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PUBLIC ACCOUNTS COMMITTEE

May 18, 1977

MR. CHAIRMAN: What is your pleasure in regard to the minutes of the last meeting?

Moved that the minutes be received.

At the last meeting we had a request for a report from the Auditor on Sport Alberta, the audited report. The assistant Provincial Auditor has pointed out that the provincial auditors do not audit Sport Alberta. They audit the funds from the government, but when they leave the government and go to Sport Alberta, then they come under a different auditor entirely. So the provincial Auditor or Mr. Schell would not be able to answer questions on those particular points. But we have secured the copy of the audited report for Mr. Clark, who requested it, and if anybody else wants a copy we have additional copies here. The topic for today is the Northern Development group. I'll ask Mr. Schell to outline the sections in Public Accounts.

MR. SCHELL: Gentlemen, on page 140 of public accounts, the section headed Business Development and Tourism, are the three appropriations you are interested in, 24, 26 and 28. Looking at the two columns on the right-hand side, it shows the amounts appropriated by the Legislative Assembly and the supplementary amounts provided by the Executive Council. Over on page 141, those two amounts are totalled and the next two columns show the amount actually expended during the year and the amount unexpended at the end of the year. Going over then to page 143, the last column on the right-hand side shows the first of those three appropriations, 1624, and gives the detailed breakdown of the items expended. On the following page, the first two columns show appropriations 1626 and 1628, again showing the detail of the amounts expended.

MR. CHAIRMAN: Thank you, Mr. Schell. Any questions to the Provincial Auditor? If not, I would like to welcome to the meeting Mr. Bob Dowling, Minister of Tourism and Business Development and his deputy, Mr. A. G. McDonald, the deputy minister of Business Development. Would you like to make a short statement, Mr. Dowling?

MR. DOWLING: Thank you very much, Mr. Chairman. First of all, we assume for this morning that we will be dealing with the Northern Development group, which is 1624, the Northern Development Council, which is 1628, and those two are the only two appropriations that relate. The regional development is a separate and distinct program and if it's to be examined, it could be examined later, but we would like to deal with those two appropriations specifically. We are prepared to do that. If you wish to get into the other one, we can answer questions, and perhaps later on answer others.

I should tell you a little of the history of the Northern Alberta Development Council. It began in 1963 and over a period of time it became formalized finally in -- there was an amount of money set aside before the Northern Alberta Development Council. It was basically led by Mr. Finnerty for a number of years as the minister without portfolio. An amount of money was given to the appropriation for the Northern Alberta Development Council. It answered directly to Executive Council. In 1970 it was formalized in an act which brought the council under a specific piece of legislation. It was amended in 1975, and there were some changes in the tone of the Northern Development Council. There was a recruitment of a fair number of people from the private sector to represent that council. There were 10 in number with, in all instances, a minister of the Crown being the chairman. Mr. Adair was the first chairman of the Northern Alberta Development Council after our party took over responsibility for government. When it became a part of the Business Development and Tourism Department of government, I became the chairman. There are 10 members on the council now. In 1977 there are: myself as chairman; Mr. Bob Duncan, from Fort McMurray, as the deputy chairman; Larry Shaben, MLA for Lesser Slave Lake; Mr. Ike Lawrence from High Prairie; Mr. Pelland from McLennan; Mr. Jim Fletcher from Grande Prairie; Chief Joe Dion, a native from the Kihikwin Reserve; Larry Chorney from Fairview; Josephine Langevin from Lac La Piche; and Stan Smith from Fort Vermillion. That's the present council. The Northern Development Group, which is really the supportive staff for the council and all it does is about eight in number. It has an executive director and seven other staff. The staff, during the period we are examining, is different in a great number of ways from the present staff. The staff in 1975-76 had

Eldon Shorn as the executive director with seven support people. We have still Mr. Romero, northern development officer, Miss Wendy Mount and Mr. Rick Paley still on staff. In all cases they haven't left disgruntled. They have left to higher things, some being the federal authority. Mr. Shorn is now with the Department of Indian Affairs and Northern Development. That's a thumbnail sketch of what we're doing. The budget is not -- it's not a line department. It's not a delivery system. The Northern Development Group and Council are there to act as another window to northern Alberta to determine what is going on up there, to support the MLAs in their thrusts, to support municipal governments and other areas in determining what their priorities are and to refer those priorities to the various departments and have those departments implement the programs.

As an example of that, we have developed a water system in this year's budget which is high on my mind at the moment. It involves Fort Vermilion and that community. We have put a package of half a million dollars together, which is being administered by the Department of Housing and Public Works. So that's the way we work. We have no delivery system and no budget to develop a program. We're strictly an arm of government that acts as a liaison between the people and the government.

MR. TESOLIN: Mr. Chairman, first of all, and I think the minister has heard this from me before, I would like to know the possibilities of decentralization of all northern group staff into the north. It would seem to me that the thrust and the pulse is there. Is there any possibility of this?

