

[Chairman: Mr. Ady]

[10 a.m.]

MR. CHAIRMAN: We'd like to call the meeting to order. We welcome and have before us this morning the Hon. LeRoy Fjordbotten, Minister of Forestry, Lands and Wildlife, who is here today because his department has in the past drawn certain funds from the Heritage Savings Trust Fund, specifically those being for the grazing reserves development, the project of maintaining our forests, and the Alberta reforestation nursery at Pine Ridge. It should be noted that during the last fiscal year his department did not draw funds from the Alberta Heritage Savings Trust Fund. So I would assume that our questions will revolve around those three projects and with accountability of where they are today and how good the investment of the Heritage Savings Trust Fund and the benefit to the province has been into those various projects.

Hon. Minister, we appreciate your taking time to appear before the committee. I might say that it's strange to see a lone minister there without any staff. I believe the Premier was the only other person that's appeared so far without staff. You look a little lonesome, but we're sure you're ready to deal with the questions that will be forthcoming from our committee.

The format, Mr. Minister, is much as it has been in previous years when you've appeared. Each member will ask one question with two supplementaries. We'll move to that part of our meeting in just a moment.

I would like to give members an opportunity to read in recommendations if they have any this morning. I don't see any hands for that, so we'll move on.

We'll give the minister an opportunity to give opening remarks, and then we'll entertain questions from members of the committee. Mr. Minister.

MR. FJORBOTTEN: Thank you, Mr. Chairman. It's a pleasure to have the opportunity to meet with you today. My department has had a long and successful relationship with the Alberta Heritage Savings Trust Fund, and many of the initiatives that have been taken to date have really continued to provide, I think, a major contribution to the diversification of Alberta's economy through sustainable development of our renewable resources. That's exactly what the fund was established to do in 1976, and I think that purpose is certainly valid today. I think it's always been true before but it's certainly true today that all developments have to be environmentally sensitive and provide sustained conservation in the proper use of our resources. That's the government's primary view: to select projects that meet that criterion and enforce those standards.

One of the topics I want to raise with you this morning has to do with our reforestation. That certainly is a component of what the heritage fund has supplied money for in the past. The tough reforestation standards that we have: the Heritage Savings Trust Fund has provided a significant benefit to make sure Alberta is a leader in that area. I'd like to note right away that the costs of reforestation here are the responsibility of the industry as a cost of doing business in Alberta. In other provinces that's not true; they're not the responsibility of those industries. It's often overlooked, and there's a lot of misinformed debate taking place over stumpage rates and stumpage charges as compared to other provinces because it doesn't take all of those factors into consideration.

Another is the public involvement in giving Albertans a say in how their resources are managed. That is an ongoing process. Our reforestation initiatives, the provincial grazing program, and

the Pine Ridge nursery have certainly over the years received a lot of public input into how that process would take place.

I'd like to make a couple of comments, Mr. Chairman, about the Pine Ridge nursery. I see that the Member for Redwater-Andrew is a member of your committee, so I'm certain he's very interested in what comments may be made.

I was pleased that your committee was able to attend the 10th anniversary celebration of the Pine Ridge nursery last month and see that fine facility firsthand. If anyone in the committee hasn't been there, we would certainly accommodate that, because you can't really express what's there on paper or even by pictures; you have to experience it firsthand.

Starting in 1976-77, the Alberta Heritage Savings Trust Fund provided the capital funds for the design and construction of a conifer nursery at Smoky Lake. That facility became operational in 1978-79. It was completed in 1984-85 at a total cost of some \$16.7 million. I should say that since the opening that nursery has provided 225 million seedlings to both the government and to the industry reforestation projects across the province, and it's now recognized as one of the finest facilities anywhere in North America. In fact, we had the western states legislative task force, which included some Senators, at Pine Ridge, and they couldn't believe what they saw. They couldn't believe there was a facility like that anywhere, and they were very interested in how they could have one comparable to that, because there certainly wasn't one anywhere that they were aware of. It provides large quantities of high quality seedlings.

There's also a second component to Pine Ridge, and that's the genetics and tree improvement program. It's looking at not only quantity but quality of commercial timber production. That research that's ongoing there is an extremely important component of the future of our forests in Alberta.

The design capacity of Pine Ridge was 10 million bare root and 10 million container seedlings. That efficiency was improved over the years, including some double cropping that took place in greenhouses for better yield utilization. That increased the annual production to 38 million seedlings. But then they were looking at how we could have larger and sturdier seedlings to meet proper reforestation goals. The space requirements that were needed to do that meant there had to be some reduction in the number of trees, so we went from 38 million back to 24 million trees to try and meet that criterion.

Bringing in tougher reforestation standards. The current standards have worked well for two decades, but enhancing them now has made it mandatory that we make sure the seedlings we have from Pine Ridge are the best, because basically that facility sets the standard. There are some private greenhouse operations in the province and nursery capacity, but what Pine Ridge can do is basically not only set the standard but set the price criteria. That kind of keeps the costs under control. I am of the view that you could always have it run by the private sector totally, but if you did that, you would be at the mercy of that to some degree.

We are looking at Pine Ridge expansion, and that's what I hope your committee would certainly look at making recommendations on, because there's a need to upgrade that facility to keep it the best. I'm sure when you were there you saw that we need some new greenhouses at Pine Ridge. So there's some need - I think eight have been identified - plus we need to upgrade the existing greenhouses. That's going to mean that a capital cost of some \$8 million is going to be needed to do those things, and that will bring the production from some 13.5 million container seedlings to 22.5 million seedlings. So it will sig-

nificantly enhance the production at Pine Ridge.

Our current standards that we have – I'm looking at older, regenerated areas. We have competition from grass and shrubs and hardwoods, and that's restricting the growth and long-term survival of some of our forested areas, so I've implemented a new standard that will be effective this coming year – and I've announced it to the industry – called "free to grow standards." What that really means is a standard of growth that is free from competition. It means stand tending, a very significant added expense to the industry, as well as stocking density with respect to making sure that the future forest is enhanced significantly from what it is now.

When we have that increase in reforestation standard requirements combined with what we anticipate will be a need for some, I think, 103.5 million or so seedlings annually that will be required when all the projects that are either under construction or planned in Alberta – we'll need some 103 million seedlings. We're looking seriously at what can be contributed by the private sector and what could come from a public operation and how those costs would be handled. But we need three and a half times more trees, our supply of trees, to make sure that we aren't left in a catch-up position somewhere down the road. It takes some lead time to look at these facilities, so I would hope that your committee would look seriously at the Pine Ridge nursery and making sure that it not only is maintained but enhanced significantly with respect to future plans in Alberta.

Our legislation, and I have to operate under the legislation we have in Alberta, requires that each company must provide seed cones to the government. Now, the reason for them providing them is that the seed cones that come from that area – you can't just plant trees anywhere you like no matter where they come from. The cones from the area where you are going to have seeding take place: you want to make sure they are adaptable to that particular area. So they collect the cones, and then they are taken to Pine Ridge, and they are marked and everything of where they come from. Frankly, when they collect the cones, they try and collect the cones from the healthy trees. It used to be in the past in reforestation that you would cut and leave one tree that would seed the whole area, so you would end up with a poor forest in 120 years. But if you collect the cones from the best trees in that area and then those cones are cleaned and properly handled and go back, you end up with a more vigorous and a healthier forest. That's their responsibility, legislatively, to do that.

The government's contribution is on the growing of the seedlings. If you want to know the cost relationship of what the government pays for and what the industry pays for, the cost of growing the seedlings is about 15 percent of the total cost of that reforestation, so the companies are responsible for 85 percent of those costs. Trying to get 103.5 million seedlings, we're going to have – the private-sector grown by forest management agreement holders, will be about 11 percent; the private-sector grown but funded by the Forest Service will be about 31 percent; and grown in an expanded Pine Ridge nursery, 33 percent.

We also need a new regional container facility. Now, I don't know where that is in Alberta. I have had every community come to my door saying that it should be in their community. There are some 20-plus communities that have now made representation, but we are going to have to choose somewhere where we have a regional container facility.

I should say, Mr. Chairman, that I'm sorry to take extra time. I think it's important that the committee understands exactly what we're talking about, and this is where I don't like to have

all our eggs in one basket, so to speak. I don't want to have everything at Pine Ridge. I think it's important if something were to happen at Pine Ridge that there is another facility. Not duplicated; we don't need a duplicate facility and that extra cost, but we need a container facility somewhere else, and we're looking and assessing that now.

If you want to know the percentages, roughly: of the 103 million, 60 million, or 58 percent of the trees required, will come from government; the balance will come from the private sector. It's important, as I said, that we maintain that because we have direct control of costs by doing that and we have reliability. We have a long-term supply, and we have stock quality that we certainly have to have.

I'd like to make a couple of comments about the Maintaining Our Forests program. That program was initiated in 1979 and '80 to assist with the re-establishment and improvement of coniferous forest by replacing losses that we had all across the province. We had losses due to wildfires, recreation development, agricultural development, energy uses, and we had those areas that weren't properly restocked, so we initiated this Maintaining Our Forests program that was a way to go out there and bring those areas back into a healthy growing forest. The total trust fund commitment amounted to \$25 million. It was an eight-year program, and it concluded in 1986-87. It planted over 45,000 hectares of seedlings. It was a co-operative program that we did with the industry. Since the expiry of that program the growth and development in those forested areas have been further enhanced. We've had to tend it; there's been tending needed with the area. Part of the money that's going for the tending: where does that come from now that the program has ended? Well, the softwood lumber tax that we collect money from now is in the public lands development program. We're using dollars from that tax, which is a tax on the industry which comes back to us, and we're using those dollars to make sure that those areas are tended. So the industry is participating fully in the process.

