

[Chairman: Mr. Kowalski]

[10:02 a.m.]

MR. CHAIRMAN: Good morning, ladies and gentlemen. Welcome back, it now being October 3, 1983. We have appearing before us this morning the Hon. Donald Sparrow, Associate Minister of Public Lands and Wildlife.

Just before we get to Mr. Sparrow, Miss Davidson has circulated three documents to you. They're the Hansards of the last three meetings our committee has had. You now have copies of Hansards of all meetings. There are a few minutes that still have to be reviewed by your chairman, and he will do them. But with the Hansards, I think you have the appropriate information as well.

A map document has been circulated by Mr. Sparrow. At the conclusion of our discussion with Mr. Sparrow this morning, I would like to circulate two documents to all members. They're the documents containing all the recommendations that were forwarded to me by September 30, 1983. When I circulate them to you, I'll have some remarks to make with respect to that.

Welcome, Mr. Sparrow. Perhaps you would like to introduce the gentlemen you have with you. If you have some opening comments, please proceed with them; following that we'll go to questions from committee members.

MR. SPARROW: Thank you, Mr. Chairman and members of the committee. I'd like to introduce to you the Deputy Minister of Renewable Resources, Fred McDougall. We also have with us Mac Forbes, the Assistant Deputy Minister in charge of Public Lands.

Being new in the game, Mr. Chairman, until this morning I wasn't briefed very well on the situation, but we will work as hard as we can at answering those questions. I'm looking forward to a lively discussion in the process of the question period.

The Alberta heritage fund program on grazing reserve development really started in '76. The decision in 1976 to use heritage fund moneys to fund grazing reserve development represented a major expansion of the province's ongoing grazing reserve program. To date under the heritage program, development has been sufficiently advanced on nine reserves so that these reserves are now operational. An additional four reserves are in varying stages of development or projected for development, for example Blackfoot. Other than the ones mentioned above, no additional reserves will be developed under this program.

Generally, provincial grazing reserves have been developed in areas where the soil is not suitable for cereal crop production. Development involves the clearing of aspen brush and the establishment of tame forage. Fences and corrals are built to handle and control livestock. The heritage reserves are located in gray-wooded soil areas where soil conditions are particularly poor. By providing land on which livestock can be grazed during the summer months, thus freeing up privately owned land for crop production, the grazing reserve program aims to diversify and stabilize agricultural economics in these poor soil areas. Because demand for grazing reserve privileges is very high, it has become necessary to set certain eligibility requirements. These favor the local, small-scale farmer or rancher.

I'd like to talk about operating costs for a minute. At present, all provincial grazing reserves are operated by the provincial government, which charges user fees or a rental fee per animal unit month. When I refer to animal unit month, it's basically a mature cow and calf, or equivalent, for one month. The effective rental fees are based, in part, on the cost of the operation but do not recover the actual operating costs. Deficits for total grazing reserve operations have been occurring each year and on an increasing basis, as a result of two factors: one, new grazing reserves coming on stream and, two, the rate in cost increases faster than the fee increases. By the end of the 1981-82 fiscal

year, the difference in revenue and expenditures was approximately \$2.1 million on all the reserves in Alberta, which averages to about \$10.90 per animal unit month.

This spring, after much discussion, changes were made by our department, and further changes are being discussed. The changes made during this fiscal year have been: one, to decrease the operating cost of our total budget throughout the program by 13 per cent; we have increased the charge to the patrons by \$1 per animal unit month, which is about a 15 per cent increase overall; and, three, we have increased the utilization of all the reserves by 20 per cent. After these changes have been made, this adds up to a 48 per cent more efficient operation compared to the last fiscal year. More can be done in that area. As we bring on the new reserves, our utilization factor should go up, so our income stream should go up, thus controlling our deficit and trying to cut down the subsidization that is taking place.

This program, Mr. Chairman, was originally set up as a 10-year program, a \$40 million commitment for increasing grazing opportunities for Alberta commencing in the '76-77 budget year. To date a total of \$26.8 million has been expended for their development. It is proposed that approximately \$6.6 million be expended for further development in '84-85, which will bring the total to about \$33.4 million. I have to say that that is the estimated amount of funds we are requesting. We have no approval on that; that's up to you at a later time. I'm just giving you an idea of the long-term, 10-year plan. On a normal base that would be \$6.6 million, more or less, that we will be looking at next year.