MR. DOWLING: Yes, Mr. Chairman. We have examined it. It was because of Mr. Tesolin's suggestion that we inform the Northern Development Group that they should look very carefully at possible relocation out of the city of Edmonton to a centre somewhere in the northern Alberta sphere of influence or sphere of advisory capacity. That is now underway. I would not like to hold out anything positive about it, but we're examining it very carefully.

The officials of the department spend a great deal of their time out in the field, but I know exactly what you are referring to. You are referring to a physical move of the branch of seven or eight people into some community in northern Alberta. That northern Alberta sphere of influence is from Highway 16 north approximately.

MR. TESOLIN: I'm not so sure that this fits into a supplementary, but I'll try it. What exact contact does the Northern Development Group have with the people out there? How does Mr. Joe Citizen get hold of them? What is the scope of their abilities of doing something for them? Give us some ideas of what they do.

MR. DOWLING: Yes. We have a monthly meeting of the Northern Development Council. Six of those meetings are held outside of the city of Edmonton and six within the city because of timing problems, mostly for me. I attend all of the meetings, not the total length of the meeting. We advertise first of all in the local press.

If we're going to Lac La Biche, for example, we advertise in all of the community newspapers in the area that we will be in Lac La Biche at a particular time and if any party is interested they should put together a brief and present it to us in advance of that meeting, which is the ideal situation. If they can't put it together in that time, that doesn't preclude them from presenting it, either orally or in written form at the meeting. They are rather informal meetings and an awfully good way of making contact with the people out there.

We find that some of the things that keep cropping up, obviously, in northern Alberta, are transportation problems. As a result of that we stimulated a northern Alberta transportation conference held in Grande Prairie last year which we felt was extremely successful. That cost us about \$54,000 totally. At that conference, Dr. Horner in his capacity as Minister of Transportation, brought all his senior officials from all over the province, from all his regions, into Grande Prairie to rub shoulders with the local people.

It did two things in my view, and I mentioned this in the House. It acquainted the public with the fact that the people in government are not really a bunch of bureaucrats. They are truly civil servants and are attempting to do a great job. It helped the departmental people to understand the unique problems of the north. That's one thing that we've undertaken. There have been some positive moves in transportation in the north; as you know the Mackenzie Highway was a major one which partly was stimulated into being by the Northern Development Council of the day.

We have a land tenure secretariat which is undertaking with the Department of Municipal Affairs to determine how best we can provide land tenure for some of the people in the isolated areas of Alberta. There is a student bursary program that was instituted under Mr. Adair under his tenure. Last year, in the third year of operation, there were 65 new bursaries awarded in that year. The way that works is, a bursary is awarded to a student who commits himself to spend a length of time in the north after graduation.

The Opportunity North Conference, was one of our first undertakings in 1975. There has been a large input into the development of northern airstrips throughout the north. There have been revisions in the environmental water

service program. I just mentioned some of the undertakings we are now doing with regard to Fort Vermilion. The northern electrification program, opportunity corp, the Mackenzie Highway bypass, employment relocation counselling, and cost-shared arrangements under the Alberta North Agreement amounting to approximately \$14.2 million of injection; those are just a few. There are many others. None of those programs are directly implemented or delivered by either this department, the Northern Development Group or the councillors.

MR. TESOLIN: Last supplementary, Mr. Chairman. If yours is not to deliver, what influence do you have over the appropriate departments in delivering some of the requests from northern Alberta?

MR. DOWLING: I think it's been fairly successful. What happened in the past was almost a case of a special warrant having to be passed to implement a program we felt was really important. In other words, we have no budget commitment in our department to establish a program. However, in this year's budget -- I hate to stray into this year's budget, Mr. Chairman, but as an example of the type of thing we like to do -- we like to convince a department of government that a particular program is a high priority and have that department include in their estimates an amount for the program. So the package is all in place. That happened with regard to the water program in Fort Vermilion. However, it doesn't preclude us from going forward with a special warrant. Special warrants are rather difficult to get through. We like to have our budget secure and not stray too far from that. So the only things that we undertake by special warrant have to be very specific and well thought out before they are approved. There are a number on the back burner at the moment.

MR. APPLEBY: Mr. Chairman, my questions are sort of interwoven with those the Member for Lac La Biche has already posed. The minister outlined the structure of the membership of the council itself, and the Member for Lac La Biche brought in the suggestion of decentralization, of moving this out into the northern area. I think that is an excellent and probably a vital thing that should be done. I just wonder what the makeup of the administrative structure is. The minister said there were seven or eight people involved. I just wondered how that was structured, the administrative staff.

MR. DOWLING: Mr. Chairman, yes, the original executive director during the period we are discussing is no longer there. He co-ordinates the entire operation of the Northern Development Group, and responds to any requests of the council as the result of the meetings they have had. So on the top you have the executive director. On the left-hand side you have the director of program co-ordination. Any program that is being undertaken, the water well program -- it's more a case of making certain that it meets the requirements of the northern people. It's just to make sure we have some input. On the right-hand side is the director of program development. So you can see the difference. One is the implementation person and the other is program development. Those two arms are supported by two northern development officers on both sides, one research assistant and two stenos or typists. That's the total structure.

