

[Chairman: Mr. Ady]

[2 p.m.]

MR. CHAIRMAN: If the committee could take their places, we'd like to call the meeting to order.

We adjourned the meeting this morning during debate or discussion on recommendation 8 from the Member for Clover Bar. The Chair suggests that we complete discussion on that recommendation, and then with the concurrence of the committee I'd like to spend a few minutes to see if we can come to a consensus on joining together some of the recommendations to reduce the total number. But to prevent breaking our trend of thought, we'll recognize the Member for Clover Bar to finish his introductory remarks on his recommendation and then recognize any others who wish to speak to that recommendation. So, the Member for Clover Bar.

8. That a new program under the environmental investment division be initiated for the effective and comprehensive biological control of the annual forest tent caterpillar infestation.

MR. GESELL: Thank you very much, Mr. Chairman. I'd like to conclude my discussion on the two remaining items just briefly, and that has to deal with the perceived cycles of this type of infestation, the forest tent caterpillar infestation, and then deal with the final item, which is control of the infestation.

When I left off, I think I left some information that indicated to you that there is not a definite cycle to the infestation. As a matter of fact, recorded evidence over a number of years, even dating back to 1940, indicates that we've had this as an ongoing problem. There's the general public perception there that perhaps these outbreaks occur in seven-year cycles. Well, that's not borne out by evidence. It is an ongoing situation. There may be some movement in the infestation from one geographic area to another, but it does not work in seven-year cycles as the general public might believe. I want to reinforce the point with respect to those outbreaks that since 1954 there have been four to five major outbreaks similar to the 1988 infestation, which was a major infestation.

In respect to control of the forest tent caterpillars, Mr. Chairman, let me say that last year, through Alberta Environment and through Environment Canada, there was a restriction placed on aerial spraying for this infestation, and the restriction basically applied to the chemicals malathion, Diazinon, and some other chemicals that were used up to that time to provide some control. Let me say that I am not in agreement with chemical control because these chemicals are not selective. They basically destroy all insects, and I have some difficulty with that when insects that are nontargeted, other than the forest tent caterpillar, are reduced. The regulations last year that were put into place did allow for biological aerial spraying of *Bacillus thuringiensis*, which is selective and only attacks the forest tent caterpillars or other caterpillars. That type of spraying I would deem acceptable.

But there is another problem here, Mr. Chairman, that we need to deal with and I want to make hon. members aware of, and that is although chemical spraying from the air is now banned, chemical spraying those same chemicals that we found to be hazardous when they are sprayed from the air are still permitted to be sprayed by the individual owner from the ground. I have some serious concern there, because the chemical spray is quite effective and shows immediate results on the forest tent caterpillar, and usually at the point in time where people take that alternative to spray, they are severely frustrated and perhaps even seek revenge, if I can put it that way, against

those forest tent caterpillars because of the severity of the infestation, and the immediate result provides some, I guess, psychological satisfaction. But there's a problem. When people, private owners specifically, spray chemicals, they generally are not as careful and perhaps not as aware of the dangers inherent in some of these chemicals. They generally overdose because of that. Also, because they do not wear the protective equipment that they should, there is a hazard to health, and that needs to be addressed as well.

The biological agents that are being used are effective, but the virus *Bacillus thuringiensis* needs to be ingested by the forest tent caterpillar to be effective. It takes some three to four days before the results are shown and the population declines and dies. It also needs to be applied at a particular point in time of the caterpillar development, somewhere in the neighbourhood of the first to the third instar. I would suggest to the members that caterpillars at that range, first to third instar, are approximately one centimetre in length, somewhere in that neighbourhood, so fairly small. If it is not applied during that specific time frame, then control with biological agents becomes more difficult. There are also natural controlling techniques. They occur naturally, and that's the flesh fly. That population grows with a caterpillar infestation growth. There's also a natural virus that attacks caterpillars, and there has been some limited evidence of that over the past number of years.

However, the problem is not significantly being reduced, and that's part of the thrust of the recommendation I'm bringing forward. It needs a co-ordinated approach in order to overcome this infestation problem that we have, not an individual approach where we spray in selected areas. There are initiatives where we spray certain of our provincial parks in order to control the infestation, but basically we leave the control mechanism to the private owners. I believe we need to provide some assistance to the private owners with respect to this infestation.

Thank you.

MR. CHAIRMAN: Thank you.

Any other discussion on this motion? The Member for Calgary-Fish Creek.

MR. PAYNE: Well, Mr. Chairman, I think we find ourselves in an unusual situation whereby this recommendation assumes the existence of an environmental investment division, which of course is the subject of recommendation 6. I term it an unusual situation because it's entirely possible that we could later in our deliberations find ourselves defeating recommendation 6 and approving recommendation 8, for which the cited division, in fact, doesn't exist. But I'll leave it to the chairman to deal with that difficulty later, should it arise.

I must add, Mr. Chairman, that I appreciate getting the benefit of the Member for Clover Bar's encyclopedic understanding of the subject of the forest tent caterpillar. Frankly, I would have preferred if some of his dissertation could have been directed to the question that I have, and that is: why should such an operation be funded out of the heritage fund and rather not out of the General Revenue Fund? I'd like to assure the member sponsoring this recommendation that should it be defeated and should the minister responsible for this area incorporate such a funding request in his departmental estimates, I would be among the first to join the Member for Clover Bar in supporting the minister in obtaining those additional funds. But I do believe that the General Revenue Fund is the more appropriate place for this kind of operating expenditure, as is the

case with numerous other infestations that already beset and plague our foresters.

Thanks, Mr. Chairman.

MR. CHAIRMAN: Thank you.

The Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Chairman. Actually, the Member for Calgary-Fish Creek said everything I was going to say, probably in a more pointed and articulate fashion, so I will rest my case on him.

MR. CHAIRMAN: Thank you.

The Chair recognizes the Member for Edmonton-Avonmore.

MS M. LAING: Well, I'd just say practically the same thing. I think it's a very specific program under a division that has not yet been created, and it may well be a program that could be incorporated under something like I have sponsored in recommendation 18 in terms of natural sciences research. I think we all recognize the seriousness of the problem; I'm not sure that it's appropriately addressed here though.

MR. CHAIRMAN: Thank you.

With the concurrence of the committee the Chair would like to move back to the subject of joining together certain recommendations.

MR. JONSON: I just want to make the point, Mr. Chairman, that I didn't know if the member wished to conclude debate.

MR. CHAIRMAN: Oh, I'm sorry. That's an oversight on the part of the Chair.

Does the Member for Clover Bar wish to close the remarks on that recommendation? My apologies.

MR. GESELL: Mr. Chairman, I will take the opportunity. Thank you.

I appreciate the comments that this may best be handled through the operations of a particular department. However, I would want to assure members that I've considered that, but because of the degree of the infestation and the defoliation that actually takes place in our forests, I feel that in order to protect that forest, it may fit also under the Heritage Savings Trust Fund, because it has a significant impact and serious tree mortality within our forests. So to me it is an environmental concern that should be addressed. It's not a simple pest control situation; it actually affects our natural resources, our forests.

Thank you very much, Mr. Chairman.

MR. CHAIRMAN: Thank you.

The Member for Westlock-Sturgeon with a point of order.

MR. TAYLOR: Yes, a point of order, Mr. Chairman. Draft 4 has been circulated, and unfortunately - maybe I wasn't clear enough on the item that was withdrawn - we got the wrong one withdrawn. Where the hell am I? Draft 4, isn't it, that was just circulated?

MR. CHAIRMAN: You're searching for the recommendation numbers that were withdrawn this morning?

MR. TAYLOR: Yes; 40 was withdrawn, when it should have

been 41.

MR. CHAIRMAN: My records indicate 41, so perhaps . . .

MR. TAYLOR: Yeah; we withdrew 40.

MR. CHAIRMAN: Okay. We'll make that correction.

MS SKURA: I'll put it back in.

MR. TAYLOR: The world won't stand still if they're not here for a few more hours, but I thought I'd just straighten that out.

MR. CHAIRMAN: Yeah. That's the only correction you have, hon. member?

Now, is the committee agreeable to revisit this list in an effort to scale down the number of recommendations that we have? The Chair would suggest that we move to page 4. Environmental investment division, which would be recommendations 6 and 8: it would appear we've already debated those, so it would be pointless for us to try and join them together at this point. So move down to the bottom, and let's see if we can perhaps bring number 4, which we've already debated or discussed, with number 60, which was submitted by Mr. Taylor and Mr. Mitchell. We'll look to the hon. Member for Westlock-Sturgeon to give us some comments on bringing those two together.

