

10:03 a.m.

Thursday, November 15, 1990

[Chairman: Mr. Ady]

MR. CHAIRMAN: I'd like to call our committee to order and resume our discussion and debate on the recommendations that are before the committee. The Chair's records . . .

MRS. OSTERMAN: Mr. Chairman?

MR. CHAIRMAN: Yes, Member for Three Hills?

MRS. OSTERMAN: Mr. Chairman, you raised yesterday briefly, looking at the scheduling – maybe it's something you prefer to leave till later today – what we might do if we needed some extra time. I hoped we might be able to consider extending or starting earlier tomorrow or something, or is that something you prefer to deal with when we've had an opportunity to see how far we get? It's just that if we want to deal with it, it doesn't leave us very much time.

MR. CHAIRMAN: That's correct, hon. member. The Chair does intend to bring it forward. However, I'm informed that two members are on their way into the Assembly in the next few minutes, and in consideration of them, the Chair thought it might be wise to just deal with a recommendation or two and then we would move back and deal with that order of business, if the committee is comfortable with that. Okay?

We'll recognize the Member for Westlock-Sturgeon to initiate discussion on recommendation 21.

21. Moved by Mr. Taylor:

That a new division be created in the Alberta Heritage Savings Trust Fund, the economic diversification division, and that investments of this division be made in projects designed to expedite the diversification of the economy of Alberta.

MR. TAYLOR: Thank you, Mr. Chairman. This is really a fallback position to cover in case some of the recommendations earlier put together by the members for Calgary-Fish Creek and Edmonton-Centre do not pass. Possibly in passing I might mention that that's one of the faults of waiting till all the motions have been moved before we vote, because if some of these earlier ones are voted, I think it would have precluded some of these others; it might have saved us time.

So rather than spend too much on discussion, it's just a very minor adjustment compared to the major ones suggested by Edmonton-Centre and Calgary-Fish Creek. It recommends that there be an economic diversification division. I don't think there has to be any argument as to why that should be, because indeed if the fund is to establish income, it's to try to get Alberta on different sources of income from oil and gas; therefore, there should be special concentration on it.

That's all I have to say on that.

MR. CHAIRMAN: I recognize the Member for Lacombe.

MR. MOORE: Thanks, Mr. Chairman. When I look at the various divisions we have – we have a considerable number – to set up another one to address something that all the other ones are doing I think is not necessary. Just look at the report and see what is happening in the various divisions. We can go on page 12, with the Lloydminster upgrader. We can move over to

page 13: there's Syncrude, Nova Corporation with the Alberta ethylene plant there at Joffre, Millar Western Pulp. We can go over to the microchip design and fabrication facilities, the Food Processing Development Centre, the Electronics Test Centre, and on and on. I don't believe, as well-intended as this motion is, that we need another division to cover what we're already doing. So I think this is just an unnecessary division for what is already in there doing a good job.

MR. CHAIRMAN: Thank you, hon. member.

Does the hon. Member for Westlock-Sturgeon want to close debate?

MR. TAYLOR: I am surprised at the Member for Lacombe, because I believe this was his motion last year. I just thought I'd have a little fun and put it on the paper. I didn't realize his memory had gone so fast. Anyhow, that's one of the reasons I put it on.

The second: he mentions we had all the other motions. Well, true. There again, if he'd been listening, I said this motion would not be necessary if those earlier motions had passed, but since we use a system of only voting after they're all finished, I wanted to leave it here, because indeed, after the people have marched up and looked at the other ones, sniffed at them, turned around and walked away and left, they might go for this one, which was such a small change compared to the other ones. That was the main reason in there.

Diversification: he mentions the upgrader, the petrochemical plants, and that. There again he's guilty of saying we're diversifying by changing from making applesauce to making apple cider. Processing oil and gas and dealing with oil and gas is not diversification. He is correct that pulp is diversification. I think that happened more by accident than plan. Consequently, I think this motion is necessary if the other previous motions do not pass. I'll be the very first, if one of those other ones passes, to withdraw this one when the voting comes.

MR. CHAIRMAN: Thank you, hon. member.

Recommendation number 22 has been withdrawn by the hon. Member for Westlock-Sturgeon. However, we recognize the Member for Westlock-Sturgeon with recommendation 23.

23. Moved by Mr. Taylor:

That deemed assets as distinguished in the Alberta Heritage Savings Trust Fund 1989-90 annual report be excluded from the balance sheet in the future and described only in a note to the balance sheet.

MR. TAYLOR: This again is supporting what the Auditor General has already said on this point. It's supporting good accounting practices. I think that from the government's point of view they would even want to see it moved off the balance sheet, because one of the problems of indicating a huge heritage trust fund, which this kites it up to by including deemed assets in the asset total, is an unnecessary and unwarranted thirst by the taxpayers to have some of that money spent on them, and I don't blame them. But when you realize that a good chunk of those assets in the heritage trust fund is deemed assets, then I think it's to the government's advantage to take it out of there. As far as I'm concerned, I'm looking at it as a straight man who has spent many years looking through balance sheets of companies, and deemed assets are rather ridiculous to have in there.

MR. CHAIRMAN: Thank you.

### The Member for Clover Bar.

MR. GESELL: Thank you, Mr. Chairman. I'd like to speak to that particular issue. We've got ongoing discussions on this particular matter; it keeps coming forward.

The points I want to make are related to the Alberta Heritage Savings Trust Fund Act. If I look at the requirements under the Act, particularly section 6, it specifically states in section 6(8) that "for the purposes of this section" – for clarification, the total section deals with all of the divisions: the capital projects division, the Canada investment division, Alberta investment division, and so on. Let me read (8)(a).

Investments in the Capital Projects Division shall be deemed to be assets of the Trust Fund with a value equal to the . . . amounts expended pursuant to Acts of the Legislature referred to in subsection (2)(a).

Now, there's an obligation, then, under the Act to actually list these deemed assets within the financial statement similar to all of the assets that are listed under the Canada investment division, the Alberta investment division, that comprise this particular section 6 of the Act. I don't see where this section is a separate entity. All of these divisions are treated in the same fashion under the Act.

The argument is that in a balance sheet in normal accounting practice that should not be done, if I hear the member from Wayward-Sturgeon correctly. [interjection] Oh, I'm sorry; the Member for Westlock-Sturgeon.

MR. TAYLOR: You should represent Wainwright; they'd get an improvement.

MR. GESELL: I said "wayward," not "Wainwright." But that's all right. I'm sorry; I apologize. It's Westlock-Sturgeon.

Now, we need to have an understanding about these deemed assets. The point that's always raised is: is it, in fact, an investment or is it money spent? Well, that's debatable in certain instances, because if you look at schedule 6 within the annual report, you'll see all of the deemed assets listed.

### 10:13

Now, let me deal with the very first one under Advanced Education, the Alberta Heritage Scholarship Fund. Well, we provided an endowment of \$100 million initially, and that's what's listed as the deemed asset. However, through prudent investment and interest earnings, that endowment has now a value of some \$173 million. So if we carry the endowment fund on for maybe a further two or three years, since it seems to be earning and accruing additional moneys to that initial endowment, it may be possible, in fact, to return the original \$100 million to the Heritage Savings Trust Fund. I'm not proposing that, but it's possible and it's conceivable. So I don't accept the argument that because there has been an endowment of \$100 million established, that is money that has been spent or has been lost to this Heritage Savings Trust Fund. It's money that is very prudently invested. In the past nine years it's generated some \$86 million that's been provided by way of scholarships to some 61,000 Albertans, and to me that's a tremendous investment in our future. But even with those benefits that we've derived from that initial fund, we still have now close to \$173 million in that original endowment portion. So it is a value that is there, and it has to be recognized, and in my mind it's recognized even at a reduced value when it states here, for 1990, \$100 million. The actual endowment fund value is now at \$173 million.

Similarly, if you go through a number of these items: Kananaskis Country recreation development, \$224,728,000. It could be argued, and I think the members do, that that is money spent. I'm not proposing that this could be done; I'm raising a hypothetical situation. That Kananaskis Country recreation development: it's possible and conceivable that it could be sold. I know Japanese interests probably would be very much interested in investing in that. We could get maybe \$400 million, maybe \$500 million for that development. If it were to be sold – and I'm not proposing that we do that; perhaps the members from the Liberal Party might – that money would flow back into the fund. So is it money spent or is it money invested? To me it's a very prudent investment, even if we do not sell it – and I don't propose we should – and keep it as a recreational investment for all Albertans.

