

[Chairman: Mr. Oldring]

[10:05 a.m.]

MR. CHAIRMAN: Good morning, everyone. If you'd care to take your seats, we'll call the meeting to order.

I would first of all ask, have all members . . . Actually, I'm going to backtrack. I'd like to begin by welcoming back Mrs. Ann Quinn, whom we all missed very much. We're delighted to have you back, Ann. We should say, though, that Louise did an excellent job of taking care of us in your absence, and we appreciated all her contribution as well. Ann has instructed me to advise the committee members that none of you are to leave until you've gone through her full photo album.

Have all the members now received a copy of draft 2 of the 1988 recommendations, the 42 recommendations on there? Okay.

The Chair would like to point out that I received two other recommendations. There was a foul-up between couriers or something; I don't know if they were lost on my desk or what. But we do have two recommendations that the Member for Innisfail would like to submit, and I would do it with permission of the committee only.

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Thank you.

We've had six recommendations that were tabled earlier in our meetings. I'd like to suggest for this morning, if I can, that we begin by debating those six recommendations, that we follow that by reading the other recommendations into the record so that we have them officially entered. I would then propose that we shift into the business meeting that's scheduled for tomorrow morning and discuss our budget and then following that, adjourn, declare tomorrow a reading day, and debate the balance of the recommendations next Monday and Tuesday. What that would do is enable all members the full opportunity to have gone through the most recent recommendations and do some research and give them some careful thought.

MR. R. MOORE: So moved, Mr. Chairman.

MR. CHAIRMAN: I would open by entertaining discussions or comments or feedback on that. Does that sound reasonable? Okay, there seems to be agreement on that, so we'll begin, then, by recognizing the Member for Ponoka-Rimbey and recommendation 1.

1. That the feasibility of establishing a second tree nursery in northern Alberta be ascertained in order to meet the need for replacing our forests in an effective and prompt manner.

MR. JONSON: Yes, Mr. Chairman. This recommendation is in the record, so I won't bother reading it through. I think this recommendation hits upon a matter of some urgency. During our visit to the nursery east and south of Smoky Lake we were apprised of the fact that there is a great demand on the services of that nursery, and it is a demand that they cannot meet in the future. We heard information that would indicate that the seedling replanting program they provide is much more effective than aerial seeding and other techniques that are used, and I think, Mr. Chairman, this fits in very well with the whole purpose of the Heritage Savings Trust Fund. We're talking here about protecting a resource; more specifically, about renewing a resource which is very important to the province, and it's cer-

tainly being done there in a very effective manner. The nursery concept has certainly proven itself.

In the recommendation, I am talking about a feasibility study. I imagine that that is in general terms being considered by the department already, but I think it is important for this committee to give some impetus to that effort so that we have, hopefully in a few months' time, some recommendations to consider with respect to this type of action. The matter of what those recommendations will be we will have to see, because we want to make sure that the approach taken is the most effective.

In the recommendation, I am suggesting that this feasibility study should be looking at a second tree nursery in northern Alberta, because we've also been apprised of the fact that although the existing nursery is doing a good job, there is some merit in locating a nursery in a different climatic zone of the province where the product produced or the seedlings produced would be acclimatized to the area in which they would be replanted. We were also apprised of the fact that with the forestry development going on in the province, there is going to be a great deal of harvesting in the northern sector of the province, and that is where a great deal of reseeded is going to be needed.

So, Mr. Chairman, I feel that this is something we should be supporting. It falls certainly within the role of this committee and the role of the Heritage Savings Trust Fund to be involved in this kind of activity.

MR. CHAIRMAN: Member for Lethbridge-West.

MR. GOGO: Thank you, Mr. Chairman. If I may, I'd like to ask the hon. Mr. Jonson a couple of questions. I, too, toured Pine Ridge and was very impressed. I seem to recall arguments that the 26 million seedlings they raise there are not adequate, and there had been some budget reduction, although I thought that was in operation costs. I think Mr. Jonson is talking about capital costs primarily. I'd like to ask Mr. Jonson if he's had any discussions with the minister responsible, if he has given any thought, unless he relies on the feasibility study, as to the cost of a second nursery. The third question I'd ask Mr. Jonson: if he had given any thought to it being on a shared cost basis with those who would be utilizing the service, which I suppose in effect would take it out of the heritage fund.

MR. JONSON: Well, on the first question, if I might respond, Mr. Chairman, no, I have not had any direct conversation with the minister regarding this recommendation. I think sometimes some things are self-evident, but I shouldn't make that assumption. I would think the minister would certainly be interested in this proposal. However, Mr. Chairman, I do recall, in his appearance before the committee, the minister referring to this very need and the interest of the department in the whole area of reseeded, restoring our forest acres.

Secondly, Mr. Chairman, in terms of the cost of establishing such a nursery, we have the costs of the Pine Ridge nursery. I don't, however, have the rate of inflation in construction costs since that was established; that would have to be determined. But I think those figures are on the record. In terms of what additional costs would be incurred by locating it in a particular place — say, in the more northerly part of the province — that is the very purpose of wording a recommendation which calls for a feasibility study rather than saying we do it. The whole idea is that those factors would be taken into consideration in this work.

MR. CHUMIR: I think the concept of a nursery and the concept

of a study is a good one, but I think the thing that concerns me is the implication here that the study relating to need immediately results in the conclusion that the heritage trust fund should be paying for it, otherwise known as we the public paying for it. What I would wonder from the proposer of this resolution is whether or not he would intend in the feasibility study that there be an assessment of what type of return we're getting from our forestry resource and whether or not this is something that perhaps should be paid for by the industry, either in part or possibly in whole. I don't know; I just don't have a sense or a feel for it. But to immediately say that we the public are going to pay for a nursery when we have a very significant industrial base being established in that area seems to me to be putting the cart before the horse. The concept is good, but I would like to see a review go into the issue of: what are the equities in terms of who should pay? That, of course, relates to affordability.

MR. CHAIRMAN: The Member for Wainwright, then the Member for Ponoka-Rimbey can perhaps sum up.

MR. FISCHER: Yes. I would like to support Halvar on what he's doing with this recommendation, although I do have some concerns with the timing of it. I have put in a little recommendation myself about placing a little more emphasis on investment that returns some dollars, because we do have a deficit that we have to place emphasis on and get rid of before we start spending too much money on deemed assets.

I would like to have us maybe pursue the study of the seeding of the trees. We know we have to look after our forests, and this is one way of doing it. During our trip up there it seemed they felt that was the best way of doing it. They do produce a lot of seeds and seed it, which hasn't been quite as successful; possibly there's room there to go ahead and do some more exploration in that particular area. I think possibly we should be thinking about this particular thing, but I don't like to see the money going into deemed assets quite so early in our trying to get rid of our deficit or balance our general budget, because that income is very vital to us right now.