MR. TAYLOR: Mr. Chairman, I think the two can be brought together, possibly with a small amendment to the main motion, which would be the Member for Calgary-Fish Creek's motion, which is probably better phrased than ours. Maybe just an amendment, if the Member for Calgary-Fish Creek would agree, with something on the end like: with early attention to a recycled paper plant.

MR. CHAIRMAN: Hon. member, it's not possible to make an amendment. We've passed a motion on that, so we can't do that. We would either have to accept recommendation 4 as having served the purpose of recommendation 60, or it will be necessary to discuss recommendation 60 on its own merit.

MR. TAYLOR: Well, I think okay. I'm just a little afraid with the written recommendation of a multifaceted recycling program, which I think we understand may be too broad to give to the rest of the House, but I suppose . . . For the interests of brevity I'm moving on. I think it does cover it. We would withdraw ours.

MR. CHAIRMAN: Okay. We'll withdraw recommendation 60, if you want to make that notation on your respective lists and move to page 6. We'd consider recommendations 5 and 54 in the same context. Does the committee have their old, original list of recommendations so that they can refer to recommendations 5 and 54, so that you know what we're referring to?

MR. TAYLOR: If I may speak on this one. Is it all right? Do I have the floor?

MR. CHAIRMAN: Yes. The Member for Westlock-Sturgeon.

MR. TAYLOR: If I may speak on this, I don't think they are the same motion. The one by the hon. Member for Calgary-Fish Creek accepts the fact that there shall be three funding

operating organizations in the field of drug abuse, one by occupational health, one by AADAC, and one other by drug abuse, and just gives the rather pious hope that they will co-ordinate and work well together, whereas I think our motion is much more focused in it says that "the family and drug abuse program be administered by the Alberta Alcohol foundation. In other words, we're putting two programs into one rather than many . . . I believe that the second one is the better one here because it actually says something. The other is just acknowledging they should work together, which I would hope they would anyhow, but the other one is actually a substantive change. It's saying that rather than start a new bureaucracy for the family and drug abuse program, use the same bureaucracy as you already have, the Alberta alcohol commission.

MR. CHAIRMAN: Okay. The Member for Westlock-Sturgeon wants to leave 54 on the list, so we'll move on to page 7 and consider 32 and 64, the first being moved by Mr. Cardinal and the second by Rev. Roberts.

REV. ROBERTS: What are you proposing, Mr. Chairman?

MR. CHAIRMAN: I'm proposing that we debate only one of those. We're at a bit of a disadvantage in that the Member for Athabasca-Lac La Biche is not present, and it makes it difficult to make that decision in his absence, unless of course we accept his and have yours withdrawn, and that would be subject to your concurrence.

REV. ROBERTS: Well, unfortunately, Mr. Chairman, I don't think I can do that. The intention of mine is to have a fund set up that would be able to be used in a variety of different places in northern Alberta, not in just one specific lakeland region of northern Alberta. I appreciate Mr. Cardinal's intent, but I think mine is broader in base and more comprehensive and should continue to stand for debate.

MR. CHAIRMAN: Okay, we'll accept that, move to page 8, and propose that recommendations 10 and 18 might be considered together.

MR. TAYLOR: Is this the Alberta science centre one?

MR. CHAIRMAN: Again, we may find that they're not close enough together.
The Member for Ponoka-Rimbey.

MR. JONSON: Mr. Chairman, I appreciate your efforts there, but the two ideas, which I think will be revealed in the debate, are quite different.

MR. CHAIRMAN: All right. Let's leave those, and let's move to the bottom of the page and consider recommendations 55 and 56, both having to do with sudden infant death syndrome. We would look to the Member for Westlock-Sturgeon for comments on that possibility.

MR. TAYLOR: This is a pet project of the hon. Member for Edmonton-Meadowlark. I may interfere with it at great peril. I have a tendency to share the Chair's opinion that 55 is enough because 56 is just one of the operations you would do if you had 55 in place, isn't it, seminars and researching? If it's all right with the rest of the committee, I would take my life in my hands

and let 56 go and 55 stand.

SOME HON. MEMBERS: Agreed.

MR. TAYLOR: I hope the Chair will note that was at the urging, the unanimous consent of the rest.

MR. CHAIRMAN: Thank you. So that the committee is clear, the Member for Westlock-Sturgeon withdraws number 56.

Now, if you move to the very bottom of page 8, let's consider recommendations 30 and 65 to be debated jointly. The Chair notes a difference in the amount recommended in these two, and if the two members can't come any closer than \$75 million, we may have to debate them separately.

MR. TAYLOR: It's worthy to note, Mr. Chairman, that the big spenders are over on the Tory benches.

MR. CHAIRMAN: The principle would be well debated with either one of them.

REV. ROBERTS: We can't amend these, can we?

MR. CHAIRMAN: No, we can't amend. We either withdraw them or debate them individually.

REV. ROBERTS: Well, I don't know. If Ponoka-Rimbey were suggesting that we allocate \$150 million as was asked, then I would probably withdraw mine, if they want to go for the full amount. I was just trying to be somewhat more fiscally conservative. But I understand they're just reviewing the implications anyway, so I think it'll be useful to debate the two side by side when we come to it, but I think they are of different natures.

MR. CHAIRMAN: So to clarify your position, you'd like to have them both debated?

REV. ROBERTS: Yes, that's right.

MR. CHAIRMAN: Okay, we'll look to the Member for Ponoka-Rimbey. Your position is that you'd like to leave your recommendation in and not defer to recommendation 65, so they would both be debated.

MR. JONSON: Yes, Mr. Chairman. I think it's almost certain that the debate on both will be somewhat similar, but there's a little bit different approach to the two of them. It will probably go faster just to leave them separate.

MR. CHAIRMAN: Okay. All right, so that the record is clear, the decision is that both number 30 and number 65 will be discussed.

We'll move to the bottom of page 9 and consider recommendations 13 and 52. Did we already withdraw number 52? Yes, number 52 has been withdrawn by the Member for Westlock-Sturgeon. Let's move to the middle of that same page, page 10, and consider recommendations 25 and 27. The Member for Wainwright not being here . . .

MR. MOORE: Mr. Chairman, they address two different things. They may be related to the heritage trust fund, but one talks about identifying areas that should be funded out of general revenue, and one talks about the annual rate of inflation

being recognized before you transfer the revenue generated by the fund to general revenue. One talks about keeping the rate of inflation in the heritage trust fund rather than transferring all the revenue to the general funds, where the other one talks about where there are projects in there that in future should be funded out of general revenue, changed over. One of them we talked about was Syncrude, as one area that could be.

MR. CHAIRMAN: All right.

MR. MOORE: They are two different things, distinctly.

MR. CHAIRMAN: Thank you. We'll leave both of them in then.

Let's move to consider numbers 24 and 28 by the same two members.

MR. MOORE: Well, the same reason, I think: they address two different things. One says that until we have royalty revenue again entering the fund, we consider no further capital projects. The other one says that we look at the investments and put them in where they yield higher return to the fund. So they talk of two different areas, and they really aren't related.

MR. CHAIRMAN: Okay. Thank you. We'll leave them both in then. I believe that covers all of those that the Chair wanted to submit for consideration for pooling.

MR. TAYLOR: Mr. Chairman, I think you have one on the bottom of page 11, do you not?

AN HON. MEMBER: That's been previously debated.

MR. CHAIRMAN: It was previously debated, hon. member.

So in view of that I have one other item of business I would like to discuss, and that has to do with picking an additional day for recommendation discussions. The Chair made a suggestion this morning of Wednesday, December 6. We decided to defer the final decision on that until this afternoon. Could we have some indication from the Member for Edmonton-Centre on his availability for that day?

REV. ROBERTS: Yes. For the afternoon at 2 o'clock?

MR. CHAIRMAN: It would be morning and afternoon.

REV. ROBERTS: Oh, I'm sorry; I'm to be at Grant MacEwan in the morning. In the afternoon I could.

MR. CHAIRMAN: We'll make note of that and make a decision based on that information after we've . . .

MR. TAYLOR: Is this December 6?

MR. CHAIRMAN: December 6, yes. I believe that all other members present have given their indication on that, so we've accumulated all of the information that we can to help us.

Yes, hon. member?