The Alberta Heritage Foundation for Medical Research Endowment Fund is a similar situation. That fund has grown now to be \$510 million. Sure, it may be argued that when you take into account the reduction of the fund due to inflation, it may not be there. But the actual numbers that are there right now are some \$510 million. To me, all of these things should be recognized.

So I would argue that maybe the change should be made in the actual value of some of these funds that we've established rather than the amounts expended, and that would actually increase the amount rather than, as the hon. member suggests, completely delete this and indicate that this is money gone, spent, that it will never be recovered. I disagree with that argument. It's a worthwhile investment. Some of it returns to us in a subjective way; we cannot put a monetary value on it. Nevertheless, there's value, and some of it could in fact return in an economic way by way of actual funds. So I think it's prudent to include it, and I think it would be shortsighted to exclude it from the balance sheet.

Thank you very much, Mr. Chairman.

MR. CHAIRMAN: The hon. Member for Lacombe.

MR. MOORE: Just one or two comments quickly here, Mr. Chairman. I look at this motion by the hon. Member for Westlock-Sturgeon, and then I look at recommendation 27, and it says, "That the Alberta government sell [the] grain hopper cars". There's \$53 million, I think, if it sticks in my mind, that we could recover. It certainly has a value on motion 27, and if it has that kind of salable value to it, then it should be on the balance sheet.

Now, the member isn't being very consistent here. One time he says to get these deemed assets off because they have no value really; they shouldn't be there; they should just be a little note somewhere. But they have a value. He knows they have a value or he would not, in all sincerity, put in motion 27. He knows darn well that those assets have a value and should appear on the balance sheet as an asset of the heritage trust fund and that's where they should remain. Political rhetoric otherwise, saying deemed assets haven't got a value but, on the other hand, we should sell them, just doesn't add up. It proves exactly that all this thing about deemed assets is just political rhetoric, hoping that the press or somebody will pick up on it.

MR. CHAIRMAN: The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Mr. Chairman, if the member is being accused of political rhetoric, I'm sure he'd plead guilty, as would

the member making the charge have to plead guilty to the same charge from time to time as well.

This comes back, Mr. Chairman, to the point that's raised in the covering letter from the Auditor General to the financial statements of the Heritage Savings Trust Fund. The point is made in that letter that deemed assets represent amounts expended which are not recoverable by the fund, and where assets do exist, they belong to other organizations. Well, what I want to know is: if these assets belong to somebody else, then what are they doing on these balance sheets? Either they belong to the fund or they don't. If they belong to the fund, they should be listed as assets of the fund. If they belong to somebody else, they should be listed as assets that belong to somebody else, whoever that may be.

You know, we ask these ministers in and ask them about this, that, or the other thing, and they say – particularly, for example, I think the question about the Mackenzie Health Sciences Centre was raised with the Minister of Public Works, Supply and Services, and I recall one of his answers being that, well, that's a question that has to be directed to an independent board that's responsible for the Mackenzie Health Sciences Centre. Well, if somebody else is responsible for an asset and it's under their ownership, what business does the fund have in claiming it as belonging to the fund?

Now, perhaps if some of these assets can be disposed of by the fund, then it's legitimate that they should be part of the assets of the fund and listed exclusively as the assets of the fund. But according to the Auditor General, the statement made to the financial statements, these assets belong to somebody else. I don't think that the fund has any business listing them as belonging to the fund if, in fact, they don't belong to the fund. That's the point, I think, that's being made here with this motion.

MR. CHAIRMAN: The Member for Three Hills.

MRS. OSTERMAN: Mr. Chairman, since we seem to be getting into such a lively discussion and the committee has so much time on its hands, I thought I would participate as well. I just wanted to remind us that in the 1986 annual report there is a recommendation that I gather is much like the one that's just been brought forward by the hon. member. We might have saved ourselves some time had we read the debate from 1986. Anyway, I'm looking forward to the voting on this particular resolution.

Thank you.

MR. CHAIRMAN: Thank you.

Does the Member for Westlock-Sturgeon wish to close debate?

MR. TAYLOR: Thank you, Mr. Chairman. By the sound of all the political rhetoric, I think the chairman is the only one in a hurry to finish up these meetings. I don't think the rest of the back bench is through with it. The hon. Member for Lacombe is like the barber's cat: he's full of wind and water, and when he gets wound up, it's going to take a long time before we can finish these hearings.

10:23

He mentions that I contradict myself on the liquidation of the hopper cars. Well, he has a point there. What we're trying to get across is that this collage or this potpourri – pardon me for using French in front of the Member for Lacombe – or this

mess that is called deemed assets is just that. An asset is something you list that you can sell, but as the Member for Calgary-Mountain View so well pointed out, many of these items cannot be sold. The irrigation headworks now belong to the irrigation districts; the Walter Mackenzie thing has an independent board; the Capital City recreation park belongs to the city; and we go on and on. So we have a mixture. Unless we bring in the military – and the federal Tories have sent them all to the east, so we can't do that – we can't get these assets back. That's part of it.

The other part of the assets: there's nothing to be liquidated. For instance, Farming for the Future: how are we going to get \$53 million back out of that? Irrigation rehabilitation, the renewable energy research, land reclamation: how are you going to get that back? Occupational health and safety research, applied cancer research, applied heart disease research: these are all listed. Everything but the barber's cat is listed as an asset in there. So all this potpourri has gone into the list, plus the fact that we have a lot of assets that we don't have title to that are in the list.

To answer the hon. Member for Clover Bar, they wouldn't be off the sheet. We're just saying we're moving them from the balance sheet to the notes; the deemed assets would be covered in the notes. Now, this is good chartered accountant practice. We wouldn't lose them; they would not be lost in any way, shape, or form, but they wouldn't be described as assets.

MR. CHAIRMAN: Thank you.

The Chair recognizes the Member for Westlock-Sturgeon with recommendation 24.

24. Moved by Mr. Taylor:

That the mandate of the Auditor General be expanded to include the evaluation of the effectiveness and efficiency of the Alberta Heritage Savings Trust Fund investments and expenditures.

MR. TAYLOR: This ties in a little bit to 23, and there again section 6(8) describes what shall be listed in the report. It doesn't describe it as an asset; he calls it a deemed asset. I'll say that to the hon. member just to get in one more kick at the can.

"That the mandate of the Auditor General be expanded to include the evaluation of the effectiveness and efficiency," Mr. Chairman. auditors general are expected to do that and have done so quite well on the federal level. This is just extending to the Auditor General's office another duty that they have had assigned to them by many other governments in North America and western Europe now, where they talk about the effectiveness and efficiency of the moneys being spent, not just the fact that the moneys went out and were spent. In other words, they're asked for their comment. Now, quite often that is embarrassing to government; nevertheless, I think government might want to know, too, whether there was effective and efficient spending of the funds.

MR. CHAIRMAN: The Member for Edmonton-Centre.

REV. ROBERTS: I just wanted to say that our caucus would be supporting this recommendation, as we have in the past, but also to add that it was interesting that when the hon. Mr. Speaker was before us with the Alberta Mortgage and Housing people, I drew to their attention how in fact Canada Mortgage and Housing Corporation had had a kind of effectiveness audit done of their operation at the federal level. I remember I asked

why we couldn't enter into such an audit process procedure at the provincial level, and I was very pleased that afterwards his office called me. They've taken that information and may very well, I hope, over the next year have a similar kind of effectiveness audit done. It's a growing in strength in terms of the process and the ways to measure, I think along 12 different lines of quality, how the moneys are accounted for. So we're making some slow progress, and I'm glad to see that at least Alberta Mortgage and Housing is taking up the battle.

MR. CHAIRMAN: The Member for Clover Bar.

MR. GESELL: Just a brief comment that I wanted to make with respect to "the evaluation of the effectiveness and efficiency" – and I think he left out "economy." That's generally the thrust of this type of recommendation.

Basically, it's a value-for-money auditing process that the hon. member is talking about, or comprehensive program review; it's known by that name as well. We've had some discussions on that. Basically I knew that type of evaluation as beneficial, but it's a management evaluation. It's a management tool, and as such it really has no relationship to what the Auditor General does. It's an accountability situation. When Ray Speaker indicates in the House to the Member for Edmonton-Centre that he wants to do that, I applaud that effort. But it's an internal evaluation; it's not the Auditor's function. So I think the recommendation is somewhat misplaced. I would encourage that type of evaluation internally, but not by the Auditor General.

Thank you.

MR. CHAIRMAN: All the speakers are in? Thank you.  
The Member for Westlock-Sturgeon to close debate.