MR. CHAIRMAN: Member for Little Bow.

MR. R. SPEAKER: Mr. Chairman, I see no reason why we shouldn't recommend a study. The message I got from our visit out to the nursery was that the demand on the nursery was going to increase significantly and that they were not going to be able to meet the demand that's facing them in the next few years.

This has always been a problem, and I think we've all battled against it: whether this should be a general revenue expenditure or a Heritage Savings Trust Fund expenditure. My own feeling is that studies normally are the responsibility of government in the general budgeting process through general revenue, and I think this would meet that criteria. So if Mr. Jonson could maybe reword it, to the effect that we recommend to the minister of forestry that he carry out a feasibility study and we are in support of it, then I could support the matter, but not out of the heritage fund as such. It's a minor thing in terms of cost, but it's still that principle we're violating again.

MR. CHAIRMAN: Member for Vermilion-Viking.

DR. WEST: Yes. I think the target that the Member for Ponoka-Rimbey has is good, but when I was out to Pine Ridge, one of the things stated by the people there was that they had

expansion capacity but that at the present time they didn't have the funds or the means to go ahead and do it. Could not this be worded, the feasibility study, at looking at additional expansion or establishing a secondary tree nursery? It may be that we're duplicating an infrastructure that doesn't need to be duplicated. It was established in that location because somebody had done a feasibility study on the types of soils and the growth pattern of trees in that area, and I would be hesitant to go ahead and do a study that would target a brand new nursery in this province.

MR. PASHAK: Just for clarification of the rules, Mr. Chairman, can you move amendments to these motions? Can you refer? What's the procedure? Would you clarify that for me, please?

MR. CHAIRMAN: There have been provisions for amending recommendations in the past.

MR. R. SPEAKER: Mr. Chairman, just to clarify then. What we're doing, though, today is just laying them on the table, having discussion, laying out remarks. Do we get a second time to come — when we vote on them, we can't amend or anything; we vote as is.

MR. CHAIRMAN: That's right.

MR. R. SPEAKER: So our Monday meeting will be another — will we go through recommendations again, and at that time should we start making amendments? Or the mover could even come in with changes after our general discussion today; is that right?

MR. CHAIRMAN: Correct.

MR. R. SPEAKER: Okay.

MR. CHAIRMAN: The Member for Ponoka-Rimbey.

MR. JONSON: Yes, Mr. Chairman. I'd just like to respond to two of the points that have been made by other members of the committee. First of all, the point was made about who pays for the cost of a study. Certainly an amendment could be made in that direction. I think the important thing to keep in mind is that at this moment in time the Pine Ridge nursery is under the Heritage Savings Trust Fund, and that type of activity is focused here, not in any particular general revenue program of the province. I think, therefore, that the motion is certainly in order in that it is our role to look at the importance of improving the program in that area. If it is more acceptable to the committee to direct it to the minister so it's certain that it would be paid for out of general revenue, that is something we can debate at a future time.

The other important point that was made by members relates to the whole issue of who pays, totally making this the responsibility, I suppose, of private industry or coming up with some shared cost formula. I would suggest, Mr. Chairman, that that is the topic for another recommendation to this committee or in some other arena, because that is a broad question. It would not specifically apply to a new nursery, if that was what happened. It would also have to apply to Pine Ridge and the whole area of who pays for reforestation. I think that is something to be worked on, considered, but it's my view that there is some urgency, certainly a great deal of importance, in expanding the

capacity of the province to effectively reforest areas which are being harvested.

MR. CHAIRMAN: Thank you. Any further discussion, then, on recommendation 1? If not, we'll move on to recommendation 2, and I'd recognize the Member for Ponoka-Rimbey.

2. That arrangements be made and funds provided for repainting the hopper cars purchased by the Alberta Heritage Savings Trust Fund.

MR. JONSON: Mr. Chairman, this is perhaps a rather mundane little recommendation, but those projects that have been completed under the Heritage Savings Trust Fund have follow-up budgets which provide for their maintenance. In fact, when we talk about the irrigation projects in the south, that's a very important consideration. In fact, some of the programs have that in their title. So it seems to me that there is a gap that has been left in the maintenance of our hopper cars. The matter of greasing them and changing the wheels and all that sort of thing is provided for, but the simple matter of repainting these vehicles is evidently not provided for. I think that if you're watching the railways and viewing these cars, we find that the fact that the painting is being neglected is becoming very apparent. Therefore, I just wish to put forward this recommendation to ensure that this matter of routine maintenance would be addressed. I'll leave it at that for now.

MR. CHAIRMAN: Okay.

The Member for Calgary-Forest Lawn.

MR. PASHAK: I have a question that probably would make me sound more like a small "c" conservative, but rather than repainting hopper cars, why do we have hopper cars in the first place? Why don't we sell them to the railroads? They're in the business of moving grain. Is there some real reason why? Is there some pressing need that Albertans have that's being met by the province of Alberta owning a fleet of hopper cars?

MR. GOGO: Well, perhaps the railways would be interested in buying them for a dollar; I don't know. But let's remember the original objective, and that was with the coming on stream of the Ridley Grain terminal, we wanted — and I'm sure all members agree — to get Alberta crops to market as quickly as possible. If one recalls the difficulties the railways were experiencing in terms of the Crow rate and so on — and I know there's a lot of water under the bridge since then, because this was back in '80-82 — the original deal that was made surely is the one that stands in force today.

Mr. Chairman, I'd be interested, and maybe the Member for Ponoka-Rimbey knows. I'm not familiar with the contract arranged by the carriers, the railways, for the use of the cars. I think Mr. Jonson said that there was some responsibility for maintenance — wheels, that kind of running maintenance — but not painting. I can't recall ever seeing a contract. Maybe the Member for Little Bow is aware; I'm not aware. I would find it helpful to have a copy of whatever document was involved when those cars were purchased.

I think Mr. Jonson had a very good point. One is very proud of the participation of the debt money in the Ridley Grain terminal, but I think one is somewhat embarrassed in looking for the blue hopper cars to find out that in fact they look like — well, they're so dirty they look like Canada grain cars, and I don't

think that was the original intent. So I'd have no trouble supporting it, but I'm inclined to think it would be helpful to have a little information.

MR. CHUMIR: I would second that. Is it possible to set in motion a request to get that agreement and perhaps surrounding data as to what the relationship is between the government and the railways and farmers relating to the use of those hopper cars? In fact, I was just having a little discussion not 10 minutes ago with Mr. Speaker here about what the regime is. In fact, I find myself astonishingly ignorant and baffled by the deal, and I think it's worth querying. So would it be possible to get that request through the chairman to the relevant minister for the agreement and surrounding information?