REV. ROBERTS: Mr. Chairman, I'm sorry. Was there any clarification about this Thursday morning? Are we to meet? I thought I'd . . .

MR. CHAIRMAN: This very Thursday of this week?

REV. ROBERTS: Yes, the 23rd.

MR. CHAIRMAN: Yes; we were not able to make that come together.

REV. ROBERTS: Well, I could be here about 11 o'clock on the 6th.

MR. CHAIRMAN: Okay, thank you.

Hopefully we can complete our discussion of the recommendations with one more full scheduled day, so we'll endeavour to set that up. Then at some time in the future we'll set a date for voting on the recommendations. The Chair will endeavour to find as good a consensus as possible for people to be in attendance at that time.

Let's move back to discussion of the recommendations. We move to the Member for Ponoka-Rimbey, and ask that he read his recommendation into the record.

MR. JONSON: Yes, Mr. Chairman.

MR. CHAIRMAN: One moment, hon. member.
The Member for Edmonton-Centre.

REV. ROBERTS: Just on a point of clarification. Are we not, then, moving to debate them in the order as you've suggested here . . .

MR. CHAIRMAN: Have I missed some?

REV. ROBERTS: . . . by this?

MR. CHAIRMAN: Oh. No, we're going back to the old original. This was done just for purposes of expediting our discussion on pooling them, so we will not be using that any further in our discussions. We will . . .

REV. ROBERTS: Go back to the numbered order on this . . .

MR. CHAIRMAN: That's right.

REV. ROBERTS: That's unfortunate, in my view, but certainly while we've done this - adopt this as a way to proceed?

MR. TAYLOR: A point of order, Mr. Chairman. Actually, we could adopt this other change. One of the beauties about following the other numbers system is that different speakers come up, whereas if we stick to the original system, one speaker dominates for half an hour or an hour and it goes on. I think it makes it more interesting if we get a change of voices here and there through here, and we'd rather be more inclined to follow your suggested format rather than the old one.

MR. CHAIRMAN: Is there further discussion on this suggestion? To make it clear, some of the members are suggesting we move to this format, and the discussion of recommendations would come in this order as opposed to the order we were working from earlier. There would be some difficulty in updating this type of document. That was the only problem that has been brought to the attention of the Chair.

MS M. LAING: What is the difficulty? We know what we've discussed. Can't we just skip the ones we've discussed?

MR. CHAIRMAN: Yes, that would work reasonably well. However, I suppose we would find ourselves skipping around in this list now because we have discussed some dozen or so recommendations, which would give us some difficulty to keep continuity.

I recognize the Member for Ponoka-Rimbey.

MR. JONSON: Mr. Chairman, while I think the Member for Westlock-Sturgeon's suggestion has some merit – and I also really support it because otherwise we're going to be tiring him and his colleague out on the last day of our meeting, given the number and order in which they submitted their recommendations – I think, Mr. Chairman, your pooling paper is helpful in the sense that at a glance we can see the related resolutions as well as those that have been agreed to through the pooling process. But given the fact that we've started in on the traditional way of going at the recommendations, in the order in which they were submitted, maybe we'd better complete the process that way this time. The next time we sit down to deal with recommendations, perhaps we could tell everybody ahead of time that this is the way they're going to be listed, and you'd better be available for all meetings and so on and so forth.

MR. CHAIRMAN: The Member for Calgary-Fish Creek.

MR. PAYNE: Mr. Chairman, I think I agree with the Member for Ponoka-Rimbey. However, I'd like to emphasize my interest, assuming I'm still a member of this committee when we meet next year. I think it would be more expeditious if we were to review the recommendations grouped under common headings. I think we'd have less repetition in our speeches, and I think we might move more quickly. But I would agree with Ponoka-Rimbey, however; given that we've already started with the traditional format – we're 25 percent of the way through it – I think we should stick with it.

MR. CHAIRMAN: Is that agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Okay. Thank you.

Now the Chair recognizes the Member for Ponoka-Rimbey.

MR. JONSON: Mr. Chairman, first, at your request, I'll read the recommendation into the record:

That a scholarship program be established through the Alberta Heritage Scholarship Fund which would provide recognition to outstanding students entering and pursuing study in nursing.

Mr. Chairman, the purpose of the Alberta heritage scholarship program is that of providing financial support, but I think really more important: providing recognition of areas of post high school and postsecondary achievement in terms of study. Some of the programs that we currently have, such as the Rutherford scholarship program which was discussed in a previous recommendation, recommendation 7, have very broad application. They're available right across the province and to students in any particular area of interest going on to postsecondary education from high school. Mind you, they have to have been pursuing a particular set of courses while in high school, but that's the only way it could be administered. Elsewhere, though, in the list of programs under the scholarship fund we have programs which

are focused on areas which are rather specific. I won't go through a number of examples; I'll just use one to illustrate my point, and that is that we have the J. Percy Page scholarships which focus in on the area of recreation and sports.

Mr. Chairman, it seemed to me that at this particular point in the province's history – and this is likely to continue for some time as an area of priority – we have a situation where there is a shortage of students. First of all, there is a shortage of nurses, but in terms of the recommendation there is a growing shortage or decline in the proportionate number of people applying to go into the profession of nursing. We have the Hyndman commission doing its work. We do not know as yet what their recommendations will be, but they did bring forth an interim report on the profession of nursing which made a number of recommendations, one of which – and I'm paraphrasing here – is that there should be encouragement for nurses to go through further education in terms of pursuing their profession. It is certainly a key if not the key professional component in the whole health care network, and it would seem to me appropriate at this time, Mr. Chairman, to recommend that there be a scholarship under the Alberta Heritage Scholarship Fund. I've left the recommendation general in wording so that the people who are dealing with the fund can decide upon appropriate amounts without draining the fund and that sort of thing.

My two reasons for putting forward this recommendation are, number one, that I think there is a need to seize, whenever there's the possibility, ways of recognizing and supporting the study of nursing in this province; and secondly, I think that given the overall importance of nursing to the health care system at this particular point in time – and as I've said, this importance is not going to diminish; it's going to increase – it would be appropriate to have such a program within the purview of the Alberta Heritage Scholarship Fund.

MR. CHAIRMAN: Thank you.

Any other members? The Member for Edmonton-Avonmore.

MS M. LAING: Mr. Chairman, I appreciate the intent of this, and I guess I have a couple of questions. I'm wondering if outstanding students entering and pursuing nursing are not eligible for the other heritage trust fund scholarships, and particularly at the graduate level. I don't know that there is any restriction in that way and if they aren't also eligible for the \$10,000 and \$15,000 scholarships. So I would question whether we need a special fund at those levels for nursing.

The other concerns I have are that although we recognize that there is a shortage of nurses – and I'm not sure there are enough spaces for all those people seeking to enter nursing or whether, in fact, people who are applying are being turned away – to assume we have a nursing shortage because there is not adequate funding for training I think may overlook a number of factors that may, in fact, be the cause of the nursing shortage. The things I hear about are working conditions where there are increasing demands placed on nurses: part-time work, split shifts, those kinds of things. The salaries: again, we've had strikes in regard to salary and working conditions for nurses. And I think the other one is the low status nurses actually are given in the health care system by other health care professionals.

So my thought is that just to assume a nursing shortage will be overcome by the establishment of this scholarship misses many of the causes of the nursing shortage in Alberta. I guess that again I'm concerned about the narrowness of this scholar-

ship fund. Would we then look to having a heritage trust fund scholarship fund for dieticians, for dentists – very specific professional groups – or should we not be looking at a broader professional training scholarship fund perhaps?

MR. CHAIRMAN: The Member for Edmonton-Centre.

REV. ROBERTS: Yes, thank you, Mr. Chairman. Similarly to my colleague, my understanding of the nursing shortage is that it's not a function so much of people entering nursing but a matter of being retained in the profession once they've graduated and begun to work. I'd be interested to hear from the hon. member his information. Mine is that there's a slight drop in the number who are applying. But even of those who are applying, both to the diploma-based as well as the degree-based nursing programs, there are still more applying than there are places for them, so that in a sense, if this is an incentive to get people into nursing, they still might meet with not enough existing places in the schools of nursing, as they are now, to provide for those who want to get into it.

Another point I might make. Speaking to some nurses at the University of Calgary, I was struck with how they want to pursue a degree program, a BSc in nursing, and are hit with a tuition fee of close to \$1,000, whereas nurses who simply want to get an RN through a diploma-based or hospital-based program have tuition rates of only \$200 or \$300. So I'd be interested if this were geared toward nurses who want to pursue a degree in nursing, where the tuition is prohibitive. That's where I think the incentive should go.