It's our view that it should be small. It's not something that we want to expand to departmental size because of our view that although there are unique conditions in the north which don't apply in southern Alberta or central Alberta, and we should react to those conditions which require additional funding, we should not set up an area of the province that would balkanize the province and say that the north is special and distinct from the south because that causes some considerable problems. There have been some instances in Canada where departments have been set up like that and it has caused them no end of problems.

I should correct one thing, Mr. Chairman, with regard to a money matter. I did say that \$54,000 approximately was used for the transportation conference. That amount was the Opportunity North Conference.

MR. APPLEBY: Mr. Chairman, to the minister. Following up again along the same lines as to the achievements of the Northern Development Council, my experience attending only one meeting which was held in the town of Athabasca was that a number of briefs were presented -- maybe ten or a dozen, I'm not exactly sure of the number. I'm not aware of any successful culmination that came out as the result of the presentation of those briefs. I wonder just what effect -- I know the minister has already outlined to the Member for Lac La Biche the procedures they go through in working with other departments, but I wonder if there is any record kept of the rate of success they have in dealing with these presentations that are made at the meetings. What's the batting average?

MR. DOWLING: It's fairly good, considering what I've already said. Of the briefs presented, I would say by far and away the larger percentage deal with transportation matters. Bearing that in mind you would know that all of those have to be put on a priority basis. But the number of times a particular presentation is made would obviously indicate the greater amount of support. But some of the specific successes, even though I've mentioned some earlier -- Fort Chip now has T.V. coverage, which it didn't before. We have adult

education classes in Fort Chip. We have telephone service to Anzac. Fort Chip High School was established. A dentist was recruited for Lac La Biche, a really significant thing for a small community. I.D. 23 has a veterinary clinic.

There was a grant of \$2,500 per family to provide power for Carcajou. The problem was that in the water program that has been developed by the Department of the Environment, in the electric support program that was developed by the Department of Telephones and Utilities, those communities just wouldn't fit. They couldn't fit because of the excess cost involved in bringing either power or water to those communities. So we presented to each of the ministers involved in those two cases that they had to have extra support. They received the extra support so now there is power in Carcajou and there is water supply in various communities. There still are communities where there is not water supply, which we intend to address down the road.

There was a \$50,000 grant provided to Elk Point for street paving. That's a community that has every street in its town now paved. Swan Hills School boundaries were expanded. A special languages class was continued in Grande Cache. That was for the native community who, prior to the establishment of the McIntyre mine were isolated and spoke nothing but their native tongue. They are continuing work on the Fort Chip granite deposit and upgrading of secondary road 964 to Highway 64.

So there are some specifics, but I don't believe you can ask a minister to just respond positively to any proposal that is made and they all are put on a priority basis but not forgotten.

MR. TESOLIN: Where is the Fort Chip granite deposit work at now, Mr. Minister?

MR. DOWLING: That's an excellent question. The Fort Chip granite has been a deposit of very high granite in a very isolated area of the province for some time. We felt it was a valuable enough deposit to have an examination of it over the last two and a half years. There were some research studies undertaken. It is an extremely valuable deposit. The major problem with it is in taking it out. We are looking at providing employment for the native community of Fort Chip or for perhaps the native community of some community down the road. We would like as much upgrading on the site as possible. We have a commitment, if the cost is right, that the Department of Public Works is extremely interested in undertaking to purchase the first supply of that granite that comes out.

We've advertised for private companies to become involved, and there are two companies now that have shown some interest. One in particular is still interested, and we're in the process now of saying, okay, there is the package. Tell us what you can do and tell us what the shortfalls are. If the shortfall is transportation, there are some empty barges coming back and we feel we might be able to solve that problem. We'd like the private sector now to put their case to us, not for subsidy, but their case on the shortfalls we might be able to help out with. Perhaps it's the punching of a five mile road into the deposit. I have no idea. But it's still there and it's still hopefully a good potential economic development for the Fort Chip area. It's a good one if we can get it out.

MR. APPLEBY: Mr. Chairman, I wondered if the Northern Development Council makes any recommendations or has any input into the rural native housing program as to the locations where this should be instituted?

MR. DOWLING: Mr. Chairman, we have had. The Northern Development Council is a pretty unique organization. They don't answer to government. The members are autonomous, other than the chairman and the Member for Lesser Slave Lake. They have no compunction about not going to government and saying that what they are doing in any particular branch is wrong. I have taken a number of things forward for them on their behalf, as the hon. Member for Lesser Slave Lake knows, regarding hospitals, regarding housing, regarding shortfalls in the water program, all of these things. They have had some input. I'm not sure whether all the changes we recommend in the housing program will be implemented, but they are strong representations and they have been made.