MR. CHAIRMAN: The Member for Ponoka-Rimbey introduced what he described as a mundane recommendation, and it looks like it's turned into a make-work project for the member. But perhaps he could see if he could bring a little further information back to answer some of the questions that have been raised, and in the interim we can put this recommendation aside and come back to it next week.

MR. CHUMIR: Well, might I say that I'm not quite happy with that, because I would like to see us as a committee, through the chairman, ask the chairman to seek this information for us, not to rely on what may or may not come through the proposer of this resolution. We are a committee, and I would like to move that we seek that through yourself, Mr. Chairman, so that we have an official request from the committee, because we're having a tough time getting information. So I would make that as a motion and seek the support of the members here.

MR. JONSON: I'd just like to make one suggestion, not in opposition to the hon. Member for Calgary-Buffalo's suggestion but as a starting point in the gathering of this information that is desired. When the Hon. Larry Shaben appeared before the committee, I posed a series of questions on this point in answer to which he indicated that there was a maintenance contract arrived at with the railways at the time the hopper cars were put into service but that this particular item was not in that contract and not provided for. I would refer members of the committee to the minutes of our hearing with the Hon. Larry Shaben as a starting point.

MR. CHAIRMAN: Good; thank you. The chairman will be happy to accept that recommendation and will endeavour to get the necessary information and bring it back to the committee at a future date.

I would recognize the Member for Lloydminster.

3. Given the Alberta Heritage Savings Trust Fund's commitment to bettering the quality of life for all Albertans, that the standing committee endorse the development of an urban parks program for Alberta towns and villages in order to provide continuing recreation and leisure opportunities as well as environmental protection and beautification.

MR. CHERRY: Thanks, Mr. Chairman. I think we all will agree that there's a success story in the urban parks. Three members here have an urban park in their constituencies. I think the recommendation speaks for itself very well. I realize that there are programs out there that may fall into the overall criteria, but they do not address it the way that the urban parks

projects did. Therefore, Mr. Chairman, I believe this would certainly help the smaller centres such as the towns and villages in the continuing recreation that we all look towards in the future. I would be happy to answer any questions that might be put before me.

MR. CHAIRMAN: Thank you.

The Member for Lethbridge-West.

MR. GOGO: Mr. Chairman, I'm wondering if Mr. Cherry would be prepared to consider in his motion that those towns and villages that have already received the funding of the alternate program would incorporate that into the urban park he's referring to or refund those funds to the province. I think there was \$100,000 per community, as I recall.

MR. CHAIRMAN: Any other discussion?

Member for Lloydminster.

MR. CHERRY: I don't have any problem with that suggestion. Basically, as I say, my recommendation is that with the success we've seen in the urban parks on a much larger scale, if it was scaled down, we could enter into a smaller version of them.

MR. CHAIRMAN: Thank you.

Member for Calgary-Buffalo.

MR. CHUMIR: Well, I'm a great supporter of parks programs. I think they're a great legacy for the future. But I guess the concern that I have is with making isolated spending decisions with respect to the heritage trust fund at a time when I think the most imperative need is a global study with respect to what direction we're going to be taking generally, which will tell us what our priorities should be and whether or not we should be using the heritage trust fund for a certain type of expenditure as opposed to the General Revenue Fund. Now, I have a recommendation, too, with respect to an overall study, and I would prefer to wait upon that review before we'd be making specific decisions as to expenditures of this nature, as merited and useful as they may be.

MR. CHAIRMAN: Thank you. Was the Member for Lloydminster, then, going to bring back a suggested rewording incorporating the suggestion of the Member for Lethbridge-West?

MR. CHERRY: Yes, Mr. Chairman. I will rewrite the recommendation and bring it back.

MR. CHAIRMAN: Thank you.

Any further discussion, then, on recommendation 3? If not, then we'll move on to recommendation 4.

4. That the standing committee endorse a plan to provide incentives and to encourage private-sector companies involved in heavy oil activities to reclaim and clean up sites.

MR. CHERRY: Thank you, Mr. Chairman. Recommendation 4 certainly does not involve the total province by any means, but it does involve the east side of the province in the heavy oil area. Over the years I've seen the heavy oil, which is mixed very heavily with sand and that, put in pits that are not always leakproof, and they do leak out into the soil. Also, how do we get rid of this? A large majority of the times we get rid of it by dumping it back on the roads. Of course, dumping it back out

on the roads, there is a certain amount of leaching that goes on. I know that in our sister province of Saskatchewan, Environment has put a stop to it; they cannot put it on roads any further. What I'm saying is: I believe the private sector can do a job if given the opportunity and incentive that they must clean up their act. When I say that, I mean that I'm sure there's a way, and they certainly have been experimenting to some degree to be able to have a structure that will separate the sand and the oil. Then, of course, the oil will go back into the system again.

So, Mr. Chairman, that's basically what I'm trying to get across to the committee on this recommendation.

MR. CHAIRMAN: Thank you.

Member for Calgary-Forest Lawn, followed by the Member for Calgary-Buffalo.

MR. PASHAK: Thank you, Mr. Chairman. I'm in agreement with the general thrust and the concern that's reflected in this recommendation. However, I don't think it should be just restricted to heavy oil activities. I think it could be related to all sites on which chemicals or oil have been stored and that there should be a general cleanup activity going on in the province. Now, I'm not sure the best way to achieve that is through the heritage trust fund. I think there should be regulations in place that would make the cleanup of these sites mandatory and that there should be proper enforcement procedures in place to make sure that this is done. And I don't think that the public, generally, should bear the cost of this cleanup; it should be done, again, by the industries that have created these problems. The principle that would be operative here would be the principle that the polluter must pay for the cleanup of any problems that the company or the individual creates.

Having said that, I'm not sure that by passing regulations now, they can be applied retroactively. I think government lawyers would have to look at that to see just what steps can be taken after the fact, and if it should be the case that you can't deal with problems that were created prior to the time that regulations were put in place, then there is a need for the government to get involved.

So just in summary, in terms of what I've just been saying, I think the motion should be broadened out to include other than just heavy oil activities, and secondly, that wherever possible, the cost of cleaning up sites should be borne by the industry that's been responsible for the pollution.

MR. CHAIRMAN: Thank you.

Member for Calgary-Buffalo.

MR. CHUMIR: Yes. I had a question for Mr. Cherry. In his concluding comments there was some implication I got that he was talking about means of separating the oil from the soil, and that implied a research function. On the other hand, the motion as it reads is more in the nature of providing public money to companies to actually do the cleanup operations. I'm wondering: is it intended to encompass both or one or the other? Perhaps I could get a bit of clarification.