Further to that, there are recent developments, again from the Hyndman commission and others who are talking of a collaborative program, that nurses might enter the diploma route and then continue on with a degree in the third and fourth years, although tuition again is going to be a problem. If they're paying \$200 a year tuition for the first years and all of a sudden have to pay \$1,000 in the third and fourth years, that again is going to be a disincentive to pursue that kind of nursing, which I think is what the Hyndman commission and others would like to see happen.

A third point I should just make is: I think if we want to provide some help to nursing in the province, we could do it through those who study nursing in some research capacity. As I've made the point earlier, we have a \$300 million fund for medical research in this province and a \$1 million fund for nursing research. I agree with the hon. member that nursing is a real issue that's taking on more and more of a priority. I would think that if it's taking on more of a priority, we and the trust fund should try to reduce that inequity of \$300 million for medical and only \$1 million for nursing. I think it's terribly inequitable and needs to be addressed.

Those are my three points, speaking partially against this resolution as it stands.

MR. CHAIRMAN: Thank you.

Any other members wishing to comment on this recommendation? If not, we'll turn to the Member for Ponoka-Rimbey for closing comments.

MR. JONSON: Yes. Just three or four quick points, Mr. Chairman, in conclusion.

First of all, in the response to my proposing the recommendation, there have been comments on the overall challenges or problems that are facing the profession of nursing. I fully

recognize that a scholarship is not going to solve those problems, where a scholarship has its own particular kind of impact. However, one of the major goals or areas of interest of the Alberta Association of Registered Nurses is that of getting recognition for Bachelor of Science degree status as a goal for nurses in the province. Secondly, as an offshoot of that, they would like to see more graduate programs for nursing in our universities. There is the overall desire, and I think a legitimate one, to have the status of the nursing profession grow and be recognized within the overall hierarchy, shall we say, or in the overall health care system. One of the things, I think, that helps to do that is to have somebody – in this case the government through its heritage fund – recognize this by way of providing scholarship support for that type of study. Therefore, this is the basis on which I propose the recommendation.

MR. CHAIRMAN: Thank you.

I would recognize the Member for Ponoka-Rimbey to open discussion on recommendation 10.

MR. JONSON: Yes, Mr. Chairman. I would read the recommendation.

That consideration be given to establishing an interactive world-class Alberta science centre designed to positively impact education, tourism, scientific research, and economic development. Now, I'll take a chance here and assume, Mr. Chairman, that all hon. members have read material on the idea or the concept of a science centre. Many perhaps have visited, at some location in Canada or in North America, a science centre.

Mr. Chairman, through the capital projects division we've funded a number of worthwhile projects which have the kind of impact that's talked about here. We have our Kananaskis Country, we have the Capital City Park, things of that nature. But it seems to me that in the proposal that has been made to government there is the opportunity to invest in a very worthwhile type of institution, and it seems to me that it has inherent in it some dimensions or some values that are somewhat new to the capital projects division and very worth while.

First of all, although it would be a centre open to people of all ages and all would benefit from it, I think it would be particularly focused on and beneficial to the youth of the province.

Secondly, it would be a centre which would provide more emphasis on science, which is needed in our society these days. It would be providing this emphasis in a very constructive way, and from that emphasis on science would accrue benefits in the area of tourism and in the area of economic development. But I think more importantly, from my point of view, it would provide benefit in the area of showing the relationship of science to the environment. Also, it would have the overall educational impact that would be designed into it, and if we are to go forth with new projects under the capital projects division, I can think of no more worthwhile type of project to recommend.

MR. CHAIRMAN: Thank you.

Any members wishing further discussion on that recommendation? If not, we'll move on to – I'm assuming the Member for Ponoka-Rimbey has finished his comments and would not wish to have closing comments? That's your good pleasure.

We'll move on to recommendation 16, and I recognize the Member for Edmonton-Avonmore.

MS M. LAING: Thank you, Mr. Chairman. I would recommend

that ministers and others appearing before the standing committee provide a written report with respect to their areas of Alberta Heritage Savings Trust Fund responsibility at least seven days prior to their appearance before the standing committee and that such report include complete and up-to-date financial documentation with respect to fund activities.

I make this recommendation because when we get the information in the report given to this committee and then have to immediately question the presenters, we haven't had time to look into the information to analyze it or to do research into the activities to see if, in fact, what is said to be going on is going on and if, in fact, it has been effective usage of the funds. I believe that if we have the information seven days prior, that gives us a chance to analyze it and ask more searching questions and, in many cases, more on-target questions.

MR. CHAIRMAN: Further discussion on that motion? I recognize the Member for Lacombe.

MR. MOORE: Yes, Mr. Chairman. I can see what the member proposing this motion has as intent, but basically we have a financial statement given to us; it covers all the spending clearly spelled out and laid before us. We had the Auditor General come before us and explain anything in his statement, and then to come back and say to the minister to duplicate this - I don't see what the ministers could add further than what's in the statement and what the Auditor General has brought. If any member has any concern about what the statement says, they can get a very thorough, impartial explanation as to that spending item they had concerns in.

So I think I would have to be against this. This is the responsibility of this committee to look at these things. We have the material provided to us by the Auditor General, and the Auditor General himself coming before us to explain this. We have all that there. I don't think it's necessary for ministers to prepare this information, so I would be against going through this shift of paperwork.

MR. CHAIRMAN: I recognize the Member for Clover Bar.

MR. GESELL: Well, Mr. Chairman, I do have some difficulty with the motion. And let me say I'm a new member to this committee, I'm a new MLA, and I found the research that I had to do in order to become acquainted with the areas of responsibility by different ministers to be a beneficial one. I for one do not feel that I need to be spoon-fed by the ministers in order to get information and ask pertinent questions. I think the value of that research and my understanding of some of the areas that we're talking about has benefited me and will continue to benefit me, and I would hope that other members would adopt that attitude.

With respect to the up-to-date financial documentation, I have some severe difficulty with that, Mr. Chairman, because when this committee meets, we deal with the financial documentation that has been filed, usually for the previous year. What the member is asking for here now is that the minister provide a financial statement to the date seven days prior to the actual hearing. I find that to be somewhat onerous on a particular department and on a minister to provide that detailed accounting in the middle of a particular year, not the end of a particular financial year. That I have some severe difficulties with. If questions need to be asked by this committee with respect to current day expenditure, they occur, and the direction some of the areas of responsibility are going into - those questions - I

believe you've given a sufficient latitude that they do occur in this House.

So I don't really either appreciate this motion or support it.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Centre.

REV. ROBERTS: Well, Mr. Chairman, I'm surprised at government members who continue not to want to get the best information ahead of time before they enter into debates on things. It's not a matter of being spoon-fed. It's a matter of asking the bureaucrats and the people involved in these departments - who are, as we know, given thousands of dollars to run their shops - to just be a bit more up to date in terms of information before it comes to this committee.

I can think of three cases in point during these sessions. Alberta Mortgage and Housing: the day the minister and officials were in, they gave us the report that day. I do not see it to be at all unreasonable to think that could have been given to us at least seven days beforehand. The same with Occupational Health and Safety; I believe it was their report that was given on the day they appeared. The same with the medical research people, although those of us who were at the tour were given that same information previously.

Maybe it's just a matter of communication between the chairman of the committee and these different officials, to say, "Listen, we're meeting, and can you please get us any pertinent material that you might have coming down the pike anyway, whether it's the glossies or other annual reports or other information that might be helpful to the committee, seven days prior to you coming?" and not just expect that we as responsible MLAs can read all the material that's given to us the day they come to appear before us to try to get a quick sense of that, to try to understand why some statistics read the way they do, when in fact, if we had at least a seven-day period to go over that and review the material that is available, we'd ask better quality questions. So again it's not a matter of being spoon-fed. Maybe it's just a matter of increased communication, but the overall quality that results I think will be much higher than what we've had thus far.

MR. CHAIRMAN: Thank you.

If there's no more discussion on that recommendation, I'll recognize the Member for Edmonton-Avonmore for closing comments.

MS M. LAING: Thank you. Well, I would just state that obviously the ministers don't feel there is sufficient detail in these reports and from the Auditor General, because often they take 20 minutes to half an hour to explain their department. So obviously they feel we need more information than is involved in these reports. I believe we should have an opportunity particularly to analyze the data so that, as I said before, we can make more pointed questions and gain a greater understanding. Certainly it's not a suggestion that they should spoon-feed us by telling us the questions we should ask, but it gives us a chance to look at the information from our perspective.