MR. YOUNG: Mr. Chairman, I'd like to come back to a question which was raised I think by the hon. Member for Lac La Biche and also by the minister, I might add. That had to do with the function of the staff of the Northern Development Group. You indicated, Mr. Minister, that it's not a line organization. It's a co-ordinating, advisory, policy role. Then you went on to say that it had the land tenure secretariat, if I understood you correctly. Could you clarify for me the relationship between Mr. Boqla's responsibilities and the northern group in terms of the land tenure responsibilities?

MR. DOWLING: The responsibility for that package really comes under the Department of Municipal Affairs, being co-ordinated through the Native Secretariat and the Northern Development Group. We've assigned from our group a gentleman by the name of Roy Piepenburg, who just happens to be the most qualified member of our group, to the land tenure secretariat. He serves as a member of the Department of Municipal Affairs' staff. So as I say, we are not a line function. It is the Department of Municipal Affairs which administers it,

and Mr. Johnston, the minister, administers it with reference to both the secretariat and the group for their input. But Mr. Piepenburg happened to be the fellow most qualified, we thought, with regard to an understanding of the isolated communities and the need for land tenure, the need for an autonomous sort of government, local autonomy autonomy and local authority also go together with a municipal government of some kind. So the whole package is under Municipal Affairs. Mr. Piepenburg, our fellow, has joined Municipal Affairs is what I'm saying.

MR. YOUNG: Mr. Chairman, so to understand it correctly now then, the Northern Development Group as such does not have any line responsibility with respect to land tenure. Are you loaning an officer? I'm now unclear as to whether in fact Mr. Piepenburg works for the Department of Municipal Affairs or whether it's the Northern Development Group and Council that he works for. If he works for the Department of Municipal Affairs, is there anybody representative of the Northern Development Group and Council in relation to the land tenure secretariat?

MR. DOWLING: Mr. Piepenburg is actually now a member of the staff of Municipal Affairs. But since the Northern Development Council and the Group felt that this was one of the priority items for dealing with, land tenure, we said to the minister of Municipal Affairs, here is our representative. You take him. He was really seconded and is now a member of the Department of Municipal Affairs. We feel that we have adequate representation in Mr. Piepenburg through the Municipal Affairs Department because he does make reference to our departmental officials from time to time and he does make reference or contact with the native secretariat from time to time.

MR. YOUNG: Mr. Chairman, pursuing this and trying to get to the bottom, who pays him?

MR. DOWLING: Municipal Affairs.

MR. YOUNG: So he's seconded forever. Is that the sort of arrangement you have?

MR. DOWLING: I'm sorry I'm confusing the hon. member, but what he is now is a member of the Municipal Affairs staff. He is no longer associated with the Northern Development Group, but he was on the group at one time and knew more about it than any other member of the group. So therefore it was logical that he become a member of the Municipal Affairs staff. We talked about it for six months before the decision was taken to have him join Municipal Affairs, which he did.

MR. YOUNG: Again, just trying to lay this one completely to rest, really it would be correct for me to understand that he has transferred to the Department of Municipal Affairs. He is not seconded in the sense that there is any immediate intention that he would be returned to the Northern Development Group?

MR. DOWLING: May I just respond unless there is another question, Mr. Chairman. What we have is a land tenure secretariat, much like a committee, and Mr. Piepenburg, along with our group and the native group and Mr. Bogle's branch, deal constantly on a day to day basis. So there is a land tenure secretariat which puts the package together.

MR. YOUNG: Again on the same one, "we" as in the expression you just used saying we have a land tenure secretariat -- we as the government rather than the Northern Development Group or we as the government and the hon. minister I guess.

MR. DOWLING: Yes.

MR. YOUNG: Mr. Chairman, if I could switch gears for a second to another issue which was raised in the minister's comments and also by the hon. Member for Lac La Riche. Decentralization of staff into the northern area -- where are they now? What are their office locations, their working locations?

MR. DOWLING: All our staff in the total department is in the Capital Square Building east of 101 Street on Jasper Avenue. The entire department is there including this group.

MR. YOUNG: Let's talk about the Clear Hills iron ore deposits.

MR. DOWLING: Yes, that was one which, in large measure was stimulated by the Northern Development Group of days past. That is now in the Research Council. There is an ongoing study. Each year we examine what has been undertaken and what has gone on and what indication there is that it could prove to be a substantially good deposit and worthwhile investigating further. It is still under study under the Research Council and if the key to taking that iron ore deposit off the sand grain is found, it could be a substantial part of developing a steel industry in Alberta. At the moment, the key is not quite there, but it looks very positive.

MR. YOUNG: To relate the Northern Development Group to the Clear Hills deposit and the research which was done with respect to that, were the Northern Development Group in the time period we have under discussion responsible for funding in any way of that research? Was there any budget allocation for it or were they able to stimulate other departments and agencies?

