not been reforested and are growing at a rate which

could be considered the maximum that we can utilize. So yes, we are growing more trees than we cut, and yes, we've gone back over the last number of years when there weren't rules and regulations in place, and those areas are being reforested.

I might say while I'm on the topic, the Pine Ridge nursery being as successful as it is, that you can't have a seed separation area at each mill in Alberta. It's just not feasible to do that. So we do that with the industry. The industry carries the major cost of reforestation, and we inspect that. I might also add that it is my view that at some point -- and I don't believe it's yet, but I think we should be planning now -- there is room in Alberta for another nursery. I don't believe it should be an expansion to the present nursery. I think it should be somewhere probably in the far northern part of the province, where that type of facility could be put into place and thereby guarantee for future generations top genetic stock in growing trees in Alberta.

I hope I haven't gone on too long, Mr. Chairman. That's a thumbnail sketch.

MR. GOGO: My final question, then, Mr. Chairman, to Mr. Fjordbotten would be -- he's made a case to continue the grazing reserves program. He has not made a pitch for something in forestry; at least I don't detect that. Recognizing, Mr. Minister, that you probably won't be before this committee again and that one of our responsibilities is to make recommendations for future investments, are you prepared to say you're satisfied with the investments from the heritage fund into forestry and that indeed you have no requests for this committee to consider further investments?

MR. FJORDBOTTEN: I always believe, Mr. Chairman, that we should be realistic in our requests, because we can't have credibility if we're asking all the time for more than we receive. I think the grazing reserves program is one that needs to have the dollars expended in it now to make sure that the investment that's there is assured. I haven't made the request fully on another Maintaining our Forests program. The reason I haven't is that we are under no pressure right now that I believe it would be needed, but I believe we are under pressure today to do some planning with respect to another nursery in some portion of this province within the next five to 10 years.

MR. CHAIRMAN: Thank you.

The Member for Calgary-Forest Lawn.

MR. PASHAK: I believe the minister just last week announced a change in policy with respect, I guess, to the disposition of grazing land that's been acquired through the heritage trust fund. I wonder if the minister would care to . . .

MR. FJORDBOTTEN: No, Mr. Chairman, I didn't. It has no impact whatsoever on the grazing reserve program that we're talking about here nor anything with respect to the heritage fund. There was a grazing lease conversion policy put into place. It received a lot of criticism, and that criticism resulted in a committee that went out and came back and presented a report to me recommending that I rescind the policy, which I did last week. But it has no relevance whatsoever to the Heritage Savings Trust Fund.

MR. PASHAK: Just to make sure that I understand that clearly then. This land is Crown land, in effect, that's being developed for grazing lease purposes, the land at least that's been acquired

through the heritage trust fund?

MR. FJORDBOTTEN: No, it hasn't, frankly, Mr. Chairman. The grazing reserve program is a program of public land. It's owned by us. It goes out for grazing reserves, and it's operated under that type of program. The improvement of those grazing reserves was funded from the Heritage Savings Trust Fund. The grazing leases in the province are an entirely separate issue and operated with leases to ranchers, et cetera. The program you are alluding to is one that would have allowed some portions of grazing leases to be utilized for a higher use. That was a very controversial program, and hopefully I put it to bed last week.

MR. PASHAK: Now, I have a couple of additional questions that are of concern to one of the other members of the opposition who can't be here at the moment, so I hope I've got the intent of these questions accurately. The first one is: would the minister comment on whether the grazing leases that have been approved for development in the east Frenchman Lake area near Glendon have been reviewed? Is there some question about their being suspended by the minister? Apparently, there is some concern in the area that a lot of people in Glendon expressed some opposition to any more incursion into that designated area for grazing lease purposes.

MR. JONSON: Point of order.

MR. CHAIRMAN: Point of order from the Member for Ponoka-Rimbey.

MR. JONSON: Mr. Chairman, I sort of didn't say anything when the meaning of the term "reserve" was being clarified, but these questions do not have anything to do, in my view, with the grazing reserve program. I would seek your ruling on whether we go down this road or not at this committee.

MR. CHAIRMAN: Again, I think there is some confusion in the minds of the members, so perhaps, Mr. Minister, you can set the record straight once again for the benefit of the members.