MR. CHAIRMAN: All right. Thank you.

We'll move on to recommendation 17 and recognize the Member for Edmonton-Avonmore.

MS M. LAING: Thank you, Mr. Chairman. I would recom-

mend

that the government of Alberta create an Alberta heritage foundation for research in the social sciences and humanities. A \$150 million endowment fund, provided under the capital projects division of the Alberta Heritage Savings Trust Fund, would fund basic, applied, and specific research and would be modeled on the Alberta Heritage Foundation for Medical Research.

I think this is an absolutely crucial area of research that needs to be done. In looking at when the Alberta Heritage Savings Trust Fund medical research people were here, we talked about the failure to address mental health problems in their research. The answer given in regard to the lack of research into mental health was that they didn't get many proposals that met with their standards. In the context of having said that, their research was on a biomedical model, and that was a problem with the research. I think we have to look to the social and psychological context of medical problems, for instance, social problems, if we're going to really look at these issues. We see that mental health, poverty, abuse, people involved in the criminal justice systems are a great drain on public funds. I think it's time we started to do research into the human side of our society, that it needs to be not only in regard to specific targeted areas but in regard to how things are being done and also basic research to determine new ideas and new directions.

So I would ask for support for this recommendation.

MR. CHAIRMAN: Other people wishing to speak on this recommendation?

Member for Ponoka-Rimbey.

MR. JONSON: Well, Mr. Chairman, I believe this particular recommendation, perhaps not exactly in these words, has been before the committee before and has had some debate, and it is back again. I recognize the areas of need or the areas of concern the Member for Edmonton-Avonmore has used as examples, and certainly there is more need for work in that area. However, I don't, personally at least, see the model of the Alberta Heritage Foundation for Medical Research serving very well in this particular area or being very viable. I note, if I might just refer to the Alberta Heritage Foundation for Medical Research, that although I guess at first glance this is essentially an area of cut-and-dried decision-making, there is a great deal of politics within the area of medical research. One of the major challenges the people running the medical research foundation faced early in their mandate was to focus their resources on particular areas of medical research. I know there was quite a struggle to decide what those priorities should be, but they did focus their efforts and concrete results have resulted.

If we were to use this same model with respect to the social sciences and the humanities, I just cannot see the board or board of governors, or whatever we want to call the governing group, being able to satisfy the broader Alberta society as to what particular area should be focused upon and what particular tack should be taken with respect to the various social issues that face our society. Mr. Chairman, I think we have a good lesson in Alberta history if we go back a couple of decades or about 20 years. We had the Human Resources Research Council, which was established under the previous government. Although I'm sure they endeavoured to do their best, that effort eventually became a rather confusing one in that they seemed to change direction every two or three years or so. There was a great deal of controversy over the priorities they had set and so forth, and it just did not work out.

I think we have a certain amount of research in this area going on at our postsecondary institutions, and we seem to have an increasing number of autonomous and semiautonomous foundations doing work in this particular area. There is evidence being brought out on various issues, and I guess it's incumbent upon the average citizen and the politician to be aware of these findings that are available to us from all across the country and make decisions accordingly. I'm afraid, Mr. Chairman, I just don't see this as being the vehicle for this particular area of investigation.

MR. CHAIRMAN: If there are no other speakers on this particular recommendation, I'll recognize the Member for Edmonton-Avonmore for closing comments.

MS M. LAING: Okay. Thank you, Mr. Chairman. I think the argument that it is a difficult area is not an argument against doing something. It may mean that we have to put extra effort into defining the issues we're going to study and into trying to find definitions that in some sense can be operationalized. But I think it has such a profound impact on all aspects of our lives that it's something we can no longer leave to whim or specific interests. It just has too much impact not only in terms of how we live but on the public purse. It's always been easier to do research on the hard sciences model in medical research that looks very much at high-tech research and fails to address the very real human issues that surround even that research and the use of that technology, to the detriment, I think, even of the health care that is received.

So I believe we must be innovative and open to finally addressing an issue that touches us most profoundly in our lives.

MR. CHAIRMAN: Thank you.

We'll move to recommendation 18 and recognize the Member for Edmonton-Avonmore.

MS M. LAING: Thank you, Mr. Chairman. I would recommend

that the government of Alberta create an Alberta heritage foundation for research in the natural sciences and engineering. A \$150 million endowment fund, provided under the capital projects division of the Alberta Heritage Savings Trust Fund, would fund basic, applied, and specific research and would be modeled on the Alberta Heritage Foundation for Medical Research.

This is certainly back into the hard sciences area. I think if we in fact are going to stay competitive in a world in which there is increasing reliance on technology, we have to have and be at the forefront of research in the natural sciences and engineering. The Alberta Research Council has been an excellent resource to Alberta and Albertans and certainly is recognized throughout the world.

In talking to business people who look to locating in the province of Alberta or in specific cities, one of the things they say over and over again is, "We want to look at the kind of university you have, the kind of research facilities you have," because their advances and success depend very much on being at the forefront. We need to, then, be able to provide them with access to the best research. Again, I would say that basic research opens up new ideas, new ways of doing things, things that cannot be preconceived but are very much building for the future. So we need to focus on that as well as the applied research and specific research that deals with the issues at hand.

MR. CHAIRMAN: Members wishing to speak to this recommendation?

The Member for Calgary-Fish Creek.

MR. PAYNE: Mr. Chairman, I'm going to have to express one or two reservations with respect to recommendation 18. I guess my primary concern is: where will the \$150 million come from? As long as no new or additional royalty revenues are flowing to the fund, I would find it difficult to support such a major draw on the fund, because obviously if there are no new or additional royalty revenues flowing, this large amount would have to be found somewhere within the existing fund.

I think all the members are aware of the strains that are being felt by most, if not all, of the existing divisions in the fund. This is not to suggest that I am not supportive of the interests the Member for Edmonton-Avonmore has expressed in the natural sciences research area. I share that interest, and I share her positive comments about the types and levels of natural sciences and engineering research that are under way in our province at this time. One thinks of AOSTRA and the Alberta Research Council and our various universities. There is obviously a very considerable amount of this type of research being conducted, and certainly I'm very supportive of it. There may be a point down the road when I would be able to translate that expressed support into support for this kind of recommendation, but in the existing economic circumstances where no new royalty revenue dollars are flowing to the fund, I regret I'll have to resist such a recommendation.

MR. CHAIRMAN: Thank you.

The Member for Lacombe.

MR. MOORE: Thanks, Mr. Chairman.

I see nothing wrong with the motion. It's probably a good idea. However, just like everything, is it appropriate in the economic situation we're in now? I certainly would be interested in the mover's reply to the Member for Calgary-Fish Creek's concern of where the money is coming from, because that \$150 million is basic to the whole thing.

The other thing, though, when we look at it: a lot of this research is ongoing. The Research Council is into it. It has a pretty broad mandate and covers many of those areas, and could cover more. To some extent Farming for the Future is a very broad area where a lot of research goes on, and sometimes I wonder where they hook it all to Farming for the Future. But a lot of research is going into those areas, and it's covered presently from heritage trust fund moneys. So it isn't that it isn't ongoing. It is ongoing. Just like anything else in these areas, they're good ideas and they could be expanded on, but there just aren't the dollars there. And if other projects are taking it, I think they're being addressed - maybe not to the fullest extent some people would like.

So I would have to oppose it on the area that right now we aren't in a position to fund such a project.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Centre.

REV. ROBERTS: Thank you, Mr. Chairman. It's just that I'm a bit surprised by the comments from the last two speakers. I don't recall any comment from them during the course of these hearings that the \$200 million that's been proposed for the drug abuse foundation is a fiscally irresponsible move. I don't recall

any member from the government benches asking where that money's going to come from in the trust fund. Maybe they know the answer to that. Maybe they feel that when the Premier just snaps his fingers and calls for \$200 million to be allocated to his pet project, that's okay, but these more broadly based, I think more socially responsible endowments which the Member for Edmonton-Avonmore is looking at are all of a sudden problematic because they're asking for money. I think it's obviously a matter of priorities, which certain government members have backwards, and a matter of political will, which has already been demonstrated to be there when the priorities are in place.

So that would be my rejoinder to their negative comments about what I think is a very positive proposal put forward by Edmonton-Avonmore here.