There are many areas that still suffer from competition and that, but I've looked at some of them and I'm satisfied that we've done as well as we can under the circumstances. There are some that are very rugged areas to try and get trees started on, so it hasn't been all that easy in some cases.

The next area. There's a genetic tree improvement, and that's part of what was in that particular heritage fund program, Mr. Chairman. That program began in 1976. The goal of that program was to develop a variety of trees to enhance yield and timber quality and pest resistance and all of those things in future forests. We are also looking at new species that aren't in Alberta and whether or not they would be adaptable or whether we would want that. Red pine is an example of that. Siberian larch, ponderosa pine, and other trees are looked at in a controlled environment to see whether or not they would be adaptable and would enhance our forests. That's part of that program. Detailed technical plans and arrangements were established with forest management agreement holders to work on those programs.

We established some seedling orchards as well, and they're fenced-off areas. There's one up around Grande Prairie, and I think there's one at Pine Ridge. I've only looked at one of them. They were established to produce those seeds for reforestation. We established 55 research plantations, and 22 were specifically developed in sites all across the province to make sure about the climate differences that there are.

Mr. Chairman, I'd like to make a comment about the grazing

program now, if I could, and give the members just a little bit of information about that. There are 32 provincial grazing reserves, and there are 24 located in the forested area of the province. We completed a 10-year, \$40 million grazing reserve development program, and it created 12 new grazing reserves. So instead of the 20, we now have 32. The development of that also enhanced the grazing capacity. There are a lot of requests coming in from farm families and ranching operations, and there's been a very significant demand. There's been careful consideration in each of those programs given to the multiple-use concept to ensure that there's the widest benefit possible to recreational users and others. It's not only just for grazing livestock.

But when we did that, we had so much demand to do something quickly that when they cleared the brush off of some of those to get the grazing capacity started, they had to do it on a rush basis. Frankly, you can't do that on a rush basis, because if you do it one year and then you just plant grass, you're going to have the shoots come up from the roots, and you'll have brush taking over again. It really takes a two- or three-year process to do that. So we've had reversion back to brush in some of those areas, and it's dropped the carrying capacity dramatically. What we need to do is be more effective in doing that so we can increase the stocking levels significantly. I have some numbers that I can give you if you're interested on what the differences are in the return to the province on that. I'll be happy to provide that if the question is asked.

But we need additional funds now. There are some 132,500 acres of low-yielding fields on 24 of the grazing reserves, and we need to tackle that. I'm asking for the heritage fund to have a look at doing that. I asked that last year, and I think it's important to do that now. I should say just on those that we're losing - if you don't deal with it, the numbers are fairly dramatic on the return to the province. Maybe I'll just throw the numbers at you quickly. If you take a declining production of 29,000 head from 49,000 - 49,000 is what it could ultimately carry, and it's dropped to 29,000 in some instances - overall that's just about 20,000 head of grazing capacity that we've lost, which is nearly \$1 million a year lost in revenue to the province. So it's not that you spend money on it and you don't get a return. As it keeps diminishing, we lose, and then we lose the revenue, and then we're really in a catch-up position.

In conclusion, Mr. Chairman, the initiatives that have been undertaken to date I think will continue, and the forest resource will play a leading role in our future. I'm happy now to answer any questions the committee might have.

MR. CHAIRMAN: Thank you, Mr. Minister. I neglected to say in my opening comments that, as you mentioned, our committee did visit the Pine Ridge nursery. We were very well received, and we had an enjoyable tour. I think all of us came away enlightened as to the function of that nursery and the pride that the staff have in what they're doing there. So that was an enjoyable thing for all of us who were able to go.

I'd like to call on the Member for Edmonton-Centre, followed by Member for Lacombe.

REV. ROBERTS: Thank you, Mr. Chairman. I'd like to explore a bit more with the minister this relationship between the industry and the public sector with respect to seedling production. He was giving some figures, and I wasn't quite clear about them, but I think in the course of my questions they might emerge again.

I was distressed because they were very clear up at Pine Ridge in saying they thought there was a need for much greater capacity, if not now, then in the future. As well, a friend of mine who was a tree planter over the summer hired a whole crew of support and went to go out and had what he thought was a contract and then there weren't the seedlings to put in the ground. He had to lay them off for a week or two until the seedlings were made available to him. So I'm just wondering how, in this very delicate both ecology and economy, we can ensure that in fact the industry is taking its own responsibility. Again, I'm a bit concerned. For a free-enterprise government such as the one you represent to say that you can't trust the private sector to have the quality and the regulations and the production in terms of their own seedlings - I'm just wondering why that isn't the case. I mean, certainly there needs to be a part for the private sector, and for Pine Ridge to be expanded, but of the 103 million seedlings that are needed now and the growing number that are going to be needed as more and more FMAs come on line, isn't there a need for the industry to take its responsibility more seriously and for you to push them in that direction?

MR. FJORDBOTTEN: Mr. Chairman, I didn't say I didn't trust the industry, but I always felt that there should be some control on what it is. Maybe I'll go back historically.

Historically the government was responsible for all of the seedling production. We provided all of the seedlings. That was changed, and so it became more of a shared arrangement. That's dramatically changing. For example, the cost of a seedling out of Pine Ridge right now is about 10 cents. The cost from the private sector is running about 15 cents a seedling. Our facility is a little less. Maybe it doesn't have to make the profit motive that's in there, but it keeps the control on it.

There are a number of companies that are also in their own seedling production. It's only to their benefit. They can't afford to go out and reseed the area under what we've come in with, our new free to grow standards, where we monitor on a yearly basis, and they have to have a certain height of tree by a certain year. If they don't use healthy seedlings, that's to their detriment.

The small operators either do the reforestation themselves and provide everything, or they pay us a levy and we do it. On some of the recent FMA negotiations I've been trying to ratchet up the cost over to the industry to provide all of that. Rather than us having to provide all the trees, they provide more. For example, Canfor, their operation up in northern Alberta, has to supply at their own cost all of their seedlings. For others it's different; it depends on what negotiation took place. We've been trying to ratchet up more of the costs to their account rather than to our account. But we still will have to provide trees, and we still will need a facility to provide some trees because there are areas where there are wildfires. There are also quota holders who don't have the facilities to grow trees, and we have to make sure that the small operator is protected in having that.

So in answer to your question, it's one that I'm reviewing closely, because I believe that more of the cost should be on the industry not on the government, and you ratchet it up. We've come a long way from providing them all to trying to get up to doing the other approach, but we have to be sensitive. We're not only talking about large operators; we're talking about a lot of small operators as well.

REV. ROBERTS: Thank you for that. It's encouraging.

But in this ratcheting-up process – you made some comment earlier about the debate around stumpage fees being one that there isn't a lot of clarification on. I mean, it seems to us that we are selling off a lot of cheap trees and making it, through the FMAs, much to the industry's advantage, that in fact a lot more ratcheting up can be done given the full FMAs and the stumpage fees that are now levied. Do you take issue with that?

MR. FJORDBOTTEN: Well, what are cheap trees? When you attract industries to come to a location – we have certain advantages and disadvantages. The advantages that we have: we have a good, high-quality fibre; we have a relatively stable labour climate; we have a relatively stable political climate compared to other countries. [interjections] Well, you know; I mean, it's a good place to locate, on the advantage side. On the disadvantage side: we don't have a seaport close. You know, it's transportation costs. We have northern Alberta, which frankly didn't have a lot of road network and the development that took place there. So there are those costs.

Now, when we looked at what the stumpage rates should be on things, you always had to be extremely careful in comparisons with other jurisdictions because it depends on a whole lot of variables. In certain provinces they provide all the reforestation, but they have their stumpage rates higher, and they recover some of those costs that way. Here we put very high demands and costs on the industry, so of course that's taken into account. You've got to consider the type of tree you're talking about. You can't compare one tree to another tree. You've got to look at what that tree is and what it can be used for in order to establish those rates.

What we've done here in Alberta is make sure ours were competitive. You know, people have jived periodically, "What do you mean by competitive?" Competitive is that it has to be competitive considering the location; it has to be competitive taking all those factors into consideration. I frankly believe we are, you know, in good stead in that way.

The one area where the industry's not all that happy with me right now is because of the free to grow standards, because it puts an added cost on them. What people don't seem to understand, I guess, is that our forest is harvested whether it's cut or not. It's harvested by fire; it's harvested by disease; it's harvested by a wide variety of other things. We get nothing for that. If we harvest it properly and reseed it properly and end up with a better forest, that only makes good common sense. But we have to make sure that the reforestation standards are high. There's no way, I think, in this day and age that we should allow anybody to be cutting trees, whether it's by manual harvesting rather than the natural process, and not making sure that the forest is going to be better in the future. I frankly believe we've hit that balance.

The only place I'm looking at seriously is the cost of seedlings and that area. The industry won't like to hear that, but I think that needs to be reviewed even more than it has been.

REV. ROBERTS: There's certainly a lot to respond to in that. Let me get back, then, to the seedling production. You cited \$8 million for the upgrading of the Pine Ridge facility. I also thought I heard them talking about the need for another production place, another whole nursery, that given another five or 10 years in this direction, there's going to be a need for a whole other Pine Ridge. Am I hearing from you that the upgrade of the \$8 million is going to suffice and be the public-

sector share that's going to be necessary in this?

MR. FJORDBOTTEN: The \$8 million that I commented on, Mr. Chairman, was the \$8 million in Pine Ridge alone, and that's an estimate. Right now we haven't got all the detail work done.