MR. CHERRY: Well, Mr. Chairman, basically, if the recommendation isn't that clear... I guess what I'm trying to put across is that the private sector, through a type of incentive, explore ways of getting rid of what I would call this sludge material, in that if there's some way the sand and oil can be separated, the oil can then be put back into the system, whereas

the sand — I'm sure there would be many uses for the sand.

Am I answering your question, Member for Calgary-Buffalo?

MR. CHUMIR: I think so. But perhaps I just might then make a comment that I kind of associate myself with the comments of Mr. Pashak. I think, though, in general, this type of concern should be part of an overall environmental protection policy which insofar as possible should be funded by industry, the exceptions being in circumstances where there is such a broad, public economic interest in encouraging a certain type of development whereby we get so much benefit collectively and perhaps the cost of cleanup is so high that there may be a role for government. Of course, the other exception would be in the event that something has already been done or is in place and it would be unfair for some reason to apply some rule retroactively. I would struggle against reaching that conclusion of unfairness, but that should be looked at thoroughly. So those would be my general observations about the whole issue.

MR. R. SPEAKER: Mr. Chairman, Mr. Cherry mentioned road building and the use of the sandy sludge material for road building. Could the member elaborate on that? Is there a leaching problem, and is that caused by roads built by the department of highways and/or municipal governments?

MR. CHERRY: Basically, it's municipal governments or private industry themselves wanting to get rid of this material. In my area, because of course we don't get that much money for building roads, we have quite a few of our back roads that are covered with this material. There is a leaching out of it. At one time you were able to put it in your farmyard, for example. They found that the leaching out of that — so they've stopped that.

Going on further, I may have been somewhat selfish just to pick out the heavy oil activity. On the other hand, that's what I was basically trying to target in. I'm not so sure that AOSTRA couldn't become somewhat a part on the experimental side of it, that we couldn't address that in AOSTRA.

MR. CHUMIR: Well, I would just like to say that I'm delighted to see this raised. Obviously the member is aware of an issue that is particularly pertinent to his area and he has experienced it as useful. So I'm delighted to see it raised, and I think the matter should be reviewed in some way. I guess, however, the bottom line is that I have some doubts that that is something that should be done by the heritage trust fund. It seems to me it should be part of the normal operations of the Department of Energy or perhaps Environment in some way. But that's, you know, a process concern. The issue is very well taken.

MR. CHAIRMAN: Member for Calgary-Forest Lawn.

MR. PASHAK: Yes. I'd just like to ask Mr. Cherry if he'd intended in his recommendation, the way he's presented it here, to include as a heavy oil activity the tar sands projects. I recall from our visit there that there are some pretty awesome, and from an environmental point of view almost frightening, holding ponds there. I know there is some research going on at the moment to try to deal with that problem, and I'd just like to know from Mr. Cherry if he thought the heritage trust fund should be used to augment whatever research is going on to deal with that particular problem.

MR. CHERRY: Well, first of all, I wasn't there to know what you're speaking about. I guess my experience has been, of course, strictly in the east side of the province in the heavy oil. I don't have a great deal of problem to rewrite this recommendation and include some of the comments that were made by the other members, if this is the wish of the committee. So I'll leave that in your hands, Mr. Chairman.

MR. CHAIRMAN: What are the wishes of the committee? Is that agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Okay. Any further discussion, then, on that particular recommendation? If not, we'll move on to recommendation 5. I would recognize the Member for Lacombe.

5. That there be an automatic in-depth review of all Alberta Heritage Savings Trust Fund investments on their respective 10-year anniversary dates.

MR. R. MOORE: Thanks, Mr. Chairman. All our investments come under criticism, and people wonder about the effectiveness of it, the revenue it's generating, and just exactly what those investments are doing for the citizens of Alberta. I think we should have it automatic that all investments of the heritage trust fund be reviewed on their respective 10-year anniversary dates. Now, the reason for that is that when we make an investment, it's usually made in the light of the economic times, the social demands that are there, the social needs of the time, and so on, and over a 10-year period these things change. The economic times are different, the social demands are different, and so on. So we should take a look and see exactly what these investments are doing and whether they should be changed or, whatever the investment was in, whether it should be in the private sector at that time. I look at areas such as AOC, ADC. I think they should be reviewed every 10 years and say that, well, maybe the private sector now is in the position that it can carry those loads, and that money could be put to work in other areas. I don't think anything under 10 years. There are those who might say it should be every five years or every three years. That's not fair to any investment portfolio, to be looking at it on anything under 10 years. Ten years in the investment field is about a minimum period that you allow an investment to work on your behalf.

So I think if we made that mandatory, then we would know that our investments at all times are meeting the needs of Albertans, most of their social and economic needs of that day just like they did the day they were invested. Now, this doesn't mean to say we're going to change all these investments at that given time, but at least they will be reviewed and their mandates updated, and it would serve Albertans better.

MR. PASHAK: I can go along and support this motion in part. I just don't think it goes far enough. Hopefully, we'd do more of an in-depth review on an annual basis, for example.

I don't think it's sufficient to just review the investment of the Heritage Savings Trust Fund. I think it's much more important to look, on a fairly regular basis, at the purposes for which the fund exists, and perhaps more often than 10 years. I might just draw attention to some recommendations that I've suggested and which are actually quite similar to suggestions made by Mr. Chumir as well: that we look at the Heritage Savings Trust Fund from the point of view of evaluating "the effective-

ness, economy, and efficiency" of the trust fund expenditures, which is very much related to looking at value for money issues that are related to Alberta Heritage Savings Trust Fund expenditures, and also that we hold "public hearings for the purpose of determining," broadly speaking, the future. So although I can accept this motion, I really do not think it goes far enough. It's much too limiting.

MR. CHAIRMAN: Thank you.  
The Member for Little Bow.

MR. R. SPEAKER: Mr. Chairman, a question to Mr. Moore. When we talk about the "in-depth review," one kind of in-depth review is the political review, and each year at each meeting we should be trying to do that, as I see it. Are you talking in terms of an economic review? For example, let's take the debentures to the Alberta Housing Corporation as such. Over the years I've believed that, you know, the \$3 billion that is there — because of change in real estate, we've had a significant loss, but we're always a year to two years behind in really assessing what has happened in that area. Most of our assets are put at sort of whatever money we expended or invested in a certain investment or asset of the Heritage Savings Trust Fund. That's the number in the book. Are we trying to put a — do you want them assessed, so that we know what the value of a certain asset is at a certain time?

Maybe you could just clarify what kind of an in-depth review you're talking about, whether it's economic or political. Political becomes the hearings, and a whole different sequence of things.