MR. CHAIRMAN: Thank you.

The Chair recognizes the Member for Edmonton-Avonmore to close discussion on this recommendation.

MS M. LAING: Thank you, Mr. Chairman.

I must admit I am a bit astounded in view of the reaction that this may be fiscally irresponsible, given that we have been discussing the establishment of other kinds of grants and foundations today. We haven't heard this argument before, for instance, that we should be developing a program to deal with caterpillars. It seems to me that's something that might well fall under the mandate of this research program. We have seen a suggestion that funds be established to co-ordinate three existing programs, one of which has a proven track record and could, I think, successfully co-ordinate what has been called for without additional funds from the heritage trust fund. So I guess I'm really surprised at this reaction.

The other concern I would have is that although the Alberta Research Council has an excellent history, most of the research now is very applied and specific and they have moved away from the basic types of research that give us innovative and new ideas. I also think that if we put this kind of research on hold, this kind of initiative, we will fall behind the rest of the world in a way that we cannot catch up. It's not time to say that we can't afford this, because at some point, if we can't afford it now, it will mean we have lost out in the international marketplace.

MR. CHAIRMAN: Thank you.

We'll consider recommendation 19, and I recognize the Member for Edmonton-Avonmore.

MS M. LAING: Thank you, Mr. Chairman. I would move that the Heritage Savings Trust Fund Investment Committee take the steps necessary to effect the return of \$150 million of the \$200 million loaned to Vencap Equities Ltd.

I make that proposal in view of the fact that it's my understanding that the government of Alberta has provided \$200 million to Vencap, \$40 million was provided by shareholders, and in fact only approximately \$80 million has been invested as venture capital and has done what this company was set up to do. It is not giving us the kinds of benefits we would have hoped. They must be overfunded, in fact, if they have not invested as venture capital the full amount, and we should draw back into the fund the \$150 million which is not being used.

MR. CHAIRMAN: The Chair recognizes the Member for Westlock-Sturgeon.

MR. TAYLOR: I recognize the intent behind the motion. I

don't blame the mover at all, in that, indeed, for what Vencap has done to date or up until recently anyhow, they were grossly overfunded; they were just sitting on funds that would have been better off with us. However, what I think we have to remember here is that there were public shares sold in this corporation. There was an agreement made to loan the money, which is payable over . . . I don't know what the terms are. I think the operative thing is whether the government keeps its word and whether it stays behind the promise it made, because many shareholders bought into Vencap because of the loan. So I think it would be breaking faith with a good many shareholders. If you want to spank Vencap, there are better ways of doing it without in effect going back on our word.

MR. CHAIRMAN: Thank you.

The Member for Calgary-Fish Creek.

MR. PAYNE: It's certainly against my nature to make two negative comments back to back, Mr. Chairman, but I'm hard-pressed to do otherwise.

Let me say that the Member for Edmonton-Avonmore has struck a somewhat responsive chord at least to this extent. Certainly in the early stages of Vencap it seemed to move more with the speed of an overly cautious tortoise than an exciting venture capital fund. In the early days it certainly seemed more like a low-interest savings account. I also have reservations I must air, Mr. Chairman, with respect to the size of their staff. When you compare their body count, cold and warm, to the body count of similar venture capital organizations, it's hard not to develop certain reservations. In all candour I must confess they have made one or two investments that I found puzzling and very difficult to justify under the parameters or criteria of the fund as I understood them.

But having said that, however, I do recognize they have done some considerable amount of good in Alberta. I think in the past year they seemed to be moving to remedy some of these deficiencies, at least as I have perceived them. I'm encouraged by that, and I hope they will continue to make progress. I would be reluctant to jerk their financial underpinnings at this point in time. I think I agree with the Member for Westlock-Sturgeon. It would send an unfortunate, if not mixed, signal from this government with respect to the way it honours its intentions and commitments of this nature. So on balance, I regret I am at this point not able to support the recommendation.

MR. CHAIRMAN: The Member for Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Chairman. I agree wholeheartedly with the Member for Calgary-Fish Creek, but I think one thing we must keep in mind is that even though Vencap did have a very slow start and it didn't seem like it was going to make a move, they have committed almost \$114 million of their programming through March 31, '89. Venture capitaling is a different concept in business. The deals don't come fast and furious. There are long-range plans and there are long-range negotiations to get venture capital in place. So we've been patient with it, and I think we are seeing some results come through on it.

Also, one of the things: the terms of payback as expressed on, I believe, page 45 of the report, schedule 5, show that even when the payout is made on the funding, there will be an additional 10 percent received on the defined net income for an additional 20 years after the full payout of the \$200 million. So the

investment is long range, and the return is also long range. I think one thing we have to do is be a little patient with Vencap and we will see some positive results coming out of them this next year or maybe in two years. But venture capitaling is very long range. It's not a short-range investment.

MR. CHAIRMAN: Thank you.

If there are no other comments, I will recognize the Member for Edmonton-Avonmore for closing comments on recommendation 19.

MS M. LAING: Thank you. I guess I would not deny that venture capital is long range in terms of paying back, but when it's not invested as venture capital, then it doesn't do what it is supposed to do, and that is to help diversify and stimulate the economy. It would appear that there wasn't a demand for the funds that were made available to this corporation. Therefore, I would suggest it should come back to the Heritage Savings Trust Fund.

MR. CHAIRMAN: Thank you.

For consideration of recommendation 20, I recognize the Member for Edmonton-Avonmore.

MS M. LAING: Thank you, Mr. Chairman. I would recommend

that the Legislative Assembly take the steps necessary to make the Minister of Economic Development and Trade responsible to the Legislative Assembly for Vencap Equities Ltd. and redefine its purpose as originally intended; that is, to diversify the Alberta economy and create jobs.

As I'd noted previously, of the \$240 million that had been given to Vencap, 80 percent of the funds, \$200 million, came from the Heritage Savings Trust Fund, and we have no real sense of what they're doing. There seems to be no accountability. We've said a significant proportion of those funds was not used as it was intended to be used, to diversify the economy. The minister, when he was here, indeed indicated his concern about this lack of accountability. We have no members on the board to make sure the decisions that are in fact made are in line with diversifying the economy, sensitive to environmental concerns, or are good dollars spent in terms of creating jobs. I think it's essential when we have this kind of money out there that the people handling that money be accountable to the Legislature. It is, in fact, public funds even though it comes from a specific source.

MR. CHAIRMAN: Thank you.

Other members wishing to speak on this particular recommendation, being recommendation 20?

The Member for Westlock-Sturgeon.

MR. TAYLOR: Just a short one to say I approve of the motion, and I think the hon. member is right on to try to make Vencap answer a little bit more to the Legislature through the minister than they have been. This hands-off attitude - I don't know. I wasn't here when they made the loan, but I know they got \$200 million. The don't bother me answers we've been getting for the last couple of years are not good enough.

MR. CHAIRMAN: Thank you. Any other comments on that recommendation?

Member for Wainwright.

MR. FISCHER: Thank you. I would just like to disagree a little bit with that. We do set up our boards and administration to organize and place these kinds of things, and I really believe our people that we put in place are every bit as capable of doing that as our people in here are, and I think we should recognize that. Yes, they've had a few problems in the past, but they can be straightened out, and everyone needs time to straighten those out. The money isn't wasted, and I don't see how people can say we should bring it back in here and organize it all ourselves. So I would disagree with that motion on that.

MR. CHAIRMAN: Thank you.

I recognize the Member for Edmonton-Avonmore for closing comments on that recommendation.

MS M. LAING: Thank you. Well, Mr. Chairman, it's public funds, and I think that when a board administers funds on behalf of somebody else, they have to be held accountable. If they are in fact capable of doing the job they are supposed to be doing, they will be able to prove that and won't be subject to criticism that may in fact have no foundation. So I believe given that 80 percent of the funds came from the Heritage Savings Trust Fund, as a Legislature we should be able to interrogate and understand how those funds are being used.

MR. CHAIRMAN: Thank you.

We'll consider recommendation 21 and recognize the Member for Edmonton-Avonmore.

MS M. LAING: Thank you, Mr. Chairman. I would recommend

that an Alberta co-operative development fund be set up under the Alberta investment division of the Alberta Heritage Savings Trust Fund. This fund of \$100 million would provide a source of capital to help establish new co-operative ventures and to help strengthen the existing co-operative sector.