So far under this program, 12 new grazing reserves have been developed covering an area of 227,554 acres, of which 68,774 are already in improved pasture. Although there is scope for sufficient increases, in 1982-83 we provided 220 patrons with 31,125 animal unit months of grazing. That utilization factor should go up tremendously in the oncoming years. In the current year, the increase on the heritage fund reserves was 14 per cent, whereas the average across the province was 20 per cent. We are now up to about 35,669 animal unit months on the grazing reserves that were paid for by the heritage fund.

I would like to talk for a minute, Mr. Chairman, about development and the process. Each grazing reserve is developed based on an integrated management plan. This plan is drawn up by an intergovernmental agency team. Members include fish and wildlife, Alberta Forest Service, and public lands of Energy and Natural Resources, as well as Alberta Environment and Agriculture; Recreation and Parks are on a consultative basis. The land development work and facility construction are done by private contractors. The regional manager is responsible for recommending a suitable contractor according to tenders. The subsequent contract is approved at the director's level. Payments are made according to the regional manager's approval of the contractors' invoices. As more and more acres of land come into grass production, higher cattle numbers can be admitted to the reserve.

There are some alternative uses of the land. Grazing reserves are established only in areas where soil and land capability assessments and discussions with groups representing agriculture, forestry, and other interests, have determined that the land is not viable for cultivation or forestry. The alternative of making unimproved land available for grazing lease is viable in certain circumstances but can lead to overgrazing of a very limited native forage source and negative economic impact returns if we did not improve it.

Mr. Chairman, although there are many changes we are looking forward to in this area that can increase the efficiency of these operations, I think the key we have to look forward to is that your heritage fund should be spent on capital. We hope we are not creating long-term operational costs for future governments.

I thank you, Mr. Chairman, and I will handle any questions that you may have.

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

MR. R. MOORE: Mr. Minister, one of the major concerns people in my area have regarding grazing reserves is that once they are established, they become a sort of exclusive club, the charter members hold forth, and nobody else has a chance to get involved in the years ahead. Is this a fact? If it is, what is your department doing to make them more available to other members of the farming sector?

MR. SPARROW: No, it's certain areas. I think there's confusion between grazing associations, grazing co-ops, and grazing reserves. That happens a little more in grazing associations and co-ops than it does within the reserve system.

Most of the increase in the utilization factor that we had this year was to new members. There is a maximum set on the number of animal unit months any one patron can have, and we have cut that down in several reserves. I think the maximum is 50 animal units per month. In a lot of cases we're down to 30 and 25, so we are cutting down the number of animal unit months per patron and allowing new people in.

That complaint comes from areas where the reserve is full and the patrons tend to stay on, and we continue servicing the patrons who have been there year after year. Hopefully with the reorganization in central Alberta as we bring on these new reserves, we can sort out some of those problems. For instance, when the reserve was originally set up in Buck Lake, the local people close to the reserve did not need the facility. People from 100 miles away were bringing cattle into it. Once they are there and established, it's pretty hard to cut them out and accept more local people. That problem is built into the system, but we are continually working with it, and the staff looks at all complaints. Each and every year they look at what any individual who applies can handle. On an average, 20 or 30 per cent of the new applications are included each year. So there are definitely additions being made each year.

MR. R. MOORE: A second question, Mr. Chairman, if I may. Is there any process that says there's a time limit on members in there, so you can get the turnover going, and that no one can utilize that service if there is more demand than the potential of that reserve, that he can only stay, say, for five or 10 years?

MR. SPARROW: No, we do not have a maximum. Once a person is in, it's a continuous process. So far there has been no maximum. That is something we could look at and should make note of. If there is a maximum, at least every five years new people would be in. That is something we will take note of, Mr. Chairman, and consider putting into our policy in certain areas.

MR. R. MOORE: A third question, Mr. Chairman. Mr. Minister, do you see that in time these grazing reserves will evolve to grazing associations, that government involvement will decrease in this area, and that eventually we can turn them back to where the farmers involved will have more say in running them?