MR. FJORDBOTTEN: Thank you, Mr. Chairman. As I stated in my opening remarks, the grazing reserve program covers some 32 provincial grazing reserves in the province. They are operated on a very tightly controlled basis for patrons to be able to graze livestock in these grazing reserves and thereby release some of the other land for crop production. These grazing reserves are an entirely separate issue from anything with respect to grazing leases, because there is no lease to patrons in this. It is a grazing reserve for which they pay a dollar amount per month per animal unit to graze their cattle in them, but they have no right of ownership to that grazing reserve or pay no other fee for it. A grazing lease is something that is entirely a separate issue and is not related to the Heritage Savings Trust Fund.

MR. CHAIRMAN: Thank you.

The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. I just wanted to ask the minister if he'd give us some clarification in terms of these grazing reserves. What is the department's policy regarding public access to those grazing reserves in terms of recreational use, hunting? Are there any restrictions other than

the general hunting regulations?

MR. FJORDBOTTEN: Mr. Chairman, that's an excellent question. The whole area of access, trespass, and everything is a very topical issue. In grazing reserves we are interested in the multiple-use aspect of grazing reserves. Thereby when we improve them, consideration for habitat, et cetera, is taken into account. Of course, when you're grazing cattle on a piece of land, you can't have people running around all over the place and leaving gates open. So if there's going to be hunting in the reserve while there are cattle in there, contact should be made to the rider and everything so he knows who's in there and what's happening. I guess the bottom line is that they're based on the multiple-use aspect, recognizing there are other uses as well.

MR. HAWKESWORTH: Thank you, Mr. Chairman. Where does the onus lie in terms of the co-ordination of it to resolve these conflicts? If you recognize there are multiple uses going on in there, obviously the potential for maybe people abusing the access for recreation or abusing it for hunting purposes might occur from time to time. How are those potential conflicts of multiple use resolved on these grazing reserves?

MR. FJORDBOTTEN: Basically, when we're talking about hunting, Mr. Chairman, it has to do with the grazing reserve manager, who would be the contact point, because of course the ones who have the cattle in there might not live right close to where the reserve is, but the grazing reserve manager does. Through a very successful program called Use Respect -- by using respect you find signs which have a number on them that you can contact and make arrangements to go in. I think it's only reasonable to expect that, because if you see someone walking across your lawn and maybe set up his tent there, you'd like to know why he picked your yard and how long he's going to be there, at least. The basic commonsense approach is used as well on grazing reserves.

MR. HAWKESWORTH: One last question. In terms of these grazing reserves, access to four-wheel vehicles -- well, I guess the trail bikes and in the winter skidoos and so on. Are these seen as recreation areas for that kind of off-road motorized vehicular use? Or if not, then I presume the managers of the reserves have some means of controlling that, do they? Is that another area of potential conflict?

MR. FJORDBOTTEN: Frankly, Mr. Chairman, I can't answer that question honestly. I would be happy to get back to the committee. But the overall conflict with off-road vehicles is more than just four-wheel drives, because we have four-wheel drives, plus we have trikes, plus we have quads, plus we have dirt bikes. You might have some that won't allow dirt bikes in because of the damage they do. And senior citizens who ride quads say, "Listen, with these tires they don't bother anything."

I mean, that whole area is one that's a very controversial one everywhere. They're not utilized as recreational areas. That isn't the reason for the grazing reserves. But, as with everything else, if people come on my land now and want to ride their quad around, as long as they tell me, I don't mind, if I know where they're going. I haven't heard any complaints or criticisms. No letters or phone calls have come to my office with respect to that, so I must assume that it's being taken care of. But, Mr. Chairman, I'd be happy to provide to the committee any rules or any direction that's given with respect to grazing reserves.

MR. CHAIRMAN: Thank you.  
The Member for Calgary-Buffalo.