MR. TAYLOR: Thank you, Mr. Chairman. The Member for Clover Bar has a very good point. It is a management tool; there's no question about it. Some corporations handle it by having an audit committee on their board of directors and do an internal audit. However, the fact that we do not have a legislative audit committee with hired expertise to look into the management of these things – in the absence of that, I think a recommendation from the Auditor General as to management effectiveness is worth while. It's no doubt management, and it's no doubt they'd like all management reports opinionated, and to that extent I can see some concern that we may get a biased point of view. But the point is, biased or not, we would get a point of view, because right now the management is considered, without the Auditor General's report, as the prerogative of cabinet and there's cabinet secrecy. So the only way incompetency or inefficiency in the spending of funds ever comes out is in question period or by the newspapers. Although question period and newspapers are a good method of uncovering inefficiencies, it would be nice to have the Auditor General make a comment also.

MR. CHAIRMAN: Thank you.  
The Member for Westlock-Sturgeon with recommendation 25.

25. Moved by Mr. Taylor:

That the Alberta Heritage Savings Trust Fund investment committee take the necessary steps to effect the return of \$100 million of the \$200 million loaned to Vencap Equities Alberta Ltd.

MR. TAYLOR: Here again, Mr. Chairman, I have gone back to the ancient sage on the hill, the oldest member of the committee, and resurrected his motion from last year. This is a bit of a compromise with the Member for Calgary-Mountain View's motion earlier, where he wanted all the money returned as soon as possible: "early repayment."

I think Vencap has proceeded far enough along the line that it would effect a hardship on some of the independent shareholders and maybe even an injustice to get all the money back. But I think, as the Member for Lacombe once did – and I refresh his memory – that \$100 million of the \$200 million would be quite in order to take back, because I feel that here again we gave them too much money. In other words, as I said the other day, we gave them a 10-speed bicycle to learn to ride on. All they really needed was a tricycle, and I want to take back that extra money, \$100 million.

MR. CHAIRMAN: Thank you.

Speakers on number 25? Ponoka-Rimbey.

MR. JONSON: Well, Mr. Chairman, I see some merit in this particular recommendation. It's a compromise, as Liberals are sometimes wont to advocate, and certainly much more realistic and practical than number 17 put forward by the New Democrats. I don't know how practical it is overall. We do have a commitment there in terms of the arrangements with the Vencap shareholders, although I think many of us have reservations about that whole arrangement.

10:33

So, Mr. Chairman, I just wanted to make those comments regarding it: not too bad a recommendation.

MR. CHAIRMAN: Thank you.

The Member for Westlock-Sturgeon to close debate.

MR. TAYLOR: No, that's fine; it's closed.

MR. CHAIRMAN: I recognize the Member for Westlock-Sturgeon with recommendation 26.

26. Moved by Mr. Taylor:

That funds spent on research into improving the yield and variety of dryland crops be increased to the equivalent now spent on irrigation research for yields and varieties.

MR. TAYLOR: This one, Mr. Chairman, maybe comes from the soul of an old dryland farmer that lived adjoining irrigation. I'm not trying to tear apart the fact that we've put a lot of money into irrigation. Since Genesis was written, making the desert bloom has been one of the deep-seated urges of man. In other words, getting water on the land and seeing the flowers and the wheat grow really obsessed us.

AN HON. MEMBER: What did you say?

MR. TAYLOR: For those of you that don't read Genesis, I don't know what I can do for you.

Nevertheless, to go on from that, what I argue is that if you came here from Mars and wanted to improve the production of Mother Earth, you would quickly note that a heck of a lot more land is nonirrigable and is in fact dryland. Yet when I look

through our research budgets here and the money we spend, we devote hundreds of dollars to irrigation and minor dollars to dryland. I think that if we could get in dryland areas even a small 4 or 5 percent increase in productivity, because it's a much more huge area, that would exceed a 50 to a 100 percent increase in irrigation land because there's so little irrigation land.

I feel there is an overconcentration . . . That's not the right word. I feel there is a neglect of dryland crop research that we could step into. The federal government at one time, under the Prairie Farm Rehabilitation Act back in the '30s, was very, very strong in dryland development, but I think that's faded away. This heritage trust fund which we have in our hands could be much more positive on dryland research.

MR. CHAIRMAN: The Member for Lloydminster.

MR. CHERRY: Thanks, Mr. Chairman. I just wanted to make a few comments on this recommendation 26 that my colleague from Westlock-Sturgeon brought forward. I think that basically if we go and research Farming for the Future, there is a grant that indicates just what the member is saying here: that the government is looking at research into yields in varieties in the dryland area. Also, I think one of the things we must never forget in irrigation is that we speak of irrigation as if it was strictly for agriculture. As you know, Mr. Chairman, coming from the southern part of this great province, it is also a water supply for cities and towns and villages in the south. So I just think there are grants available. I know there is research being done into the dryland crops as well as in irrigation, and I think it's a good spin-off to both of the areas there. Let's hope we can continue to do it and look toward the future of our great province and the agriculture we certainly have in this province.

Thank you.

MR. CHAIRMAN: Does the Member for Westlock-Sturgeon have further comments on 26?

MR. TAYLOR: The hon. Member for Lloydminster makes a good point, and I didn't intend to try to say that dryland farming was frozen out completely. What I wanted to say was that the amount of money we spend on irrigation for increasing food production should be equal to the amount of money we spend on dryland, and it isn't. For instance, for irrigation headworks alone we're talking of \$433 million; irrigation rehabilitation, \$286 million. Farming For the Future, even if every penny was spent on dryland farming, is only \$53 million. It's still far, far short of coming close. All I'm trying to say is that we should realize that although irrigation is important and yields a great deal of income for very worthy industries here, dryland farming is still going to occupy the majority of the land area of this province for probably the next 500 years anyhow. We have it with us, it's a big industry, and we have a tendency to ignore it because it's been around so long and may not be as exotic as irrigation.

MR. CHAIRMAN: Hon. member, if the Chair could make an observation, with your permission, on your recommendation. You related to irrigation research as opposed to irrigation expenditure, and I wonder if that was the intent of the member.

MR. TAYLOR: Yeah, I think I would stand corrected in that a great deal of the irrigation budget we have here is capital rather than research. I don't know how much is research. It's

awful hard to get through. Yeah, I accept that.

MR. CHAIRMAN: All right. Thank you.

The Member for Westlock-Sturgeon with recommendation 27.

27. Moved by Mr. Taylor:

That the Alberta government sell its 994-plus grain hopper cars, 50 per cent to Canadian Pacific and 50 per cent to Canadian National.

MR. TAYLOR: Well, the reason I brought this one in is that the railroads are using our hopper cars. I'm not arguing against the idea of introducing hopper cars in the first place, but I don't see, particularly in that they get a \$740 million grant to keep the Crow rate going, why they can't buy this back from us, maybe at a reduced price, so that we get the funds back into the heritage trust fund to liquidate the debt or, if the majority of the committee has control, for some other pet projects. In other words, the kick-start that was necessary when the railroads were using their capital to expand on the rails rather than the carrying equipment I don't think is necessary any longer. We're already subsidizing the railroads, so I think federal funds that would go to subsidize the railroads could be used to pay back some of our provincial funds so we could recover part of the assets to use elsewhere as the committee or the government sees fit.

MR. CHAIRMAN: Thank you.

The Member for Lacombe.

MR. MOORE: Thanks, Mr. Chairman. I think the hon. Member for Westlock-Sturgeon brought forward a recommendation which isn't very realistic, because why would the two railroads buy cars they already get for nothing? They don't even paint them. On paper it sounds good, but it isn't realistic. There is absolutely no reason why they would pay no matter what value. If you gave it to them for a dollar, they would be a dollar out of pocket for what they've got now.

I think if he was looking at this and was concerned about it, it might have been a lot better resolution if he'd said that the Alberta government charge those two railroads user fees for them. I think that would be far more realistic.

MR. CHAIRMAN: Thank you. Does the Member for Westlock-Sturgeon have closing comments on 27?

MR. TAYLOR: Well, as a matter of fact, the hon. Member for Lacombe has a good point. I don't know whether you'd charge them or sell them. As a matter of fact, there are systems of sales that work up to the same thing as charge. In other words, you use what they call the Kathleen Mavourneen system, Mr. Chairman: "It may be for years, and it may be forever." In other words, we sell them the rail cars and they pay so much a year for 25 years or whatever, which would be the same as rent anyhow. I think the member has a good point, and maybe I should have had the resolution wider to cover that.

What I'm trying to derive is income from a heavily federally subsidized transportation system for the use of our hopper cars. Whether it's done on a long-term lease-to-own basis or whether it's done by a cash sale or one where they rent in perpetuity, it doesn't matter. Maybe I should have covered all those things, but the idea of this motion, as in so many other motions here, is not to dot the i's and cross the t's but to get a concept through, which is to derive income from the federal government for the use of our hopper cars.