MR. SPARROW: Mr. Chairman, that question has been discussed by our staff very rigorously over the last year, trying to come up with alternative ways of cutting down our operational costs and getting control of an increasing budget each year. We have made the offer to each and every reserve advisory committee to look at the opportunity of changing these from reserves to grazing associations. We haven't said we are mandatorily going to do it. We will be showing the economics of it to the local citizens in an area, with the intent of looking very seriously at doing what you suggested, turning them over to the local patrons to operate as a grazing association.

We feel that provincial government funding should be kept to a capital nature, helping to improve grazing opportunities, but operations should be paid for by the local patrons and not become a long-term detriment to future governments. We are definitely looking at that. We hope that each year some of these reserves will gradually be turned

into associations.

MR. CHAIRMAN: Mrs. Moore, to be followed by Mr. Hyland.

MR. HYLAND: Mrs. Moore?

MR. CHAIRMAN: Mrs. Cripps, to be followed by Mr. Hyland. One thousand and one apologies.

MRS. CRIPPS: On your knees.

As a follow-up to Mr. Moore's question, Mr. Minister, has consideration been given to selling some of these reserves, say, Buck Mountain? I ask the question because the residents around Buck Lake and Alder Flats are highly desirous of seeing that reserve terminated and sold to private citizens, especially since the area between Medicine Lake and Buck Mountain is totally surrounded by community pastures on either side and public lands on the far end, which means there's absolutely no possibility of expansion for the communities.

MR. SPARROW: Yes, Mr. Chairman. As you look at the map, Pembina is close to Buck Lake, and it's not in process yet. It's quite a way from the Buck Mountain agricultural area. Medicine Lake is not being totally utilized, and Rocky Mountain House is just coming on stream. So the utilization of grazing reserves in that whole area could be reconsidered, and it's one thought that has been kicked around a little bit. There's another one in southern Alberta that we would similarly be looking at. If we do sell a grazing reserve and put it back out, we would also then be looking at replacing a need someplace else in Alberta.

If you look at the map, because of the gray-wooded soil and Crown land that was owned at the time, the locations of the reserves are spread out in northern Alberta, in the gray-wooded soil zones, and in southern Alberta. There are many areas throughout the province where young farmers do not have the opportunity to get their cattle on a reserve. If we did look at selling some, it would be with the idea to redistribute the service to use it more widely elsewhere in the province and to try to control our operating budget to a point where most of our money would be spent on capital rather than long-term operating. I know there is a demand in that area for opening up more Crown land. We just don't have it other than in that reserve, and those farmers in that area want to expand.

I will take note of that request, Mr. Chairman, and look at it very seriously. In our redistribution, the cattle there, depending on where their patrons are from, could possibly be moved to either Medicine Lake, Pembina, or Sang Lake. So the service could still be provided, and we could open up some of that land for local farmers to be able to possibly consume it, either as a grazing association for more local people or as a sale of lands because it is in the marginally arable area of the province. It's one that could be turned into an association for local patrons and the existing patrons moved elsewhere. There are people in that one coming from 40 and 50 miles away — and I think as high as 100 miles — because the local people didn't have the need when it was originally opened. Now their need is there, and they can't get in. It's one we do have a problem trying to get local people into.

MRS. CRIPPS: I certainly agree with that last comment.

In your opening remarks, you indicated that there is a deficit of operating costs of \$10.90 per animal unit per month. Just taking it at a round figure of \$10 times five months, it follows then that there's a subsidy of \$50 a head. I'm talking provincially now, of all the reserves. It means that if a man has 50 head in, which is the maximum, his subsidy is as high as \$2,500. What is the total number of patrons in Alberta who are

eligible for that \$2,500, or somewhere in between, subsidy?

MR. SPARROW: The total number of patrons on reserves in '82-83 was 1,453.

MRS. CRIPPS: Since the saleable product in my constituency is beef — probably 99 per cent of the product sold in the constituency is in the form of beef because of the area; it's gray-wooded, very wet, a short growing season, and isn't conducive to growing grain crops, certainly not over a period of years — and there are 60,000 farmers in Alberta, we're looking at less than 2 per cent of the farmers who are getting this subsidy. What are the long-range plans of your department to make these pastures self-sufficient in operating costs?