Mr. Chairman, I think we need to recognize the strong role the co-operative movement has played in Alberta with such co-operative ventures as the Wheat Pool and co-op stores, something I grew up with in rural Alberta. They're community based. They benefit the community. They feed the profits back into the community. They can be a strong part of economic diversification. I know that when I was out on our economic development task force, we met with people who had difficulty accessing funds because they were a community-based co-operative. Somehow that structure was not totally acceptable to funding agencies of the government. I think we have to see the co-operative structure as capable of building a profit-making enterprise as the traditional notions we have in this province; that it allows people to be involved in their own future, in building their own communities in a way that suits them and is very much all about community development in a way we need to bring to bear when we're looking at economic diversification and development. Co-operatives very much respond to local needs and initiatives. So I would suggest that we need to make funds available for education, management expertise, and resource materials to help people in what is a typically prairie type of enterprise.

MR. CHAIRMAN: Thank you.

I recognize the Member for Lacombe.

MR. MOORE: Well, Mr. Chairman, I'm surprised at the wording of this motion. I feel that the mover wasn't naive. It's

just that she was uninformed about co-operatives in her statements, because I am certain she wouldn't mislead us.

I have a little knowledge of co-operatives. I managed, at different times, three major co-operatives in the province. I was director of co-operatives for the province for a period of time. I understand co-operatives and the makeup of co-operatives and the financial problems and the operating problems from being involved very heavily in them.

The first thing, Mr. Chairman, we must understand: co-operatives are not any different than any other business. That is a myth promoted by some people. The only difference between a co-operative and any other company in this country is that they have one clause: one member, one vote. That is the only thing. When they go for financing, there's no lack of financing available to them; they have the same amount. In fact, I am surprised at the statement that financial institutions shy away from them, because the credit unions, which are very large in this province, are co-operatives. If they are shying away from their own co-operatives, it must be because they are not a good economic investment, and then people should shy away from them.

To say that we need a special fund set up to help them establish new ventures – every fund, every program the province has in Alberta to assist small business is available to co-operatives. All they have to do is meet the qualifications like any other business. To say we need to set up a separate one is just surprising to me. It shows a lack of knowledge of co-operatives. Co-operatives do apply as well to these programs. If you go across there and look at some of the programs the Alberta government has offered, I am sure you'll find that the co-operatives are taking part and participating in those programs. So there is absolutely no need for such a program to be set up and carry on the myth that co-operatives are different. They aren't.

To say that they return the profit to the people: that's right. Tell me a company that doesn't return the profit to the shareholders. Their board of directors decides the rate of return and so does the board of directors of a co-operative. They decide the dividend they're going to pay. That goes on with any other company. That profit goes back. It's owned by the shareholders of that company; it's owned by the shareholders of the co-operative.

So, Mr. Chairman, there is absolutely no need for this motion or that fund.

MR. CHAIRMAN: Thank you.

The Chair recognizes the Member for Westlock-Sturgeon.

MR. TAYLOR: I've listened to the points made by the hon. Member for Lacombe, and they are good ones. But at the same time I think we would have to admit that in the business life of this province possibly we have let some of the major processing facilities in agriculture, whether it's Cargill or – Gainers has ended up being owned by the government anyhow. Some of the big moves, and I'd maybe even go so far as to say the tar sands or heavy oil, which would be a case of not co-ops by farmers, but they could have been co-ops by small Alberta producers . . . I think we overlooked a whole method of financing our resource processing, be it a natural resource or agricultural resources, by being rather critical of the co-ops. I think this government has had a bit of a history that way. There are always exceptions; they've been very friendly to the dairy co-ops, dairy pools.

[Mr. Jonson in the Chair]

MR. MOORE: Gas co-ops? REAs?

MR. TAYLOR: Yeah, and the credit unions – you've mentioned that – the smaller ones.

But I think there could have been a little more imaginative and aggressive financing in a co-op mode for some of the processing of our agricultural products and our oil and gas products that would have kept the ownership here and not let us be, as we're now beginning to see as we develop, subject to the whims and fancies of the huge worldwide organizations. Our refineries have concentrated down to just a few refineries owned by – Standard of New Jersey dominates that. Cargill dominates the agricultural processing area. And I think co-ops might have – maybe they would not; maybe they would have ended up like the credit unions. But I think it would be better to have co-opped and lost than never to have co-opped at all.

MR. DEPUTY CHAIRMAN: Would the Member for Edmonton-Avonmore like . . . [interjection] I'm sorry, Edmonton-Centre.

REV. ROBERTS: Thank you, Mr. Chairman. I just also wanted to add a feature to this motion, which is to help establish new co-operative ventures. I can take it from the Member for Lacombe that – particularly if he'd been in charge of them in the province for a while, no wonder they pale in comparison to other private-sector initiatives. Certainly there's a way in which the co-operative movement has been very helpful, particularly in the prairie west, to really concentrate on joint ownership and operation of various initiatives. I would be excited by such a fund as this to help establish some new co-operative ventures, particularly in the cities.

I see a number of different possibilities at some local levels, whether it's in co-operative housing . . . I know in Vancouver, for instance, a pool like this was set up to have a co-operative bicycle repair shop, which was incredible in terms of putting people to work in the inner city and was really healthy in the environment. It wasn't necessary for cars as much, and people could enjoy the parks more, and all this. But it was a co-operative venture in the city of Vancouver which was very, very successful.

So I think with some new imagination and with some commitment to the kind of ownership and operation, as the Member for Westlock-Sturgeon has already said, that isn't just being dictated by Wall Street or the Toronto Stock Exchange or by others outside of Alberta . . . These are locally based and locally driven kinds of initiatives with the co-operative spirit in mind that has really been the backbone of much of the development of us here in western Canada and, I think, would show us to be even greater stewards of the public purse and should be acted upon.

MR. DEPUTY CHAIRMAN: To conclude, the Member for Edmonton-Avonmore.

MS M. LAING: Thank you. Well, I think what I'm advocating is that we do look at, as the Member for Westlock-Sturgeon has talked about, a different method of financing, that we don't have money sources coming in from outside and determining what will happen in a community but that in fact the community develop itself in accord with its own needs, that the return of profits is

to the community and not some group of foreign stockholders. It's something that has been sadly lacking in terms of the priorities of this government.

MR. DEPUTY CHAIRMAN: Moving to recommendation 22, the Member for Westlock-Sturgeon.

MR. TAYLOR: I move

that the Minister of Technology, Research and Telecommunications study . . .

Not "implement" – "study".

. . . the economics of making the first three minutes of any phone call within the boundaries of Alberta toll free.

This has been a pet of mine for some time, Mr. Chairman, because I feel – and I wish there were more rural members on this committee – that the present toll system that's put in definitely favours cities or large concentrations of population. For the utilities board and the rate-setters to argue, "Well, we can give cheaper rates between people who are calling each other often," in other words perpetuates what already is, or it becomes a self-fulfilling prophecy, that you're going to get the most phone calls between two points that are not charging. In other words, I guess to explain it maybe more simply, if you're living rurally, it's quite common now under the present phone system to be in town A and be able to phone the city toll free, but a town that's halfway between you in A and the city is a long-distance charge. This happens all over Alberta. The argument that the phone company gives, of course, is that there are not enough calls between A and B out in the country but there are lots of calls between A and the big city, so we therefore make an extended flat rate area and make them toll free.

Well, that's a self-perpetuating condition, because if you give me free phone calls to London, England, or charge me an arm and a leg to call Calgary, I'm going to start calling London, England, all the time. So what we get are businesses, then, locating in our cities in order to take advantage of the fact that they can reach more people. Intriguingly enough, we now have that freedom. They used to argue at one time: hide behind the regulations of the PUB. But the point is that now that the federal government has said that the provinces can't control phones is the time for us to break loose from this bondage, if you want to call it that, a rather antiquated system of rating phone calls in Alberta. And I say go border to border with extended flat rates, because I think it'd pay. It would encourage a lot more small businesses to locate out in our small towns, which in the long run is good for taxpayers, it's good for pollution, it's good for jobs, and it's good for everything.

Secondly, I think if you locate businesses out through the area, it's very similar to the old system of tolls on the highway. At one time they used to say, well, everybody that uses the highway should pay a toll. But we learned that when we took the tolls off, the increasing traffic and commerce that was engendered by being able to travel on highways without paying a toll more than made up for the fact that we weren't collecting tolls any more, that the income tax that came in from higher incomes would make up for the fact. This is the same thing with phone tolls. I think we would find that the increased income would be fantastic from the point of view of what it would do to business.