10:43

MR. CHAIRMAN: Thank you.

The Member for Westlock-Sturgeon to introduce recommendation 28.

28. Moved by Mr. Taylor:

That a continuation be sought to the municipal recreation/tourism areas grant program by extending the fund for another two years using the equivalent of two-thirds of the funds that were originally allotted to it.

MR. TAYLOR: This is almost self-explanatory. The municipal recreation/tourism areas grant program I feel has been one of the better programs this government has put in in the last 10 years. I believe it has been extended once already. The city MLAs don't run into it as much, but basically it's a program where the provincial government funds a recreation area that can also be used for tourism in a constituency with a capital grant of 100 percent, and then it carries a 20 percent per year operating grant that continues on. I think it's a very good grant. Some very worthwhile tourist projects have been put in that also increase the quality of life of those living in the constituency, like river valley parks and cross-country trails and that.

All in all, I think it pays a huge dividend in better health, better environment, better living conditions out in constituencies, as well as tourism. So it's an investment that pays off in those four areas and I think well worth while and well worth extending.

MR. JONSON: Mr. Chairman, I certainly agree that this is a very fine program. It has done a great deal to increase recreation and tourism opportunities throughout all of Alberta and is much appreciated and used by rural and urban residents. It's also in some ways a fairly modest program, certainly not as lucrative on a per capita basis either investmentwise or operationally as is the urban parks program which we were discussing when the minister was before us – not anywhere near as lucrative as that, yet very effective. However, in keeping with a previous recommendation I made, I feel that the priority for the fund should be one of providing income, assisting in dealing with the balancing of the budget. Perhaps at some time in the near future when the financial difficulties are dealt with we should certainly return to considering a further extension of this particular program, but as good as it is, it is one we could do without extending any further until our financial house is more balanced.

MR. TAYLOR: I appreciate the support from the Member for Ponoka, weak as it is, but I would try to point out here that one of the reasons I recommend extension is that I feel it is a money-maker. In other words, tourism is still the best dollar any economy can earn. You don't have to educate the children of the people that come in. You don't have to supply a great deal of medicare. The people come in and spend their money and go back to their home jurisdiction to get cured or to receive their pension. Even if they die, we just ship them back. The fact is that a dollar in tourism is the best net dollar you can make in society, whereas dollars in other types of industry and everything else usually entail a great deal of outlet too: pensions, medicare, schools, all of those. Those are not supplied for somebody earning a tourist dollar.

Recreation grants to the municipalities I think allowed a great deal of tourism to areas that are normally not thought of as tourist areas. We always think of Banff and Jasper as our

tourist areas, but the biggest tourist money still spent in Alberta is on the weekends from all those city slickers cooped up in high rises. There's nearly a million of them now in Alberta, and they're like bees. Comes a long weekend, Saturday and Sunday and sometimes Monday, they've got no place to go but out to the country – they can't go too far – to the parks and the ski trails and all the others around handy, and it's a big money-maker. Otherwise they sit there like bees and save their money in their hives and take off to Hawaii with it. So we might as well be bleeding off their money, and I think it's a very, very good investment indeed. So to look at the municipal recreation and tourism grants as just a gift out there is the wrong way. They are investments that pay us good money.

MR. CHAIRMAN: Thank you.

The Member for Westlock-Sturgeon with recommendation 29.

29. Moved by Mr. Taylor:

That the Agricultural Development Corporation be liquidated and the government instead supplement private capital loans by way of sliding scale guarantees and interest subsidization, plus disposing of all commercial assets of ADC at competitive pricing, with the present owners being given the option of leasebacks.

MR. TAYLOR: I seek the Chair's advice on this one. I may have spun off. I'm not so sure the Agricultural Development Corporation is funded by this. It is?

MR. CHAIRMAN: Yes.

MR. TAYLOR: The money comes through the heritage trust fund to the Ag Development Corporation.

My argument here I think the province already recognized to an extent when they came in with that last big shot into agriculture with their 9 percent loans, which they run directly through the banks and the commercial enterprises in this province in the free enterprise sector rather than running it through ADC. I maintain that we just move on and recognize what we've already done with the 9 percent loans, recognize what the government has already done with the Alberta housing liquidation, and having a bureaucracy of our own with offices and central headquarters assessing and making loans when we have at least three, four, and sometimes six or eight financial institutions with trained personnel competing in these areas to evaluate assets and ability to pay, already having a history of working with us on the 9 percent loan, really there's no need for the Agricultural Development Corporation anymore, so it should be wound down.

MR. CHAIRMAN: The Member for Ponoka-Rimbey.

MR. JONSON: Yes, Mr. Chairman. I certainly do not support this particular recommendation. First of all, I think agriculture needs the assistance that can be provided through the Alberta Agricultural Development Corporation. It needs an agency through which there's the flexibility to deal with current agricultural problems and challenges. I frankly do not quite see the financial institutions adapting very quickly to our very excellent beginning farmer program, the new initiative in vendor financing which meshes in with the beginning farmer program, that section of ADC's activities which assists in the diversification of the agriculture sector in the province. So that's one argument I have for maintaining the Agricultural Development Corporation.

But in responding to the suppositions on which this recommendation seems to be based according to the hon. member's comments, yes, certainly the farm credit stability program has been a very good program for Alberta's farmers, and I think he's acknowledging that. But he made reference to the financial institutions competing to offer these programs at a lower cost. I think the experience has been that there's anything but competition. There's great co-operation and coming together of financial institutions when they negotiate with the government for the offering of a program such as the farm credit stability program. So I don't think the assumption that there's going to be this natural competition for access to this government program will necessarily hold.

10.53

The second thing – and the Minister of Agriculture stated this when he was before the committee – is that to this point in time, when you work the two models through, so to speak, financial institutions versus the development corporation offering the programs which the corporation currently offers, it's hard for some people to believe, I know, but the Agricultural Development Corporation is cost-effective in the offering of these programs compared to what one could expect the spread or the cost would be that the government would have to cover if they were to be administered through the financial institutions.

Therefore, Mr. Chairman, I do not support recommendation 29.

MR. CHAIRMAN: The Member for Lloydminster.

MR. CHERRY: Thanks very much, Mr. Chairman. I just wanted to make a couple of comments on this recommendation. I guess what the Member for Westlock-Sturgeon is saying in recommendation 29 is basically what the review committee said in 1987. Really, I guess I would say I'm in agreement with what he's saying in some ways. I look at a program that was instituted in 1986 and it has worked very well going through the private sector, and in my mind the Agricultural Development Corporation has served its purpose and certainly in no way has done anything but disrupt the agricultural community over the years. Therefore, in my mind the member is on the right track, and I think we still have to look at it. If the private sector won't touch you, then why should government? I'll just leave it there, Mr. Chairman.

Thank you.

MR. CHAIRMAN: The Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you very much, Mr. Chairman. They're both good points from the members for Ponoka-Rimbey and Lloydminster. Indeed, I read the review of 1987. I feel that it was prescient or ahead of its time, and maybe it should have been recognized by the government at that time and we would have been saved trouble.

I'm not trying to say that the Agricultural Development Corporation was bad. What I am trying to say is that it accomplishes nothing new now. In this day and age of slimming down governments, slimming down nearly everything from personal body to the private corporations to government, it has become an unnecessary appendage – a vestigial appendage, I guess, is what I'd want to say – and I think accomplishes nothing the private sector can't.

The Member for Ponoka-Rimbey mentions vendor financing and diversification. Well, vendor financing could easily be run

through the banks; there's no need for the Agricultural Development Corporation in there at all. That was just a power trip between the Minister of Agriculture and, I would think, the Treasury Department. The Treasury Department, I'm sure, wanted to run vendor financing through the private enterprise sector.

We come to diversification. Well, we have the Alberta Opportunity Company. We've got so darned many provincial programs now that most people when they start out wanting to do something spend weeks tramping around from department to department and club to club in this labyrinth we have here in Edmonton to find out where they can get grants. So I don't think the Agricultural Development Corporation has any corner on diversification. As a matter of fact, I'd probably say they do less than the others.