MR. SPARROW: Mr. Chairman, we have been wrestling with that. One of the problems we have in this economy is that we felt that this year we should really be raising the rates to try to bring them up to a more competitive level with the private sector rates. We did increase them by 15 per cent. We should really have increased them quite a bit more than that, but because of budget restraints, we're trying not to raise fees during the current year when farmers are having a bad year. But definitely, over time, the fees have to increase gradually to bring them up to where it's costing similar to the private sector.

The other aspect is that we really have spent a lot of time looking at increasing the decrease in our operating expenses. We got them down 13 per cent last year, but we've got to make sure that goes faster the other way. I think we can where there are certain things we've been paying for on reserves. For instance, we're looking at having individual patrons pay for medical and veterinary costs themselves this coming year. We've put limits on our manpower, on an animal unit month basis, and we're trying — and hope — to cut that \$10 in half within the next 12 months to bring it down to a sizable amount we can live with.

I know what you're getting at, and we're working hard at it. We will keep endeavoring to try to make them self-sufficient and paying their own way.

MR. HYLAND: Mr. Chairman, my first question relating to turnover was asked by Mr. Moore. Following that, Mr. Minister, in your remarks you talked about the costs on the individual reserves. When you talk to these reserves, are you going to be able to have an individual cost? We hear the averages all the time, but some of the reserves are closer to self-sufficiency than others. I've had comment from various members of the reserves in my constituency, of which I guess there are five, saying: every time they say it's subsidized, we ask them how much, and they give us the provincial average; we have never been able to get the individual costs on our reserve when we ask for it; and why not?

I think these sorts of questions are going to have to be answered, or you're going to have to have that available to talk to the reserves about taking over their own operations. We can't just use the provincial average in that case; we're going to have to have individuals. Are we getting to the stage where we can provide the advisory board members with that, so not only they but their associations can make up their minds?

MR. SPARROW: Yes, Mr. Chairman. We have instructed our staff to prepare the figures on an individual base. We do have them here. They're available for individual associations through our regional offices. We've also asked our regional offices, along with our accounting and Treasury people, to consider all the reserves in their area and to project for us the difference it would make if they were an association versus a reserve, and to look at those changes. In some cases their revenues would be greater than ours because we don't collect revenue and don't account for revenue that's, say, for oil, gas, and other resources. We don't receive that revenue. If they were an association, they

would. They would cut their manpower costs down. We are going to be asking them, whether or not they become an association, to put in some physical time or to pay for some additional help repairing fences, looking after certain aspects that individuals and volunteers can do. So we're going to start pushing toward making them an association, whether they run them or we run them. That information is available, Mr. Chairman, and hopefully within the next six months we will get back to every association with those.

MR. HYLAND: Thank you. In your comments you mentioned one of the possible leases in southern Alberta that you would consider selling to the association or selling otherwise. Can you tell us the name of that one?

MR. SPARROW: The one that I referred to in southern Alberta — and I just wanted to check with my assistant deputy to make sure — is Purple Springs. It's a small reserve; we haven't got a lot of cattle on it. It's an irrigated reserve. Our costs are a lot higher on that one. That's definitely one that should be looked at as being an association or sold. If we did sell it en masse, maybe we should be looking straight north of there 50 or 100 miles to replace one, because you see the big area on the map where there are no reserves, and that service isn't being provided. The two we'd be looking at are that one and I mentioned Buck Mountain earlier.

MR. HYLAND: Thank you. I think half of that one is in my constituency; the other half is over the border. I've had various comments from ranchers operating on grassland saying that when they get a decision by a lease inspector and they don't like it, they have to oppose it. Sometimes they feel their appeal is not fair. As people who have run that grass for many years, most of them, as good operators, normally try to run, I suppose, anywhere from 90 per cent and down. They try to leave at least 10 per cent of their grass there, so they can operate. I know the association I'm in tries to operate the same way. So we're into our lease a month or more before the reserve, and we come out a couple of weeks later. We normally still have a carry-over.

The point I'm trying to get at is the appeal mechanism and looking at the lease. Maybe we have more inspectors of late, I don't know, or maybe they're getting around more; I seem to be getting more of these questions from my constituents. The question that comes back to me is that if we have to be subject to a lease review, why isn't the community pasture and the grazing association subject to lease review? These are the words of my constituents. They couldn't pass it, because they graze what the government tells them to graze, and they're within the grazing limits. But in the areas they're in, you can't graze that close to the limit or the next year or two years down the road you're going to suffer.

