

[Chairman: Mr. Ady]

[10:04 a.m.]

MR. CHAIRMAN: We'll call the meeting to order. The committee has been reviewing the recommendations and discussing them. The Chair's records indicate that we completed recommendation 45. At the conclusion of the meeting last day there was some discussion over whether recommendations 46 and 47 were relevant. I guess the Chair would ask the sponsors of those two motions if they see fit to give any consideration to withdrawing those recommendations based on the point raised. Can the Member for Westlock-Sturgeon respond?

MR. TAYLOR: Mr. Chairman, I feel they're legitimate recommendations, although a bit removed. I think they are focused on two things that are very important to Albertans: one, the heritage trust fund, as the very word implies, is our heritage, and nothing is more our heritage than our underground assets. Both these motions are put in such a way – in one case we are wasting carbon dioxide. Now we are just letting it go into the atmosphere because there's no use for it right now, just as there was no use for natural gas many years ago and no use for gravel before that and so on and so forth. Time and history have shown us that many of our assets that we wasted in the past we wish we had now. And the view that the Minister of Energy has funds and is in charge of trying to preserve our assets – I think that one fits in.

The other one is more in research. The Minister of Energy has AOSTRA and other groups researching energy down the road, alternate energy and how to get more income and more energy out of our heavy oil.

MR. CHAIRMAN: Hon. member, if I could just interrupt . . .

MR. TAYLOR: Do you want me to respond to this?

MR. CHAIRMAN: Yes, I did want you to respond, but I guess the Chair was asking that if you were not prepared to withdraw them, and it becomes obvious that you're not, then in the view of the Chair we'll proceed and discuss the recommendations in the normal manner. That will preclude a preliminary debate . . .

MR. TAYLOR: I thought you were asking for my arguments.

MR. CHAIRMAN: . . . unless someone has a point of information or a point of order on that.

The Member for Calgary-Forest Lawn.

MR. PASHAK: Point of order. Does this committee have the power to require the Minister of Energy to "instruct"?

MR. CHAIRMAN: My understanding is that they in all likelihood do not.

MR. PASHAK: In that case, is it possible to make amendments to these motions so they would be in a form the committee could deal with?

MR. CHAIRMAN: I believe, hon. member, that we're past the point of amendments by an agreement of the committee previously. At the discretion of the Chair, I believe we should proceed, discuss these recommendations in the normal manner, and let all of these points come forward in that discussion. If the committee is in agreement with that . . .

MR. TAYLOR: On a point of order, Mr. Chairman, I believe, parliamentarywise, amendments can be deep-sixed, as we did earlier, when they are amendments by someone else, but if the amendment is accepted by the proposer, I think that's quite acceptable. I think you can amend a resolution as long as it's acceptable to the proposer. I agree, parliamentarywise, that if you decide no more amendments, you can't make amendments if the proposer doesn't want to. But if the proposer wants to accept an amendment, I believe that's all right.

MR. CHAIRMAN: The Chair's in the hands of the committee on this issue, but that would not be my understanding. I'll recognize the Member for Lacombe on this point.

MR. MOORE: On a point of order, Mr. Chairman.

MR. CHAIRMAN: On this point?

MR. MOORE: Yes, on this point. We decided that the mover had the right to amend his own motion up to a certain time point, and at that time the recommendation or the motion stood and would be debated on that basis. That time period has passed. We moved that, and we're now in here to debate these resolutions as they are stated. I suggest that we proceed because we've already clarified that.

MR. CHAIRMAN: Thank you.

MR. TAYLOR: That leads to a further point of order. Can we recess for a minute, then, and read the minutes where that motion was made so that we know exactly what we're talking about? Because he has a different idea of what motion was made than I do. So I just wanted . . . On a point of order, let's read the minutes.

MR. CHAIRMAN: The Member for Clover Bar on this point.

MR. GESELL: Well, Mr. Chairman, I clearly remember the motion that we passed and the discussion that dealt with amendments. It was quite clear to me, and perhaps the record will verify that, that it incorporated all amendments, whether they be by the mover, originally, or a proponent of the recommendation, or by any other member who wanted to make an amendment to any other motion that may be proposed by some other member.

But, Mr. Chairman, I have some difficulty even with these recommendations as they are here. They are very tenuous. I don't think they relate to the agenda of this particular committee. And to then elongate the process by further amending them to bring them in line, I have some severe difficulty with. We're straying away from our process here.

MR. CHAIRMAN: Thank you, hon. member. In the opinion of the Chair, the committee is bound by its previous motion. The only way that the Chair would be prepared to reverse that position is if we consulted and were informed by Legislative Counsel that we were in error under parliamentary procedure. Based on that, the Chair is prepared to move ahead with consideration of recommendation 46 and calls on the Member for Westlock-Sturgeon to make the opening remarks.

MR. TAYLOR: Mr. Chairman, I'm not willing to drop it that quickly. I think the least we'd be allowed to do is have the

minutes that the motion – I've got two members of the government who are in a hurry to go home who say they recall a motion. But that's not parliamentary, two people saying they recall something. I'd like to see where the minute is. I mean, there's no minute. If we can't do it, I'll refuse. I'll take off if you can't take a moment to show me where that minute is where you said we passed that motion. I wasn't present at the meeting, and all I'm asking for, and I think at the very least, is to show me where the hell the damn thing is in print.

MR. CHAIRMAN: Hon. member, is it your understanding that there was no such motion?

MR. TAYLOR: That's right. I want to find it, not the interpretation they give to it. Where is the minute?

MR. CHAIRMAN: The Chair has a suggestion.

MR. TAYLOR: I'd like to make a motion. I move a recess so we can find the motion.

MR. CHAIRMAN: If the Chair can read the motion, will that satisfy the hon. member? The Chair has been provided with a copy of the motion taken from *Hansard*, page 239, dated November 17, 1989.

MR. TAYLOR: I've got 239. I'm just looking for it now. Which part of the page?

MR. CHAIRMAN: Okay. The motion was made by the hon. Member for Lacombe, and it states:

Mr. Chairman, I make the motion that if there are any amendments coming, they be made at this time, and we proceed with the debate on motions as amended from this point on.

The chairman called for discussion. There was some discussion, and then the motion was carried.

The hon. Member for Clover Bar.

MR. GESELL: Mr. Chairman, I have some severe difficulty with members of this particular committee arguing with the ruling of the Chair. I think that is not in accordance with our Standing Orders. There's a process by which that could be taken up with the Assembly, if it's appropriate. I don't even think it was appropriate at this point in time. I have some problems with that attitude. It negates and really causes some difficulties in the working of this committee. I would ask the hon. member to refrain from doing that in the future.

MR. CHAIRMAN: Thank you.

The hon. Member for Westlock-Sturgeon.

MR. TAYLOR: I'm sorry, but I've still got a point of order, Mr. Chairman. We're jumping around. We're on a motion on page 239. I still can't find it. Where is the motion on page 239?

MR. CHAIRMAN: The motion was made about three-quarters of the way down by Mr. Moore, the Member for Lacombe.

MR. TAYLOR: I've got Mr. Moore's statement. What? – are we reading from two different things?

MR. CHAIRMAN: Hon. member, the legislative clerk will point out the motion on the page to assist you. The vote was called at the very top of the second column on page 239 of

Hansard. So, for clarification, it's clear that there was a motion passed by the committee that there would be no further amendments to recommendations, and the Chair is bound by that motion.

The Member for Lacombe.

MR. MOORE: Mr. Chairman, can we proceed with the meeting that we're here for and begin with whatever recommendation we left off with?

MR. CHAIRMAN: Hon. Member for Westlock-Sturgeon, would you proceed with the opening remarks on recommendation 46 as it is originally documented.

MR. TAYLOR: I accept that the motion is indeed as the Member for Lacombe said.

Okay. Now, to back up . . .

MR. GESELL: Point of order, Mr. Chairman.

MR. CHAIRMAN: Hon. member, we have a point of order. Member for Clover Bar.

MR. GESELL: Mr. Chairman, you gave the opportunity to the hon. member to justify the motions that are before us, particularly 46 and 47. The hon. member launched into a discussion of the motion. He did not, in my mind, justify why those particular motions are here. I find them not related to the items that we are discussing, and I would move that this committee reject those motions because they do not fall within the mandate of this particular committee. Even if they were approved, I doubt whether they could in fact be implemented. I think they're irrelevant, and I would make that motion.

MR. CHAIRMAN: Hon. member, I believe it's within your right to make your position known, but I'm not at all clear that this committee has the right to accept a motion to reject a recommendation. They can certainly discuss it from that perspective, but my understanding is that we could not as a committee reject a recommendation put forth by one of the bona fide members of this committee. If someone within the committee has information to the contrary, the Chair would hear it, but that's my understanding. So based on that, I could not accept that motion.