But there is a negative side to the Agricultural Development Corporation that occurs that I don't think maybe some members have thought through. For instance, when a government department loans money to farmers, when they decide to tighten up, there is nothing as voracious as a government department deciding they're going to tighten up. Any private enterprise lending institution in a small town knows that if they put two or three farmers out of business, that means the loan to the local car dealership is in jeopardy; the loan to the spinster down the street that has started a business of some sort or the single parent is in jeopardy because there are fewer buyers; the loan to the bus company, because there are not going to be the kids to haul anymore and the bus is not used, is in jeopardy. In other words, there is a tongue and grooving in the loaning sector that makes them very hesitant indeed, Mr. Chairman, plus the publicity that always comes with it of foreclosing. Whereas my observation is that the Agricultural Development Corporation is probably the most voracious forecloser in the country. It's a lot like being bit by your own doberman. We put them out there to help farmers. Now, in the last few years, in an effort to try to look as if they've got a good balance sheet, I think they've been foreclosing far beyond what they should. So the whole idea that they were going to be a help has gone down the drain too. They're out there as a government department trying to look as liquid as possible and, as the associate minister often says, "That's following good financial practice." Well, I don't think it's good financial practice. The other thing to remember is that when a loan goes bad with a government department, it's a hundred percent taken up by the taxpayers of Alberta; when a loan by a private lending institution goes bad, it's taken up in income losses by all the people of Canada.

So I think that economically it does not make sense to continue now with the Agricultural Development Corporation. They are not in the business of being able to lend money as efficiently as the private organizations, who have an integrated network in the community and are interested in all the community surviving, as well as the fact that when they lose, they take their losses from their federal income tax not from the Provincial Treasurer.

MR. CHAIRMAN: Thank you.

The Member for Westlock-Sturgeon with recommendation 30.

30. Moved by Mr. Taylor:

That the Minister of Forestry, Lands and Wildlife be instructed to stop all clear-cutting of poplar forests until more research is available as to the effects of clear-cutting on reforesting poplar areas.



MR. TAYLOR: Recommendation number 30 is one that comes up very quickly. If hon. members will remember the examination of the minister in charge of forestry, he admitted that this was a problem and that they'd just discovered the problem. What we've discovered in clear-cutting of hardwood forests – and there's been very little of it done, so there's nobody at fault here or overlooking; it's only been done the last number of years – we're finding that the hardwood forests are growing back so thick, just the opposite of a softwood forest where, if you clear-cut, you have to go back and plant trees to get it growing. When you cut a poplar forest, because the things grow from the root, they come back like alder, like rushes. So we're in a position now, if we want to get another hardwood forest, of going out and doing thinning. I maintain that we are progressing. Thinning mechanically is a huge expense. Thinning chemically may be dangerous environmentally. So I feel we are launched on clear-cutting our hardwood forests now without any idea of whether we can replace them. That's why I want this suspended.

MR. MOORE: Well, Mr. Chairman, really when I look at this, I would think that motion is out of order. I don't think it has anything to do with the heritage trust fund. I think that's estimates of the department. However, we'll address it this morning.

Poplar is the dandelion of the forest industry. It grows everywhere and it grows quickly. I don't know if we want to do research on reforestation of poplar trees. All we have to do is go to any farmer here; for 50 years, every time he cultivates them under and leaves his land idle for two years, they're growing back up again all over the place. In fact, right in my own yard in town – and I'm a quarter of a mile from the nearest poplar trees on the edge of town – I'm forever hoeing them out of my flower beds because the seeds blow over and they grow very rapidly. In fact, in a year they'll grow a couple of feet from a seed. I just don't think we need to do any research on that. I'd agree if he had put here to stop clear-cutting of pine and spruce forests. That is one we should stop; I'd be in full agreement. But poplar, I don't know what the point of that is and the need for research. We can go to any farmer and he'll give you all the research on growing poplar.

11:03

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

MR. CARDINAL: Thank you very much, Mr. Chairman. I would have to speak against this motion also, because it's a motion that really does not make too much sense. The way the motion is laid out, it says "clear-cutting of poplar forests." It seems that the province is in the process of clear-cutting the whole of northern Alberta, and that's not so. Maybe the member putting this motion forward feels that way, and I think it's because of his lack of understanding of the forest industry. I would be glad to take him around in my area in the future to show him what is really out there.

When the forestry projects are in place, companies are required to put in a long-range development plan of how logging, or harvesting of timber, is going to take place. This also has to be reviewed and approved on an annual basis. The way our forests are laid out in northern Alberta, there are normally only areas, patches, of forest that can be logged. This still leaves 50 to 80 percent of our forested area untouched, or undisturbed, completely. So to say that there's complete clear-cutting in northern Alberta is completely wrong.

The other experience I've had in my constituency is the reforestation project of 20,000 acres to reforest the softwood, which is spruce and pine. In this particular area there was clear-cutting done in order to plant the trees again. The biggest problem with that whole process is that poplar grows so fast and so very well that we're having problems growing some of the spruce. I don't believe there is too much research required in how we can reforest areas with poplar because nature generally looks after the thinning, and between animals and the weather, it will determine what trees grow and what trees don't grow. It's something that will self-manage itself.

MR. CHAIRMAN: Thank you.

The Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Chairman. I think both members actually pointed out my concern without maybe realizing it. The Member for Lacombe, first of all, to check his correction of whether it's a point or not, if he looks on page 46 of the Alberta Heritage Savings Trust Fund report, three-quarters of the way down the page there is a heading called "Forestry, Lands and Wildlife" and subheadings called "Alberta Reforestation Nursery" and "Maintaining Our Forests." So certainly maintaining our forests is part of the costs.

Then both members went on to say how poplar grows. That's exactly the point I'm trying to get across, Mr. Chairman, that when you cut a softwood, or spruce and pine, forest, it's easy to reforest. You plant trees. We've got a great deal of experience in the cutting of softwoods, which pine and spruce trees are, all over the world, so we know how to reforest that. But the use of poplar hardwood forests, which propagate through the roots at a terrific rate, as the Member for Lacombe already pointed out, as any farmer can tell you, has not been experimented with.

The Member for Athabasca-Lac La Biche has already pointed out that if you tried to take a formerly clear-cut poplar forest and convert it to softwoods of spruce and pine, the poplar grows up with such immense enthusiasm that it chokes out the others. That enthusiasm with which, as both members mentioned, poplar grows is what I am talking about: that you cannot get a poplar forest – that is, trees of six inches to one foot through the butt, 50 to 65 feet high – out of a clear-cut poplar area. What you do is get trees that are three to four inches through the butt and are only about 10 to 12 feet high. In other words, it turns into an alder flat. That's an environmental disaster, and we're still proceeding with this clear-cutting of poplars when we haven't looked at how . . . [interjections] What's that? Can I give him a moment? Sometimes he has an intelligent comment; he doesn't always belch.

MR. GESELL: Well, if the member would listen. Once again . . .

MR. CHAIRMAN: Order please.

Please proceed, Member for Westlock-Sturgeon.

MR. TAYLOR: Anyhow, he's refusing to listen.

What I'm getting at is that poplar forests do not replenish themselves from a clear-cut, yet we have allowed clear-cuts of poplar forests all over northern Alberta. We're going to lose those forests.

MR. CHAIRMAN: Thank you.

The Member for Westlock-Sturgeon, recommendation 31.



MR. TAYLOR: Thirty-two?

MR. CHAIRMAN: Thirty-one.

31. Moved by Mr. Taylor:

That the Minister of Advanced Education approach the University of Alberta offering from the Alberta Heritage Savings Trust Fund library funds to pay for 50 per cent of the costs of an extension library if the University of Alberta would re-establish it.

MR. TAYLOR: This is back again to try to resurrect the University of Alberta's extension library, which was used by the remote areas of Alberta and, in particular, the Member for Athabasca-Lac La Biche's constituency and, of course, up into the Fort McMurray and Peace country. It was cut off about four or five years ago because the university said they lacked the funding to continue it.

I'm suggesting a bit of a carrot to the university by the Heritage Savings Trust Fund library fund offering to pay 50 percent of the cost of this extension library if we can get it rolling again. There's nothing as encouraging and as almost necessary to the remote areas of this province. We may think we're all tied in with paved roads to the great cultural centres of Calgary and Edmonton, but there's a lot of Alberta that isn't. And maybe they should remain that way; who knows? The fact of the matter is that there are many people that derived a great deal of enjoyment plus education in maybe the traditional artistic sense, the general bachelor of arts concept, through the use of the university's extension library. It was felt to be a great loss by many of those communities, and I think that our library funds in the heritage trust fund could be used to try to kick-start the university in reinstating that.

MR. CHAIRMAN: The Member for Ponoka-Rimbey.

MR. JONSON: Mr. Chairman, I cannot support this particular recommendation. I think, first of all, that certainly the University of Alberta has the challenge of dealing with revenue and expenditure right now. That is their responsibility; they have to set their priorities. From representation that I'm aware of, there's a much greater need, if additional funds were available, to upgrade, stock, and so forth their existing in-house libraries for the students of the University of Alberta. This is an area which I would certainly put quite a ways ahead of renewing the extension library. But my main point, Mr. Chairman, is that this is a decision that has to be made by the board and the administration of the University of Alberta. I note that we have an expanding regional library system in the province. There is certainly not a total lack of opportunity for people to access library resources across this province.