MR. CHUMIR: I'd like to follow up on several questions that I asked the minister last year, and he indicated he would pursue or was pursuing those particular issues. The first related to the \$25 million investment that we have in Maintaining Our Forests and related to concerns I hear from citizens with respect to reforestation, environmental impact of some of our forestry operations, preservation of some of the long-standing treasures in terms of forestry such as the Hidden valley forest and the Cypress Hills forest. In that respect I inquired as to whether or not the minister would consider the establishment of a forest advisory council with independent membership which would advise on sensitive issues of this nature: spraying, environmental issues, et cetera. The minister, I think, indicated that he would like to consider that in the overall context of the committee system that he was seeing within his department. I would very much appreciate hearing from the minister whether he's had an opportunity to consider that matter and reached any conclusions in one way or another.

MR. FJORDBOTTEN: Mr. Chairman, I have spent a fair amount of time recently, particularly on the whole committee structure, and found that I had committees that if they kept growing at the rate they were, it would take the Jubilee Auditorium to hold meetings, and it would end up being -- and they were, in my view -- totally ineffective in doing the job. I'm using tough love, I guess you could call it, and I'm going to whittle them down to size so that the ones that are there are truly effective, one being the Fish and Wildlife Advisory Council, which was, in my view, a very important committee that had finally arrived at the point of being totally ineffective and having groups on there that had no real reason for being there. For example, one of the members -- and I can be criticized maybe by this group for saying it, but I don't see a reason for the Edmonton Jaycees to have representation on that committee. So I've been reviewing that.

I have thought about a forest advisory council, but after going through the plans that are worked out with the companies and must be taken into account in all ways with respect to habitat, with respect to old forests, with respect to landscaping and how the cutover blocks are reforested and taking watershed into account. I frankly see very little value in an advisory council with respect to that.

As we work through these areas -- Hidden Creek is one I'm aware of because we live fairly close, as the hon. member does, to that area. I've traveled through there twice in the course of the last two months, and I feel very comfortable with the approach that's being used. Not that we can't always improve the way we approach things, but to answer the hon. member's questions directly as usual, I see no real value with that. I might say, Mr. Chairman, that I didn't read last year's proceedings. They just sent me a copy. I'm not sure how far this member's going to proceed.

MR. CHUMIR: I'll try and be fair with respect to my representations about what you said, Mr. Minister. I'm sure your officials will hold me to that, and you'll be able to check that out with the transcript.

The other issue that we discussed last year was with respect to a question I raised relating to the Canada/Alberta forestry agreement, pursuant to which Alberta is receiving \$6.4 million

over a period of three years, approximately \$2 million a year. With respect to the suggestion of your predecessor and your agreement last year that we're getting a mere pittance from the federal government in relation to what other provinces that don't have any forestry operations are getting, you indicated that you would be addressing that issue and seeing if some more equitable balance could be effected. I'm wondering whether you might advise us as to where we are on that particular issue.

MR. FJORDBOTTEN: Well, Mr. Chairman, that's a very important issue the member raises, because there are certain things that absolutely need to be done, particularly now when the forest industry is growing like it is. I want personally to be assured that the funding is going to be there for the future, and if there's not a proper agreement worked out with the federal government, then of course it would fall into the hands of Alberta itself to fund that.

I might say that I have worked diligently this last year to come towards a new forest management agreement with the federal government on a program. "A pittance" doesn't say it frankly enough, because our joint program with the federal government gives us about the equivalent of Prince Edward Island. If you look at the forest resource here as compared to there, I mean we're not even close. I've been raising that on an ongoing basis, and I don't think it's just to try and get more money. That money would be utilized for whatever we felt. I think a fair amount of work can be done in the whole area of silviculture, and I think there's a lot of work that needs to be done in the research component. As well, I would like to see more assistance provided by the federal government for projects here in Alberta, at least the equivalent of what's spent in other provinces. So I've been working at it. I frankly have to say to the committee that I haven't been that successful to this point, but I'm in the hopeful stance at this point in time.

MR. CHUMIR: Well, you certainly have our support in respect of those issues, Mr. Minister. I'm glad to see you are addressing them.

By way of follow-up on some of the issues and concerns that led me to propose the possibility of a forestry advisory council, I must say that in terms of environmental issues I've heard complaints from environmentalists that when we enter into forestry projects, there is extensive review of the environmental impact of plants -- the particular structures, the pulp and paper plants themselves, the impact on water -- but there is not an environmental review with respect to the impact of the logging itself upon wildlife habitat. In fact, it's been suggested that there is friction between your department and the Department of the Environment with respect to that particular issue. I find that that issue has been neglected in public discussion. I don't think that's correct, because I think it's an important issue, particularly when I hear that there is that conflict between the Department of the Environment and forestry. I'm wondering whether you might give us your perceptions with respect to those concerns that have been raised to me.