I do not agree with a duplicate facility to Pine Ridge. I think that would be money wasted. We don't need to duplicate the seed cone component of Pine Ridge at another location in Alberta. They're very capable of doing that there. It's the best facility; there isn't anything that compares to it. I don't see any need to duplicate that. I do think there needs to be duplication of the genetic work that's taking place at Pine Ridge in another location. I think pressure should be on the university; you know, not only putting pressure on them but working with the university to do that research that's necessary there. I don't see any need to duplicate that. I think Pine Ridge is the best facility. That's the right place for it, and with the enhancement it'll even be better. There is a need for a container facility in some other location, which is not near as expensive and would enhance, but no, not a duplication of that.

MR. CHAIRMAN: The Member for Lacombe, followed by the Member for Westlock-Sturgeon.

MR. MOORE: Thanks, Mr. Chairman. The grazing reserves has been an excellent program, and I know it concluded last year and no money went into it from the fund in this present year. However, there are some areas I'd like to hear from the minister on, Mr. Chairman. That, basically, is in the area of cost recovery from that investment.

Two aims of these reserves were to operate on a cost-recovery basis and to ensure sustained yield in pastures. Now, since its inception, Mr. Chairman, the grazing reserves have operated at a deficit. According to figures which were presented to this committee last year – and I have quotes here; I've got them marked down – in 1986-87 there was an operating deficit of \$511,000. The following year, 1987-88, it was \$168,000, a significant reduction. Last year at the same time, the minister said he was embarking on a cost-recovery program to bring this operating deficit under control. Now, the figures indicate that he's having success along this line. He's reduced it from \$511,000 in one year to \$168,000. Are we continuing to reduce that deficit, Mr. Minister?

MR. FJORDBOTTEN: Yes, Mr. Chairman, we are. We probably could have achieved it last year except that in the northeast region and southern region, because of drought conditions and everything, we weren't able to get the carrying capacity of those reserves up, so we had to drop the numbers of animals that were allowed in. The number that I had, I think, was that we – just for that fact alone, \$161,000 in revenue was forgone just by trying to reduce the carrying capacity because of weather conditions. So if it wasn't for that, I probably could have achieved it.

But the overall concern I've got with that is that if we don't enhance that . . . As I go back to the declining production on the fields that reverted – from 49 head to 29 head was the number I used – that's forgone revenue of \$900,000 plus a year. So as long as we don't have drought and if we're able to get and keep the carrying capacity up, we can achieve that. Now, it's been a policy of the government, and it has been told to the grazing reserve patrons, that we're not trying to make a profit off these reserves. We're trying to get to cost recovery so it's a

wash. We had a long way to come from \$511,000 to where we are now, but frankly, last year we could have achieved it had the weather conditions been a little different. But we won't be able to maintain it unless we keep improving, enhancing, and maintaining the carrying capacity of each one of the reserves.

MR. MOORE: Well, Mr. Chairman, the minister answered my next question in one way. He said that the intent of the cost recovery wasn't to make a profit on the situation. However, Mr. Chairman, to the minister: eventually I'm certain that you will reach the break-even point where you've recovered the cost. Is it the intention in the future to make some return on that investment to the citizens of Alberta?

MR. FJORDBOTTEN: Well, as the minister responsible, if I'm given direction in that I should change that policy and look at trying to make a profit, then of course I will. But I think it takes pretty good judgment to make that decision because, frankly, the per head rates for grazing reserves will only stand so much. We charge them now. The rates vary across the province. It's lower in the north and much higher in the south because more days of grazing would be allowed, and they are responsible for pharmaceutical costs and also for salt and other things at the moment. I suppose we could get up to making a profit at it. I'm not convinced that that is the proper course, but that's worth looking at.

MR. MOORE: Mr. Chairman, I know that on these grazing reserves the demand far exceeds the carrying capacity of the reserves, and that causes a lot of concern, with the public saying, "Why can't I participate or receive a lease?" That's so with any program. If it's a good program, the demand will exceed the ability of the program to provide for it. But even though the individual farmer is not participating by not being able to put his cattle in there, I would think that he as an Albertan gains from the other side of grazing reserves. I'd like to quote right now, to lead up to my question, from the annual report, and it says:

These reserves promote the diversification of the agricultural economy by enabling farmers to graze their stock on public land while using privately-owned land for hay, cereal, and oilseed crop production.

Now, could the minister expand on how other Albertans benefit, and those farmers, too, that aren't able to participate, from these reserves?

MR. FJORDBOTTEN: Mr. Chairman, I mentioned in my opening remarks that grazing reserves were really established not only to graze livestock but for multiple-use aspects. It depends on where they are located in the province and their proximity to larger urban centres as to how much utilization they get for other things. They accommodate a number of activities. A lot of trail riding takes place in there. There are snowmobile rallies, there is cross-country skiing and hunting, there are dog trials, and there are Boy Scouts and 4-H clubs. All of those use the facilities as well. They have winter survival camps that are run there, and there is freedom of access, basically. In the summertime we like people to tell the grazing reserve supervisor that you want to come in and what you are going to be doing so that we've kind of got a little control with the cattle around. In the wintertime it's not as necessary, except that it's always a good idea to talk to the supervisor, and unless there are horses that are grazing on a certain part of it, basically there is a freedom of movement. So the general public gets a lot of benefit, as well, from the grazing reserve program in that way.

MR. CHAIRMAN: Thank you.

Member for Westlock-Sturgeon, followed by Member for Ponoka-Rimbey.

MR. TAYLOR: Thank you, Mr. Chairman, and good morning Mr. Minister.

The first thing I'd like to touch on is in the reforestation and the growth force. Is there any plan for or against, or just how does one handle the question of herbicides in controlling secondary forests? In other words, say, maybe knocking out the hardwoods for the softwoods, or what? Is there any use of herbicides in the reforestation program by the government? Also, is the private sector, which you have announced has a right to reforest, allowed to go ahead with herbicides?

MR. FJORDBOTTEN: The whole herbicide question is a really sensitive area, and politically sensitive. Everybody's afraid to go near it, and there's all kinds of lobbying that takes place with respect to it. We have a lot of herbicide use in agriculture for a wide variety of reasons. When it comes to forestry operations, it's so tightly controlled that the companies are saying they're having extreme difficulty in meeting the reforestation standards because of competition of growth. Poplar grows like wild and so does grass; you get a little seedling down there, and it gets smothered in the process. If they could do one application of Roundup, which is really a biocide - it's not really a herbicide - that would control that. And trying to do hand tending with that is a - to try and get people that want to go out and do that is extremely difficult as well. Nobody wants to go out and cover the large areas that are needed.

What herbicides now are being . . . There are basically two of them that have . . . I don't know if it's conclusive - some say it is; some say it isn't - whether or not there is no environmental hazard from the use of the two herbicides, one being Roundup and the other one being . . . I can't remember the name of the other one right off the top of my head. But right now it's so tightly controlled that we have no air application of herbicides by aircraft in the forested areas. [interjection] No air application. No; it's ground application only. Then it has to be only for really research purposes, and it has to go through the Department of the Environment, it has to be advertised, and there's such a process to go through to try and get approval. We had one this last year for one project. They started very early last winter with their application, and by the time they got approval it was September, so it was too late to do anything.

The industry, in their representation to me, is extremely upset with what we're doing: that if we have a biocide or something that is no environmental hazard, we're not allowing that to be used. It makes their job just about impossible. It's such a sensitive area that frankly I, personally, don't know how we're going to handle it.

MR. TAYLOR: Thank you. I think the public is rightfully worried that if you turn over reforestation to the so-called private sector, there's going to be shortcuts made with the use of chemicals, and I think it's appropriate to be watching closely.

The second question, Mr. Chairman, is again on reforestation. Reforestation is not a uniquely Alberta problem in Canada. In fact, federal governments have tussled with it for some years, and there are some pretty handsome federal funds out, at least to some of the other provinces, to help in reforestation. Do we access federal funds? And if we do, are we getting the full amount as far as . . . Have you done comparisons with the other

provinces of Canada; Ontario and Quebec, for instance? Are we getting the same per tree, shall I say, grant from the federal government as they are?

MR. FJORDBOTTEN: Well, Mr. Chairman, the Member for Westlock-Sturgeon has hit a very sore point with me, and in fact . . .

MR. TAYLOR: Would you like to sound off?

MR. FJORDBOTTEN: Well, frankly, I'm really upset with it, and I'll tell you why I'm upset. The forestry agreement we've had with the federal government up until now was the same size as P.E.I.'s. And, you know, we don't have an agreement now; it expired on March 31. We don't have an agreement and we've been trying to get one, with no success at this point. We get promises but no action. What bothers me about it is that we have New Brunswick . . . Like, our agreement - I can't remember - was some \$23 million or something like that. New Brunswick just signed a \$92 million forestry agreement with the federal government. Now, P.E.I. has 15,000 acres, or hectares - let's see; I'd better be careful - it's 15 million hectares, I think, of forested land. We have 100 million hectares of forested land. That's the equivalent. I mean, I might have my numbers wrong on the millions or whether it's hectares or acres, but 15 to 100 is the spread. They got a \$92 million agreement, and the federal government picks up 60 percent of the \$92 million.

Now, we don't have an agreement, and we're told that we can work through the Western Development Fund and the pool of money that provides dollars through federal/provincial agreements for agriculture and the nutritive processing agreements. It provides it for all the other things, and we are supposed to tap into that. If my numbers are right, it's some \$60 million total to cover all the sectors. Now, what would we get for a forestry agreement out of that? Frankly, they'll come back and expect us to pick up provincially 70 percent of whatever the agreement is instead of like it is in New Brunswick at 60 percent by the federal government. I find that an extremely sore point. We have a resource here in Alberta, and we have . . .