11:13

The other thing is that I can't help but mention that I noticed a new building going up just across from the Mackenzie Health Sciences Centre which I understand is an "extension" building, or at least part of that building is going to be used for that purpose. So I take it that the university has decided to provide facilities for their extension department but has deemed that the library side of it is not going to be reinstated. I'm just mentioning that, Mr. Chairman, because I think it's an illustration of the ongoing decision-making which is the responsibility of the University of Alberta. I do not think that this particular recommendation is appropriate.

MR. CHAIRMAN: The Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you very much. The hon. Member for Ponoka-Rimbey's comments were well taken. However, I just must confess – and this would take a longer time than we have available – that I'd really question that the books in a university are more important than books in the extension department of a university. I think the hon. Member for Ponoka-Rimbey, someday when he's reading about what education is all about, would maybe remember Carlyle, that great British author, who said that "the true university . . . is a collection of books." So the real university is the reading of the books, and to just put the books in the centre of cities with a population of a million, like Calgary and Edmonton, is not giving a university education to everyone. So I think I would disagree with him there.

I want to try to get an extension department going, and the fact that we've given the university autonomy to cut the extension department is something that now that it's done, it's done. But I think we could offer an incentive, because we do have pointed grants, Mr. Chairman, to universities in the fields of research and medicine or into physics or math and that. So I don't see anything wrong with a pointed grant that goes towards extension libraries.

MR. CHAIRMAN: Thank you.

The Member for Westlock-Sturgeon with recommendation 32.

32. Moved by Mr. Taylor:

That the Standing Committee on the Alberta Heritage Savings Trust Fund Act record in its annual report all resolutions presented, showing which ones were approved and which ones failed.

MR. TAYLOR: This is a recommendation that I think should interest all members of the committee regardless of their political faith. When one reads the heritage trust fund report that's circulated out or reads the committee's recommendations that we put out later, all we have are the recommendations that passed, and I don't think that portrays to the public the number of ideas that were taken in and debated, amended, considered, or rejected. I think the present report telegraphs to the public of Alberta that here's a committee with a whole number of people, and God knows how much it costs, and they come up with about half a dozen recommendations that are fairly mealy-mouthed. It doesn't show the number of ideas and concepts that were looked at and that the committee spent some time debating. Consequently, I think listing all the resolutions that were presented, whether they passed or failed, would be in the interests of open government and in the interest of showing what thoughts were covered, that indeed many ideas that the people had in their communities were taken up, debated, and decided to be wanting but were nevertheless listened to, were talked about.

There's no way that the report as it's presently structured is able to get back to constituents who have maybe phoned in and suggested this and that that their idea was talked about. For instance, I think of the concepts of the Member for Calgary-Fish Creek. Some of them last year were knocked off, yet I had all kinds of constituents calling me recommending the very things that the Member for Calgary-Fish Creek had proposed and that were defeated. Yet I wasn't able to say, "Oh, we've thought it over and everyone went through it, but it was defeated."

MR. CHAIRMAN: The Member for Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Chairman. I'd have to speak against this motion for a couple of reasons. When a select standing committee comes together, they are asked to report back to the Assembly with recommendations, and those recommendations are voted on by the committee as a whole. I don't see what purpose it would serve, really, to list off those that were not approved by the committee as a whole back to the Assembly. Any member that wishes to address particular ideas or have information available from their ideas mailed out to a constituent certainly has the benefit of the *Hansard* that they can use to mail out. I think that serves the purpose on it. I think it would make the report rather cumbersome to list off those that were approved and those that failed. So I don't see any advantage to it other than to possibly do a little grandstanding, which I don't think any members on this committee would want to do. I really wouldn't . . .

MR. HAWKESWORTH: The hon. member is grinning over there.

MRS. BLACK: Well, I really don't see the advantage of . . .

MR. TAYLOR: Five foot 10 and a half of rhetoric there.

MRS. BLACK: That's right.

I don't see the actual benefit of this, and I think it would make the report rather cumbersome. I do think we have a task to report only those items that have been approved by the committee as a whole and not those that have been brought forward by one member or another. As I say, they do have the benefit of *Hansard*, so I really don't see the necessity for this recommendation.

MR. CHAIRMAN: The Member for Lacombe.

MR. MOORE: Thanks, Mr. Chairman. I'm along the same line as the Member for Calgary-Foothills. I don't see the value of putting those that failed. The only thing it will do is encourage every member who has an ego, every member that wants to make political hay to put every motherhood issue in there and say, "It's great for the world." And they would do it. I look at some of them now; they're bordering a little on that. But if they had an opportunity to have them published in the annual report of the Alberta heritage trust fund committee, they would fill it with every cause they had in their constituency, even though it was fully beyond the scope or the financial ability to provide it. They would do it because it sounded good and it made political mileage for them.

I am not like the Member for Calgary-Foothills, who believes that everyone here would never do that. I know the odd one that might. I can tell you, the man from Westlock-Sturgeon and the man from Lacombe would never do it, but by gee, there are some that would. Therefore, Mr. Chairman, I think we don't give people opportunity, because humans are humans and they will take advantage of such a situation.

MR. CHAIRMAN: Thank you.

Just prior to recognizing the next speaker, the Chair, with the concurrence of the committee, would like to break and welcome a school class that's entered the gallery. I'd just like to inform them that they're watching the proceedings of the Alberta Heritage Savings Trust Fund select committee, and we're presently deliberating the recommendations that have been put

forward by various committee members. We'd like to have the class stand, and we'll give you a traditional welcome. Thank you.  
The Member for Clover Bar.

MR. GESELL: Thank you, Mr. Chairman. I would have to oppose the recommendation as it is put. I've just been reviewing our Standing Orders, and actually the recommendation that has been put is directly contrary to the Standing Orders. So if the Member for Westlock-Sturgeon, or Wayward-Sturgeon, would . . .

MR. CHAIRMAN: Hon. member, with respect for the constituency, the member should endeavour to get the name correct for that constituency.

MR. TAYLOR: He may never run in Westlock.

11:23

MR. GESELL: I probably never would run in Westlock, but I receive your comments, Mr. Chairman. I will endeavour to get the hon. member's constituency correct.

However, the recommendation as it is put is directly contrary to our Standing Orders, and I will cite the appropriate order; 65(1) and (2) are appropriate. If the member wanted to have recommendations that have failed included in the report the committee has to provide to the Assembly, then I would suggest that he should seek appropriate amendments in the Standing Orders rather than initiating them in this committee.

Now, let me cite just for the record, Mr. Chairman, section 65(1) of our Standing Orders.

The report of a committee shall be signed only by the chairman, even if the chairman dissents from the majority of the committee. The point I'm making here, Mr. Chairman, is that the majority of the committee is really the determining force in what the report contains.

And (2), which is more appropriate to the particular recommendation.

The report of a committee is the report as determined by the committee as a whole or the majority of it, and no minority report may be presented to or received by the Assembly, but a committee may, in its discretion, include any dissenting opinions in its report.

Now, again the point here is very strongly made in this particular rule that it's a report of the majority of this particular group. A failed recommendation does not fall under that definition as I read it. It also provides for, at the discretion of the committee, including dissenting opinions, but I believe the member, Mrs. Black, has adequately addressed that aspect.

Thank you very much.

MR. CHAIRMAN: Thank you.

The Member for Westlock-Sturgeon, to close debate.

MR. TAYLOR: Yes, thank you, Mr. Chairman. I appreciate the input and particularly the vote of confidence by the Member for Lacombe that we would not use this for partisan purposes. It's quite true, but I wanted to point out that the resolution doesn't call for who proposed it. It just says what the resolutions would be, what have been presented and whether they failed or didn't. So I think that would do a great deal to forestall or disarm any worry that members of the committee might have on grandstanding.

Secondly, the Member for Clover Bar is apparently very active this morning, so he must have had more than clover at his bar

there. Nevertheless, the member did bring out that a minority report is not allowed, and he's quite correct in that, but we wouldn't be presenting this as a minority report. These are a set of resolutions or items that were considered; I don't think it's the same as a minority report. A minority report would be one of the political parties that are a minority here asking to have a chance to put a minority report out. That's not what I'm asking here. It's just to try to show the depth and breadth of the issues discussed and looked at by the heritage trust fund committee.

MR. CHAIRMAN: Thank you.