MR. GOGO: Mr. Chairman, I want to ask Mr. Moore if he senses any conflict in resolution 38, which calls for a complete review of the fund by various groups. This motion was passed certainly last year and, I think, the year before. That's one question to ask Mr. Moore: if he senses a conflict between motions 5 and 38.

The second question would be to Mr. Moore. When he uses the term "investments," is he referring to investment divisions of the fund as opposed to specific investments of the fund? Because I would think it would be rather pointless to review the value of Capital City Park, which is an investment, as a deemed asset. At least until we change that, it's going to remain an investment. And when we get into the commercial investment division, obviously many of those investments that I would understand to be investments in the portfolio securities have to be changed, as Mr. Heron would know, sometimes in three days, three months, three years, et cetera. So the 10-year thing really wouldn't apply. So my second question to Mr. Moore is: is he referring to the investment divisions to be reviewed on their 10th anniversary?

MR. CHAIRMAN: Thank you.  
The Member for Vermilion-Viking.

DR. WEST: Yes, I can support this motion of Mr. Moore. In doing so, I would like to withdraw 41 and ask Mr. Moore if he could perhaps look at the wording of his. What I was trying to establish in 41 was an evaluation of the fund periodically to look at the respective values of some of the deemed assets and some of our investment divisions, their true value: such examples as the \$100 million in the endowment fund for education scholarships is now worth about \$170 million; the Alberta Heritage

Foundation for Medical Research Endowment Fund of \$300 million is shown, but it's worth \$483 million at the present time. We know that an average interest rate of 12.8 or 13 percent on the Canada investment division is certainly worth a lot more than the par value of \$1.486 billion.

So what I was trying to get at there is that we should periodically show to the people of Alberta the true potential of this fund with any increase in the capital assets and the cash marketable value of some of our investments.

So I withdraw 41. The one thing is that 41 — and I thought of it after — would cost an awful lot of money and would be a make-work project for a lot of firms traveling about this country every year doing an appraisal on all the assets of the fund. So I would say that 41 is redundant, and it could be better served by Mr. Moore's motion.

MR. CHAIRMAN: The Chair would maybe point out to members and remind members of the practice in the past that where we've had similar recommendations brought forward or recommendations that can be merged, the onus is on the individual members to co-ordinate that amongst themselves. There are some instances of that in these recommendations, and I would certainly encourage you to get together with other members and come up with perhaps one recommendation as opposed to two.

In the instance of the withdrawal of recommendation 41, I'll put that to a vote of the members when we get to the point of reading recommendations into the record.

The Member for Calgary-Buffalo, then the Member for Lacombe.

MR. CHUMIR: Well, as I've never tired of telling, I believe the concept of a review is good. But I see this in many ways: merely putting off a badly needed review at the present time on the one hand and on the other hand providing too rigid a formula or time frame to cover the broad and diverse needs of a varied fund. So my suggestion would be: let's do the review now; let's do it thoroughly. This will give us a structure for the future. It'll tell us whether or not we should be providing for some form of motion or review in the form that's been set out here. But, my golly, to talk about 10-year reviews when Mr. Nelson has been trying to get a review of the Alberta Mortgage and Housing Corporation alone without avail for a number of years, you know, just doesn't seem to be meaningful or effective. Let's act now. Let's get everything on the table.

MR. CHAIRMAN: The Member for Lacombe.

MR. R. MOORE: Yes, Mr. Chairman. The intent of this motion is not a political review, not a review of this committee. I'm thinking of the investment people that made these investments in there, that they ought, on the 10-year anniversary date. Now, some of those 10-year anniversary dates could be tomorrow and some, if they're made today of course, could be 10 years down the road.

So in reply to the Member for Calgary-Buffalo. This would be reviews going on as their dates come up, and I think you have to give any project time to mature and reach its goals. If we have it automatic — they can do it in between, and hopefully they are doing interim reviews, the investment people or the organizations themselves. We'll use Alberta Mortgage, that they are doing internal reviews all along on that. But I think we should be going back on the 10th year to see if that program or that investment is still meeting the intent that it was originally

made; that is, serving the people and that it's serving Albertans well. I think it shouldn't be a political review. It shouldn't be by this committee; I'm not saying that this committee do it. I think the investment people involved should do that in-depth look and see if that money could not serve Albertans better in another area. Perhaps that program or that project or whatever it is could be better served by the private sector or stand on its own feet and go on, and we could take our money and reinvest it at that time.

MR. CHUMIR: Well, I recognize the good intent and the sense and the wisdom of the concept of review; I'm not being critical of that. It's just that my concern is that those who have lesser concerns in other directions of thought might use this as a means of forestalling what is imminently necessary, and that is a review at this point in time of the fund, of everything that's being done and of the future direction. This may then be part of what ensues out of that, but I'm concerned that this would pre-empt that review. That is my concern about it, and I would not support it for that structural reason, not that the review concept is not good.

MR. R. MOORE: Mr. Chairman, I can understand the member's concern there, that automatically these people would say, "Well, we're just going to do it every 10 years," and nothing happen in between. Well, we have this committee reviewing every year, doing an exceptionally good job at looking at each item of expenditure in the heritage trust fund. That's an ongoing thing on an annual basis. Hopefully, I would think there's enough expertise in all these companies or organizations that are doing internal reviews annually or semiannually on their operations, and they wouldn't just say: "Well, now we're going to do it every 10 years. We'll forget about it till that time." I wouldn't think that would happen, and we as a committee aren't going to allow it to happen, because we're reviewing it every year anyway.

The other point that was brought up by the Member for Calgary-Forest Lawn about public hearings. This isn't what I intend here at all, about not going far enough; there should be public hearings. I think this is a look at the economics, how it's working on behalf of Albertans, if it's meeting its original intent, and whether that area could be better served by the private sector or by something else and that money utilized to meet another need of today's circumstances. I think this is separate from a political or public review. This is a review by the investment people involved, and it should be an in-depth one automatically.

Now, the specifics of such a motion are that those reviews be made available to this committee. That's another thing down the road. If they do agree to do it and they do proceed with it, that's another thing that could happen. It would be a very important tool for this committee if those things were made here. But that's not part of this motion; it's just that we put the onus on them to review it on their 10-year anniversary.

MR. CHAIRMAN: Thank you.

Is there any further discussion on recommendation 5? If not, before we move on to recommendation 6, perhaps I can take a moment on behalf of the committee to greet some guests that we have in the public gallery. Meeting this morning is the Standing Committee on the Alberta Heritage Savings Trust Fund Act. It's a 15-member, all-party committee. We are reviewing the 1987-1988 annual report, and this morning we are discussing

some of the recommendations that have been brought forward by the members of the committee. So welcome to the Legislative Assembly.