MR. FJORDBOTTEN: Well, frankly, I don't buy the argument that's made, and if you look at the environmental impact assessment that's necessary on a plant site before it can proceed, that's a long process. It takes four to six months, and there are public meetings and everything held within the area. Before it even arrives at that point, there are very intense negotiations, I guess I could call them, and discussions with the relevant departments,

Environment being a major one, with respect to effluent and all of the other environmental concerns. Every one of us here in this room is an environmentalist; every one of us cares. So certainly I feel comfortable with that.

To try and do an environmental study on the whole forest area that's worked out in a forest management agreement is, in my view, not feasible. We went through that process. We are now recognized in the world as having the best forest management practices, and in fact that's one of the reasons companies want to locate here. They know a couple of things. We've got a stable labour climate. We've got excellent forest management practices. We don't change the rules midstream. So when they make a deal, they know they have a deal they can count on and make an economic judgment on. We have very stringent environmental guidelines that we look at with respect to forestry operations. Each company has to file a plan with us before they cut. Now, that plan has to take into account habitat, watershed, and all of those factors. Then we must review that, and if we don't feel it does what it's supposed to do, they have to come back with one that does.

Now, if we were to go into that whole process, we would not have a plant coming here, because by the time you get through that, the window of opportunity is closed. So, yes, we could do it. But if we did, we wouldn't have the economic opportunity that we now have here. And I've personally gone and looked, over the course of the two months, at a number of those areas and feel very confident that we are doing well -- not that we can't do better. So as far as having an environmental study, people want to have input into that. Frankly, they have that opportunity and do utilize it, so I don't really buy the argument.

MR. R. SPEAKER: Mr. Chairman, I'm not sure how much information was given by the minister with regards to my question, the question I wanted to relate to the federal/provincial forest resource development grants. If we look in the 1987-88 booklet *Federal -- Provincial Programs and Activities -- a Descriptive Inventory* . . . Did you refer to that? I do have copies of this page here today for the members. You note here that for Alberta the total federal input for the year 1987-88 is \$11.5 million. If you go to Saskatchewan, it's \$14 million; Quebec, \$150 million; B.C., \$150 million; Ontario, \$75 million; Manitoba, \$13.5 million; New Brunswick, \$42.57 million; Prince Edward Island, \$13.7 million; Nova Scotia, \$75.37 million; Newfoundland, \$33.6 million. That's federal input into the development of their forestry as such. I know the minister agrees that we just haven't received our fair share as Alberta. We're the lowest person on the totem pole.

One of the questions I wanted to ask is in terms of the minister's opinion. Do you think the heritage fund -- because this is where we've dipped into the resources of the heritage fund, to try and bolster up our industry here -- has been a detriment in that sense? In the negotiations that the minister has carried on with Ottawa, do we find thrown in our face continually that: "Look, you've got your heritage fund; you have your own resource development pool. Use it, and don't ask us for funds"?

MR. FJORDBOTTEN: Frankly, Mr. Chairman, I appreciate the sheet provided by the hon. member, because it says it all and says it extremely well. The answer to the question: no, it's not thrown in our face about the heritage fund. At least it hasn't been with respect to forestry and since my time in this portfolio. But you only have to look at even the updated numbers that are available on the latest agreement signed with British Columbia

and others. And I don't begrudge their agreements to them at all, but we don't get our fair share. In my view it's entirely too low, and it's frustrating trying to get it.

MR. R. SPEAKER: Mr. Chairman, to the minister. Just in my research of the last few days, along with my very competent staff -- my legislative intern, I believe, found some of these details for me. But the general public of Alberta do not understand the situation we're in. Is the minister prepared to speak out more publicly about this discrepancy and also about how the heritage fund has kept us in the race here in Alberta? I don't think we've heard this as Albertans.