Hon. Member for Westlock-Sturgeon, please proceed with your opening comments.

46. That the Minister of Energy immediately instruct all owners of natural gas treatment facilities to compress naturally occurring carbon dioxide in the natural gas back into unused reservoirs rather than emitting them to the atmosphere.

MR. TAYLOR: Well, thank you, Mr. Chairman. First, the Member for Lacombe was quite right that amendments can't be taken. I read it through in detail, and that's all I wanted: a minute to refresh my memory. Being older than the Member for Lacombe, maybe my memory isn't as good. I had to read it.

Motion 46, I agree. All I wanted to try to do was justify it, and certainly it's within the bounds of the committee to rule it out. That particular motion – and I'd like to split it into two so we could vote on each one. If they want to throw it out, fine.

I can see why there's an argument that the Minister of Energy cannot be instructed to tell a third party anything, that all we can do is tell him how to handle the funds at his discretion

under the heritage trust fund. My argument here was that I have stressed that too, the fact that the Minister of Energy is responsible to the people of Alberta to preserve the assets that, when sold, put money into the heritage trust fund, for which we are here. We're spending the fund pudding, and I feel there's a great waste of assets that the Minister of Energy could be stopping which down the road would add income to our heritage trust fund.

And that's my argument for it. I rise or fall on that.

MR. CHAIRMAN: Thank you.

The Chair recognizes the Member for Calgary-Fish Creek on recommendation 46.

MR. PAYNE: Well, I think the comments I intended to make five minutes ago are now redundant. I simply wanted to make the point that I agreed with the Member for Westlock-Sturgeon earlier this morning when he characterized this recommendation as being "a bit removed." I'd like to suggest that it's leagues removed from the proper fare for the heritage fund committee.

MR. CHAIRMAN: Thank you.

Member for Calgary-Forest Lawn.

MR. PASHAK: In some respects I beg to differ with the Member for Calgary-Fish Creek, because it's not a bit removed; it's just unfortunate, I think, that it requires the Minister of Energy to do something. If it had been directed towards AOSTRA, I think it would have made more sense. That's because AOSTRA currently is doing some investigation into the greenhouse effect. We've just recently produced really what I think is an extremely worthwhile document on this subject. One of the ways in which we could begin to reduce the impact of the greenhouse effect is to pump carbon dioxide back into unused reservoirs, and I think that's the intent of the Member for Westlock-Sturgeon. I'm pleased that you did permit the motion to go ahead and be debated, because at least the record would show that here is an interest that should be of vital significance to AOSTRA. Maybe, if they happen to look at the minutes, they'll pick up on this, and this will encourage them to continue the ongoing research that they're doing in this area.

MR. CHAIRMAN: Thank you.

There being no further speakers to this motion, we'll give the Member for Westlock-Sturgeon the opportunity for closing comments.

MR. TAYLOR: I think we've chewed it over enough to move it on, thank you.

MR. CHAIRMAN: Thank you.

We'll move to recommendation 47 and recognize the Member for Westlock-Sturgeon.

47. That the Minister of Energy be empowered to negotiate with the proposed pipeline builders and gas reserve owners in the Mackenzie Delta and the Beaufort Sea to replenish Alberta's gas reserves down the road if our gas reserves are sold off for export in the next 20 years.

MR. TAYLOR: This again is a case of preserving the sanctity or the viability or whatever word you'd want to use of the source of the heritage trust fund. At present we are in an accelerated, as anyone reading the papers can see - as a matter of fact,

there's such acceleration of the selling of our assets to the extent that even the federal government has been worried that they're selling them too cheaply. Many other areas are worried about the wholesale transfer of reserves out of the province, with which we had hoped to fund the heritage trust fund.

What I'm suggesting here is what's often used in the oil business, literally a swap. If you sell early easy-to-get-at reserves today, you sometimes make a deal of swapping those reserves for something down the road. Here's what I'm proposing: that somehow or another the heritage trust fund be preserved in the future, or that the Minister of Energy start negotiating to preserve these natural gas assets by exchanging rights to deplete our reserves at an accelerated pace today for replacements of those reserves from the far north when they come on stream, thereby stretching out the time that we can fund the heritage trust fund and, in fact, probably gain quite a little in financial value.

MR. CHAIRMAN: The Chair recognizes the Member for Calgary-Fish Creek.

MR. PAYNE: Mr. Chairman, I don't think I'll comment on the inherent merits of the recommendation. I would rather comment once again on the irrelevance of this recommendation to the heritage fund committee. I would like to suggest that there isn't sufficient relevance there for us to absorb more time of the committee in evaluating it. However, having said that, I'd like to suggest to the member that if he were to take it to a different and more appropriate forum, at that time I would want him to be assured that I'd be prepared to evaluate the implications of this recommendation thoroughly. Again, I want to emphasize that I'm not commenting so much on the inherent merits of the recommendation as to its relevance for this committee.

MR. CHAIRMAN: Thank you.

Does the Member for Westlock-Sturgeon have any closing comments on that recommendation?

MR. TAYLOR: There again relevance seems to be the key. I think the committee as a whole will have to judge that. I feel they are relevant, looking down the road.

Thank you very much.

MR. CHAIRMAN: We'll move to recommendation 48 and recognize the Member for Westlock-Sturgeon.

48. That the heritage trust fund research foundation reinstitute studies on the effect of air emitted sulphur compounds on human and animal health.

MR. TAYLOR: This one gets out of the bog that I was into with the other two. It's very clear, to the point. We have already had . . .

MR. PAYNE: Mr. Chairman, on a point of information.

MR. CHAIRMAN: A point of information.

MR. PAYNE: I apologize to the Member for Westlock-Sturgeon, but could I just correct what appears to be an obvious typographical error, and that is the absence of the word "medical."

MR. TAYLOR: On the medical effects, do you mean?

MR. PAYNE: Isn't it the medical research foundation?

MR. CHAIRMAN: The member is raising the question if there is a . . .

MR. TAYLOR: Oh, I'm sorry, Mr. Chairman. It's heritage medical, yes. I think you're right, because there's more than one.

MR. CHAIRMAN: Will the committee accept that as a typographical error? Thank you. So the recommendation now reads

that the heritage trust fund medical research foundation reinstitute studies on the effect of air emitted sulphur compounds on human and animal health.

Is that acceptable to the member?

MR. TAYLOR: I'm sorry; I generalized on the trust fund research.

There have been, as you know - it went on for a number of years - studies on sulphur compounds, particularly related to the Pincher Creek area. Then it was suspended; the study came down. Then there has been some new evidence, as we've all read in the papers, of not only H_2S but other sulphur compounds that come about due to the maturation and decomposition of H_2S , SO_2 , SO_3 , and all the other compounds, and there is some evidence now from independent sources that they indeed do affect animal and human life. I feel that sulphur is such an important commodity for our sale, and also the fact that sulphur compounds are emitted in Alberta, on a per capita basis, probably highest in Canada, that it's well worth continuing research in two respects. The research, if it does free sulphur compounds, will allow us to go on and sell more sulphur; secondly, if there are effects on human and animal life, we may be able to ameliorate that a bit by other portions of the research which show how to handle the sulphur compounds so they do the least amount of damage.

MR. CHAIRMAN: Thank you.

We will move to recommendation 49 and again recognize the Member for Westlock-Sturgeon.

I'm sorry; was there another hand? I did have the Member for Lacombe on the list, and I neglected to recognize him.

MR. MOORE: On 48, the one on the sulphur emissions, the Member for Westlock-Sturgeon is right. There was extensive research done into the Pincher Creek area, a highly publicized, very expensive, and very in-depth study. The results weren't conclusive as to whether it did cause health problems. However, that has since been carried on by Occupational Health and Safety, and they're monitoring that very closely and doing a real good job in that area. So I don't know what new evidence the member is referring to; however, I'm sure Occupational Health and Safety are privy to that information and are right up to date on it.

MR. CHAIRMAN: Does the Member for Westlock-Sturgeon have closing comments?

MR. TAYLOR: In closing, Mr. Chairman, I believe there is a different focus in occupational and community health research on emissions from that of the medical research foundation. I guess the medical research foundation, as I understand it, hon. Member for Lacombe, is more basic research in how the

compounds break down and what kind of toxins they create, whereas occupational and community health, I understand, is more focused on the end result: how does it affect the labour force? I don't think it does anything, either, with animal life. I'm thinking of our agricultural society, of beef, pork, and all the rest, and our feed. I don't believe occupational health touches that, whereas medical research goes into that chain a little more. That's one of the reasons I did it. You'll notice, by the way, that in covering 49 I did indeed suggest that occupational and community health be extended three years to do that end too.