Lastly, with the modern-day age of computers it's awfully easy to structure your charge to make more out of the next four, five, six, and seven minutes that you're on the phone after you give the first three minutes free. So it's not a difficult thing to do in the modern days of technology, and it's really something that I think would diversify our economy, spread it out from our cities

— not that I'm trying to bankrupt the cities and drive them under because they're Sodom and Gomorrah or anything like that, Mr. Chairman, or turn them into pillars of salt. I'm just trying to say that in the long run, environmentally, socially, and economically it is better to spread our growth and profits around, and one of the ways of spreading that growth is to make it easier to talk to each other.

MR. DEPUTY CHAIRMAN: The Member for Lacombe.

MR. MOORE: Thanks, Mr. Chairman. I think every Albertan would agree with this motion, a very good political one. I must compliment the Member for Westlock-Sturgeon for bringing it up. Nobody can argue that it isn't a good idea, the first three minutes. However, we do live in a land of reality, not in a land of wishful thinking. This particular area has been reviewed and is under, I imagine, constant review by AGT officials.

I have on occasion since being elected had the occasion to talk about toll-free service between just some neighbouring towns and had some very in-depth discussion with AGT officials on just arranging that. It wasn't possible because of the cost factor. In looking at this, if my memory serves me right — and I could be out a dollar or so on this — they said it would be in excess of \$250 million a year of lost income if such a program was brought in. My argument was the same as the Member for Westlock-Sturgeon: well, if you're going to make these ones toll free between certain points, why don't we go universally across the province? Starting at that point of discussion, I found the costs would be prohibitive to the taxpayers of Alberta, because that \$250 million is going to have to be picked up somewhere else.

So we go back to the fact that we have to individually take some responsibility for services we demand and use. This is one where if you're using that, it's for your particular benefit and you should pay a portion of it. Maybe over time, with the gains in technology and what have we, we may come to that. But today it is beyond our means economically to do it if we want to practice sound management of our dollars. Two hundred fifty million dollars to come out of somewhere else; we just haven't got it.

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

MRS. BLACK: Thank you, Mr. Chairman. My comments are somewhat similar to the Member for Lacombe's. What I wanted to add is that I, too, think it's a very interesting prospect to look at, and the study, I think, would be fascinating to see what the results were. But I'm not too sure that it really fits in the arena of the heritage trust fund. I think it possibly would be more fitting within your own caucus to do that kind of research and study, and possibly get back to the Legislature at a later time. I don't know that it really falls into this venue, but I would be interested in seeing the results of the study, though, if you pursue it.

MR. DEPUTY CHAIRMAN: The Member for Clover Bar.

MR. GESELL: Thank you, Mr. Chairman. I believe the motion is somewhat good intentioned, but I . . .

AN HON. MEMBER: Well intentioned.

MR. GESELL: Well intentioned. Thank you.

But I can predict the outcome of such a study to some degree, and that is that basically the telephone system would run at a tremendous deficit. Now, we have made a number of changes in the system — for instance, the extended flat rate calling areas — that are evaluated on a continuing basis and that actually provide for exactly those opportunities the member was referring to. Where there is a connection among or between municipalities, there should be that ease of access and communication. In my area I have experienced an extension of that flat rate calling area. It has been well received because it was necessary in those particular areas. I'm not so sure whether it is actually necessary in all of the areas in the entire province. I find it strange that the hon. Member for Westlock-Sturgeon would rather phone perhaps some unknown entity in London if it were toll free and speak to them rather than to some of his friends in Calgary even though it would cost him a few dollars.

I'm just wondering also what would happen to municipalities such as Lloydminster who are straddling a provincial boundary and whether there we would draw the line between neighbours and say, "Well, if you're calling your neighbour across the street in Saskatchewan, then you have to pay a toll charge." I think it creates some difficulties, and perhaps those matters need to be addressed too, because I can see then the contention that maybe we should make it all a flat three free minutes for western Canada. And maybe that should be considered.

The other thing I feel might occur here is — and the member has mentioned that some of the system that is in place right now is self-perpetuating. Well, here we've got a system proposed that is definitely going to be self-perpetuating. Because people that call within the province would definitely be aware of the three minutes, stop their phone call at perhaps two minutes and thirty seconds, and immediately phone back and try that again. I think the revenue from calls might be completely out the window with a system such as is proposed.

As I say, it's well intentioned — and thank you for the correction — but I don't think it's workable.

MR. DEPUTY CHAIRMAN: The Member for Wainwright.

MR. FISCHER: Thank you. I guess some of my points have been made, but I just wanted to put forth the business . . . I know if you have teenagers around your house, certainly the phone would be pretty busy, so pretty soon we would be asking that another phone line would be needed. Certainly if it was toll free for the three minutes or, like the Member for Clover Bar said, toll free for as long as you wanted to talk, and if you had five or six teenagers around your household, there would be some more demands for sure for more lines. Of course, that would add to the cost. There isn't any control or any governor at all to be efficient with our phone lines, so why would we encourage inefficiency?

Another point would be a business that does their business now with all long-distance phone calls. There would be a tremendous advantage and upset the balance of business, depending on who used their long-distance phones the most.

It sounds nice; it's, I suppose, socialism at its best, but I don't really believe we need to get into that right now. We're not that wealthy.

MR. DEPUTY CHAIRMAN: The Member for Westlock-Sturgeon, do you wish to conclude debate?

MR. TAYLOR: Well, thank you, Mr. Chairman, for giving me

a chance to close debate, because I sort of felt a little bit like Columbus when nobody wanted to come out to the party where he was going to prove that the world was round. Everybody was quite happy with just thinking it was flat and wanted to leave it that way.

[Mr. Ady in the Chair]

One of the things I want to concentrate on: even the exaggerated figure of \$250 million which the Member for Lacombe dropped – and it sounds fantastic and so on – if you divide that out over 20 years and our 3 million in population, that's \$4 a year. If you accelerate it, make it over 10 years, that's \$8 a year. And that's the capital cost he was talking about. So \$8 a year on your phone per capita to be able to phone anywhere in Alberta is not a big cost. Now, I know \$250 million is a lot of money, but when you're talking about 3 million people over 20 years and literally billions of phone calls, it pales in significance. Indeed, if we could do it for \$250 million, I'd change this motion and say let's do it right away, but [inaudible], because I'm afraid it'd be more costly than that.

Nevertheless, what I'm trying to get across here is that it would be self-supporting, and that's why I want the study done, not so that they have to go from some tingling feeling that the Member for Lacombe might have or some deep insight into teenagers' practices that the Member for Wainwright would have. I would like to see an actual economic study of what it would cost, bearing in mind the amount of minutes. This is a fairly difficult study. If you want to know, I did assess what a professional engineering company would do, because they're doing it for Bell in Ontario. Somebody mentioned we could use the caucus moneys for research, but the engineering quote that I got from an engineering firm down there was that it would be around \$45,000. Well, that's a fair amount of money, but it's a mere bagatelle when it comes to being associated with AGT's or the minister of telecommunication's budget.

The argument to say that people would suddenly start making lots of phone calls if they're free – well, they're free now within a certain area. I have news for the gentleman from Wainwright. I may have had more children than he has, but I don't give a damn if there are only five customers on the phone line; they'd be on the phone all the time anyhow. Whether or not it's border to border isn't going to increase it. The phone is busy, unless he has better trained teenagers than I had, from dawn till dark no matter how big the free dialing area is. Certainly it's big enough now to keep them occupied, so I don't see how that area has an effect.

No, in conclusion, I think this is an area that could make Alberta into a whole – we talk about free tariff areas, free trade areas that come in. What we could do is have Alberta as one complete unit being able to phone border to border to do business.

MS M. LAING: A talk-free zone.

MR. TAYLOR: A talk-free zone, you might want to call it, instead of a duty-free zone. Yes, I like that: a talk-free zone. Which in communication – it's not only three minutes. There are faxes, there's everything else that goes into the whole cost, and I think it would be a fantastic breakthrough. I just want you people to mark it down, Mr. Chairman, because it may sound very progressive now, but I will bet you that within 10 years there'll be all kinds of areas in North America that have this in. And you'll be able to look back and say, "Hey; Westlock-Sturgeon wasn't so far out at that."

MR. CHAIRMAN: Thank you.

In view of the hour, we should entertain a motion for adjournment. Member for Ponoka-Rimbey; so moved.

[The committee adjourned at 3:54 p.m.]