MR. FJORDBOTTEN: No, I've really been speaking out publicly. I was chairman this last year of the Canadian Council of Forest Ministers. We had our meeting at which I sat with the federal minister and made it very clear that we weren't satisfied with the agreement. We are now negotiating with them on a new agreement and hopefully will come to one that resembles something that should be.

I guess we have to look at it, too, as that the federal/provincial agreements we have in agriculture and in other areas are looked at with respect to each province and the overall dollar number that, I suppose, they have that they want to allocate to forestry. I don't like that silly game. Frankly, I think it should be, as you have stated so well, that it should reflect the size and the economic impact of the industry within that province. You know, you can look for all kinds of ways to say no, or you can find a way to say yes. Frankly, I think there have been too many ways looked at to say no.

MR. R. SPEAKER: Final to the minister. Could the minister indicate -- you partly touched on it before but in a more generous sense, maybe now in a specific sense. Has the minister now a planned strategy of attack on Ottawa with regards to this subject? I think this one is a clear-cut case that we should be fighting Ottawa and putting them in their place with regards to this in terms of the discrimination and the discrepancy in their decision-making. Is there a plan ahead? Is there a set of meetings? Are there some press releases? Are there certain key personnel? With the federal election next on our table, can the minister assist to make it an issue?

MR. FJORDBOTTEN: Yes, I've started, Mr. Chairman, to make it an issue. I'm sorry if I've cut the hon. member off. He's only allowed two supplementaries, and I wouldn't want to do that.

There was a plan. Our plan had to be modified to some degree, frankly, because now there's a new appointment of a new minister of forestry federally, which we didn't have before. It's someone new and, frankly, should understand -- and I think does understand very well, even though I haven't had an opportunity to speak to him -- because he's a British Columbian and, I think, should have some knowledge of the forest industry. We had a plan that we were working on, recognizing that we should try and get it done before the federal election. That's had to be modified to some degree. I guess I'll stop there and say yes. But like I said to the hon. Member for Calgary-Buffalo earlier, it's been frustrating, and I have not yet been successful.

MR. R. SPEAKER: In light of the fact that it seems it's going to be a slow process of gaining funds through negotiations with Ottawa, has the minister made comment yet in our hearing about

the impact that he foresees in this next fiscal year on the heritage fund budget, a greater demand? Are you asking, seeing that we should be recommending something as a committee in terms of increased funding? Or should we be a little firmer in our position, saying, "Look, we're withdrawing it from the minister; it's time Ottawa takes their part"?

MR. FJORDBOTTEN: No. Frankly, my answer, Mr. Chairman -- I'll be happy to repeat it -- was that I always believed that when you ask for money, if you're going to have any credibility, you should ask for what you need and bring recommendations to this committee from me, and then this committee could consider it. It's my view that in the whole area of reforestation we are right on top of it right now and, I think, recognized as leaders in the world. But with the new projects that come on stream, there's going to be greater demand made. It's also my view that even though the Pine Ridge tree nursery has been extremely successful and is an excellent facility, rather than expansion at that particular location, I think we should start now, not committing funds to a nursery somewhere else in the province -- I think probably further north -- but we should be starting the planning phase now with respect to that.

On the research component, I feel comfortable that I can arrive at, through the federal/provincial agreement... I intend to hold their feet to the fire on the research component to help us in that particular area even though we are spending some money now on the public land development program, dollars on forest products development research, forest products marketing, and a number of other areas that have to do with worker safety in the forest industry. There are a number of areas that the federal government not only should but I think it's mandatory that they should and will be involved in certain aspects of that. That's going to be part of our major thrust, to get them to come to recognize their responsibility.

MR. R. SPEAKER: Thank you.

MR. CHUMIR: I'd like to follow up on some of these numbers that the Member for Little Bow has provided. Perhaps I might bring the minister's attention to that sheet. There's reference there to the total program expenditures over, it looks like, five- or six-year periods, almost invariably, by the differing provinces. It looks like, with the exception of Prince Edward Island, the province of Alberta has the lowest program expenditure of any province. We're spending \$23 million versus \$300 million for B.C.; \$28 million for Saskatchewan; New Brunswick, \$77.4 million. Now, I know, of course, that raises the question: what is the program? It may not necessarily imply total global expenditures in any province; it merely relates to program. But I wonder if the minister might advise what this program expenditure means. Why is it that we have such a low amount of expenditure in respect of these programs? Does that mean we're spending less on these programs in forestry than some of these other provinces? If we're not, why is our expenditure not part of this program? What's the cause of this?