MR. CHAIRMAN: Thank you.

That completes the discussions on recommendation 48. We'll recognize the Member for Westlock-Sturgeon for recommendation 49.

49. That the funding for research by occupational and community health be extended another three years.

MR. TAYLOR: I think recommendation 49, Mr. Chairman, is fairly self-evident. The funding is running out on occupational and community health for their research, the way I understand it. I understand the minister and the people involved in it wanted an extension. I believe they have been doing a pretty fair job, although we can see where maybe some more co-ordination should go on between it, the alcohol foundation, and the new drug institute. But I believe it warrants funding for another three years.

MR. CHAIRMAN: Thank you.

If there's no further discussion on that recommendation, we'll move on to recommendation 50.

MR. FISCHER: I just wanted to make a little comment on that particular one. It seems to me that when we want to go into more research now, we would only be duplicating some of the things we're doing now. I'm thinking of the new foundation that they're putting in place. I guess I'd like to refer back to my motions 26 and 27, where we do have to spend our money wisely and try and put our house in order with our spending. Possibly this is the place that we could do it.

MR. CHAIRMAN: Does the Member for Westlock-Sturgeon have any closing comments?

MR. TAYLOR: I think the hon. Member for Wainwright is quite correct, and this is one of the problems with not being able to amend it. Sometimes we're sitting here talking and conflict. Now, I don't think there's any question that there's a feeling by the whole committee, certainly by most of it I believe, that there may be duplication between those three areas of occupational health, the alcohol foundation, and the drug thing. We'd like to see money saved and some co-ordination go on. It may be possible that if one of these others were given the overall, it wouldn't be necessary to extend the funding. I just put this motion in because I felt that occupational and community health should take more of a co-ordinating and overall focusing of all these studies rather than have three departments. I think the member is quite right: we've got three people all researching the same thing. Maybe that's one of the faults of our system. We should have maybe had a good old-fashioned argument as to who - because it looks as if we're going to come out of this meeting with no focused recommendation, as Wainwright points out, on the funding of these types of studies. We

look to be firing off from all directions.

MR. CHAIRMAN: Thank you.

We'll move to recommendation 50 and recognize the Member for Westlock-Sturgeon.

50. That the Minister of Public Works, Supply and Services provide a detailed accounting of the total cost of the construction of the Walter C. Mackenzie Health Sciences Centre, starting from the original budget and identifying and explaining each increment to that budget.

MR. TAYLOR: Well, that one, I think, is fairly self-evident, Mr. Chairman. If you were in on the examination of the minister of public works, he just said that it was too complicated and didn't have at his fingertips the costs of construction of the Walter Mackenzie. I think that from the point of view of our committee, which is trying to supervise the funds, it'd be nice to go back to day one and see what the changes were in the estimates and why. Now, a lot of changes in estimates and construction are quite valid when you decide to add a new facility that wasn't in the original plan. But there are two types of additions: one, where your cost was out, and the second, where you actually build something new. It would be nice to see it on a sheet of paper, and that's the main reason for making this motion, because as it is now, there are so many rumours – I think pro and con. There are those that say that there's no waste of money, and those that say, "Oh, a terrific waste of money." But a good rundown of all these things would put an end to any false accusations. I think it's actually to the benefit of the government, because the wildest possible rumours circulate now on the costs, so it would be nice to see it all down on paper.

MR. PAYNE: Mr. Chairman, I really don't have a comment to make. I just wanted to direct a question to the sponsoring member, and perhaps when he makes his concluding remarks, he could answer the question. That is, I'm not clear on his use of the words "each increment." Obviously, in a construction project involving hundreds of millions of dollars, once you exceed an original estimate – you know, I suppose there could be dozens if not hundreds of incremental increases almost on a daily basis in a project of that magnitude. It would help me in my evaluation of the recommendation and in arriving at my own position if I could be clear on just what the member meant with his use of the phrase "each increment."

MR. CHAIRMAN: Thank you.

Member for Westlock-Sturgeon.

MR. TAYLOR: Yeah. It would be similar to what we use in business, and I'm sure the hon. Member for Calgary-Fish Creek, being associated with the Olympics budget, would follow it. Maybe I haven't used the right word. I used to use "incremental" because a budget can increase for two reasons: one, because you underestimated the cost of doing the project that you said you were going to do on the budget; the second increase is due to the fact that you amended the budget to build something that you didn't originally intend to in the first place. I think the second incremental cost to your total increase is usually a valid one: because you decided to put in an X-ray machine or put in two rigs instead of one rig in drilling out the field. But then there are the other costs that are due to your department just by underestimating. In other words, you equip

one well and two tanks. It was supposed to cost X dollars; it came out to Y dollars. Therefore, that was a mistake in the budgeting or the estimating process. This is what I meant by "incremental." Each time there is an increase over budget, was it due to something new that was added to the original budget, or was it due to an overrun of costs?

MR. CHAIRMAN: Thank you.

That concludes discussion on recommendation 50. We'll recognize the Member for Westlock-Sturgeon to initiate discussions on recommendation 51.

51. That the irrigation headworks and main irrigation system program of the Alberta Heritage Savings Trust Fund be transferred from the Department of the Environment to the Department of Public Works, Supply and Services.

MR. TAYLOR: Well, this one, Mr. Chairman, is to try to simplify the actual true cost of irrigation in that the Department of Public Works, Supply and Services now are – we've transferred the dams to the department of public works from the Department of the Environment, but the headworks on the main irrigation system is still in the Department of the Environment.

I think there are two purposes for doing this. One is to simplify the cost accounting and the administration of the whole project by putting it all into the department of public works, and secondly is to leave the Department of the Environment more in a policing function than being tied up in the construction end too. In other words, it's asked to examine itself, if it indeed is responsible for some of the construction and maintenance. I think most of us would prefer to think of the Department of the Environment as a watchdog rather than an administrator.

So the combinations of efficiency – easier to run the system by putting it all under one minister – plus removing it from the Department of the Environment and allowing the Department of the Environment to be fully a watchdog are the two main reasons behind that.

MR. PAYNE: I just wanted to say that I support this motion by Mr. Taylor and Mr. Mitchell, and for the reasons as set out by the Member for Westlock-Sturgeon.

MR. CHAIRMAN: Thank you.

Member for Lacombe.

MR. MOORE: Thanks, Mr. Chairman. The member brings up some good points there. However, he didn't mention that Environment would still be involved in the different areas, as so they should, because the salinity question and the use of water other than irrigation from that system brings Environment in as a game player. However, I agree with him. Having it under too many departments isn't good. But you must remember that Agriculture is involved there too, Mr. Chairman. To put it into public works – Agriculture is involved, and now you're just bringing in another department. I think if you're going to give anyone total charge over that, it would be Agriculture, not public works, because they have a vested interest in the whole system.

MR. CHAIRMAN: Thank you.

MR. TAYLOR: I think the hon. Member for Lacombe points out a very good point: that Agriculture is very involved. That's one of the reasons I think Environment has to be sort of the policeman, because Agriculture is no longer the only end user

of water.

As often happens when you get population growth, in Lethbridge and other areas there is the case of the demands of people for water just for their daily living. There is a question of demand for industrial uses that have to be fitted in down the road. There's also the more germane points of the environment as far as trees, flooding, and all the rest of the concerns. So the very fact that there are more people than agriculture involved – and this is what's happened in the last 40 to 50 years. Irrigation was not automatically agricultural, but irrigation – or water control is a better word, I guess we'd say – is a very large, complex problem.

I think you have somebody doing the administering, running it, like the department of public works, but then the Department of the Environment should be in the position to weigh and hold hearings and in general see how this is used, for agriculture and all the rest. That's the main reason for asking for the separation.

MR. CHAIRMAN: Thank you.

I'll recognize the Member for Westlock-Sturgeon with initial discussions on recommendation 53 inasmuch as recommendation 52 is withdrawn.

MR. TAYLOR: Is that after I discuss why we withdrew 52 and why it was such a good motion or anything else about it?

MR. CHAIRMAN: In the opinion of the Chair we could do without that discussion. Thank you for offering.

MR. TAYLOR: If I could have remembered, I might have told you.

53. That the Minister of Public Works, Supply and Services provide an explanation of land costs for Fish Creek Provincial Park, being \$28.237 million while land costs for Capital City Park were \$4.9 million, by the minister's own calculations, before the committee.

This was in an examination when the minister appeared before the committee here. There is a tremendous imbalance in costs between the Edmonton Capital City Park program land acquisition and Calgary. There again I think an explanation of what these land costs were and who got the money could be important.

MR. PASHAK: Point of order, Mr. Chairman.

MR. CHAIRMAN: Yes.