MR. SPARROW: That comment will be taken into consideration with our future discussion with staff. I see what you're getting at, and you're right that in grazing associations or co-ops there are fewer controls put on by us than there are on reserves. Maybe on an individual basis we're tighter with the grazing leases themselves as individual leases. I'll look into that, and I'd like Mac to get me a report on that. Is there any increase of field inspections by our staff on individual leases?

MR. FORBES: I'm not aware of any significant increase. It might be useful if Mr. Hyland could give us an example or two that we could look into just to see what is happening. Certainly, if there is a concern, we'll look into it.

MR. SPARROW: Mr. Chairman, we do get a lot of MLAs bringing concerns. If you have a concern from any of your constituents, please bring them to our department; get hold of me. If I'm not available, you can go directly to Mr. McDougall or Mr. Forbes; you're welcome to do so. Most of these have to be handled on an individual basis. We'd sure

encourage anyone to either write us or bring in individual concerns if you feel our staff are being unduly dictatorial in their process. I keep telling our staff that we're here to serve Albertans, not to police and control them. From what you're telling me, there's a little bit of policing going on out there that's aggravating people. We're here to serve, not to police and control.

MRS. CRIPPS: Mr. Minister, the latest report I have from the sheep operations — and I think there are only two or three pastures in the province — is that the deficit for that is \$9.44 per animal unit per month. If the standard is that you can graze one cow for five sheep, that means it's \$50 equivalent to a cow unit per head per month, which would work out to about \$250 per equivalent of a cow unit subsidy. Has that been decreased, and what is the present operating deficit for the sheep pastures?

MR. SPARROW: I don't have it broken down. None of the sheep pastures were built by heritage fund moneys, and I don't have those figures with us. I could get those, Mr. Chairman, and give them to the member; I don't have them at hand. In general, though, we're looking at trying to increase the utilization and the amount being charged to individuals with reference to sheep at the same time, and trying to cut back our costs on those. We know that it is high. We have a lot of sheep out there, and we have to bring that into line, the same way we're trying to bring the others into line. But I will get those figures; I don't have them here.

MRS. CRIPPS: In answer to Mr. Hyland's question — maybe you can correct this if I'm wrong — did I understand that the income from oil and gas revenue in some cases may be higher than the operating costs of some grazing co-ops?

MR. SPARROW: Yes, in one or two cases throughout the province, grazing associations or co-ops do get a fairly healthy income from oil and gas. I think only one or two, though, have that large an income that it would be more than their costs of operating the reserve for cattle. Mr. Chairman, I've asked for a total review to take place with reference to co-ops and grazing associations to see what their terms of reference are for allowing people into them, whether they're being fair, and whether or not we should look at any policy change toward those associations and co-ops.

MRS. CRIPPS: Maybe I should make a comment rather than ask a question. I really don't oppose the use of the Heritage Savings Trust Fund to develop land as a capital project but, quite frankly, I can't justify to the farmers in my constituency, subsidizing on an ongoing basis the products — cattle or sheep — of other farmers who are selling in the same market as they are.

MR. NOTLEY: Mr. Chairman, I just have one question of the minister. I was interested in your comments, Mr. Minister, that in one or two of these cases you might consider selling either to private individuals or to appropriately formed grazing associations. In view of the fairly substantial public investment that we have put into these reserves, what consideration have you or your staff given in your discussions — because obviously if this is an option, you must have given it some consideration — as to the valuation you would put on, let us say, the Buck Mountain grazing reserve?

MR. SPARROW: Mr. Chairman, we have a fairly good record of all land sales, especially Crown land, throughout the province, and we do appraisals on them continuously. We would do it on an appraisal basis, if we did go to a sale, at market value. I don't think you would see a reserve sold unless we took those funds and were specifically going to buy a reserve or lands in other areas to better serve more Albertans. We would tend more to turn that reserve into a grazing association and allow the local farmers into it at

the same time, and move the patrons, say, on Buck Lake to Pembina or other closer, newer reserves.

If you look at the map, from Wainwright south to Bow Island, we don't have a grazing reserve. There are a lot of people in that area, right back to Red Deer, that have no opportunity to get into the program. There are several grazing associations and co-ops in the area but no grazing reserves.