MR. MITCHELL: Makes you want to sign Meech Lake.

MR. FJORDBOTTEN: Pardon?

MR. MITCHELL: Makes you want to sign Meech Lake.

MR. CHAIRMAN: Order. Order please.

MR. FJORDBOTTEN: Well, I'm not going to broaden this topic, but I want to stay with it. I think it's untenable to have that kind of new department of forestry, federally, and then have no agreement with Alberta. And then to have those kinds of games being played doesn't please me very much.

MR. TAYLOR: It would appear, Mr. Chairman, that we could prepare a seat for him here, because certainly his own administration is very ineffective in getting anything out of Ottawa.

MR. CHAIRMAN: Hon. member, you have a final supplementary, please?

MR. TAYLOR: I just wanted to let the minister know he did have a home if he wanted one. I'll let the others pick away at

that pimple later on.

The last supplementary to the minister, Mr. Chairman, is with regard to whether there's been an economic study made on the use of the present aspen lands. As you know, get out to the north here, there are really three uses: one, you can cut them for pulp; another is that you can clear for grazing leases, for grass; and third is sort of a sub of the first: use them for game farming. In other words, the ultimate cost or the cost for a return to society - have there been any studies made as to whether the use of the forest returns the most in pulp cutting or in clearing for grazing or in partially clearing for game farming?

MR. FJORDBOTTEN: Mr. Chairman, I find it difficult to find a relationship between all of those things.

MR. CHAIRMAN: Hon. member, I really have a problem with that question relating to the funding received by this department, even in the past, for . . .

MR. TAYLOR: Let me explain, Mr. Chairman. We're talking about reforestation. Of course, it's silly to reforest something that you can make more money out of leaving partially the way it is. In other words, the type of reforestation you will do or grazing . . . This is the department in charge of grazing leases. Reforestation and grazing tie together when you emerge from the parkland, say, in Athabasca, Peace River, Fort Vermilion. That's where our FMAs are being signed; it's also where our farmers and ranchers are worried about getting grazing from cleared land, and it's also where our game farmers are likely to go. So I say the three are tied together, and it's important, before he marches in and clears off a bunch of trees, that we're on the right way.

MR. CHAIRMAN: Well, if the hon. minister wants to respond in the manner of a policy for reforestation, I would expect that would be in order, but I would not expect that he would want to digress into the alternate uses.

Hon. minister, do you have any comments on that in a general way?

MR. FJORDBOTTEN: Maybe I'll answer the question this way. I don't know how you tie reforestation cost and the heritage fund to aspen, because aspen isn't something that we grow in nurseries and provide. Aspen is something that you cut and it grows back, so it has nothing whatsoever to do with the heritage fund or reforestation programs. How it relates to the other things that he raised I have no idea. But I will say one thing, that there is one area that the heritage fund could have a look at with respect to that, and I'll use some latitude to tie it together.

There are areas in northern Alberta that were cleared for agricultural purposes and, in my view, should never have been cleared. It created erosion problems and everything. Once the roots rotted and erosion took place, you ended up with gulleys 40 feet deep. Some of that should not have been cleared. There are a couple of members on the Conservative side of the House who are looking and have approached me as to how we could take some of that land and put it back into trees. That's one area that I am extremely interested in, because some of that area should be back into healthy, growing trees. Not aspen; it could be put back into conifers again, which would tie into the reforestation program.

With respect to aspen you're asking if there are any studies



being done. I can't give you that off the top of my head on that part of it, but whatever studies we have I'll be happy to send over to you.

MR. CHAIRMAN: Thank you.

Member for Ponoka-Rimbey, followed by Member for Edmonton-Meadowlark.

MR. JONSON: Yes, Mr. Chairman. I'd like to direct my questions to the area of the Maintaining Our Forests program. The minister I think gave us a good overview of that program. I know I've had the opportunity to see some of the areas that have been rehabilitated, so to speak, through that program, and it's very, very worth while and very effective. But last year when the minister was before the committee, I think he concluded, in response to a question, that the supply of wood was quite adequate. I guess we sort of inferred from that at the time that there would not be a further request for funding under a program such as this. However, given the amount of forest activity in the province and the simple fact that there's bound to be fire damage even in a good year or a wet year such as the one we've just been through, to the minister: does he anticipate or would he recommend that this be an ongoing program, this Maintaining Our Forests program? Because, at least as far as the Heritage Savings Trust Fund is concerned, there's no allocation in the current budget year. Anyway, that's the first question.

MR. FJORDBOTTEN: That I have been doing some work on, because the Maintaining Our Forests program was a very effective program and did a lot of good things, I think, for the province. Because I don't believe we're going to get the federal funding that's needed through a forestry agreement, we're going to have to look at trying to maintain that. So yes, I do believe there is a need.

MR. JONSON: Would the minister, Mr. Chairman, have an opinion or a recommendation on whether this should be an ongoing program picked up by his department, or would he think it appropriate for more funding from the heritage fund?

MR. FJORDBOTTEN: It's an excellent question because, Mr. Chairman, that's exactly the question I'm asking: where it should come from for sure. I have to say that, through the budgeting process, frankly I don't have that much flexibility on looking at what programs I would have to give up in order to reallocate the funding in my department to this area. I am seriously looking at that now, but I have to say that in my cursory view of it I would think it would have to come from the Heritage Savings Trust Fund.

MR. JONSON: I have one other supplementary question in the area of reforestation, and it relates both to this program and to the production from the Pine Ridge nursery. Mr. Minister, I listened carefully – or tried, at least, to listen carefully – to your comments, and I was jotting down various figures. But what is the current shortfall in terms of our production of seedlings and reforested hectares of land and the demand that's going to be out there in the year ahead? Have you got a . . .

MR. FJORDBOTTEN: We presently, Mr. Chairman, do not have a shortfall; we're able to meet that at the moment. But with the new projects coming on stream and the need for

reforestation that I believe will hit in 1992-93 and onwards and building from there to some 103 million seedlings, the lead time that's needed is why I'm hoping the committee will look favourably at Pine Ridge and the others, because of the lead time that will be needed. Also, not the only factor in the total supply is coming from us. I'm also pushing the industry to look at additional capacity for themselves as well. I believe we can do it, but if we wait till next year, we won't have the lead time necessary and we will have a shortfall.

MR. CHAIRMAN: The Member for Edmonton-Meadowlark, followed by the Member for Redwater-Andrew.

MR. MITCHELL: Mr. Chairman, thank you. My first question concerns the grazing reserves development and our investment through the Heritage Savings Trust Fund of \$39 million. I pursued the issue in the Legislature this session with the minister, the issue of grazing leases and the revenue that goes to operators of those leases, which I believe is found money. The figure I used at that time, the difference between what they paid in rents and taxes and what they received in oil and gas development revenues, was \$21 million. The minister said at that time that figure was wrong. I have written . . .

MR. JONSON: Point of order, Mr. Chairman. The grazing reserves which are at issue here in the Heritage Savings Trust Fund estimates and report are very distinct from the grazing lease question. Grazing leases are not funded through the Heritage Savings Trust Fund nor have they ever been. So I would have to question, Mr. Chairman, as to whether this topic is one that should be before the committee.

MR. MITCHELL: Mr. Chairman, we are determining whether this was a wise use of Heritage Savings Trust Fund money. I think that is controversial and problematic. If, in fact, we could have raised the money through grazing leases to develop other grazing lands, we wouldn't have had to use Heritage Savings Trust Fund money to do that. I think this is therefore a perfectly legitimate question, and if we can't ask questions of this nature, what questions can we ask?

MR. CHAIRMAN: Hon. member, your question does centre around the money that was spent on the grazing leases? Or on the grazing reserves?

MR. MITCHELL: There's \$39 million that has been invested in grazing reserves to advance the interests of grazing in this province. There's revenue that is being lost because of the structure of grazing leases which could be recaptured and utilized to invest in grazing reserves instead of using Heritage Savings Trust Fund money, which we could use elsewhere, perhaps in Lacombe or perhaps in Ponoka-Rimbey for all we know. I really find it offensive. It's becoming offensive to me that this silly procedural effort on the part of these MLAs to prohibit proper . . .

MR. CHAIRMAN: It is within the parameters of a member to object if we stray too far or stray at all from those projects which are funded under the Alberta Heritage Savings Trust Fund. So if you're tying your question into the grazing reserves, I'll allow the question, but please couch it in language that will keep it there so that the hon. minister can respond.

MR. MITCHELL: Thank you, Mr. Chairman.

My point and my question is this: I used a figure of \$21 million annually for grazing lease revenues to leaseholders as opposed to the government. That \$21 million, in my estimation, is found money. The minister said that that was not the correct figure. I've written to him, over a month ago, to find out what his figure is; I haven't seen it. In the absence of another figure, could the minister please answer this question: how can this committee justify continued investment in grazing reserve development by heritage trust fund money when, in fact, \$21 million a year in revenues is being lost under the grazing lease program of this province which could be used instead of heritage trust fund money to support this grazing reserve development?

MR. FJORDBOTTEN: Mr. Chairman, the grazing reserve program that's under the Heritage Savings Trust Fund is a program that is basically to do what is spelled out in the annual report and is operated and run by the government. Each grazing reserve is run by us. We run each grazing reserve in the province. We charge a head tax on each animal that's put in, depending on location in the province. Also, any revenues that come from oil and gas, revenues from seismic activity on grazing reserves, because we operate them, come to us. The basis on which it comes is \$200 from May 1 to October 31. So it's \$200 per program up to 10 acres; \$12.50 for each additional acre for actual damages is what was charged. No entrance fee or anything like that, and the Crown on surface rights compensation on grazing reserves receives \$600 per well site.