Prior to moving to the next resolution, the Chair would like to break in the order of business for just a moment and discuss a scheduling issue. It would appear to the Chair that there's a good possibility that the committee may not complete all the resolutions in the time that was previously scheduled, so the Chair would like to put forward some alternatives. The first alternative would be to extend the hours this afternoon by one hour, and we would rise at 5:30. The second alternative would be to start at 9 o'clock tomorrow morning and go through till 12 with the anticipation that we could perhaps finish then. The third alternative is that failing finishing then, we would schedule a time next Wednesday, November 21. Those are the alternatives that appear logical to the Chair. The recommendations have gone more quickly this morning than they have in previous days, but the Chair doesn't want to be found in a situation where we don't have time scheduled with the concurrence of the committee in view of the fact that it will have to be scheduled on very short notice.

So the first alternative of extending hours by one hour today. The Member for Ponoka-Rimbey.

MR. JONSON: Mr. Chairman, I agree that we may very well have to consider the scheduling of another meeting or the extension of time, but I think, as you've noted, that we have been making progress this morning. I know that all hon. members have other important commitments; it's a busy time of year. My suggestion would be that we just keep right on going. Members might want to review their notes and be as succinct as possible in their remarks to the various recommendations, not that they should be dealt with too quickly. But the committee has a little over another day's debate scheduled right now, and I think rather than get into what could be a long discussion about possible alternatives, our time would be better spent if we just pushed ahead.

MR. CHAIRMAN: Could the Chair intervene, then, before acknowledging an additional speaker? Would it be agreeable to the committee that we deal with this issue at 4 o'clock this afternoon when we know better where we're at?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Thank you.

We'll recognize the Member for Westlock-Sturgeon with recommendation 33.

33. Moved by Mr. Taylor:

That one-third of the Alberta Heritage Scholarship Fund be set aside as achievement awards payable to those students whose parents and/or responsible guardians have family incomes at or below the poverty level, such awards to consist of free tuition at any postsecondary institution in the province for two years after high school graduation.

MR. TAYLOR: This next item, Mr. Chairman, is something that I uncovered in the last year on a trip down through the U.S. A gentleman from Louisiana by the same name as I have, Taylor, had become very concerned about the number of dropouts in high school due to, usually, broken homes and poor homes in the financially strapped areas of Louisiana. He had put together some years ago a plan whereby a number of the capitalists in the states of Louisiana and Mississippi are giving these children who have had really no reason, no incentive, to be there some incentive to stay in school. Basically, what it is is a very simple program that if they finish their high school and they are not convicted of any drug or other offences, any ill offences, their tuition for the first couple of years at any postsecondary institution, whether it be barber school or astrophysics, will be paid for by the group. It's worked so well that the state of Mississippi is moving in and the state of Louisiana is thinking of it.

I thought that would be a great idea for our Alberta Heritage Scholarship Fund, if you set aside some of the money – and I know that money has been set aside for what we call academic excellence. But excellence in all forms is relative to the starting point one makes in life, and with the starting point of many of our children, particularly in our urban ghettos and a little bit in our rural ghettos, where they come from homes and families that are at the poverty level or below it, there is very little to give them incentive to stay. They don't get the communication in their homes that they do in, say, the middle-class homes that education will give them this and education will give them that. Instead, school is looked at as a place to get rid of the kids and then maybe later on is a pain in the neck because it takes them away from doing servile work at home. So if somehow or another we can telegraph to them – and they're not a large percentage of children, but the funny part is that these are the children that beget families that go back into the welfare/poverty circle. So if we can break any of them out of that circle, get them on up into something else, we're doing much more, I think, than rewarding the one that's going to be a great nuclear physicist or the one that's going to be a great doctor or engineer, because the people of talent that we are giving money to will somehow make their way anyhow in this day and age. It's the ones that come out of nothing, have nothing to look forward to, and their families own nothing, that we need something for.

So therefore I think that giving a third of the Alberta heritage trust fund or setting aside – calling it achievement awards and going only to those children whose guardians or parents are at the poverty level or beneath it. And it's not a big deal. It's just honouring, really, tuition for a couple years in any postsecondary institution that they care to – be it a beauty school or be it a university.

MR. CHAIRMAN: Thank you.

The Member for Calgary-Foothills.

11:33

MRS. BLACK: Thank you, Mr. Chairman. I can appreciate where the hon. Member for Westlock-Sturgeon is coming from. I don't know whether this is the actual vehicle that should be used to address the problem. I think we have other vehicles in place in a lot of areas, through our Students Finance Board and our bursary programs, that help students get in the door into postsecondary facilities. In fact, our student finance program is extremely advantageous because of the forgiving clauses at the other end when the payback comes.

I do think that we should be encouraging students to seek postsecondary education to get them maybe out of a way of life they've been in and into something different, and that's something we need to do in, again, a different venue. But I don't know that the scholarship fund should be set aside to assist families in poverty and be deemed that way, because a lot of the children in poverty situations do excel academically and as such are capable of applying for the heritage scholarship program as it stands now. So I would hate to take away from that program, but I do think that maybe we could look at other venues to address the situation if in fact the situation is not being addressed presently under the Students Finance Board and under the present bursary programs that are available within the province.

REV. ROBERTS: Well, Mr. Chairman, I would like to agree with the Member for Calgary-Foothills but for her last point, which is: if such funds are available. I'm mindful, for instance, of the Head Start program, which is enormously successful in the United States and in some parts of Canada and even in our province. It gives kids from low-income and difficult socioeconomic backgrounds a head start in their early educational life, and it pays off enormous dividends for them in terms of their academic achievement.

But such head start programs are badly funded. I mean, there are all kinds of spaces and places and kids available and principals who want to put them in, but there's just, I'm told, very few dollars to expand that program. So I think it's laudable. It would really show the care and concern of this government for children, children who need and deserve a healthy future in this province, that at least a third of the Heritage Scholarship Fund be set aside as kind of a head start program for students who meet academic and scholastic achievement.

But as we discussed with the minister when he was here, it's often measured in other terms, in other ways, and we need to find those other ways, see where the potential for so many of those kids is, whether they be newcomers, Vietnamese, Cambodian kids, native kids in the inner-city: a whole variety of very talented young people who somehow just don't seem to make it in the pedagogical expectation of a very western oriented system and a very elitist system many times as well. I think this moves in much the right direction also because of the fact that the operating revenues for education aren't at all sufficient to get at what this could get at with heritage funding.

MR. CHAIRMAN: Thank you.

The Member for Westlock-Sturgeon.

MR. TAYLOR: Speaking and wrapping it up, Mr. Chairman, I want to stress maybe two items, two sides to it. One, this is sound economic policy. If anything is going to hold back the ship of state in the western democracies, it's that bottom one-third. It's not how well our upper two-thirds of society does, but it's how many people we have below the poverty line, how many people we have in our slums. Are we bringing the figure down? This is what this attacks. In other words, it's putting money in on a very sound economic basis in that if we can break the poverty chain, and one of the best ways of breaking it is education, we should be moving in that direction.

Secondly, I want to talk about the actual thrust of this government and one of the parts that I've admired. I think sometimes it's fumbling, sometimes it's like watching a hog look for a walnut under a blanket, but there is a thrust in this government, and it's come time and time again, and that is their

war against drugs, their Family Day. The whole idea is to try to build up the family and to try to reinforce the family and to try to give pride and self-respect to individuals that are down and out to move up in our society. What better way can we do that than to give some of this scholarship money to people that just survive the ghetto, probably a heck of a bigger achievement than somebody from a middle-class home that comes home with first-class honours. A bigger achievement is to come out of the poverty ghetto and get their high school degree. A bigger achievement. Most of all what it would do is start rebuilding. Those are the families that are hurting. Those are the families in trouble. Those are the nests, you might say, of a great deal of our substance abuse and our crime, and we'd be making a positive step in rectifying it.

MR. CHAIRMAN: Thank you.

We'll recognize the Member for Edmonton-Meadowlark with recommendation 34.

34. Moved by Mr. Mitchell:

That the Alberta Heritage Foundation for Medical Research consider a program of research into sudden infant death syndrome.

MR. MITCHELL: Thank you, Mr. Chairman. I can appreciate that to some extent this may be viewed as an overly specific request and a direction to a quasi-independent research foundation which might be construed as being somewhat inappropriate.