Our overall strategy, though, is to try to maintain and reduce our deficit as much as possible on a long-term basis and to get them self-sufficient. We are not pushing to try to sell them, but if it is a small reserve and we can't get enough animal unit months on there — once you hire a manager and go through the process, your costs are there. In order to be cost effective, we need a certain size of grazing reserve to be efficient. We should either add land to it and make it bigger or put it back into a grazing association and create a bigger one elsewhere that is more efficient. The bigger the reserve, the more efficient we can be, because one operator can look after it. That's primarily the problem with the two I mentioned: they're too small.

MR. NOTLEY: I understand that, Mr. Minister. But the question I was putting is the issue of whether, when we sell at market value, we are going to be able to recover the very significant public investment. Noting the two reserves in my area, you just basically had Crown land which was bush, and the investment was the clearing, breaking, putting in fences, and this kind of thing. Just for the sake of argument, if you were to sell one of those reserves, I wonder whether you would be able, from the market point of view, to even begin to get the public investment that you put in to clear it. I guess that's the caveat that I would express. I'm not sure that we want to end up with subsidy the other way around, where we sell one of these grazing reserves at what is substantially below our total capital investment from the trust fund.

MR. SPARROW: I agree that in theory the appraisal should go up. If we've spent the money efficiently, we should recover all our costs, plus, if we ever sold them. You would have to take that on an individual basis. Before we sold, I think we would get back to the MLAs, because it is a sensitive issue, on an area-by-area basis, and we would bring each MLA in and make sure that we discussed it with them because of the local aspect. So I assure the member that no reserve will be sold in your area without your being involved in discussions well in advance.

MR. HYLAND: Mr. Chairman, a comment on my first question. I wasn't saying that the inspectors were or were not doing their jobs. It is a comment that I often get relating to what happens on association grass and individual grass, compared to when operators look over the fence and see the government operating grazing reserves. Any time you look across the fence and think the other guy is getting away with something, you tend to react to it. So I didn't mean in any way that the inspectors were or were not doing their jobs or were being unfair. I was giving the question I get as an MLA: why is this happening?

Most of the reserves in southern Alberta are old. There isn't any reserve south of the one at Rocky Mountain House that was created from trust fund moneys? Weren't the majority of them in existence for probably 20-plus years?

MR. SPARROW: Yes, Rocky Mountain House is the reserve that is farthest south. If you want to mark them on your map, I can read out the ones that are from heritage funds: Bear Canyon, Blueberry Mountain — there are asterisks on the map — Valleyview, Fort Vermilion, High Prairie, Manning, Three Creeks, Medicine Lake, Pembina, Rocky Mountain House, Sang Lake, and Wolf Lake. Blackfoot is not on that list I just gave you; it's one we are just getting into.

MR. CHAIRMAN: Are there additional questions forthcoming from committee members? I thank you very much, Mr. Sparrow, for appearing before us this morning. If all goes well, we'll look forward to seeing you one year hence.

MR. SPARROW: Thank you, Mr. Chairman.

MR. CHAIRMAN: Perhaps at this time I could ask Mrs. Davidson to circulate to all committee members two documents that we have for you, and then I would like to just briefly explain them. We have copies for members the media of the proposed recommendations put forward to me, if somebody would like to come down and get them.

When committee members suggested some time ago that it would be wise if all these recommendations were forwarded to the chairman of this committee by Friday, September 20, and then the chairman volunteered to have them all organized and prepared for committee members by Monday morning, October 3, one did not recognize that it would take a few hours of work over the weekend. My regrets to you, Mrs. Cripps, if I referred to you other than as Mrs. Cripps. It was certainly just a minor reflection of some degree of fatigue from looking over a typewriter and collating paper.

What I have for you this morning are two documents. First, I would like to read the accompanying note on Legislative Assembly of Alberta letterhead. It says:

This document contains 42 proposed recommendations that were forwarded to the Chairman of the Committee by September 30, 1983. Members may present additional recommendations following Committee meetings scheduled for October 3 and 5, 1983.

On October 4, 1983, the Committee will begin its review of these recommendations and has currently scheduled October 17 and 18, 1983, as meeting times for review of proposed recommendations.

Two meetings have been scheduled for October 4, 1983, from 10:00 A.M. to noon and from 2:00 P.M. — 5:00 P.M. The order of business shall be the following . . .