The Chair would then recognize the Member for Lacombe and recommendation 6.

6. That a policy be developed related to the awarding of research funding that would include a clause that would ensure that the potential benefits must be of benefit to Alberta citizens and the private sector.

MR. R. MOORE: Well, Mr. Chairman, this could bring out a lot of debate, because there are a lot of side issues here. But my intent in bringing this resolution forward was that we have an immense amount of dollars being awarded for research funding. When we look at just about any of those that are involved, from Farming for the Future right through all these research projects, the money that is awarded comes from the heritage trust fund, as we understand it, and that fund's there to serve Albertans for the future. It's money belonging to the citizens of Alberta. And I think that in the policy that's given to these various committees that award these research projects, there should be a clause that says: in your consideration of awarding that research project, the person applying for that research dollar should indicate that this could potentially benefit Alberta citizens and the private sector too.

Now, I think inherent in any research project, because we have academics doing it in most cases, is the situation where people say: "Well, I've got to write a thesis. I want to go for my doctorate; I want to go for my master's." So they write a paper, and they do a research project, and they use that. They use our dollars as a stepping stone in their personal career goals, in their academic career goals. We foot it, and the paper goes on the shelf afterwards. He binds it and puts it in his memoirs, and nothing more is heard of it. That's inherent with research projects because of the people that are involved. Now, there's nothing bad in that, but I don't think it serves Albertans well for somebody to get a doctorate and then come back and say, "I want to work for the Alberta government, and you pay me more," because he has this bigger amount of degrees or higher level of education.

So I would like to see that as just a clause in the policy, that they must indicate where that would happen. Now, I know they can't say for sure that it's going to do that. This is why I say that we can go off on a tangent on this one. It's the unknown results of research. But at least the original intent should be there, that we can see there is a possibility of serving Albertans rather than the individual.

The other thing that comes up with research always, and we hear this so often when we question people that are involved in it, is that they say: "Well, research is a long-term thing. We write these papers, and it may not benefit for 10, 20, 30, 40 years, but it's now a matter of fact. We did the research and it sits there. Somebody else will pick it up and add new technology and utilize that down the road. Maybe 100 years or 50 years from now the Alberta citizen will benefit." Well, I think the heritage trust fund is here to serve Albertans realistically, not in the nebulous area of 50 to 100 years, down there. It's for the future, but also we can see that it's going to serve us in the original intent. The end results may not come that way, but I have brought this forward, that this be added — to those people — as one of the criteria for awarding research money.

MR. CHAIRMAN: Thank you.



The members for Ponoka-Rimbey, Calgary-Forest Lawn, Little Bow.

MR. JONSON: Just a comment on this recommendation, Mr. Chairman. I'm a little concerned about the recommendation in that I think it would depend upon the degree to which we held people specifically accountable if this recommendation was passed. But I think we have to recognize that the research that is done is often multistage in nature. Most research starts at the level of what is called pure research, where you're looking at achieving certain findings which may not have any direct application at that stage. As the member has pointed out, there may be two or three or four more projects before you actually have something of practical value. I find it hard to think that the boards and the people involved in approving the current research projects we have funded under this heritage fund do not take into consideration the value factor of research. Certainly they must see down the road some potential value or they would not approve it. I think we have some good people doing that kind of assessment.

The other item I would like to comment on is this business of doctorates and master's degrees and so forth. I've never known a board or a committee, such as the ones we have that are not directly connected with universities or colleges, considering that as an important factor when they approve a research project. Certainly the proposal has to stand on its own merits. If it happens to be being done by somebody who is pursuing their doctorate, well fine and good. The majority of them, I think, are not.

So I do have, Mr. Chairman, some reservations about how such a recommendation, if passed, could be interpreted in the future, and I would not want it to have a limiting effect upon the nature of research that is done.

MR. CHAIRMAN: The Member for Little Bow.

MR. R. SPEAKER: My question, Mr. Chairman, to Mr. Moore. Usually these resolutions are motivated by some sort of a problem or some inadequacy. Could the member indicate some projects now or just give specific examples of research through the Heritage Savings Trust Fund that is not meeting this requirement? Maybe in his closing remarks he could make comment.

MR. CHAIRMAN: Calgary-Forest Lawn.

MR. PASHAK: Yeah, that's similar to my first concern. First of all, though, I'd like to say that I think I agree with the direction this recommendation is taking, although I'm not completely sure that I understand or agree with Mr. Moore's intent. If it's triggered, as the Member for Little Bow is suggesting, by some expenditure of public funds that is not in the direct, immediate interests of Albertans, then we should know about that and try to perhaps change that.

But the motion talks about "potential benefits [that] must be of benefit to Albertan citizens and the private sector." Well, if we funded, for example, some kind of research looking at coffee beans in Brazil and how we could improve the production of them, maybe that might be of benefit to Alberta coffee drinkers. I don't know, again, just what the intention is here. I think we did see some examples of expenditures of heritage funds that went to research projects outside the province of Alberta. I think we should be concerned about that, because we do want to diversify our economy, which means we want to strengthen the

development of our intellectual resources in the province, I would argue, and that's an important diversification that should take place.

The other concern I have is the reference to the private sector. I would have assumed that people in the private sector are also Alberta citizens. I think what we're really looking at here is a definite statement with respect to research funding that should provide some immediate and direct benefit to the province of Alberta and not limit it or exclude groups by the way in which this recommendation is currently worded.

MR. CHUMIR: Well, I have a lot of problems with this. I guess I would also like to hear what are some of the concerns that have led to it. What are the problems we're having with respect to our research projects? This form of limitation raises many implications with respect to the role of research, particularly the implication that it be of benefit to the private sector as opposed to perhaps humanity or Albertans or the health of Albertans. I mean, one can, you know, project many examples where the private-sector limitation would exclude much valid and valuable research.

I guess my view is that if we are going to be supporting research projects, as a matter of good management we want to see these projects done and selected on sound criteria which is of value to the community in general. That type of broad statement I think is adequate, but I'd be surprised if it isn't there already. However, having said that, the management and the granting process is really the key to making the decisions. I guess when you get down to the bottom line, you really have to rely on the quality of people you have in your award system who are making these grants to ensure that the research is sensible and of potential benefit to mankind. But this is somewhat narrowing and, I think, probably too narrow for my tastes.

MR. CHAIRMAN: Any other comments before I ask the Member for Lacombe to sum up?

Member for Lacombe.

MR. R. MOORE: Mr. Chairman, this wasn't triggered by any specific thing. But I am just a layman. When I go over all those research projects and I see a research project in Edinburgh, Scotland, and a lot of academic terms — but they may not benefit citizens here. They may eventually benefit somebody, but that's the responsibility of somebody else other than the heritage trust fund, which is targeted for Alberta citizens.