The grazing lease program, Mr. Chairman, is not before the heritage fund today, but I will say that the figure of \$21 million is not an accurate figure, and no one can tell me where they got the number from. So I will not defend the number because the number is not even close. Neither am I able to give what that number is, because it is negotiations between a third party, in which we don't participate, that would give that number. So I can't respond.

MR. MITCHELL: It's just unbelievable to me. How can you say \$21 million is wrong if you don't know what's right?

But anyway my next question is that since the government feels the need to operate this grazing reserves development program – and to operate those grazing reserves themselves would be a benefit to the farmer of having additional grazing, a benefit to the people of Alberta and the government, recapturing all revenues on those lands – why would the government not subsume all grazing leases under this grazing reserve development? Then the question of whether it's \$21 million or \$15 million or \$100 million going to some private person as found money wouldn't be an issue because all that money would come to us and the farmers would still get what they get: the benefit of excellent grazing reserve land. It would be under the grazing reserve development instead of under a grazing lease development.

MR. CHAIRMAN: Hon. member, you're really on the fringe because you're really dealing with grazing leases.

MR. MITCHELL: No; I am dealing with \$21 million a year that could be used under the grazing reserve development program instead of heritage trust fund money. Last time I checked, I didn't think the heritage trust fund was an infinite resource, and it should be protected and used properly.

MRS. BLACK: Point of order, Mr. Chairman.

MR. CHAIRMAN: Point of order.

MR. FJORDBOTTEN: I will say this . . .

MR. CHAIRMAN: Can we hold the point of order?

MR. FJORDBOTTEN: The hon. Member for Edmonton-Meadowlark can be as indignant as he wishes, but the \$21 million figure that he uses is not my responsibility. It's a third-party agreement, and I suggest that he meet with grazing lease holders that have been accused of getting a certain amount of money and find out what happens with it and then respond. That is not my responsibility, Mr. Chairman.

MRS. BLACK: Point of order, Mr. Chairman.

MR. MITCHELL: It's not the minister's responsibility to manage public lands and their revenues?

MR. CHAIRMAN: Just a moment.  
A point of order, Calgary-Foothills.

MRS. BLACK: Mr. Chairman, it seems to me that the Member for Edmonton-Meadowlark has tossed around a number of \$21 million, \$15 million, \$100 million. Possibly, to resolve this, he could send a note up to his office and have the facts and numbers substantiated and brought down so that we could know where he's getting his numbers from instead of wasting the time of the committee by throwing numbers all over.

MR. CHAIRMAN: Thank you.

MR. MOORE: Point of order. Grazing leases, as has been clearly said, are separate from grazing reserves. To talk about taking money from grazing leases and transferring it to grazing reserves and back and forth to save money for the heritage trust fund – we have the general revenue. We could do the same thing. We're talking about grazing reserves today, the money that's spent there. Last year there was no money spent. The program is complete. It is working and working well for Albertans. Why are we bringing in grazing leases, Mr. Chairman? It's completely out of order.

MR. CHAIRMAN: Hon. member, I really believe you need to deal with grazing leases at the time of estimates. That's really the place for that to be dealt with. Grazing reserves are the issue of the day.

MR. MITCHELL: Mr. Chairman, I disagree fundamentally, and I have one other question that I feel . . .

MR. CHAIRMAN: Well, we have allowed two questions so . . .

MR. MITCHELL: Well, see if you like it, and if you don't, then I'll ask another one.

MR. CHAIRMAN: Okay.

MR. MITCHELL: I guess my question is – the minister could secure those oil and seismic revenues on grazing leases for the development of the grazing reserve program, save the Heritage Savings Trust Fund at least that much money if he did one thing in these third-party agreements: he included a clause which said



that any oil-related, gas-related, seismic-related revenues are not the property of the grazing lease holder but instead must remit automatically to the government of Alberta. That would solve the problem. We wouldn't have to investigate a third-party agreement, although I think we should have access to that. But it would solve his problem in that regard, and it would ensure that we get perhaps - my figure is - \$21 million a year, instead of spending \$39 million out of the Heritage Savings Trust Fund.

MR. CHAIRMAN: Hon. member, you . . .

MR. MITCHELL: Okay. I shouldn't have asked that question? I'll ask another one.

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

MR. MITCHELL: I withdraw the question.

MR. CHAIRMAN: He's withdrawn the question.

MR. MOORE: Well, he made a political speech. Could I have a political speech on a point of order?

MR. CHAIRMAN: Hon. member, you have to refrain from dealing with issues here that properly belong at the time of estimates.

MR. MITCHELL: The minister wanted to answer that. He answered me already, so he must feel that it's relevant.

MR. CHAIRMAN: Do you have a question dealing with something that's before the committee today?

MR. MITCHELL: I do. My question concerns reforestation of the boreal forest area, and I would like to learn from the minister how it is that he believes you can reforest a boreal forest area without changing the nature of that forest; that is, turning a boreal forest into a strictly hardwood forest or a strictly softwood forest, which is not a boreal forest. Has he considered that . . .

MR. CHAIRMAN: Just a moment.  
Point of order, Ponoka-Rimbey.

MR. JONSON: Mr. Chairman, the hon. member will take this committee as far as he can go in terms of raising additional topics. Now, I believe he's had his questions in terms of this round of questioning. He's asking an additional question, plus he's raising an entirely different topic. This is not a supplementary, and if he is a little upset, too bad, but I think he's got to be brought back to the rules of the committee.

MR. MITCHELL: Mr. Chairman, on that point of order.

MR. GESELL: I think this committee has passed a motion that we would have one main question and two supplementaries. Now, the hon. member has raised a question, it was off the topic, and he's had that chance for that additional supplementary. It was off the topic; he's then withdrawn it. He's done that consciously. I don't see a need to allow him another question just because he has wasted the time of this committee.

MS M. LAING: On this point of order. When we set the rules

of this committee, we were allowed to ask three questions and, in fact, I personally have asked a second or third question on another topic, and it was made very clear in that initial organizational meeting that we did not have to have three questions on the same topic like we do in question period.

MR. CHAIRMAN: Okay. The Chair allowed an additional question based on the fact that the member withdrew the original question. Where the Chair erred was ever allowing that question to be asked. In future the Chair will call it out of order when a question begins to digress from the subject, and based on that we will allow the third question. Please make it on the subject, hon. member.

MR. MITCHELL: Thank you very much, Mr. Chairman, for being so reasonable despite the undue pressure from these other people.

My problem is this. I believe my question on the boreal forest and the reforestation of the boreal forests is a legitimate question under the reforestation program, where we have invested millions of dollars on reforestation. If I can't ask that, I don't know what we could conceivably ask. My third actual question stands, and I would ask that the minister answer it.

MR. CHAIRMAN: Mr. Minister, respond to that question within the parameters of what we're discussing today.

MR. FJORDBOTTEN: Mr. Chairman, I think it is an important question, you know, because when we talk about having the best reforestation standards, we're not only talking about just plain growing trees. We're talking about the whole ecosystem that's involved in the growing of those trees and what can be allowed to be cut, what can't be cut, how it shall be reforested, the standards that it will have to meet through the free to grow standards and what criteria they must meet.

Mr. Chairman, I don't have time to go through the whole process on each one, but what I can say is this, and clearly: Alberta's the only jurisdiction in North America that has everything that's been cut since 1966, everything that's been done, computerized. We can tell you when it was cut, who cut it, who reforested, what the standards, if they've been met. All of that is on computer, each one of the areas that is worked out in the annual management plan.

The forest is a changing resource. It changes year to year, and there can be a number of factors. There can be fire; there can be pests; there can be a wide variety of things. The forest also changes with respect to its habitat. Certain years wildlife may utilize a certain area; next year it may use a different area. So you can't plan ahead two years in advance on where you might cut. You have to do it on a yearly basis to take that into account.

The foresters in my department are very emphatic about making sure that the whole forest ecosystem is taken into account in everything that's done, not only the cutting but in proper reforestation. We are not trying to regrow the forest to have one species or changing the forest in that way. I would not only be happy to provide the briefing, but I'll be happy to sit in with the professionals that deal with companies on those areas, and I would also be happy to take the hon. member out and show him how we do it, because I think we have in that area an absolutely excellent story to tell, but no one, frankly, is listening. I think it has to be shown - and I don't want to leave the impression that everything that we're doing in Alberta is perfect,

because humans aren't perfect and what we do isn't perfect. That's why the genetic improvement and the research I feel very, very strongly about. Not only should it not just be the responsibility of the government to do that. In the announcements of the projects I had to embarrass one of the companies, frankly, in saying, "You have a responsibility to also provide dollars for research that can be done, in that we can make sure that we're protecting the whole ecosystem of the forest."

But I'm more than happy if as many hon. members of your committee, or individually if you like, have that briefing and have the opportunity to question in specific areas or overall. But I can't get into the detail of it here today. There's just plain not enough time. I have the book. I could go through it, but I don't think you want to hear all of that. But I think it's an excellent question and a concern that is rightly raised by Albertans to make sure that the forest is properly managed in all ways, recognizing that the forest is a complex ecosystem, and we have to recognize that.

MR. CHAIRMAN: Thank you.

Member for Redwater-Andrew, followed by Member for Edmonton-Avonmore.