I suggest that these are the three things we would want to begin with tomorrow morning. First of all, approval of the chairman's list for introduction of proposed recommendations; number two, I want to make a few comments with respect to procedural matters; and, three, I suggest we go right into the proposed recommendations.

What the first document basically has for you are the 42 recommendations under a number of different headings. If you look on the first page, I've given it the title "General", and there are several types of recommendations under the general category. The first category is administrative. Please remember that this was all a subjective interpretation I had in looking at the recommendations as they came before me. There are 11 I have identified that, in my view, could be looked at under the administrative heading.

The second heading has two recommendations with respect to philosophy. There are two recommendations with respect to the Auditor General, and then two recommendations, 16 and 17, that in essence call for the creation of something new. I've given them all under that "General" category.

Recommendations 18, 19, and 20 essentially call for legislative amendments to the Act. The third category is capital projects investments division; that would cover recommendations 21 to 35. The remaining recommendations, numbers 36 to 42, in my view, come under the Alberta investment division.

You'll note that the first item I've listed for tomorrow is really a discussion on the organization of these 42 recommendations. I was subjective in the manner in which they were listed, and I think that tomorrow I would want your support for what I have done before we begin. So there is some time between now and then to have you all review

them and make your comments if you feel that what I have done was inappropriate or if you want to suggest that there is a better schedule we might follow in terms of the manner in which we should deal with these.

The second document you have is essentially recommendations 1 to 42, but each one on a separate page, so that, in essence, they could be identified by themselves and, when we take them, there is an opportunity for notes and what have you. Ladies and gentlemen, just another overview comment with respect to that. Of the 42 recommendations, 11 were presented by Mr. Notley, nine by Mr. Martin, eight by Mr. Nelson, four by Mr. Musgreave, three by Mr. Hyland, three by Mrs. Cripps, two by Mr. Moore, and two by Mr. Anderson.

In my interpretation, these documents simply refer to proposed recommendations and should not be viewed by anybody as being actual formally proposed recommendations till each member has an opportunity to formally read them into the record. It will be my proposal tomorrow, under the procedural matters item, that I outline to you very briefly a process that what we do is begin the formal aspect of introducing these motions into the written record of the activities of this particular committee. I would ask each member to formally introduce his recommendation, speak briefly to it and, if there is any other discussion from committee members, we speak at that time as well.

I think the general view forthcoming from a number of committee members some time ago was that, for the most part, they did not want to begin the actual process of agreeing or disagreeing by way of formal vote tomorrow. They said they basically felt that they should have this information, and that's why we scheduled the dates of the 17th and 18th for formal decision-making. Tomorrow morning I'll also want to make a comment as to the actual process we would follow, as well as a comment with respect to the role committee members feel it would be appropriate for the chairman to take in terms of the discussion and the voting on these particular recommendations.

MR. NELSON: Mr. Chairman, we have a considerable amount of time here. With the committee's indulgence, I wonder if we can't discuss some of that particular area now, and then we might be able to get into the nuts and bolts of these things right first up in the morning.

MR. CHAIRMAN: That's perfectly fine with me.

MR. NELSON: I leave that to the members of the committee to . . .

MR. CHAIRMAN: We can discuss one, two, and three: the agenda that I had set up for tomorrow.

MR. THOMPSON: I would prefer leaving it till tomorrow. I've got some things to do. Basically I really need a certain amount of time to look through them and do a personal evaluation. I think I can do it better on my own.

MR. CHAIRMAN: We have one proposal suggesting something and another member saying no. Does anybody else want to make a comment on this?

MR. R. MOORE: I understood, as you outlined there, that basically the first process would be the introduction, not voting on it; just a matter of introducing and speaking to it briefly, not too long, so that it would be a matter of record. There is actually no vote on it and no serious discussion. Am I correct in that?

MR. CHAIRMAN: I think there would be as much discussion as members would feel necessary at this time. My assumption was that there may very well be some tomorrow but, if everybody is agreed to it, everybody will say, fine. But my view was that in

addition to having them introduced tomorrow, people wanted to hear what comments other committee members might make with respect to them and that voting time would be the 17th and 18th. That's only my interpretation. We're wide open on this one.