MR. FJORDBOTTEN: Mr. Chairman, there was a conscious decision made by Alberta, particularly in 1966, that reforestation would be mandatory, and where we are ahead now in our reforestation, many others are behind. So since they were behind, of course, they've come to the federal government for assistance to do that, where we are up on our program.

In addition to that, some of the industry in other provinces is

older. They have older mills, et cetera. So they have been able to get assistance on modernization in those mills, where we didn't have a mill to modernize. So when we build new mills, we have been after the federal government to provide some assistance in funding -- you know, to attract a new mill to Alberta -- which we haven't had great success in.

The whole area of research: we have been working intently on research -- in fact, it's my understanding to a far greater degree than many others.

So I think that if you look at the numbers on the sheet -- and I'd be happy to review each one of these and have it reviewed, because it's an excellent sheet, and provide some comparison of where those dollars were spent in Alberta, where they were spent in other provinces, so that each member of the committee would have a better feel for it. I don't have that in front of me, but I'm happy to provide it to the committee.

MR. CHAIRMAN: Thank you.

MR. CHUMIR: Mr. Chairman, I'd appreciate having that, but is the minister suggesting that this program covers primarily reforestation and modernization of mills, the types of expenditures that we've not been incurring during these years to the same degree as other provinces? I'm still not sure whether we're spending less than these other provinces or what the reason is, why we don't have a larger sum covered by the program.

MR. FJORDBOTTEN: Frankly, Mr. Chairman, I'm afraid to make a comment for fear that I am not totally accurate, and that's why I would be happy to get back to the committee and give an outline of what has been spent here in Alberta from the federal program and, as much as I can, with respect to other provinces. I'm sorry; I can't answer that.

MR. CHUMIR: I would appreciate that, because from the looks of this thing we've either been shafted or poorly represented in this particular instance. I'd certainly like to get a full exposition of the facts, and if the minister would undertake to provide that for the committee, I would, you know, appreciate it. I wonder if we might have a time frame during which... Would it be possible to get it within a couple of weeks?

MR. FJORDBOTTEN: How about next Wednesday?

MR. CHUMIR: Wednesday?

MR. CHAIRMAN: Yes. We'll get it back to the members as quickly as we can.

MR. CHUMIR: I'll pass at this stage. I have one other area that I wanted to raise some question on, but I'll pass. That ends my comments on that topic.

MR. CHAIRMAN: Calgary-Buffalo.

MR. CHUMIR: All right; thank you. I guess I'm just kind of wondering, as a city boy, about the basis for these grazing reserve programs. I'd understood the minister to indicate that it opens up land for crop utilization by small farmers. Being aware of the fact that we generally have had a crop surplus in recent years and very, very low prices, there seems to be very small benefit to society in trying to increase production under these circumstances. Increased production merely means in-

creased subsidies. So I'm wondering whether the minister might advise where the overall community derives benefit from these programs, what the cost/benefit factors are, and whether or not he has any studies that he might provide to members of the committee so that we'd have some sense of the economic paradoxes that are at work here.

MR. FJORDBOTTEN: Mr. Chairman, I'm not sure I can answer that question. It's a very complex question, asking for a lot of economic forecasts which I can't provide. However, in the grazing reserve program -- those grazing reserves are our land. They don't belong to anybody else; they're ours. A lot of that land, as I stated earlier, is in areas where the soil conditions were particularly poor, in most cases. So the grazing potential was basically what it could achieve.

As I also stated, it was subsidized because it was running at quite a large deficit. I've been trimming that, and I didn't think they could take it all in one shot. So I've been taking it through, and I've brought the deficit down from some \$551,000 in '86-87 to \$168,000 in '87-88. To be cost-effective, I think it should break even. I mean, it shouldn't be subsidized, in my view.