MR. PASHAK: I could be coming in here at the tail end of discussions that have previously taken place, but I don't see what is being recommended here with respect to what the heritage trust fund ought to be doing. It seems to me this is really, in fact, a question that could be more properly put to the Minister of Public Works, Supply and Services when he appears before the committee. The question maybe is valid. I'm not questioning that.

MR. CHAIRMAN: Your point is well taken. We'll recognize the Member for Westlock-Sturgeon on that point.

MR. TAYLOR: If I may answer that, I don't recall whether the Member for Calgary-Forest Lawn was here, but that's what this

is: the minister of public works refused to answer. This is to try to focus the point on him. That was asked of him in the meeting, and he refused to answer. I am just trying to put more weight behind it. I'm trying to get the committee to put the weight behind the question and explain the difference. They're paying \$28.2 million to assemble the big city park in Calgary and only \$4.9 million in Edmonton. Why the huge difference in land costs? The minister absolutely refused to answer. So the point of this is to focus the recommendation.

MR. CHAIRMAN: To address your point of order, hon. member, in order to resolve it to your satisfaction, it would be necessary for the committee to reject this recommendation, and I believe that the furthest the committee can go is to debate the relevance of it and either pass it or defeat it based on its relevance.

So if the hon. Member for Westlock-Sturgeon is finished with his initial comments, the Chair would like to ask the indulgence of the committee while we recognize a school group that's joined us in the gallery and just advise the school group that they're watching the proceedings of the select standing committee on the Alberta Heritage Savings Trust Fund, and we welcome them here. We're presently discussing the recommendations as put forward by the committee. Again, we wish to welcome them. We'd ask you to stand, and we'll give you some applause for having attended today. Thank you.

To continue the discussion, we recognize the Member for Calgary-Fish Creek.

MR. PAYNE: Mr. Chairman, I find myself in the highly unusual circumstance of agreeing completely with the Member for Calgary-Forest Lawn, and I certainly concur with his suggestion that the Member for Westlock-Sturgeon's recommendation be taken to a different and again a more appropriate forum.

MR. CHAIRMAN: Thank you.

Did the Member for Westlock-Sturgeon respond to that position adequately when the point of order was being discussed, and can we move on to the next . . .

MR. TAYLOR: Well, my whole argument is that this is the appropriate forum, but we'll see. If it gets thrown out, I'll say it was inappropriate.

MR. CHAIRMAN: Thank you.

We'll recognize the Member for Westlock-Sturgeon with recommendation 54.

54. That the \$200 million funding for the family and drug abuse program be administered by the Alberta Alcohol and Drug Abuse Commission rather than by a parallel bureaucracy, thereby avoiding costly duplication of bureaucracy.

MR. TAYLOR: Recommendation 54 is prompted a lot by the thoughts of the hon. Member for Wainwright about trying to get a little more efficiency into some of our research and our work. While we're not questioning the \$200 million funding for the family and drug abuse program, we're saying that it'd be best administered – leave the fund there and everything else, but we have the people and a bureaucracy and everything else in the Alberta Alcohol and Drug Abuse Commission. Let them go ahead. We only need to point out what the headlines were this morning and yesterday about the huge bureaucracy we're setting

up. What was it? Four point six million dollars in bureaucracy to administer \$5 million in loans, I think, we made just recently. You know, bureaucrats – and God bless their pointed little heads; I love them, too, when I need them, but they do grow like mushrooms, and what we're trying to do is kill one bed of mushrooms and just let the other ones survive.

MR. CHAIRMAN: The Chair recognizes the Member for Edmonton-Avonmore.

MS M. LAING: Thank you, Mr. Chairman. I would speak strongly in support of this recommendation. We have AADAC, the Alberta Alcohol and Drug Abuse Commission, which has a known track record in the area of alcohol and drug abuse work. My concern is not only the duplication of bureaucracy and the costs there but that in fact the endowment fund may be misused inasmuch as the Alcohol and Drug Abuse Commission already has a great deal of information in terms of research, programming, and education and that we face a possibility of duplication of some of those programs or else a costly co-ordinating body. I think it's totally unnecessary. AADAC is known around the world as an excellent agency.

I'm also concerned that the funds that might well be best used by AADAC through the setup that is before us may be channelled or targeted to other programs or other agencies that would not use the funds as effectively. So I think it's absolutely crucial that AADAC administer this endowment fund. I guess I have to question, I would add, how in fact it came to be that this endowment fund was established. I expect that's not to be answered here. Was it ever a recommendation of this committee? How did it come to be established in this manner? I believe it would have been more wisely established in relation to AADAC.

MR. PAYNE: Briefly, Mr. Chairman, I just wanted to remind members of the committee that the intent of my recommendation 5 would see the co-ordination of the three agencies involved with these types of programs. By definition effective co-ordination does imply the avoidance of duplication and the avoidance of parallel bureaucracies. So I'd like respectfully to suggest that recommendation 5 achieves the same end and has the support of the ministers involved. [interjection]

MR. CHAIRMAN: Not under the rules of the committee, hon. Member for Edmonton-Avonmore. The only person able to come back in is the sponsor of the motion.

Hon. Member for Westlock-Sturgeon, do you have closing remarks?

MR. TAYLOR: My closing remarks are that I would point out to the hon. Member for Calgary-Fish Creek that this does not counter number 5. This just gives a little more focus to it. Certainly I think number 5 is a wonderful motion, and I will vote for it, but I think that after saying that, then we have to go a step further and make this as one of the specific recommendations. In fact, I think it lends credibility to motion 5. Instead of just wanting to make one of those goody-goody motions where you get together twice a year at a meeting over a government-paid lunch, you're actually saying that one of the things you can do is put the administration under AADAC. We're being just a little heavier with it but still in the same line.

MR. CHAIRMAN: Thank you.

The Chair would like to again take a moment and recognize another school group that has joined us in the gallery. I'd like to advise the school group that you're watching the proceedings of the Alberta Heritage Savings Trust Fund select committee. The trust fund committee meets annually to review the annual report, to have the various ministers and the Premier appear before it, and makes recommendations for the future direction of the fund. We want to welcome you here today and would ask that you stand, and we'll give you a warm welcome of applause from this committee.

The Chair would ask the indulgence of the committee to digress from the usual proceedings of going one after another on the recommendations inasmuch as one of the sponsors for recommendation 55 has asked that this recommendation be deferred till later in the day with the hope that that member could be in attendance by that time. So with the concurrence of the committee, the Chair would like to move this recommendation to at least further on in the agenda and perhaps last.

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Thank you.

We'll move, then, to recommendation 57 inasmuch as 56 has been withdrawn, and we'll recognize the Member for Westlock-Sturgeon.

57. That whereas the earnings of the Alberta Heritage Savings Trust Fund are improperly inflated by the receipt of interest on debentures from Crown corporations receiving General Revenue Fund subsidies, the Provincial Treasurer permit the Alberta Mortgage and Housing Corporation, the Alberta Opportunity Company, and the Alberta Agricultural Development Corporation to pay interest on their Alberta Heritage Savings Trust Fund debentures only in years in which these companies are profitable without subsidies from the General Revenue Fund.

MR. TAYLOR: Speaking to this motion, Mr. Chairman, it tries to put some sanity into the accounting methods we use for reporting earnings to the heritage trust fund and also payments by AOC, AADAC, and Alberta Housing, because the dividends paid by these organizations on the notes that they borrow from the heritage trust fund are just in turn borrowed from our current account, which in turn borrows from the public in general – in other words, we are creating deficits in order to pay our Crown corporations the money that they turn around and pay the heritage trust fund.

Something which the Auditor General has pointed out and I think the chartered accountants association of Alberta has also pointed out is that circular accounting, or whatever way you want to call it, is something that would be highly illegal between public companies. We should put some sanity into our accounting and say that if the organization – the Ag development fund, or AOC, or Alberta Mortgage – has not the earnings to pay interest on their debentures, they default in that particular year, which is what any organization does. You're not allowed to go out and create debt from the parent to pay a dividend back to the parent.

MR. MOORE: Well, that last statement by the Member for Westlock-Sturgeon states that there's something illegal going on here, against the law, but I guess that's what you call political rhetoric. We'll accept that on that basis.

But it is an earning, and it's there. It's stated in the account-

ing records. It's accounted for and listed in the annual report financial statements. I think anybody that's interested can follow the flow of money through a financial statement: where it came from, where it went. It doesn't take a chartered accountant to do that. Anybody in business or anybody interested that much in business can follow that funding and how it has been listed. So I think this motion is really put in there basically for a little political grandstanding, and we'll agree to that part of it.

MR. CHAIRMAN: Does the Member for Westlock-Sturgeon . . . I'm sorry; I did overlook the Member for Calgary-Forest Lawn.