MR. MUSGREAVE: I was going to suggest that possibly we could look at Mr. Nelson's recommendations, 1 and 3, and call it a day — or a morning.

MR. MARTIN: I think that what Mr. Thompson says makes good sense. I think people want to take a look overall, because if we pass certain things it may have an effect later on. I think what Mr. Thompson is saying is that he wants to look at the whole package and then make his comments as they come up. When we haven't had these for more than one day to look at some of the other ones — as I glance through them I see some similarities that may affect what I'd want to say about them and would certainly affect the vote.

I think we need a little bit of time to take a look at the overall package before we start getting into the actual discussion. If we went through and discussed, say, number 1, and then 5 came up and we said, my God, this is better than 1, and all the rest of it — at least you'd have an overview, I think.

AN HON. MEMBER: Agreed.

MR. NELSON: Mr. Chairman, I'm just suggesting that possibly we might examine your list of proposals on the front sheet, and then tomorrow morning we could be prepared to just jump right in. I'm not suggesting we deal with these items . . .

MR. CHAIRMAN: Then I can very briefly do that. Number one, under approval is that basically I would like to have all members have an opportunity to look at these 42 and tell me that this is the appropriate order in which we should be discussing them now. We can't do that until tomorrow, because you've got to have some time.

Secondly, under the procedural matters, essentially I've never bothered myself to read a red book here in front of me called Beauchesne's rules of order. Frankly, I would like to go through my parliamentary career hoping I would never have to read the book, because I've always believed that most decisions can be made with respect to common sense rather than legal niceties and necessities. So I was going to ask all members to co-operate with me in terms of how we would deal with each one of these recommendations. I certainly hope that we would not be getting into a large scale debate on legalisms with respect to the methodology and manner in which we will be dealing with them.

To me there's a very clean way of doing it. The individual member introduces it and all members who wish to can speak either for or against it. At the conclusion of all that, if somebody wants to suggest that there might be a better recommendation, we might have an approach to an amendment or so. But this amendment to the subamendment to the subamendment is something I would like to avoid as much as possible. When we have the vote, if it's lost, so be it; if it's won, so be it. We can simply go on to the next one. That's really the major concern I want to raise with you tomorrow.

MR. NOTLEY: Mr. Chairman, just on occasion, I think that's wise counsel. I might just say that in past years we have had situations on a number of occasions where we've had subcommittees strike compromises between two or three recommendations that basically were saying the same thing but might have slightly different variances of that same thing, and that has worked quite well too. So I think your proposal makes some sense.

MR. CHAIRMAN: The other procedural matter I want to raise with you tomorrow — and I'll give you warning of it now — is really the role the chairman should take with respect

to these recommendations. I think the chairman of this committee can do one of two things. He can be very active in the debate with respect to the recommendations, or he can be neutral and, in fact, stay out of the debate with respect to the recommendations and only exercise his involvement if there is a case of a tie for and against, and then have the onerous responsibility of breaking that tie. There are two ways of going about that. I would like to be guided by your views tomorrow.

Number three is inherent in itself: proposed recommendations. We simply proceed, then, on that matter.

MRS. CRIPPS: You said that you would like the members to introduce their recommendations. Do you propose to go through all the recommendations and have them introduced, or do them and discuss them, and then go on to the next?

MR. CHAIRMAN: I would very much like to see the process followed that we introduce it and have the discussion. I think we'll have to go through several to find out exactly how much time there's going to be on that. But the alternative you outline, that we go through the whole list and have all members introduce them, is an alternative as well. Perhaps we would want to think about that till tomorrow as well. There is a problem if some members are not going to be here tomorrow and their resolution is on the list. You might figure out how we should deal with that. Do you want the chairman to introduce it on your behalf or have a colleague introduce it on your behalf?

MR. NOTLEY: Or we just go over that and come back another time. As long as it's in to you.

MR. CHAIRMAN: My prime concern here is that I did not in my own view anticipate we would have as many as 42 recommendations, and there may very well be more by midweek as well. So I was simply looking at the time factor on October 4, and October 17 and 18. The more we can do tomorrow, the better off we're going to be when it comes to October 17 and 18.

Okay, there being nothing else, we'll adjourn now and reconvene this afternoon at two o'clock with the Hon. "Boomer" Adair. Thank you very much.

[The meeting adjourned at 11 a.m.]