MR. DOWLING: No, they were not. There was no budget allocation except through the Research Council at that time. The research function was undertaken. The Research Council did their research at the lab in east Edmonton and it is still ongoing there as it is in the lab over at the university.

MR. WOLSTENHOLME: Mr. Minister, in your original remarks you mentioned something about air strips. I'm not just too clear -- is this under Northern Development or is it in conjunction with the Department of Transportation?

MR. DOWLING: No, it's under the Department of Transportation. But because of the significance of transportation networks of any kind with development of northern Alberta, we are constantly, as I say, making representations to the Department of Transportation relative to highways, to airports, and I would suggest -- not looking for a pat on the back for that group -- that the council has had significant input into the development of airstrip program in northern Alberta. But it is the responsibility of the Transportation department to establish priorities. We simply, as a group and as a council, make our representations on what we think are priorities in northern Alberta. It has some bearing on what the priorities eventually end up being.

I should say that on that research function with regard to the Clear Hills iron ore deposit, it's jointly funded by our department and the Department of Energy and Natural Resources.

MR. WOLSTENHOLME: You make the recommendations, as I understand it, for these airstrips. If this is a fair question, how do you feel that the airstrip portion for the northern development is coming along? Do you have many more recommendations for airstrips in the north?

MR. DOWLING: Yes, we will have more recommendations as time proceeds, for certain. I think it's coming along very well. There has been some substantial upgrading. High Prairie is one that I noticed very recently, and Fairview. The smaller airstrips are the ones that it is extremely important to develop. That's why the program is so successful. In western Canada we are isolated by distance. In eastern Canada if you told somebody that there was not an airstrip within 100 miles of the community of Grande Prairie, they would say that's impossible. We have one every 50 miles in Ontario. So it's a major problem and it's a major part of the program of economic development of the north.

MR. WOLSTENHOLME: What size of aircraft can land on these airstrips? Are they for just small private planes or up to what size of commercial plane could use them?

MR. DOWLING: Well, it varies, depending on the area, Mr. Chairman. One that is in the process of being constructed is planned for 4,000 feet. Depending on the height above sea level, we could take a medium size jet. The normal length is something like 2,500 to 3,000 feet. That's a community strip, or it could be classified as a light industrial. But they are all paved and in my view it is just an extremely important program.

MR. TESOLIN: Mr. Chairman, perhaps this is a suggestion more than a question. I'd like to suggest to the minister that perhaps his number one item at all meetings should be paved roads in the north and what progress has been made because I believe that's the only way you are going to get real northern development and do yourself out of a job.

MR. DOWLING: Thanks very much. I would like nothing better than to find that all parts of the province were considered to be totally equal relative to services. That is not the case at the moment and I am well aware of that from visiting the various places in Alberta. But we make a point of not just visiting Grande Prairie and Peace River and Lac La Biche and Fort McMurray and the major centres in Alberta. I should just give you an idea of the kind of places we visit. We're going to Rainbow Lake at our next meeting. It's important to visit those communities because they are, in fact, isolated. They are missing out on a lot of things. Wabasca-Desmarais was one of the first communities we visited. It was amazing the kind of things they have there which they weren't even able to take advantage of -- an immense school built by the federal government which was almost virtually lying idle. There must be some use for it. I agree totally with the hon. Member for Lac La Biche-Fort McMurray that transportation is the key. Communications networks is the key -- not just transportation, not just airports and highways and roads, but T.V. coverage and radio coverage and newspaper coverage and media coverage is extremely important. In 1976 we have been in Fort Vermilion, Elk Point, Swan Hills, Fairview, Grouard, Grande Prairie, and as I said, we are going to Rainbow Lake this next meeting.

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MR. YOUNG: Mr. Chairman, just going back to the staff and what they do, if I may for a minute, perhaps it would be fairer to the minister -- and I'm not sure, he can respond as he sees fit -- in view of the detailed question I'd like to put to the minister to have him reflect the current situation rather than the historical one if he's not familiar with it. I'd like to know, for instance, since it isn't a line department, since you have an executive director, two people on either end of the whipple tree out here and two development officers on the one end of it underneath the director of co-ordination of programs, what do these development officers do? Can you become specific and illustrate what, in fact, a development officer does when he is dealing with everything north of Highway 16, but he's sitting down here in Edmonton and everything north of Highway 16 is north of where he's sitting? How effective can he be and what, in fact, is he doing?