With respect to improving the grazing capacity on those reserves, if you look at the areas where the grazing reserves really are, there are a lot of small operators and ones that wouldn't have an opportunity to have somewhere to range those cattle in the summer. So I think it's been very cost-effective to the community. It's not only the community where the pasture is located, because many times the ones that patronize the grazing reserve might be a number of miles away from the actual grazing reserve. So it has a spin-off effect through much of rural Alberta.

It's also my view that we have a responsibility, as any landowner does, to improve the land that you're utilizing. Why I feel that the grazing reserve redevelopment program was heritage dollars well spent is that it increased the capacity of those reserves, and I think the spin-off was certainly there. If you start talking about not two or three people here -- we're talking, just on the 21 reserves, some 1,003 patrons at 37 head each. It does something to add some stability to rural income. As well, I believe the spin-offs are there, or I wouldn't recommend it.

MR. CHUMIR: I wonder if the minister would be able to provide members of the committee with any analyses or studies of the benefits that would be derived from the expenditure of close to \$40 million that the heritage fund has undertaken to date.

MR. FJORDBOTTEN: Mr. Chairman, all I can say to that is that if I have it, I'll give it to you. I'll look for it, and if it's there, I'll be happy to provide it. I don't know if I could have someone go out and generate all that work that would be necessary, but if it has been done, I will certainly provide it.

MR. CHUMIR: Okay.

MR. CHAIRMAN: Any further questions?  
The Member for Lacombe.

MR. R. MOORE: Well, I think it's about time that we adjourned.

MR. CHAIRMAN: Mr. Minister, we want to thank you again for appearing before the committee this afternoon. It was very helpful, and as always you were very frank and forthright with

your answers. I, too, want to add my thanks to your department, which came in under budget on the grazing reserves development program. Too often we see the other side of that coin, where we hear of situations where departments and individuals and groups are using up dollars for the sake of using up dollars, so it was nice to see them allocated \$40 million and to see them be able to do the program with \$39 million and hand \$1 million back. Our thanks to the department as well, and thank you again.

Two items before we adjourn, just a couple of housekeeping items. Mr. Minister, certainly you're free to go at this point. One is the Pine Ridge tour, and you might be interested to note, Mr. Minister, that the committee has expressed an interest in going out and having a look at the facilities out there at the nursery. Tentatively that can be arranged for Thursday, October 6, so if you can confirm your attendance with Louise as quickly as possible because we're going to have to make the arrangements very quickly. We were all scheduled to be here in the morning of Thursday, October 6, from 10 till noon, and now what we've done is taken it to a full day of meetings with provisions for a tour of the Pine Ridge facility.

The second item on the agenda is that there had been an expressed interest to tour the Prince Rupert grain terminal. Those arrangements can be made as well, and I would suggest the dates of October 24 and 25. You should plan on actually departing the evening of the 23rd and returning sometime on the 25th.

Member for Calgary-Forest Lawn.

MR. PASHAK: One further question with respect to scheduling. On Wednesday, the 5th, we have a meeting with Mr. Shaben scheduled from 2 to 4. What about in the morning, from 10 to 12? Is there anything scheduled there?

MR. CHAIRMAN: Not at this point, no.

MR. PASHAK: Is there any likelihood that there will be something scheduled there?

MR. CHAIRMAN: No.

MR. GOGO: Mr. Chairman, one is assuming that air transportation is going to Prince Rupert. Has Louise checked? Is there transportation available on a normal schedule on Sunday, the 23rd?

MR. CHAIRMAN: We're trying to confirm interest first, and then we'll check into all those arrangements.

MR. GOGO: I'm sorry.

MR. CHAIRMAN: I wanted to confirm interest. Those are tentative dates at this point. If there is enough interest, those are the dates we can confirm, and then we'll look into those arrangements.

MR. GOGO: Do you want a show of hands now?

MR. CHAIRMAN: If you can indicate now, that would be most helpful. How many of you would be planning on, first of all, the Pine Ridge forestry project? Okay; so that's a go, October 6. How many of you would be planning on touring the Prince Rupert facility? Eight. Okay; I think we can concur on both of those investigative trips, and we'll check into the necessary ar-

rangements right away.

Any further business that needs to be brought up at this time?  
If not, I would accept the motion to adjourn by the Member for  
Lacombe.

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Thank you.

[The committee adjourned at 3 p.m.]