MR. PASHAK: Thank you, Mr. Chairman. I just want to say that I agree with the intent of this motion. The contribution of the Heritage Savings Trust Fund to the General Revenue Fund is expressed in last year's annual report as \$1.25 billion. I think that gives a very misleading impression to all Albertans to put it in that form, because at the same time we're taking that much money into the General Revenue Fund, we're also paying money out to support these two agencies that have been set up under the Alberta Heritage Savings Trust Fund. It would be much neater and cleaner for everyone concerned, I think, if this motion were to be adopted. In the event that it were, then we'd know that we'd be able to see at a glance much more clearly just how it is that the people of Alberta are benefiting from Heritage Savings Trust Fund dollars. There'd be a more accurate statement of that contribution than presented in the annual report.

MR. CHAIRMAN: Member for Wainwright.

MR. FISCHER: Thank you. We have heard this many times before from the Member for Edmonton-Meadowlark, who isn't even here. It's important that we preserve the integrity of the heritage fund. It would be foolish to borrow money and then not pay it back. You couldn't do that if you borrowed it on the world market, so I don't see why we think we could do it here. That heritage fund has done us a lot of good over the years, providing that we keep the money there so that it can be used again and again.

I just think I've heard this go round and round. I keep saying that the member may be in danger of becoming a whiz 'n' poop, which is the insect that goes round and round and round in a circle, faster and faster, until it's actually inhaling its own excrement. I believe our member is getting very, very close to that danger, and possibly the chairman could take him out of that danger.

MR. PAYNE: Mr. Chairman, I wouldn't dream of getting into the debate now.

MR. CHAIRMAN: Does the Member for Westlock-Sturgeon have closing comments on this recommendation?

MR. TAYLOR: Well, first of all, I want to thank the hon. Member for Wainwright for taking one of my favourite stories and cleaning it up so I can use it as a parlour joke.

The Member for Lacombe mentioned that I intimated that this was illegal. I didn't say the practice was illegal. I was saying that the practice if done by public companies is illegal. So, in fact, what we're practising is a form of accounting incest, and that's not acceptable in most circles.

I was actually going to use the hon. Member for Wainwright's own arguments about bringing hard, cold facts to the fund. I must admit I was torn whether to present this resolution or not, because in a way it is the Achilles' heel of the provincial government, and I in the opposition and other members of the opposition love to go out and make fun of this accounting practice. Probably looking at it from strictly campaigning in elections, we would withdraw this motion tomorrow, and I hope you continue to commit suicide.

But in the spirit of co-operation and human kindness that fills me when I'm still four years away from an election, I thought I'd suggest that the present accounting does two things. One, we see the silly thing of the government borrowing money. The latest capital bond issue is 11.4 percent. They're borrowing it at 11.4 percent to pay 10.5 percent debentures to themselves. In other words, we're losing a percent and a half by going out and borrowing money so we can say we're paying money over on this side. That's the first thing that hits you as very intriguing.

The second thing is that the heritage trust fund has become a focus for everybody to say, "Well, you've got all that money in the Treasury." Well, I think that in the hard light of accounting, the provincial government would find a much more reasonable attitude from the demanding public out there, and maybe some of these other resolutions we've formed, if they were more realistic and if indeed the fund didn't have in it the deemed assets – but that's a side argument – and, secondly, didn't have that so-called huge earnings, which, as I say, with the latest capital fund bond issue we're now borrowing at nearly a percent higher than what we're paying ourselves.

So it's just a very, very poor business move and one that I'm torn as to whether I want to see pass or not because I look forward three years from now to beating the hon. members over the head with it.

MR. CHAIRMAN: Thank you.

Recommendation 58 has been withdrawn. We move to recommendation 59 and recognize the Member for Westlock-Sturgeon.

59. That the Alberta Heritage Savings Trust Fund immediately renegotiate the agreement under the Capital City Recreation Park program with the city of Edmonton to ensure sufficient funding to complete the Capital City Recreation Park system by the year 2000.

MR. TAYLOR: This again is near and dear to my colleague's heart. It's the question of expanding the Capital City Recreation Park. I believe from the interviews we had here with the cabinet ministers that there's some question of whether or not there'll be enough funding to keep the Capital City Recreation Park program going. This is to try to focus, particularly for Edmontonians, that the government is indeed, through the medium of the Alberta Heritage Savings Trust Fund, intending to complete their Capital City Recreation Park program.

MR. CHAIRMAN: Thank you.

Did I see the Member for Lacombe on this? The Chair recognizes the Member for Lacombe.

MR. MOORE: On Capital City Park, I felt there was sufficient funding to complete it in its original concept. However, there are always visionary concepts of where it can go and who's going to pay for it as it goes there. This could go on and on and on. But in its original concept, it is my understanding there is

sufficient funding to complete it to that point. To renegotiate it on down – well, you could go with all the parks, because there isn't a park anywhere in the urban parks system that wouldn't want to expand and go on further. However, it then becomes the responsibility of the citizens of that city to fund their further expansion, I would think.

MR. CHAIRMAN: Thank you.

Closing remarks, hon. member.

MR. TAYLOR: Could I ask the forbearance of the Chair, and through that to the committee, in that we've already left 55 to be spoken to by my colleague, that we leave the summary argument on 59 until he comes forward to move 55?

MR. CHAIRMAN: Hon. member, I really believe that in fairness to the committee that request should have been made prior to embarking on the discussion. It might be difficult for the committee to pick up the trend.

MR. TAYLOR: [Inaudible] they're a sharp bunch of characters.

MR. CHAIRMAN: Could the hon. member make his argument for that?

MR. TAYLOR: Well, I agree, I guess, that I got in too far, if that's your ruling, Mr. Chairman. I had hoped that seeing you were holding Mr. Mitchell anyhow and that the hon. Member for Lacombe had brought up a technical point which I am just not sure of . . . I don't know whether this is a question of a disagreement on whether the government has enough funds or indeed the government has admitted there wasn't enough funds. I just don't know. That's why I need the member . . . However, we'll figure some other way around it.

My understanding is that the government has agreed that there isn't sufficient funding to complete the system, that they've only funded so far. That being the case, all I'm asking is that the government semaphore or send a message to the city of Edmonton that they are willing to negotiate for funding to complete the system to the year 2000.

MR. CHAIRMAN: Thank you. We'll accept that as your closing remarks on recommendation 59 and move to recommendation 60 and recognize the Member for Westlock-Sturgeon. I'm sorry; 61. My mistake.

MR. TAYLOR: Yeah, I could have lots of fun there. Have you heard my Gettysburg Address on that one? I'm sorry. Sixty has been withdrawn. Okay.

61. That the Department of Recreation and Parks provide a report to the committee indicating how many of Alberta's 17 natural regions are currently represented by Alberta's 11 designated ecological reserves, outlining the timetable by which all 17 natural regions will be represented and indicating what Alberta Heritage Savings Trust Fund support would assist in completing this process.

This, Mr. Chairman, arises out of what I think many of us felt when we toured Kananaskis park, in that there are other natural regions around Alberta that could be created into parks. Now, we have 11 ecological reserves, which goes a long way in that direction, but there are 17 natural regions as categorized by the Department of Recreation and Parks and we should be moving

to have all 17 designated as ecological reserves. This is in line with giving balanced development for parks and ecological reserves in the rural areas – some of the them are not so rural; some are within half an hour's drive of Edmonton or Calgary – equivalent to the money and effort we've put into the big megaparks like Kananaskis and Willmore.

These small parks can be a great deal of enjoyment because of the public's almost newfound interest in the environment. The growth in everything from bird-watchers' clubs to egg hunting parties and everything else has been fantastic, and these natural regions, instead of becoming preserves that were at one time the exclusive use of scientists – now the public themselves want to be much more involved. That's one of the reasons behind this motion, that all 17 natural regions be turned into ecological reserves.

MR. CHAIRMAN: Thank you.

The Member for Lacombe.

MR. MOORE: Well, Mr. Chairman, we're sure mixing a lot of things here. It's very confusing to me, and I'm sure it's very confusing to the Member for Westlock-Sturgeon, because the whole motion doesn't make sense. Ecological reserves are set aside, and you don't do anything in those ecological reserves. They're there to protect some given thing, like the horned toads down there in southern Alberta, and some special cactus – you can't even walk in there because you might step on one of them. Again, our natural regions are there to preserve a certain natural area because of human encroachment all around. We'd lose a lot of this natural growth and plant life that's there, and the last thing they want in the natural areas and in the ecological reserves is people. And neither one of them is suffering from lack of money, because we don't spend money on them; we leave them just the way they are. So when you mix in heritage fund money, asking the heritage trust fund to assist in completing the process, I don't know what process you're completing. Then to say it's to make it available so everybody can go out there and walk around and enjoy it all goes against the principle of the two. I think somewhere along the way whoever researched this got a little mixed up.