MR. ZARUSKY: Well, thank you, Mr. Chairman. Good morning, Mr. Minister, and I want to thank you for your support of the expansion to Pine Ridge Forest Nursery, because I think that's seriously needed. As the members of the committee have been out there, they realize the importance of it and what's being done there. I'm sure the whole committee will support a recommendation which will be coming to speed up the process of the expansion.

I've got one first question to the minister on the expansion and it is: if there is no funding in the next budget from the heritage fund for this, what would the ramifications be for the future?

MR. FJORDBOTTEN: In my view, Mr. Chairman, it would be critical. It will have to be done some way. Part of what sustainable development means and part of the standards that we've established in Alberta are that we are not going to allow more wood to be used in any year than is grown. There can't be a way that you're going to get behind each year. It's happened in other provinces; it happens in British Columbia. You're behind on how much the growth of wood is per year to how much you're using. You can't allow that to happen, and I don't want to see us get behind on this one, because frankly I think it would be a very, very serious mistake. Now, if the heritage fund committee, your committee, does not make a recommendation on that line, we're going to have to find a way to do it somehow, because I believe that it cannot be allowed to happen. I said clearly and I take it seriously in my responsibility that I will not allow more wood to be used in any one year than we're growing. We're not going to end up in a position where we're left with a shortfall. It cannot happen.

MR. ZARUSKY: Thank you. My supplementary is in regards to an additional nursery, and I guess we've discussed it at times. I'm still of the opinion that there is no need for a second nursery, but more of the expansion can take place at Pine Ridge, and I can name a dozen different reasons why it could be feasible to be there. I guess disease would be the main thing, in case it would break out and cause a problem, but this nursery has been out there for 10 years now, and I haven't heard of any disease.

REV. ROBERTS: Question, Mr. Chairman.

MR. CHAIRMAN: Hon. member, if you can move to your supplementary, please. Thank you.

MR. ZARUSKY: Well, I'm just seeing the examples of some of the members.

MR. GESELL: If you withdraw it, you'll get another chance.

MR. ZARUSKY: If I withdraw it, I'll get another chance.

MR. CHAIRMAN: To the supplementary.

MR. ZARUSKY: Okay. Well, this leads into the supplementary. I need an explanation, since the minister has said that we'll need about 100 million seedlings a year in the future. If the expansion takes place in Pine Ridge, that will mean, I believe, around 48 million seedlings. You said that the private sector will do 40 percent, which is 40 million, so it's not too feasible doing another one for 12 million and its container, but this is what I want your comment on. Why would we want to use heritage fund money, maybe three times what it would be to expand out there and use some other way of having containers in different areas right there because of the land and water and everything else?

MR. FJORDBOTTEN: Well, Mr. Chairman, I have a great deal of respect for the hon. Member for Redwater-Andrew, and I compliment him on representing his constituents well, but frankly I think it would be a mistake. I'll make it clear what I think should happen at Smoky Lake, and it's just my best estimate of the dollars and what would take place.

If you upgrade Smoky Lake with eight new greenhouses and you upgrade two existing ones, that's a total of \$8 million capital costs that would be spent at Smoky Lake, and the production of seedlings will go up significantly with that extra capacity. I think there should be another container facility, and I don't think it should be at Smoky Lake. I think it should be somewhere else in northwestern Alberta, frankly. I don't like to see all the eggs in one basket, and I think it means some benefit. Westlock has made some representation, I believe, as well as many others. But the capital cost of that facility in an estimate is something like \$22 million. Now, that will produce 26 million containerized seedlings from that containerized facility. Smoky Lake is an excellent facility and should be enhanced and improved and expanded within reason, but there is a need in other parts of the province, and we have to do it in the most effective way possible.

MR. ZARUSKY: Well, I think the Member for Westlock-Sturgeon will probably like to see it at Thorhild.

But my final supplementary. I'll go one step further – and again Pine Ridge because of getting people to see this fine facility and a lot of tourists and people probably looking at technology from other countries. I'd like the minister's comment on this. I believe there would be a need for an interpretive centre there – and maybe the heritage trust fund could look at this – to enhance the area. We have oil interpretive centres and everything else. I just want a comment from the minister.

MR. CHAIRMAN: Hon. member, you're really stretching the limits. I believe that it would not fall under the purview of this minister to build an interpretive centre. It would come under

the department of culture. I believe we'll have to not allow that question.

The Member for Edmonton-Avonmore.

MS M. LAING: Thank you. I'd like to follow up on the questions by Westlock-Sturgeon in regard to the use of herbicides, especially in relation to your commitment to the protection of the ecosystem. It would appear from what I can read that the use of herbicides would destroy the ground cover or would come close to that and that that then, in turn, may cause more erosion. There may be toxicity in the groundwater that gets into the lakes that would in fact then inhibit bird life and any kind of vegetation that was around. It may be, in fact, dangerous to mammals. So I guess I'm wondering if there have been environmental impact studies into the use of herbicides rather than being concerned only about getting trees, which I understand again that because of the destruction of the ecological cycle the life cycle may be less strong because of a reduction in nutrients in the ground. Has there been an environmental impact study to say what it does do to the ecological system here, or are we only focused on raising trees?

MR. FJORBOTTEN: Mr. Chairman, I don't know if you could call it an environmental impact study, you know, under that terminology. But, I mean, that issue has been studied and studied and studied. Whether or not there's been enough study done is a judgment call. But, you know, everyone understands there are certain herbicides that get into watercourses and cause problems. We don't want to have that. There's also the misconception, frankly, that when spraying of herbicides . . . You know, in other provinces it's done in a very major way, and I'm not suggesting any of that, even if we were to look at it. I frankly don't think we should be using any chemical in the forest that would damage the ecosystem, you know, totally. That's why a biocide or something like – if you understand what happens to Roundup after you spray it. You know, some will argue, but they can't argue with any facts at their fingertips about the damage it does. But there's a perception – and this is what bothers me – that what we're talking about when we spray: we're going to kill everything except the trees; you know, you just wipe everything else out. And that isn't it at all.

What it is meant to do is a control feature, and please don't take from what I'm saying that I'm an advocate of that. I'm trying to be as factual as I can. It's meant to control the growth of the other competing species around it, the grasses and the other trees, so that it gives that conifer that's planted there a chance to grow. What happens when you walk out there is you'll see that where there's a tree that gets shaded and everything else, it's a runt or it dies. If it has a chance to get up a little bit, you know, and establish itself, well, then it's away, and then everything else is fine. So it's not talking about killing everything; it's talking about just controlling it somewhat.

I've gone through and looked at herbicide projects, a number of them. I've gone in there and walked through them, and I've also gone and looked at – frankly, the best way to do it is sheep. If you had enough sheep to put out there, it's terrific. We have one area up there that we use sheep in, but you can't do it of the magnitude that's really needed. But with herbicides, to answer your question, there has been a lot of studying done by professionals on that, and there's a fair amount of material available that's all public, and I'm happy to provide it to you. You can have your researcher check, but there is a lot of work that's been done.

MR. CHAIRMAN: First supplementary.

MS M. LAING: Okay, I guess then, in fact, the suggestion of sheep brings up the question of whether there are other methods that we could look at in terms of being cost-effective. If we also looked at it in terms of, well, for one thing the cost of herbicides and the applications of herbicides compared to a manual way of controlling the weeds, but also figuring into that equation the need for jobs, say, in this province, as a way of creating employment for people. So I guess I'm wondering if there would be a real commitment to really looking at another way of controlling the interfering growth.

MR. FJORBOTTEN: Mr. Chairman, that's an excellent question. It ties very closely into the reforestation standards and everything that needs to be done, and it's one that's an important question.

Employment is one factor, but it's very difficult to get people who want to do that. Neither would I ever agree from what I've seen that you should say, "All right, herbicides are okay; use herbicides on everything," because I don't think that's proper. There are areas where I think herbicides, proven safe ones, could be a good management tool. In other areas I don't believe that herbicides are right. It should be hand stand-tending, where it takes manual labour. There may be areas where you could use sheep, but it takes a lot of sheep to cover the ground.

But I frankly don't think there is one way. I think it depends on where it is. I'll take it a step further. I'll be a little risky here. I'll go a little further: neither would I ever think that we should rely on the companies to do the herbicide application without some monitoring right on site, people who would monitor exactly what they're doing.

REV. ROBERTS: Socialist.

MR. FJORBOTTEN: You can call it what you like, but I frankly believe that the forest ecosystem is one that's important, and I think that we have to manage it properly. I think it does take some controls, because you might have 100 operators who would do it perfectly, but you'd have one that would . . . Frankly, I think it's too important an issue. I think your question is a right one. Yes, there is more than one way.

MS M. LAING: I guess the final question. I don't know how relevant this is, but I'm concerned that in some of the studies I've seen, one of the herbicides should not be administered by pregnant women or women capable of reproduction. It seems to me anything that's dangerous for a woman capable of reproduction cannot have good effects for men. I mean, I think if you're vulnerable to it in a physiological sense as a woman, you're probably vulnerable to it as a man also. So I'm wondering again about the safeguards in regard to these so that when people are applying, those are also costs that are considered and protection that needs to be ensured.

MR. FJORBOTTEN: You know, it's always a judgment call, I guess, on what's safe and what isn't safe. It depends on the eye of the individual, I suppose. One hundred percent of the people who drink perfectly pure water die too, but that doesn't mean we don't drink water. I think there needs to be very stringent criteria as to who applies what and where. There's a licensing procedure in place now for licensed herbicide and

pesticide applicators, and I frankly think that should be in place. What happens often is that there are a lot of people in the city of Edmonton who treat dandelions on their lawn and do all those kinds of things, and those same people come and say you can't use herbicides in the forest. I mean, they can't use a double standard on what they're talking about.