When I say "potential benefits," I take in drawing the research people here; that's the potential benefits of that research coming here. The potential benefits of research are the jobs it creates here and so on. These things should be taken into consideration. When you order a research project to go offshore and it benefits humanity and so on, then I think the federal government or somebody else should be sharing it. We shouldn't be doing that entirely with the heritage trust fund. It's great to be a hero and take on all the needs of humanity and go out there and do it, but we have a heritage trust fund here for the future of Albertans. The intent of the project is our money in the bank for future generations of Albertans.

Now, I say that a lot of these things that are done even down in eastern Canada will benefit all Canadians, but I don't see the federal government jumping in with their share of it because they represent all Canadians. We hear it so often. When we go into research in an area — and I can point this out — where the federal government has been in a little of it, do you know what



happens? Instead of using the heritage trust fund and our research grants to complement what's being done in that area, what do we see? The federal government withdraws and leaves us with the whole thing and says, "Okay, fine; it's looked after." And they take their funds and do something else.

I'm saying that we want to look at these research projects. It should be the people that are granting saying, "What are the potential benefits here when you do it?" They should go here to benefit Alberta. That's what we have the fund set up for. That was my intent. Not on any specific case or that—it's in generalities. Because a lot of these cases I look at as a layman and say: "Well, gee whiz, that doesn't mean a thing. What's this?" I don't understand the terminology and so on of that particular research. I'm not a scientist. I'm not an academic. But I know that a lot of these things do end up sitting on shelves. Over the years I've been on this committee I've asked some of these people, "Can you tell me the end results of this now that you've completed it?" "Well, no; it's part of a long-range thing. It may never be used, or it may fall in as a part of an information source as other research projects go on."

That's great, but is that what we have here for the heritage trust fund? We're here as watchdogs of the heritage trust fund, and those funds should be used to benefit all Alberta citizens, to the greatest potential. I'm just saying that in the policy we say to those people that this is just another criteria. You must set down a criteria for awarding those things. This is just another thing to look at when you award it. Don't look at "It's great for humanity; it's great for this" but "What is it doing for the citizens of Alberta?" This fund isn't the saviour of all humanity. I will tell you that.

MR. CHUMIR: Would it be something like the expenditure of \$500,000 by the government's labour review committee to go around the world to review international labour laws? Would that be something like the kind of thing that would be concerning you? Sorry; I couldn't resist that.

MR. R. MOORE: I know, Sheldon.

MR. CHAIRMAN: We've had some good debate and good discussion on the first six recommendations. If that's any indication of what we can anticipate for the balance of the recommendations, I'm sure we're in for some interesting days ahead.

I would want to now extend an opportunity to each of the members to quickly read their recommendations into the records. I don't know if it's necessary to actually read in full each recommendation. I'll leave it to the discretion of each member. But perhaps you might, as an instance — perhaps even a motion to accept all of them; I don't know.

MR. PASHAK: I would so move.

MR. CHAIRMAN: Moved by the Member for Calgary-Forest Lawn that we accept all recommendations from recommendations 7 to 44 inclusive.

Member for Lacombe.

MR. R. MOORE: Mr. Chairman, that includes the two that got lost in the mail, okay?

MR. CHAIRMAN: Any further discussion on that? If not, all those in favour? Opposed if any? Carried. Thank you.

Some of you have already received a copy of a couple of

budget alternatives for us. For those of you that don't happen to have your copies with you, I'd ask Mrs. Quinn to distribute additional copies that we have here. I would point out that over the last two years we have cut the budget allocations to this particular committee pretty drastically. I think we cut it by almost 30 percent the one year and close to that again in the second year. So we've had some pretty major cutbacks. This year, I would point out, was a very tight budget year for this committee. I know that if some of you were to suggest that we take another tour—say, of the children's hospital in Calgary or something like that—we wouldn't be able to do it. The funding just isn't there.

MR. PENGELLY: Mr. Chairman, how much was the budget reduced last year? What percentage?

MR. CHAIRMAN: I don't have that in front of me. All I can say is that, just from memory, for the last two years we've probably reduced it 30 to 40 percent.

These are only two possible alternatives. I mean, we can also look at an alternative 3 if we want. It's in the hands of the committee to submit it to the Clerk's office.

Member for Lethbridge-West.

MR. GOGO: Yes, Mr. Chairman. With regard to travel, that may have been the one that had the most significant reduction, the 30 percent you refer to. If we're going to discuss proposed budgets for next year, I think we have to review the role of this committee in concert with the statements made by the chairman of the investment committee, who is the Premier, who said that in his view this committee should visit all areas where we have investments, particularly those with physical assets. I would suggest that we review and project the budget based on the assumption that next year, in the '89-90 budget, we include those costs for visiting every facility, in accordance with what the chairman of the investment committee suggested we do, and that is to visit. Whether we do or don't is up to this committee; whether we inspect is up to this committee. But I think that for budgetary purposes, then, we should budget on the assumption that this committee and all its members will visit each of those facilities where we have investments. Now, I don't know what that figure would be relative to the \$28,000 in this year's estimates.

MR. CHAIRMAN: Well, if you're talking about visiting each facility within this report in one year, I would suspect that it would be at least three or four times that figure.

MR. GOGO: Well, I submit that in terms of the proposal, Mr. Chairman, if other people will make the decision as to what this committee actually receives, so be it; let that committee do that. But I think this committee should determine its role, and in concert with the views of the Premier we should budget accordingly, and the powers that be who control the budget can then suggest to you or to this committee that that's not satisfactory. But I don't think it should be the other way. I think this committee, to do its job, should act with the advice of the leader of government, who says that we should in fact inspect these places. That's all I'm suggesting.

MR. JONSON: Mr. Chairman, I realize that there may be some visiting still to be done. Something that's at issue in my mind is whether it is really necessary to try and visit a wide range of

facilities each year, particularly when we've visited them this year. I guess what I'm leading to is that I think a hold-the-line budget in that area will still allow us to fulfill the part of our mandate which deals with looking at the investments that have been made by the committee, and if a 1 percent decrease still allows for some increase in travel, I would think that's a reasonable approach.

MR. CHUMIR: Well, I'm not a great fan of the tour system of performing our duties. I find that for purposes of assisting me, the things that are really lacking are backup information and analysis with respect to what's happening. I've said before in this committee that we are not well treated. We're expected to be bloodhounds deviling into footnotes of various reports to try and piece things together, and I'm finding it very difficult to be effective. If we're talking about budgeting and the use of resources, what this committee really needs is some personnel, some resource people and some analysts who have the job of getting in and digging out that information and presenting it to us in a meaningful way so that we have the backup data and we can worry about what we should be worrying about: policy decisions.