MR. CHAIRMAN: I recognize the Member for Clover Bar.

MR. GESELL: Well, Mr. Chairman, I'd like to respond to this question. I believe the minister, when he addressed this committee, responded adequately to that question as well which was asked by the Member for Edmonton-Meadowlark. I'm referring to page 22 of the *Hansard* transcripts of this committee. The minister's response was yes, there are 11 out of the 17 areas that have been now designated. He also indicated – and let me just quote from his remarks. He says:

I share with you your concerns on ecological reserves. In the last three years we've dedicated 11. We have moved very quickly in a short period of time and have dedicated 11 and gone through the public process of identification on three others. So we're at the 14 level out of the 17 that you've discussed.

So I see some reaction and an appropriate answer to this question that was previously asked, and I fail to see how that answer could be supplemented by the recommendation that's before us now.

MR. CHAIRMAN: The Member for Westlock-Sturgeon.

MR. TAYLOR: I think the members have brought up two good

points. I'll try to answer them. The Lacombe one: I agree that quite often the development of an ecological area with extensive use of the public may be counterproductive. I think at all times the ecological reasons will reign, but quite often they can be combined either by closed seasons or by different methods of observing the ecological fauna, whatever it is. But I think there are methods of putting the two together, just as there are in museums or anywhere else.

The second comment I'd like to address, which the hon. Member for Clover Bar quite rightly brought out, is that there's been a very fast move to nearly 14 – 11 plus 3 – and I think he's quite correct. But the very fact that that fast move took place just in the last couple of years – in other words, we went for a long time before doing it – leaves a bit of fear, I would think, in some naturalists' minds: well, are we stopping at 14? All this doesn't hurt them at all. All it does is reaffirm our concern, which apparently is shared by the present minister also, that we would like to see . . . In other words, we're patting him on the back and saying let's keep going till we get all 17 done; let's not stop. If you're going to continue, fine; there's no problem. But if you were thinking of stopping at 14 or 15, we're encouraging you to get all 17.

MR. CHAIRMAN: Thank you.

The Member for Westlock-Sturgeon, opening discussion on recommendation 62.

62. That the Minister of Forestry, Lands and Wildlife undertake a study of revenues received by holders' grazing leases to determine whether revenues related to oil and gas developments and seismic work on grazing leases should be considered public funds to assist the Alberta Heritage Savings Trust Fund in supporting its grazing reserve program.

MR. TAYLOR: This one is a bit puzzling as to why it should ever have to be made, Mr. Chairman. The grazing lease owners have been deemed – not by any court decision – to be the recipients of any permitting done by seismic workers or of any surface leases bought by oil companies. In some cases it has exceeded the fees they've gotten by charging the oil companies access for either seismic or drilling. All we're saying here is that that's connected with subsurface exploration, and the fees that come in from an oil company's exploration should be paid to the government as it is in forestry, for instance.

This is an anomaly. I used to work on public lands quite often in the past, and you didn't pay the lumber company except for the lumber destroyed. You paid the Alberta government for the right to go in and drill, for the permit, but if you destroyed any timber, you paid the lumber company. This is all that should be paid in a grazing lease.

The heritage trust fund should be getting the money for permitting and surface rights, and grazing owners should only be getting money for the amount of grass destroyed, which amounts to not too much. Now they're getting the total amount of the permit for building the roads, the road site, for seismic and everything else. It should only be a question that the leaseholder gets damages for what's done to what he or she leased, not the found money of oil company exploration, which is most unusual. It's the same way with a trap line or timberline. All we ever paid before was damages. We didn't pay the fee the oil company was paying to access the land to the leaseholder. This is unusual to that extent. I mean, we're asking: if the hon. Member for Wainwright is serious, let's get some of that income into the heritage trust fund rather than out there. After all, it's

a godsend of help. When somebody leased some land to graze cattle, they didn't go around asking the oil companies where they were going to drill wells or permanent pipelines. They bought it for grass leasing, and therefore any loss they have in grass, yes, but not for the fact that they're lucky enough to be on the trans-Canada route between Alberta and California.

MR. CHAIRMAN: The Member for Lacombe.

MR. MOORE: It's a really good question. It has been reviewed many times, not in this committee but in other arenas. It's a legal question as to the right of those people with the leases to have that revenue. I don't think we're in a position to dispute legal opinions, which have been given, that they have a right to it.

The other part of it is that we're talking about these grazing leases which do not have anything to do with the heritage trust fund. We're talking about what goes on in another sector and saying they should clean up their act or do something and then give the money over into our area. I just can't follow that as being appropriate or even possible, for us to start dictating in an area where we have no money and no say whatsoever – grazing leases – and saying that should be brought over.

However, I agree with the Member for Westlock-Sturgeon that it's an area that definitely should be looked at. I still question the legal opinions that have been coming down on the grazing leases saying they have a right to that. But I don't think this is the arena for it to be decided.

MR. CHAIRMAN: The Member for Wainwright.

MR. FISCHER: Thank you. I think we have to remember that the revenue is coming forth on surface leases because it causes inconvenience. It isn't inconveniencing the heritage fund or the government; it's inconveniencing the guy that has negotiated that lease and is using that land. Certainly when you make an agreement, whether it's with government or with a private individual, you put a value on it, and especially in the case where there are wells on it already, you negotiate your lease according to the value of it. You do. Then when an oil company comes in and leases that land and gives you revenue from that lease, if it's a 30-year lease, they can do whatever they want with it. It's like their land.

So if you've got five acres of land that they have leased and paid surface rights on, then you've got five acres less that you can use whether you're farming, grazing, or whatever you're doing with it. So it's a loss. Certainly a roadway is an inconvenience when you go to fertilize your pastureland; it's an inconvenience every time you try to cross it. So certainly there should be some compensation paid to that man that is leasing it.

I don't see how you can say that the money from those benefits should go directly into the heritage fund, because it should be included in the value of that lease when you make your agreement. I don't want to make out a lease with a company or with anyone and then have, say, five acres or whatever number of acres taken away from me and have to pay the same amount. Whenever you give up those surface leases, you give that up like you were selling it. An oil company could build a row of houses all the way along that lease. They can do what they like with it. Certainly it's an inconvenience, and I think we have to recognize that.

MR. PAYNE: Well, Mr. Chairman, in a preliminary and uninformed way I'm somewhat intrigued by the recommendation. The Member for Lacombe quite properly has raised the legal uncertainty associated with the recommendation, and I'm wondering if the sponsoring member might be able to obtain some kind of legal opinion before we meet to conclude our discussion and our votes on this and other recommendations.

MR. CHAIRMAN: Thank you.
The Member for Westlock-Sturgeon.

MR. TAYLOR: There are a number of points raised here, and I'll try to address them all. The question of legality hasn't been checked. Of course, I have talked to lawyers, and they claim that the funds do belong to the government and not to the lessee. There are lots of arguments for that. If you've been associated with the oil business, you know that when you go to drill a well on a farmer's land, the tenant gets nothing; the owner gets the whole amount. So there are lots of precedents to show that the owner of the land gets the money paid for access rent. Now, sometimes a tenant may have a contract with the landlord to say that they share 50-50 or anything. But in the absence of an agreement, the law seems to be clearly on the side of the owner, not on the side of the tenant. There's plenty of evidence to show that already.

In the case of timber leases, you have to sit down and negotiate with the timber company the permission to go through and only pay damages. They only pay for the lost timber that's gone. The government, or the owner of the land, gets the site. There's a lot of argument to show that the owner gets the payment, unless the lease contract shows otherwise. In particular, farmers are one big source of problems with the oil companies, because quite often you're drilling on a tenant's land and he is quite snarky about the whole thing because the owner who has married again and is sitting off in California is getting a big payment for going across and ruining his land. So quite often there is a big argument. I think there's not much question that the legal rights go with the owner, not with the tenant.

The question of directing income: the hon. Member for Lacombe mentioned that it would go into general revenue, come around. Well, I don't think so. I think many of the heritage trust funds are net. In other words, if AOSTRA gets any income from somebody from a patent or from use of a road or something like that, it comes in and helps the total grant. This is all I'm saying on a grazing lease: that the money that could come from oil and gas development and other mineral developments flowing into a grazing lease fund that's being administered would help cut down the cost to the public. Certainly the leaseholder should be recompensed for any inconvenience, but after all, quite often as taxpayers and owners of the air above, the land itself, and the subsurface – the subsurface in many cases is worth astronomically, geometrically, more than the surface. It doesn't seem sensible that a leaseholder on the surface could stop the taxpayers from exploiting the subsurface. So I believe it's just as a loophole that no one really thought about. I'm sure that when people are picking up grazing leases, they're probably not sitting there picking them up for the possible value of oil rights; they're just for grazing leases. So it's found money, and I think it belongs to the owner of the land, which is the taxpayers of Alberta, not the one that's done the lease.