MR. DOWLING: That's an excellent question. What you are alluding to is almost the suggestion made by the Member for Lac La Biche-Fort McMurray, that we decentralize. That is most assuredly being examined. But what is undertaken, in preparation for the 12 meetings a year, six of them being formal meetings, these people do go into the communities much like our regional officers in the department. They actually try to stimulate briefs. They say, what's your problem? They visit the small communities. They investigate what the shortfalls are in transportation. They do research studies on medical facility shortfalls, the airstrip program that we mentioned. They are in the field a great deal and not in the city of Edmonton. They follow through on goals in education. They may be sitting in the city of Edmonton to do that. But before they undertake that kind of a study in the department, they are out in the field finding out just exactly what the problem is. What's the problem in busing? What's the problem in not enough students in a classroom? Should a small isolated school remain as a school or should it be closed and the students bused in? That kind of thing. We do try to keep them out of the office and in the field. In preparation for our meeting like the one in Rainbow, it will probably take two weeks of concentrated effort in the Rainbow area to make certain that the members of the council, in going to Rainbow, will understand what Rainbow is, what its problems are regarding economic development, what things are important, what are its priority lists of things for that community as the department sees them. Then we relate that with what is presented to us by way of briefs. It's all analyzed. What we receive as briefs at the Rainbow meeting will be dealt with at the following meeting one month hence.

DR. WEBBER: Mr. Chairman, does the Northern Development Council have input into where the regional development projects are located?

MR. DOWLING: Not really. Although there is bound to be some, I suppose it's a rather informal input. The MLAs have probably a more significant input into that than the council. The Northern Development Council, however, did have strong views on the fact that we had to establish these regional development areas in the north. Our priorities, as you will notice in the department this year, are for two, and those will be proceeding. So they have had input, there is no doubt.

If that answers that question, I might revert just a moment to Mr. Young's question on what the responsibilities are and what projects are undertaken. One of the northern development officers has these projects underway now: northern housing program, northern electrification, Lac la Biche social needs survey, 1977 community study, Labour Act review, community facilitation projects, Indian land claims committee, land government evaluations, and that kind of thing for each of those officers. You can't do that unless you are going to be in the field.

DR. WEBBER: Mr. Chairman, in the accounts here there is \$40,000 for grants and prizes. I gather that this is used for scholarship purposes, sending young people to school. I wonder if you could elaborate on what that \$40,000 did. In other words, what kinds of people received it, where did they go, et cetera.

MR. DOWLING: Yes. That is not quite correct. We do have a program of scholarships. The \$40,000 I think you referred to is to Paidapun Developments which is Lac la Biche -- a grant for New Dawn housing to keep that project ongoing. It's a housing project. They manufacture log homes. That's what the \$40,000 was for. It's a wholly owned organization, non-profit, native self-help society, the Paidapun organization.

DR. WEBBER: Is there another bursary program of some sort for sending young people to institutions? I've got the wrong one then.

MR. DOWLING: That is not included in ours. It would be through the Department of Education.

DR. WEBBER: Just a final question, Mr. Chairman. I was wondering if the minister is satisfied with the rate of economic growth in the northern part of the province?

MR. DOWLING: Absolutely not. I think that there is all kinds of room for improvement. We find it extremely difficult to earmark a place, in fact we won't. Economic development is going to take place, in our view, because the people in the north want it. They are the ones who are going to stimulate that growth. We will just try to help them. We try to help them put together an economic package or an economic committee. Our group is supportive of it. We just try to help them identify what their potential is and assist them to assist themselves.

MR. WOLSTENHOLME: Mr. Chairman, the minister mentioned about input into education and so on. I'm getting quite a different outlook on this Northern Development Council. Am I understanding it correctly that this council has input into nearly every department in the government?

MR. DOWLING: Yes, that's true. We've been given to understand by Executive Council that the Executive Council is to listen very carefully to what the Northern Development Group and the Northern Development Council say. There have been proposals taken forward which have not gone forward. But we've been substantially successful and very careful about the ones we take forward. Before they go forward, we are assured in our own mind from the start that the people who live in the north think it's a good idea, and that means the 10 people on the council, and we are satisfied in our own mind that the Northern Development Group supports it with backup documentation. That being so, we have no problem in taking it forward as a proposal.

As you understand, I indicated that I thought in the beginning that we should have a budgetary provision, sort of a gap funding of say a couple of million dollars that we could utilize ourselves to earmark for projects as they came up during the year. The government says no, that's not correct. You must sell Executive Council and our caucus on your program, and if you sell them, then it will go forward by special warrant.

You should know too that most of the projects that are undertaken can be cost-shared with the federal government without too many strings attached to the Alberta North Agreement. On most of them we are spending dollars that are worth two dollars. We put in \$1 and \$1 comes from the federal authority and it goes back to general revenue.

MR. WOLSTENHOLME: On these projects then, I take it that you just recommend the projects your people come up with. Do they do all the spade work, and so on, or do you just recommend it to Executive Council and they put it to the other department, or is this entire the Northern Development Council's responsibility?

MR. DOWLING: No, it works a little differently than that. If the Northern Development Council, for example, feels that a program should proceed, like the water program, it's obvious they were going to be dealing with the Department of the Environment which instituted the program in the first place and perhaps Public Works. So we, as a group, deal with those two departments. We say, here is a program that we think is a significant one for this community or for northern Alberta. This is what we believe would be the cost. We would like you, your department, our officials and the Department of the Environment to get together, work out a position on the whole matter, take forward a request to the cabinet supported by those two line departments, and that's the way the matter goes forward. It goes forward with the total support of the department that's going to implement it.