I do think it not only has to be safe, but it has to be the perception that it's safe and applied in a very safe way. I'm not an advocate of one side or the other. A representation that's been made to me by the forest industry and all of their research says yes; they can do that. There is the other side. I've met with Toxics Watch and all the others who are concerned on the other side who want zero, and there are some on the other side that want us to do everything with herbicides. But there is some middle ground, I think, that reasonable people should look at.

MR. CHAIRMAN: Member for Wainwright.

MR. FISCHER: Thank you, Mr. Chairman. Good morning to the minister.

I would like to go back a little bit to the federal/provincial forestry agreement. The federal legislation before the House of Commons now in Bill C29 is creating a forestry department on the federal level. Do you see a lot of interference from that as far as we're concerned? How is that going to affect us in our heritage fund investment here?

MR. FJORDBOTTEN: Mr. Chairman, that's a good question. It's one that is very topical to me because my daughter at university has been directed to do a paper on this very thing. She's been asking me a lot of questions that I had some difficulty even answering, and I had to do a little work to dig it up.

You know, it's easy to get in a fight with the federal government, no matter which party it is, and try and cast blame on them. I have no difficulty with them wanting to establish a department of forestry federally. They have some responsibility in the forested area that's in national parks, on Indian reserves, and those particular areas. I have no difficulty with that. But what I have great difficulty with is that - under the Natural Resources Transfer Agreement certain resources are in the hands of the provinces; forestry is in the hands of the provinces. I have a great deal of difficulty believing that the federal government and the bureaucracy there is smarter than anybody else and so, you know, you should put everything over in their court. I think there are some good things that can be done by a department of forestry and a proper minister federally, but I will not stand idly by and allow them to attack our resources in this province that are under provincial control. We have a responsibility to manage those resources properly. If we're not, we should, you know, be brought to attention on that. But I have some difficulty with some portions of Bill C-29. I have written those to the federal minister and others, and hopefully they'll recognize those in the final draft of the Bill.

MR. FISCHER: Thank you. I guess we have to realize - and we were talking about the forestry agreements before in Prince Edward Island - they were funding 60 percent in their agreements. But we do have to recognize that if we accept their money we accept an awful lot of their rules that go along with it. I guess when they're putting their legislation in place now, I'm pleased that you should make some representation to them down there on our behalf on what role they do have in our

forests. I do see it as a pretty negative issue to us when we have been going along quite well in managing our forests now.

You did mention you wrote a few letters. Have we had any formal, good representation on that Bill?

MR. FJORDBOTTEN: Mr. Chairman, could the hon. member expand a little bit on what he means? What formal . . .

MR. CHAIRMAN: Hon. member, you just may be straying pretty far afield. Please tie it to the projects that the minister is responsible for under the Heritage Savings Trust Fund.

MR. FISCHER: Do you have any indication from them that they're going to interfere, then, with our management here by putting in certain parts of that Bill C-29?

MR. FJORDBOTTEN: Mr. Chairman, I see it could have, and if I could just identify one area. Through the managing of our forests program I said that we had come out with a program funded by the heritage fund to bring some 45,000 hectares back into productive forest production because of losses from wildfire, et cetera, that took place. There is in other provinces a catch-up that they haven't done, and a lot of that's being funded from the federal/provincial agreements. If the department of forestry is attempting to help in provinces that need help, then I support them helping them, but it negatively impacts us because we have already done that work.

One of the areas I will say, Mr. Chairman, that I think could be helpful to the members of the heritage fund when they look at the forestry in Alberta is that in my view there are no accurate national statistics where somebody could phone up and get accurate numbers on, you know, what is done and what's happening across the country. I think the federal department of forestry would be a natural place to assemble and have those facts at hand and do a number of good things. So even though I'm negative to some of the interference that it might have with respect to reforestation and other areas in the province and then the impact it would have on the heritage fund, I see some positive aspects to it as well, and we shouldn't be totally negative to what they're doing.

MR. FISCHER: Thank you. Another question that might stray a little bit away from my original topic, but it's with the seed and the seedlings that we are raising now. When we are as short as we are of seedlings and they do have a very good system of cleaning seed, have we pursued the use of seed? We don't seem to talk about that as much as getting them started, and I know that it's a little bit quicker. But to pursue the use of seed in its seed form - is there any room for us to go that direction?

MR. FJORDBOTTEN: I don't believe so, Mr. Chairman, frankly. Because if you can get a good, healthy, viable seedling that's this high when you get the seedling and you are able to put that seedling in, the chances of it getting established and growing quickly, because of the competition around it, are much better. But if you plant a seed, you know, I don't think you can tend it. I don't know how you would ever - I think it would make the forest impossible to manage.

MR. CHAIRMAN: Thank you.

Member for Lloydminster, followed by Member for Clover Bar.

MR. CHERRY: Thanks, Mr. Chairman. Mr. Minister, going back to grazing reserves, I think that in some areas there are many ranchers that would like to get in, and I was wondering what your statistics are in the department as far as people wanting to get into these grazing reserves and what we can look at in the coming years as far as development is concerned.

MR. FJORDBOTTEN: Just give me one moment, Mr. Chairman; I do have that number here someplace. In 1989 we had 1,976 applications for allotments for 104,305 head of livestock. Out of that we were able to accept 1,757 patrons for 86,557 head of livestock. So the number of applications that were turned down, Mr. Chairman, was not large. There are some applicants that continually seem to be turned down, so some of them didn't apply. But the number of applications received over what was allotted – the difference isn't that great.

MR. CHERRY: Well, I guess what I'm getting at is: what does the future look like? If I'm one of those people that keeps getting turned down, are you telling me that I have no future as far as getting into the reserves at all?

I guess my second question would be: is there a future in opening up more of the reserves, or is this basically what we can do, and this is the end of it, and we're going to maintain the ones we have now?

MR. FJORDBOTTEN: There are two parts to that question, Mr. Chairman. The first part I think I should answer is: what is the system, basically, for allotting these allotments to grazing reserves? I have four criteria that I believe are used. First of all, existing patrons are given priority on any additional allotments. So if they're already there – they may have a small number – they have first priority. The patrons must reside in the local area. We've had some movement because of drought where we let them go into another grazing reserve because one was low or something, and that's created some problems because they've said, "Well, you let us in last year; how come you won't let us in this year?" But basically they have to live in the local area.

New patrons that apply: they have to look at it with respect to the farming and ranching operation they presently have and any off-farm income they have, because you try and be fair with the ones that really are in need or the ones that have greed; you know, you have to try and separate them somehow. All those allotments go before an advisory board for each grazing reserve, and then they make a decision. It's a judgment call, and not everybody's happy all the time, but basically the system works fairly well.

With respect to new ones, we've had some requests. There are two of them I'm aware of. One is in Rocky Mountain House; there's also another request, I believe, that came from Fairview; also some expansion of some reserves where there's more patrons that want than we have room for; and we've bought some land. I recall one lately where there's some 5,300 acres of land that adjoin one of the reserves that we bought and put into expanding that reserve. But yes, there is demand for new grazing reserves as well as expansion on some of the present ones.

MR. CHERRY: My last question is: what's your explanation of a local area? What do you see as a local area? I'm thinking more in my own area in the northeast corner there. Could you identify what you feel the local area would be?

MR. FJORDBOTTEN: If I could cut the baby in half, Mr. Chairman, I would, but I'm not Solomon. Some people say, "Well, my local area extends about 100 miles; because I shop once a month in a place that's 50 miles away, that's actually my local area as well," and they try and broaden it as much as they possibly can to catch in another reserve that they might do. I don't want to make that judgment. I leave it to the local grazing reserve advisory board, basically, to make the judgment on whether the person is from a local area. We run into that all the time with people trying to push the wire right to the edge. We've seen that in a number of programs, not only specifically this one. Extended flat rate calling in the telephone system is another example of what we run into. Anytime you draw a line or try and do that, you're going to run into having to make judgment calls. Frankly, at times things come across my desk, and it's rough justice sometimes. They, of course, go to the MLA, and the MLA twists the minister, but frankly, there has to be at times rough justice or the system won't work. I can't give you an accurate – what I mean by "local area." I don't think it's defined anywhere.

MR. CHAIRMAN: The Member for Clover Bar, followed by the Member for Calgary-Forest Lawn.

MR. GESELL: Thank you, Mr. Chairman, and good morning, Mr. Minister. I want to talk also about the grazing reserves. I will refrain from wandering off into a fog, into the other areas of leases.

First of all, on the question that was raised by the Member for Lacombe about the deficit, I believe the minister indicated that were it not for some peculiar climatic conditions, maybe that deficit would not be here this year. I appreciate that, and I appreciate your comment also, Mr. Minister, that this particular program, the grazing reserve program, was not set up as a program to make money. It's there to provide some service and some benefit, and I believe it does that quite effectively. That's really what I want to concentrate on: the benefit. I hope, Mr. Chairman, you will give me some latitude to maybe explore some of the multi-use that is going on with those grazing reserves and the benefit.

AN HON. MEMBER: Give him latitude.

MR. GESELL: Thank you.

You've referenced, Mr. Minister, certain other uses that occur there; I think you mentioned trail riding, equestrian riding, snowmobiling, and other uses. But it's not just limited to recreation as far as I see it. I draw a specific reference to the reserve that's in the Cooking Lake-Blackfoot area, which is an integrated use. I want to relate that use to the money, the cost situation, the deficit situation, because I feel that these uses that occur, and some of them – in the particular example I'm talking about the reserve is actually used as a learning resource, so education has an active part in there as well, not just forestry, the farmers, and Recreation and Parks. Is there a cost benefit that includes all of these things that are happening, these uses that occur, that gives you a better picture of what the actual cost is this year? You know, when we're talking about the deficit we had in '87-'88 of \$168,000, well, I'm not sure we concluded all the other benefits that accrue from that integrated use of those grazing reserves.