MR. CHAIRMAN: The Member for Redwater-Andrew has

signified he'd like to get into the debate. However, I have to remind him that those were closing comments on that recommendation, so by the agreement . . .

MR. ZARUSKY: The Member for Westlock-Sturgeon is missing . . .

MR. CHAIRMAN: Is this a point of order? You can't get into debate, hon. member, is what the Chair is saying.

MR. TAYLOR: I don't mind.

MR. CHAIRMAN: I can accept a point of order.

MR. ZARUSKY: It's a point of order then. The Member for Westlock-Sturgeon, I think, is misleading the public out there by making statements saying that the owner gets paid for all compensation from oil companies. The tenant also does, for inconvenience and for damages. So there should be some clarification there, but it may take a while to clarify.

MR. CHAIRMAN: On that point of order?

MR. TAYLOR: Certainly any man in his right mind goes and makes the deal with the tenant also, but I'm just saying that, legally speaking, the owner, unless there is a clause . . . Quite often in land rental agreements now there is a clause that splits the returns or whatever it is on the thing. But if there's nothing in their rental agreement at all, the owner of the surface rights can go ahead and lease out from underneath the tenant to an oil company for oil company purposes or permitting. I agree that in most cases you do, because the person who's living there is the one you have to get along with. But that's all voluntary. It's not by law.

MR. CHAIRMAN: Thank you. With the indulgence of the committee, I would like to recognize that I believe a school class has joined us in the gallery, and I just advise them that they're watching the proceedings of the select standing committee on the Alberta Heritage Savings Trust Fund. The committee is presently discussing the recommendations coming forth from the annual report. We welcome the school group here with us. We'd ask them to stand, and we'll give them a welcome from the committee.

Thank you. We now move to recommendation 63. We'll recognize the Member for Calgary-Forest Lawn to give opening comments on recommendation 63.

63. That the Alberta Mortgage and Housing Corporation annual reports and annual reports of other Crown corporations should more clearly reflect the net realizable value of loans and assets and that independent auditors be retained without delay to provide a report to the standing committee on this matter.

MR. PASHAK: As the committee is aware, this is not a motion that I've submitted myself, but I think it does draw attention to an important issue. There's been concern expressed on numerous occasions in the Legislature that the real assets of the Alberta Mortgage and Housing Corporation are somehow substantially different from the way those assets are reported. It's not a reflection on the Auditor General, and I want to make that clear. The Auditor General's mandate is to just conduct audits with a review of systems in place to make sure accounting

practices are proper and information is reported accurately and that sort of thing.

I think what this motion attempts to do is draw attention to the importance of moving the province again in the direction of conducting more value-for-money audits or comprehensive audits with respect to the operations of Crown corporations, and in this case the motion is basically directed at the Alberta Mortgage and Housing Corporation. That's not to say that the Auditor General himself wouldn't have a role to play in this, just that there'd be some very real value to the Alberta taxpayer if an institution such as the Alberta Mortgage and Housing Corporation were to have its books examined by people who've been given an instruction to examine those books with a view to economy, efficiency, and effectiveness. Out of that, then, the Legislature would be in a much better position to know what the real assets and the real significance of a corporation like the Alberta Mortgage and Housing Corporation are and would know if any kind of remedial legislative action would have to be taken with respect to such a corporation. So I wholeheartedly support this motion by Mr. Roberts in the spirit in which it was submitted.

MR. CHAIRMAN: Did the Member for Calgary-Fish Creek have his hand up?

MR. PAYNE: No, he didn't, Mr. Chairman.

MR. CHAIRMAN: I'm sorry. I thought I saw . . . Are there any other comments coming from the committee on this motion? If not, we'll move on to recommendation 64 and call on the Member for Edmonton-Avonmore for opening comments.

MS M. LAING: Would you like me to read it into the record?

MR. CHAIRMAN: Yes. I'm assuming *Hansard* will pick it up and put it in, but perhaps you should read it in.

MS M. LAING: I would like to move the recommendation standing in the name of Mr. Roberts,

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, recreational, and development program. This capital project would fund diverse thematic, historical, cultural, and recreational parks and projects in order to expand and diversify tourism in northern Alberta.

I would like to speak in support of this recommendation inasmuch as when we traveled in Alberta on our task force on economic development, we were constantly told about the lack of support for tourism and recreation, particularly tourism, in the northern part of the province; that is, north of Edmonton, which of course is in the central part of the province geographically. I think we miss a great resource we have by not expanding, and we also ignore our history in terms of not knowing really what has happened or not having focused on that and the cultural aspect of life, particularly our historical cultural aspects. So I think that instead of always traveling west from Edmonton, we could well travel north, and if there are resources there, we have much there that could be developed. This would then make it more accessible for those people living in the northern half of this province.

MR. CHAIRMAN: Any other discussions on recommendation 64? Member for Lacombe.

MR. MOORE: Thanks, Mr. Chairman. I recognize that there is a lot of potential in northern Alberta, as there is in central Alberta or southern Alberta, that could be developed if adequate funding was available. However, this is being addressed in various other programs. We have the Alberta tourism action plan, which is applied to the north just as well as any other, and it provides considerable funding into that area to develop just what this motion says should be set up. Also, the community enhancement program is another one that, to a degree, pours money into those types of things. The major thrust of the Department of Tourism and the high level it puts on developing these areas that haven't adequate facilities to attract tourism will address this same problem in the north.

So even though the motion has a lot of merit, I don't think it should be under the heritage trust fund because of the other sources of funding that are available and will continue to be available as our tourism industry increases.

MR. CHAIRMAN: Did you wish to have closing comments, hon. member? Oh, the Member for Westlock-Sturgeon.

MR. TAYLOR: I'd like to make a point or two here. I actually expected the Member for Athabasca-Lac La Biche to leap in with both feet here. [interjection] He agrees with the thing.

It was pointed out by the Minister of Tourism just the other day that there was no way they could possibly catch up in spending the amount of money on northern tourist projects and improving northern facilities that they had already spent in the south. The south has had many times - I guess 100 or 200 percent - more spent on it than the north. People will argue: well, that's because we're closer to the States. But then the reverse works the other way. How many Canadians brag about going for a holiday in Montana because it's close to Alberta? Instead, they always talk about California or Colorado or whatever it is. So there is nothing wrong with leapfrogging over an area to the end, and the tremendous tourist possibilities of the north are just not being recognized. Now, I'll admit that the government is putting in the municipal recreation/tourism action plan, but that goes all over Alberta. There is nothing to try to lift the north up as a place for tourists to visit like there is in Kananaskis and Banff and Jasper.

I feel this is a good motion. Maybe it could come out of general revenue too. But we have tremendous potential in the north, both in winter and summer, that we have just let pass. I think the hon. Member for Edmonton-Centre should be complimented on it; I always envisioned him as a city slicker not understanding what was going on way out there. So I am very much in favour of this.

MR. CHAIRMAN: The Member for Athabasca-Lac La Biche.

MR. CARDINAL: I would also speak in support of that motion. It does cover the motion I made, motion 32, to provide \$23 million over five years for a specific tourist development site in my constituency. I guess the reason I would support an initiative larger than one particular constituency is the amount of economic diversification that's happening in northern Alberta, specifically in the forestry area, where it is necessary that we also develop and maintain the tourism area as strongly as possible. I'm certain, living in that area, that tourism development and forestry development can coexist and can go hand in hand and complement each other. It would enhance the planning and ensure that we secure and set aside areas that should be set

aside for recreation and areas that should be for forestry development. Then we'll proceed around those areas. So I would support it.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Avonmore with closing remarks.

MS M. LAING: I guess I would just emphasize the need to target funds into that area. Certainly when we were talking with people in the northern part of Alberta, they were complaining about the programs now in place not adequately addressing their needs and sometimes putting more funds into the southern half of the province. I think we need to look at it in terms of targeting, which the community enhancement program does not do; it is a provincewide program. I think we also need to recognize that people are increasingly seeking out, in some ways, areas to go to that are in some sense wilderness or undeveloped. It has to be developed to a certain extent, but they're wanting to get away from the Disneyland type of tourist attraction, and I think that's a real strength the northern half of this province has.

MR. CHAIRMAN: Thank you.

We'll move to recommendation 65 and recognize the Member for Edmonton-Avonmore to speak to that.

MS M. LAING: I would like to move the recommendation standing in the name of Mr. Roberts

that given assurances by the Minister of Health to co-ordinate health research in Alberta and given previous government commitments to the Heritage Foundation for Medical Research for inflation-correcting increases to their \$300 million endowment, a further \$75 million be added from the capital projects division to the endowment for the Heritage Foundation for Medical Research. I would speak in support of this motion.