MR. YOUNG: Mr. Chairman, housing. I'd like to know what the policy of the Northern Development Group is with respect to housing, and particularly with respect to housing as it affects the Metis colonies, the isolated communities, the native community in general and with particular reference to the policy of the Northern Development Group in regard to the possibility of carrying southern manufactured houses into the north and planting them as opposed to building them there.

MR. DOWLING: Our views are significantly this. If the house is to be built, you don't take a cement block house from southern Alberta and plunk it in the north and say, that's what you must live in. That is why we've rather supported the New Dawn organization with a grant to attempt to have it survive because it's the type of housing that the native community appears to like and it's a self-built thing. The product is manufactured and the house is actually put together by the person who is going to live in it. It's a joint effort between the New Dawn organization and the person who is going to live in the house. So we believe that the product itself has to be acceptable to the person who will live in it. It's not something where you just take a unit and set it up there and say, that's the house you must live in. I don't think that's acceptable at all. The rural and native housing program, as I understand it the philosophy on the brochure, is that the community that is going to receive that housing must be dealt with extensively by the department. In other words, the views of the community are significant to where the houses are built. Now if that policy is followed, then the Northern Development Group and Council have absolutely no difficulty with it. If it's not followed, we have substantial difficulty with

it because we believe that the people of the north must decide their own destiny, not the government bureaucrat in the city of Edmonton.

MR. YOUNG: Just so that there is no confusion in my mind about this, is it then the policy of the Northern Development Group that the housing that we're talking about should be manufactured in northern Alberta by those people who will using the housing, having regard to some community input. Is this the main thrust and objective of the policy of the Northern Development Group with respect to northern housing? In other words, you are not encouraging the importation of prefabs, whether it's cement prefabs or plywood prefabs or tin prefabs or aluminium prefabs from other parts of Alberta, but that we should be focussing as the policy on building the housing there by the people who need it.

MR. DOWLING: Yes, that's substantially correct, Mr. Chairman. The hon. member would recognize that there is a native home manufacturing establishment in southern Alberta too. I think what's most important is that the people who are going to utilize the house are satisfied. That's the New Dawn philosophy. That's why we go along with it so much because the occupant of the house has to request that they receive the house. They have to request it. It's not a case of saying, here is the house. Take it.

MR. YOUNG: Mr. Chairman, I appreciate the minister's answer and I'm reasonably convinced that I understand the policy of the Northern Development Group. I must say, Mr. Chairman, I wouldn't mind seeing the Northern Development Group being much more vociferous about that policy. I think it would be extremely beneficial for some of us in southern Alberta to understand that policy much better than I believe we do.

I'd like to ask one more question. Is there an assessment at the current time being made of the economic impact on northern Alberta by the Northern Development Group if a pipeline -- I guess we take a choice here, the Alcan or the Mackenzie Valley one -- if one were to go through, is the Northern Development Group involved, either on its own or in conjunction with some other agency in an evaluation of the economic impact?

MR. DOWLING: No, they are not.

By the way, on the previous question and statement, we will take that as notice that we will probably, with the Member for Lesser Slave Lake, make some representations to the council so that strong representation is made to the Department of Housing on the matter of housing. And we'll do it. I think it's an excellent idea.

On the matter of pipeline assessment, that is a matter for the economic development committee of cabinet to undertake. There will be substantial input, I would suggest, from the group during the course of time the matter is being examined. But it's not for us to undertake. We're too small a group and the project is too large. We would require outside assistance for sure.

MR. TESOLIN: Mr. Minister, regarding the Alberta North Agreement, is your department in favour of direct grants to industry within this agreement?

MR. DOWLING: We do have some difficulty with regard to direct grants, but there are times when -- let's take the forest industry for example, which I'm sure the hon. member is alluding to. We so under-utilize our forest industry in northern Alberta that something should surely be done about it because it's an opportunity. I would suggest for some major economic development, I would have no difficulty -- I think our department would have a little difficulty -- if some of the projects that now have received large DREE or Department of Indian Affairs and Northern Development grants would come back with a new proposal guaranteeing that if the provincial government became involved it would not take a second position to the Department of Regional and Economic Expansion and the Department of Indian Affairs and Northern Development.

But at the moment, that's the problem. If we came in as a government now with a grant for a particular type of lumber industry, we would come in taking second position. I just don't think that's fair to ask our government to support a project that the federal government didn't get off the ground through lack of financing, perhaps, through poor management practices perhaps, because they didn't investigate the market enough, didn't have a market perhaps, and other things.

So I'm not opposed to it if the project being proposed is going to have a substantial economic impact on the north. You understand that I am not in favour of grants per se. I don't think it's the way to go. If a project will fly, it should fly on its own. But northern Alberta is different and unique and there are some isolated areas where grants are the only way that things will get off the ground.