MR. FJORDBOTTEN: Mr. Chairman, there hasn't been a

cost/benefit analysis as far as I know, but I know this from the numbers that I've seen: if we were to charge a user fee to the other users for the multiple use aspect of it – we charge a per head tax for a grazing fee – well, it's enormous, the number of dollars that could be brought in from that portion of it. But we have no intention of doing that. I mean, I think it's to the public good and it's a resource that I think contributes to our well-being and our life-style. I hope we never go to a user fee for other uses. But if it was, it would be dramatic.

MR. GESELL: Well, Mr. Chairman, just a comment. I wasn't suggesting that we implement a user fee. I know the reserve in my constituency is very actively used and it provides a benefit, and I'm just trying to get a balancing of the deficit situation that's been asked such that there are other benefits that should be put into that equation, because they do provide a benefit to the population of Alberta, generally.

MR. CHAIRMAN: Would you get to your next supplementary, please, hon. member. We're talking about the grazing reserve deficit.

MR. GESELL: Thank you, Mr. Chairman. I'll get on to the next question.

You've referenced and you've responded to the question by a previous member on the demand for the grazing reserves, the applications, and you've given us some indication of the procedure that is being followed in allocation. But last year, I believe, Mr. Minister, you made the case that we should actually be developing a new grazing reserve program, and you provided some reasons for that new program that you see. Unfortunately, I was not here at that point in time. Could you reiterate some of those reasons that you see for suggesting that there should be a new program?

MR. FJORDBOTTEN: Well, there's two components, Mr. Chairman. One of them is new grazing reserves, and the other part is the enhancement of what we now have. I always believe that you should protect what you have first. Frankly, like I stated earlier, I don't think that, for good reason, there was some urgency and some haste needed to develop some of these reserves, and frankly, what they did wasn't the best. I see the one component is, yes, we need to have a program to enhance and protect and increase the capacity of what we now have; that's one component.

The second component of it is that I think there is far more demand for grazing reserves – we know that – if there were other opportunities that were there. I don't frankly think we need to go out and manufacture demand. I mean, I think we have to look at the demand in certain areas where it's really needed. I think there are some areas in the north that could benefit significantly from an enhanced grazing reserve program. The two requests we have now – one, I think I said, from Rocky Mountain House and the other one from Fairview – are examples of that. I don't think we need to have a major program to develop another 25 or 30 reserves across the province. But if there's specific demand identified in a specific area for good reason, I think there should be a flexibility within the program to meet that demand. We haven't done an analysis of whether or not the demand is real, if there are other options for those people. But Fairview is one that I would think would be a prime candidate for another reserve.

MR. CHAIRMAN: Final supplementary.

MR. GESELL: Yes, thank you, Mr. Chairman.

In response to a question from the Member for Lloydminster you gave some numbers: the number of applications and the number of head that were provided. Was that for 1989?

MR. FJORDBOTTEN: Yes. Just let me double-check here.

MR. GESELL: That's not my question; I just wanted clarification on that, Mr. Chairman.

Now, you also mentioned that during this year we did not utilize and that was partly the reason for the deficit. There was a reduction in the number of head, and I think you quoted 1,976 applications, of which 1,757 were granted. What would have been . . . I know I'm asking for some speculation here, perhaps – no; actually, I'm asking for a trend line from you, Mr. Minister, because if those unfortunate climatic situations hadn't arisen, I would assume that maybe there would have been more applications. I'm trying to get an appreciation of whether this is an anomaly in the number of applications that were granted because of that or whether that fits into that general trend line that you have for utilization of the reserves.

MR. FJORDBOTTEN: Mr. Chairman, the trend line is up, but there is one variable that I have to throw at you when you look at the trend line and the carrying capacity of each grazing reserve. In my tour of some of the grazing reserves and what they're doing, one thing that's been clearly identified that there wasn't a proper recognition for in the past – it's becoming well known throughout all the ranching community that the grazing area is an ecosystem as well; it's not just forested area we're talking about – is if you have grazing too early in the spring, the carrying capacity overall drops dramatically. If you can keep those cattle out till the latter part of July rather than putting them in in June, the grass has a chance to do what it does best, and you have more grass. Some of the grazing areas, not only in the grazing reserves but others, are looking at doing this. For example, if you have an allotment for 10 head and if you put those 10 head in in June, you only get five head, but if you delay putting them in until July, you can have 12 head. So it's an incentive for people to keep their cattle out of the reserves until later on when it's safer and more healthy for the whole ecosystem, plus the carrying capacity for the reserve is enhanced. They are seriously looking at those kinds of things now to enhance the reserves.

So when you talk about the numbers, I think we have to be careful about that because there are other variables that we also have to look at as well as just the numbers. But in answer to your question, the trend line is up.

MR. CHAIRMAN: Thank you. Member for Calgary-Forest Lawn.

MR. PASHAK: Yeah, just quickly, Mr. Chairman, and thank you.

I am increasingly concerned that funds provided to capital projects through the Heritage Savings Trust Fund that provide a financial benefit to some other private-sector corporation or individual should be somehow reimbursed back into the Heritage Savings Trust Fund. So when I'm looking at Pine Ridge, for example – I mean, it's an admirable program, and I support it and all the rest of it – it seems to me that some of the money



that goes into these forestry operations should be coming back into the Heritage Savings Trust Fund when they use that service.

Would the minister care to comment on that? Are there any plans on his part to maybe increase the amount we charge for seedlings, for example, so instead of just putting that money into operating revenue, some goes back to reimburse the Heritage Savings Trust Fund?

MR. FJORDBOTTEN: Mr. Chairman, the dollars that go into, for example, seedlings from Pine Ridge, not only benefit the companies. We had a lot of areas that we had to maintain, and we still have that ongoing need.

In answer to your question whether or not dollars should flow back in the Heritage Savings Trust Fund from the investment, that's an option, and it's an option that's worth looking at. I'm not being negative to that. By the same token, I balance that in my mind by saying that I think the benefit from the spending of those heritage fund dollars, if it improves it overall for everybody – and it does – then I think maybe the profit that's made, instead of going back in the heritage fund, should go back into another program that would do something that would make the system even better. That will be a judgment call that will have to be made at the time, but yes, when the heritage fund spends money, there should be a return, and that's an area that should be looked at. I don't think anyone, frankly, is looking at that right now, but it's one area in the future we shouldn't have a closed mind to.

MR. PASHAK: The second question, similarly, is related to the grazing land program. There are obviously some ranchers who benefit from grazing their animals on that land; they get fatter, I guess, and then they're marketed. There is a fee charged per animal, I believe you said earlier. Does any of that fee go back into the Heritage Savings Trust Fund to allow for maybe – well, for whatever purpose that . . .

MR. FJORDBOTTEN: Those fees, Mr. Chairman, have gone into general revenue, because we pay the costs of operating the grazing reserves. I do have a number here somewhere. I think it's important to know what the head tax charge is so you get some idea of the per animal charge there is on each one.

I'm sorry, Mr. Chairman, for holding you up. It is a very good question, and I made a note of that this morning. You go ahead with your next question; I'll find it.

MR. PASHAK: Yeah, maybe you can provide that later.

My final question is really a broad policy type question. I know that we're not growing aspen at Pine Ridge, but I'm looking at all these pulp projects that have been announced and that kind of thing. Is there going to be an involvement through

any operation of the Heritage Savings Trust Fund with making sure that when we harvest trees for these pulp plants, we're going to replace the forests that are being harvested?

MR. FJORDBOTTEN: I don't know if directly from the heritage fund, because most of the pulp projects are based on the hardwood or aspen resource. So whether or not there would be direct . . . The only direct I would see is that I think the aspen resource has been considered a weed, and everybody just ignored it, burned it off, or did whatever they did with it in the past. Now it's becoming a precious resource and a benefit that we thought wasn't before, and I think there needs to be a fair amount of research done into making sure that we know – like has been raised just a little earlier – about the whole ecosystem and all of that area.

There are no requests from me at this point to suggest that we do that. I think the companies have responsibility, frankly. More so the companies have that responsibility, because their reforestation costs are significantly less because of the aspen regenerating itself. They have to do stand tending, but their costs are somewhat less. That's why the stumpage rates are lower, because frankly we never got anything for it; now we get something for it. I think if you balance that out, it comes out well. But I still think the companies have a very real responsibility to do research and work through the University of Alberta and others to make sure the research into aspen – that we continually know more about it and how to tend it better to make sure the whole ecosystem is taken care of. I don't believe there's a need at the moment for a direct source of funding from the heritage fund for that.

I will get back, Mr. Chairman, as soon as I find the answer to the other question he asked. Oh, I found it. Can I give the answer, Mr. Chairman?

MR. CHAIRMAN: Yes.

MR. FJORDBOTTEN: The head tax in the north on grazing reserves is \$7.45 a month. Now, I'm giving you the average figure. In the south it's \$13.20 a month. Plus the grazing reserve patrons are responsible for pharmaceuticals and all those other things on top of that. But that's the average rate.

MR. CHAIRMAN: Thank you, hon. minister, and thank you for being here with us today and for the overview that you gave us and your forthright answers to our committee.

I would now entertain a motion for adjournment from the Member for Lloydminster.

[The committee adjourned at 12 p.m.]