In talking with the people from the medical research foundation, we heard them say a couple of times that there was an overemphasis on biomedical research; that they weren't able to look at mental health issues because those kinds of applications were not, in fact, presented. I have a hunch they were not presented because of the kind of biases that were in place in accepting research projects. I would therefore add a rider to this in saying that this \$75 million addition would be targeted particularly to look at the sociological and economic impacts on health, so that we get a broader definition of health; that we move away from the focus on high tech and research into exotic operations and technological development; that we need to see health as a holistic issue and that the health of individuals and families and communities is impacted by the socioeconomic conditions in which those individuals, families, and communities find themselves; and that that must become the emphasis of health research in the future.

MR. TAYLOR: This is in the nature of a question, maybe, to the Chair. Didn't the committee representing the Heritage Foundation for Medical Research ask for \$150 million?

MS M. LAING: Yes, they did.

MR. TAYLOR: This is, in effect, giving them half of what they want.

MR. CHAIRMAN: I think that's correct, hon. member.

MR. TAYLOR: Maybe you can also help me. Did anybody move \$150 million, or is this the only response in the motions? I looked through the motions; I couldn't find any. This is the only response, then, to that request for \$150 million?

MR. CHAIRMAN: The Chair would have to review it, but I believe there was a motion from the Member for Ponoka-Rimbey.

SOME HON. MEMBERS: Number 30.

MR. CHAIRMAN: Number 30, is it?

MR. PAYNE: Yes.

MR. CHAIRMAN: Okay. Is the hon. Member for Westlock-Sturgeon now aware of recommendation 30?

MR. TAYLOR: Well, I . . .

MR. CHAIRMAN: In view of that, do you wish to speak to this recommendation?

MR. TAYLOR: I would like to support the recommendation in that - it is half what they asked, but, mind you, I notice in reading minutes of other years that they've asked for \$150 million the last two meetings, I believe, of the heritage committee. So giving them \$75 million . . . I support it. That's it. I'm not absolutely crazy about it, but I will.

MR. CHAIRMAN: Is there any other . . .
The Member for Clover Bar.

MR. GESELL: Thank you, Mr. Chairman. I'd like to speak against the motion. I realize that the request has been made for a \$150 million increase in the original endowment in the last number of years. However, to look at this situation, one also needs to realize that through good stewardship and management of that initial endowment, that value now is close to \$500 million. We need to keep that in mind, and rather than looking at handing out a further \$75 million, as the motion contemplates - and I would want to deal with motion 30 - I would rather we look at the implications of adding to that endowment. That is contemplated in recommendation 30, and I think that is more appropriate.

In the discussion we had during the presentations that were made to this committee, I did not receive information there nor did I have the opportunity to ask what might happen, the negative effects that might occur, if that additional increase in the endowment was withheld. I feel a little bit uncomfortable about increasing willy-nilly \$75 million in that endowment without having some good and valid reason why, in the first place, we should look at the \$150 million that was requested, what would occur if that were given - what benefits might accrue to us - and what negative results may occur if that were withheld. This \$75 million is a number that is drawn out of the air. There seems to be no substantiation for it, and I have some difficulty evaluating what that impact might be, either positive or negative. I would want to have that justification, that investigation, before supporting a recommendation of this nature.

MR. CHAIRMAN: Thank you.

Does the member have closing comments on recommendation 65? Thank you.

The Chair and the committee earlier agreed to defer recommendation 55 to the last one in an effort to allow the Member for Edmonton-Meadowlark to attend. He obviously is not able to be here. Can the Member for Westlock-Sturgeon move that recommendation and speak to it?

MR. TAYLOR: I would move . . .

MR. CHAIRMAN: One moment. The Member for Calgary-Fish Creek.

MR. PAYNE: No. I'd just like to get on the speakers' list.

MR. CHAIRMAN: Oh, I'm sorry. Go ahead, Member for Westlock-Sturgeon.

MR. TAYLOR: I would move motion 55 on the agenda by Taylor and Mitchell:

That the Alberta Heritage Foundation for Medical Research review the potential research projects identified by the national institute for child health development of Bethesda, Maryland, at its November 1988 conference in research into sudden infant death syndrome and assess the feasibility of funding one or more of these projects.

Speaking to the motion, it's not actually a request for funds. It's just to add onto the agenda of the Alberta Heritage Foundation for Medical Research investigation of the sudden infant death syndrome, and to assess the feasibility of funding one or more of these projects.

I think it's a concern, certainly of many young parents in Alberta. It seems to be of almost unknown causes. I think we're talking about the feasibility of funding. It is a worthy project, yet we're not asking them to go ahead and fund it. So I think it is the type of motion this committee could pass, as it expresses concern for many of the worries that our young parents have. At the same time, it waits until we get a funding feasibility study back before we say go ahead.

MR. PAYNE: Mr. Chairman, one of the sponsoring members has spoken to me on more than one occasion to share with me his interest in the subject of what I used to call crib death, which of course is now termed sudden infant death syndrome. I think it's safe to say that every member in the committee today in the Assembly has had a friend or acquaintance whose immediate or extended family has been impacted by crib death, that mysterious taker of infant life. I'm sure all of us have read from time to time in the popular press quite an assortment of theories or possible explanations as to the causes.

I share the Member for Edmonton-Meadowlark's interest in possibly harnessing some of our heritage fund resources to try to get to the bottom of that tragic mystery, so I'm speaking in support of the motion. In doing so, however, I do have one reservation or concern, and that is if the committee were eventually, in its wisdom, to pass this resolution, I would hope that the foundation for medical research would add a qualification to its funding feasibility assessment and participation, and that would be to ensure that Alberta facilities, or at the very least Alberta scientists, are directly involved in the research so that we are not second or third hand beneficiaries of whatever research might be conducted.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Avonmore.

MS M. LAING: Well, Mr. Chairman, I . . .

MR. CHAIRMAN: I'm sorry.

MS M. LAING: Am I out of order?

MR. CHAIRMAN: No, that's fine. I'm sorry. I thought I was out of sync on the speakers' list, but that's quite correct. Please proceed.

MS M. LAING: I recognize the tragedy of, as I also knew it, crib death, or sudden infant death syndrome. I guess I'm concerned about the narrowness of the focus. I would rather see something that looked at child and infant health. We know that children of low birth weight are more vulnerable to SIDS. I've also heard recently that there is some suggestion that it is in places where infants do not sleep with their mothers that they're more vulnerable to SIDS. Also there is some information around that the CO₂ the mother would breathe out and the sympathetic heart and breathing patterns of the mother and the infant protect the infant in these areas. So I think if we're saying low birth weight makes an infant vulnerable to SIDS, as well as a great number of other very serious problems, I would prefer to see the research look at a broader base of infant health. And that's not at all to discount the tragedy involved when a baby dies suddenly.

MR. CHAIRMAN: Thank you.
Member for Lacombe.

MR. MOORE: Thanks, Mr. Chairman. I think we all agree with the intent of the motion. The only thing I would like to caution on is that we don't get into where we're destroying some of the autonomy of the foundation, who make their selections, and start directing them from a political area. I would hate to think that we'd get into that mode. So it's an area we should tread softly in.

MR. CHAIRMAN: Thank you.
Member for Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Chairman. I have to speak in favour of this motion. Like my colleague from Calgary-Fish Creek, I think many of us have heard this called crib death and know of people that have gone through this tragedy within their lives. The way I read the motion is that we're really appealing to the medical research group to make this one of their agenda items for review, and I think it's a specific enough and serious enough problem that the broader spectrum can be dealt with by that committee. But I certainly would be in favour of this type of feasibility study taking place and asking the medical research group to make it an agenda item for their researchers. And I would concur that I would prefer to see Alberta researchers involved, as opposed to other researchers.

MR. CHAIRMAN: Thank you.
The Member for Westlock-Sturgeon with closing remarks.

MR. TAYLOR: Thank you. The Member for Calgary-Foothills did a better job than I would, so I'll leave it stand at that.

MR. CHAIRMAN: Thank you to the members of the committee. That concludes the discussions on the recommendations.

The Chair will endeavour to find a date for the voting on the recommendations that hopefully all members can attend. It's the hope of the Chair to find that date in December, but I cannot guarantee that at this point because of the conflicting calendars of some of the members. But we'll work towards that; if not, certainly at the earliest possible date. If there's some discussion

on that – but I really believe it would be to no avail to try to set a date in the context of our committee meeting today.

So if there's no other business to come before the committee, I would entertain a motion for adjournment. The Member for Edmonton-Avonmore, thank you. The meeting stands adjourned.

[The committee adjourned at 11:54 a.m.]