MR. TESOLIN: Mr. Chairman, I've had some representation from federal members, and I was wondering what the minister's opinion was about the idea of designated area agreements with the federal government, such as with DREE.

MR. DOWLING: Mr. Chairman, I think that would set us back about 15 or 20 years to designate an area. If you do that -- I can relate it to another type of

situation in the national parks with exactly the problem where this area is designated as being under the federal authority and the people have come to believe that everything that happens to them should happen by the government doing it. Well, I say nonsense. People have to do something for themselves. They have to become autonomous and do their own thing because they come to rely on government for everything. I think it's wrong to designate any area of the province as a specific special area. In my view, we do have a special area in Alberta. It's 255,000 square miles of Alberta.

MR. STROMBERG: Mr. Chairman, it would appear to me that a good number of people in the north have part of their income through fishing. Does the council make any policy statements or have they made any consideration of the conflict now between the commercial fishermen and the sportsmen who want X number of trophy lakes totally banned to commercial fishing?

MR. DOWLING: Yes we do, Mr. Chairman. We have substantial input into the establishment of representation of our members on the Freshwater Fish Marketing Board. That's a substantial first step. We also examine very carefully what the priorities are with regard to trophy lakes as opposed to commercial fishing lakes. That matter is under the Department of Parks, Recreation, and Wildlife. We have had with the hon. Mr. Adair some substantial discussions on the whole matter of recreational fishing as opposed to commercial. I think things are coming along very well.

There is a real problem, the problem being that all the fish in Alberta that are fished for commercial purposes are shipped to Manitoba for processing. It's a very delicate and difficult and involved process involving federal legislation and the problem is not totally solved. But we've had input into the minister's department just very recently with some suggestions on how it might be partially cured at least.

MR. STROMBERG: Does the council generally place the priority on commercial fishing over sports fishing?

MR. DOWLING: Not at all. We put a balanced position forward where there has to be a saw-off. The commercial fisherman is not going to get everything he wants. There is no question. But we believe it should be a viable operation and our input is to ensure that the freshwater fisherman receives adequate pay for his product and it doesn't all go into providing other forms of government with new bureaucratic structures.

On the sport fishing we too feel that there is adequate input. So it's a balanced position we put forward. We can't sacrifice one for the other.

MR. STROMBERG: There seems to be a fair amount of representation coming from Fort Smith, just outside the border of Alberta, for a road connecting to Fort Chip. I understand there is a road through the park now. Has the council made representation to the Department of Transportation on that road? Have they gone into detail about what it would cost and is it worthwhile?

MR. DOWLING: I wouldn't be able to say whether it's worthwhile, but we have had some input into the Department of Transportation regarding the various proposals that are being put forward. The one from Fort Chip north to Fort Smith could have some particular economic value, bearing in mind the Fort Chip granite deposit and the possibility of transportation by truck from there, although at the moment it looks like barging south is a better method. There is also the east-west route through the park. You are dealing with the federal parks authority in that case. They are not particularly prone to punching new highways through that massive area of national park. I wouldn't be in a position to recommend one over the other at the committee meeting for certain, although we have had input into the department on all of them and are aware of all of them.

MR. STROMBERG: I think the Alberta Wilderness Association has made representation that that portion of the Slave River south of Fort Smith be put into a wildlife park. Has your council had any input into that recommendation?

MR. DOWLING: I'm not aware if we have on that one. That's one I'm not aware of. I do know of the view of the wilderness group, but I can't recall having any input into it.

MR. McCRAE: Mr. Chairman, it looks like all the questions have been asked. I wonder if I might move to adjourn till the fall session of the Legislature to reconvene at the call of the chairman and begin again with the next agenda item?

MR. CHAIRMAN: Just before you do that, Mr. McCrae, I'd like to thank the hon. Mr. Dowling and Mr. McDonald, his deputy, for being here today. At the earlier part of the meeting we mentioned the audited reports of Sport Alberta. It was requested by one member, but when information is supplied at request, we supply it to all members. So any member who did not get a copy of that may get one from me immediately after the meeting.

I'm glad to report that Mr. Rogers appears to be improving. He's still in the hospital but they expect him to get well very shortly. Would the committee agree that I send him on behalf of the committee a get well letter? All agreed? Before leave of the final item and Mr. McCrae's motion, I'd like to thank Mr. Schell and our own good Secretary, Mrs. Mary Adams, for the very excellent work that they have done.

Before Mr. McCrae's motion is put I'd like to suggest that the Legislature is adjourning till October 12, so I would suggest that our first meeting be on October 17 and PWA will be on the witness box. Now your motion, Mr. McCrae.

MR. MCCRAE: I would simply move, Mr. Chairman, that we adjourn until October 17 and deal with PWA at that time.

In doing that, Mr. Chairman, might I congratulate you on the very fine way in which you've conducted the hearings this spring.

MR. CHAIRMAN: Thank you. The meeting stands adjourned.

(The committee adjourned at 11:09 a.m.)