MR. HERON: You've got a research budget, Sheldon, if you want.

MR. CHUMIR: Research funds: that would be of value to Albertans and to the private sector.

MR. CHAIRMAN: Member for Calgary-Forest Lawn.

MR. PASHAK: Yes, I agree with the suggestion that there should be some research funding available to the members of the committees. But if we can't go that far, I would suggest that we provide in the budget some opportunity for us as a committee to meet for perhaps two or three days prior to the formal hearings of the committee or visitations to meet with representatives from Treasury to go over the heritage trust fund report and have them here to answer questions in some kind of Committee of the Whole procedure.

MR. CHAIRMAN: Any other comments?

Again I would ask for direction from the committee. Are either one of these alternatives acceptable to the committee for this year?

MR. PASHAK: I assume you've probably prepared it and gone over it, but would there be opportunity within this budget for us to meet with, say, people from Treasury who have put the heritage trust fund report together, to answer questions about details within the report and that kind of thing, give us some clear explanation of just what the report really consists of?

MR. CHAIRMAN: I think it would still probably require a slight increase over what's being proposed in alternative 1. This is based on a very comparable schedule to what we held this year. Now, three days of additional meetings isn't a substantial amount of money to this committee, but I don't think it would have been provided for in this budget if we kept a similar investigative schedule as was held this year.

MR. PASHAK: Well, I'd like to move, then, if that's in order, just an amendment that we increase the budget to provide provi-

sion for meeting with representatives from Treasury who are responsible for the preparation of the heritage trust fund annual report.

MR. CHAIRMAN: So if I understand: the recommendation, then, is to accept alternative 1 with provisions for those additional three days or whatever it might take?

MR. PASHAK: It might not be that long; two days perhaps. If the motion to increase the budget fails, then I would move that we reorganize our priorities so that we would have that meeting rather than other travel, that that would be made up by reducing the travel portion of the budget.

MR. CHAIRMAN: Member for Stony Plain.

MR. HERON: Thank you, Mr. Chairman. I cannot support the motion to increase funding for research. I feel that each of our caucuses has adequate funds to perform our research function. I feel that we have the Auditor General and the Provincial Treasurer appearing before this committee and that if we use our research budgets and our own initiatives and our own experience on this committee and the exploratory tours, we should be able to ask good questions and perform our role as a watchdog committee to the fullest possible extent. For that reason I have to speak against the motion to increase research funds to individual members.

MR. CHAIRMAN: Member for Vermilion-Viking.

DR. WEST: Yes. I have to speak against this motion. Increasing three more days or vulcanizing the work of this committee I think is irresponsible. We do have some fiscal responsibility to the people of Alberta. I believe there are many members on this committee who have been here for two and three years. If they have not been able to establish in that period of time, through reading and in-depth study, the facts and figures of this fund that has been capped for the last few years, I would say that they better reassess their position on this committee. Even for those who are new on the committee, the annual report is explicit. We have a chance to cross-examine the Auditor General, who has done an in-depth study of this report. We can ask him any question we want. I do not support whatsoever increasing for this purpose the number of days that this committee sits or expending more money on research for individual members.

MR. PASHAK: Just as a point of information, I hadn't gone so far as to move that we set aside money for research. That was a separate suggestion altogether that was made by the Member for Calgary-Buffalo. All I did was indicate that I agree with that. But in lieu of not being able to get money for that purpose, I was just suggesting that we meet with representatives from Treasury. It could be in a nonformal way where we do not have a transcript for those sessions but just meet with them for the purpose of going through the report to ask questions about information that, in a sense, is reported but not completely adequately within the report. You want to know what the details are that are associated with those expenditures.

I'm not trying to make it into a political free-for-all with members of the department, but rather just that I think more detailed information would be of benefit to all members of the committee in their later deliberations and help them to frame questions for ministers that would be more to the point and not

waste the time of ministers. So it may even result in cost savings to have the kind of pre-session experience that I'm talking about.

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: All those in favour of the recommendation that we take alternative 1 plus provisions for two or three days of additional meetings? Do you want to speak to that, Member for Little Bow?

MR. R. SPEAKER: Yes, a question. Under 715A00 we have payments to MLAs. That really would be the daily payment. That's based on so many days, and that's based on the number of ministers we must have here at the hearings? Is that how you've arrived at that?

MR. CHAIRMAN: That's an estimate of meetings with ministers, discussion days, reading days, investigative days, based on past precedents. Obviously, it can fluctuate a little bit each year anyway.

MR. R. SPEAKER: We've always expended that to the maximum?

MR. CHAIRMAN: Pretty close, yes; we have been pretty close on that one.

MR. R. SPEAKER: I think the member is asking for that number to be increased.

MR. CHAIRMAN: The member is asking for approximately \$4,500 in payments up, if you took three days at full attendance.

Any further discussion on that recommendation? Member for Innisfail.

MR. PENGELLY: Mr. Chairman, that's for 15 members also, is it not?

MR. CHAIRMAN: Yes.

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: All those in favour, then, of the motion that's on the floor? All those agreed? Opposed? Lost.

MR. HERON: Mr. Chairman, I'd like to move that we accept recommendation 1.

MR. R. MOORE: I second that motion, Mr. Chairman.

MR. CHAIRMAN: A motion that we accept alternative 1, which provides for a 5 percent increase in the travel budget, with some alternating decreases in other budgets. Any further discussion on that?

MR. JONSON: Perhaps I'm unaware here, but what are the travel opportunities that we will seize upon with this increase in the budget in this area? I just have a hard time understanding what it is that we have to now visit that would mean we have to increase that line.

MR. CHAIRMAN: Really I think what we found was that in this year's budget we're going to be very, very close to perhaps either being right on or we might even be a little over this year's estimate. So the feeling was that if this year was any indication, then we'd better start putting a little bit back into the travel expenses that we slashed so drastically the years before.

Any other discussion? Member for Calgary-Forest Lawn.

MR. PASHAK: Well, would it be possible at the organization meeting of the Heritage Savings Trust Fund committee next year to suggest that we take money out of travel, perhaps, to meet with Treasury for the day or whatever?

MR. CHAIRMAN: Yes, that option is always open to us. Any further discussion? All those in favour? Opposed? It's carried. Thank you very much.

Is there any other business that needs to be brought forward at this time? If not, again, tomorrow will be considered a reading day. We will be back here on November 7 and 8. Hopefully we will be able to conclude the discussions of recommendations in those two days.

Motion to adjourn by the Member for Lacombe.

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Thanks very much, everyone.

[The committee adjourned at 11:36 a.m.]