[Mr. Payne in the Chair]

Much has been made of the fact by a number of ministers and other officials who appeared before our committee that it's important that research decisions be made without political input, that they be made, therefore, in what might be construed as a more objective environment. At the same time, several of the people who appeared before us acknowledged the problem of accountability to the public for the manner in which research funds for something as important as medical research be established. I was treading that fine line and that important dilemma. On the one hand, yes, it is important to have research decisions made with objectivity outside the political realm. On the other hand, the research decisions that are being made affect public funds for which there must be some form of public accountability. Turning that around, it seems that if there is a general interest and concern amongst people in Alberta on a given health question requiring research, then somehow the political process, which should be and can be responsive to that kind of public input, should be able to give some direction or have some say or some influence, encouragement in how medical research decisions utilizing public funds are made.

In my decision to ask that a program of research into sudden infant death syndrome be considered by the foundation, I was encouraged in particular by the Member for Calgary-Fish Creek's recommendation to the board of the Alberta Children's hospital. That could amount in the same way to crossing that bridge between excluding medical hospital decisions from the political realm by delegating those decisions to a board but at the same time understanding that there needs to be public accountability at certain times in a way that a board of directors for a hospital can't perhaps fulfill. I would put this particular recommendation in that context. It is very similar in nature to the recommendation by the Member for Calgary-Fish Creek

concerning the Alberta Children's hospital board's decision with respect to its mobile team unit.

11:43

What I am asking in this recommendation isn't that the foundation decide to conduct research into sudden infant death syndrome. The recommendation does not direct them to undertake a given project or a given research analysis or research undertaking. What it is designed to do is send a message to establish somewhere in the thought process of the directors and the administrators of this foundation that there is an interest by the public, an interest that's been brought to my attention, in the very serious sudden infant death syndrome.

For members of the committee who are not aware, and I'm sure most of them are, this particular syndrome accounts for the deaths of one in 500 children in this province, and of course elsewhere in North America and probably the world, under the age of one year. This is not an uncommon occurrence, and it is an occurrence which causes profound grief to the families to whom it occurs. It is an occurrence which of necessity loses, in a society like Alberta's, a great deal in the potential of the children, the young people who suffer the syndrome and who otherwise would have grown to undoubtedly contribute significantly to our society.

So, Mr. Chairman, it is my feeling that this is not an overly aggressive recommendation nor should it in any way be offensive. It is merely asking that the Heritage Foundation for Medical Research apply its mind to this problem, renew its consideration of this problem if it has considered it in the past, and see if perhaps some of the research priorities that it is undertaking at this time either mesh with research into sudden infant death syndrome or perhaps might not be, in certain cases, as important as research into sudden infant death syndrome.

MR. ACTING DEPUTY CHAIRMAN: The Member for Ponoka-Rimbey.

MR. JONSON: Yes, Mr. Chairman. I suppose that with respect to this recommendation we could always say that we don't want to interfere with the mandate of the board of the Alberta Heritage Foundation for Medical Research. However, I think, as the Member for Edmonton-Meadowlark has mentioned, it's appropriately worded, with the key word being "consider." Certainly I think it's somewhat different from the Member for Calgary-Fish Creek's recommendation in that we hope that the board of the southern Alberta children's hospital had duly considered things before they eliminated the program referred to in that recommendation, whereas we really don't have the information that would indicate that the heritage research foundation has been able to address this particular issue.

The other comment I'd like to make is that much of the research that goes on in the medical field, and I think this is true of the research under the foundation, is emphasizing the extension of life, if I could put it that way. We're talking about cancer research, heart disease, and certainly very, very important areas of medical research. But here we have an initiative which, if it were undertaken, has the promise of helping babies, young children get started in life, and you have to reflect upon which should be the higher priority.

So, Mr. Chairman, I think it is a worthy recommendation and deserves our consideration. I support it.

MR. ACTING DEPUTY CHAIRMAN: The Member for Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Chairman. It's not often that I agree with the Member for Edmonton-Meadowlark, but I think the SIDS program is something that we have not spent enough time and energy in trying to resolve. It's a program that leaves a parent and a family absolutely void as to why, what, and how this happened.

I appreciate, and he stated, that it's difficult to direct a foundation to do medical research in one way or the other. As the Member for Ponoka-Rimbey said, sometimes we go into research that prolongs life instead of research that starts life. I think this program needs to be looked at. I don't know whether we can direct the foundation, but I certainly would like to suggest that not only members of this committee but other members in the Assembly do what I would call "lobby" the medical research foundation to in fact get into research on SIDS, because it is something that has plagued families with uncertainties for generations.

[Mr. Ady in the Chair]

I don't feel that there has been much headway in determining why this happens. All we know about is the tragedy at the other end when it does in fact happen. I think to start a life and try and keep a life going is far more important in some cases than extensively prolonging life at the other end, after a good life has been served. I guess in my generation or my age bracket we see friends that have gone through situations like this. It may be an emotional dilemma for a member such as myself, but I do feel that we have to make a commitment somewhere along the line to deal with SIDS, and I would really hope that the foundation would put this as one of their top priorities very, very soon.

MR. CHAIRMAN: The Member for Three Hills.

MRS. OSTERMAN: Thank you, Mr. Chairman. I think we're all sympathetic to the terrible tragedy that occurs in a family in this circumstance, and I'm pleased that the hon. member has brought this forward for discussion. But I take a slightly different tack - not that I'm not thoroughly supportive - only in terms of the mechanism, by the way we do it.

The hon. Member for Edmonton-Meadowlark has suggested that it's analogous to another situation where we make a recommendation, for instance, to a hospital board, and I don't see that at all. I think that when we have a group that is funded by the fund and is somewhat at arm's length, hospital boards or whoever else out there, they are not here to deal with us directly. In the case of a body like the heritage medical research group, first of all, we have the opportunity to speak to them. The hon. member appropriately took that opportunity to raise this syndrome and his concern and all of our concerns. I think it was spoken to with his comments that day, and I think that's the appropriate mechanism we should use.

We're all lay people. We don't know precisely what it is that they do. They mentioned some of the things that have occurred, the things they find that are related to this sudden infant death syndrome by way of general research. I think it's very appropriate that we speak to them about the priorities we see out there in the public. We're not sure how they will relate to those priorities directly or indirectly. But I see, Mr. Chairman, the mechanism for us doing that has already been done by the hon. member, and that is: when this group appears before the committee, we relate to them what it is that we're hearing in the community and the kinds of concerns that the community is raising. I believe that's the appropriate mechanism.

So I support the intent but believe that the mechanism is dealing directly with the foundation when they appear before the committee, because that is where we can express our heartfelt concerns about what we hear out there.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Meadowlark to close debate.

MR. MITCHELL: Thank you, Mr. Chairman. I would deal with the comments from the Member for Three Hills first.

I certainly appreciate her sincerity in making her case, and I understand how difficult it is to come to a decision on this issue, because there are two such clear sides: should you influence or shouldn't you influence? To some extent, however, I think she has answered the issue she has raised in a way that supports this recommendation. Not to be smart in saying that, I'd like to clarify what I mean.

11:53

Yes, it is right that we have the opportunity to speak directly with the representatives of this foundation when they appear, and certainly making the case that I made and others made at times like that will have an influence on their thinking. But to say that that is enough and that that precludes the necessity of making a formal recommendation, then, is to say that we really don't have to make any recommendations about anything because we have spoken to everybody, all the decision-makers who affect the heritage trust fund, at one time or another in our deliberations as a committee over the last several months. So we could say, "Well, we've made a case to the Premier on X issue, and we've made a case to the minister of the Treasury on Y issue and to the minister of economic development on Z issue, and therefore we do not need recommendations on those either."

My feeling is that, in fact, we do need recommendations on all

those issues, because they strengthen and formalize what we were saying in a less structured way in those committee proceedings. Similarly, we need that kind of statement made at this time on the sudden infant death syndrome. I think it is warranted, and I think it is particularly warranted because it doesn't cross the line that is at the base of the Member for Three Hills' concern. That line is directing. It merely formalizes and emphasizes and will raise in the minds of decision-makers that there is a concern in a way that an informal discussion in that committee hearing earlier in the fall I believe probably wouldn't. So I would ask that the Member for Three Hills, while I certainly appreciate and respect her position, reconsider her position on that issue and consider voting for this recommendation.

I would like to close my comments simply by stating my gratitude to the members for Ponoka-Rimbey and Calgary-Foothills for stating very, very articulately the case that I have been trying to make and for supporting that case. I appreciate it greatly, and I think it speaks well to the potential, realized from time to time, for this committee to work in a nonpartisan way for issues that rise above and must rise above partisan differences and disagreements on that basis. So thanks to both of them.

MR. CHAIRMAN: Thank you, hon. member. That concludes debate on that particular recommendation.

The Chair would recognize the Member for Lloydminster.

MR. CHERRY: I move we adjourn.

MR. CHAIRMAN: Thank you. We're adjourned until 2:30.

[The committee adjourned at 11:57 a.m.]