

[Chairman: Mr. Ady]

[2 p.m.]

MR. CHAIRMAN: We'd like to call the meeting to order.

We concluded our deliberations this morning with recommendation 31, and we're prepared to move to recommendation 32. The Chair recognizes the Member for Athabasca-Lac La Biche.

MR. CARDINAL: Thank you, Mr. Chairman. I'd like to read into the record again

that a northeastern lakeland region be developed in the Pinehurst-Touchwood-Seibert lakes area to provide recreational opportunities and conservation programs for all northern Albertans to enjoy. The program should be phased in, possibly over five years, with an estimated budget of \$23 million for the five-year period.

There are a number of reasons why I feel a project like this is necessary. I believe that in northeastern Alberta we probably have some of the finest lakes that are not readily accessible now to the public. With the economic diversification plan in Alberta and new initiatives in the forestry and oil and gas industries, areas like this must be preserved. I feel they would go hand in hand with the forestry developments to ensure that . . . The area I'm talking about covers 150 to 200 square miles. The area would be developed as a natural area, where it would continue to allow some of the trap lines to operate, continue to allow hunting, commercial fishing, and also the small sawmill operators to continue operating in the area.

Within that region, then, we would encourage through local involvement - municipalities, interest groups - along with the provincial government, the development of possibly two or three provincial parks over a period of time. The whole region would be a recreation/natural area. This particular area I'm talking about is not committed to any of the forest management agreements, but it's adjacent to two of the agreements, in fact. One end of it borders the bombing range in northeast Alberta. I feel it's necessary that we start moving on this to designate it, number one, to tie it up, and then from there move on to develop it over a period of time.

I'd like to leave it at that and ask for your support.

MR. CHAIRMAN: Okay.

The Member for Ponoka-Rimbey.

MR. JONSON: Mr. Chairman, I'd certainly commend the member for having interest in such a development. This is certainly not a new topic for the committee. There has been some consideration before of some initiative in the parks and recreation area for northern Alberta from the Heritage Savings Trust Fund. However, I do have to make these comments, because I think they might be useful to committee members to consider before passing a recommendation like this.

First of all, the area being spoken of is evidently a particularly unique and natural area. We do have a natural areas program as part of the regular programming of the department. This is, of course, on a much more massive scale. Nevertheless, I think we should consider whether or not this shouldn't be something handled through the operational programming of the department out of general revenue rather than out of Heritage Savings Trust Fund moneys.

Secondly, when we have previously come to talk about a major initiative in northern Alberta, there has always been considerable debate about where it should be. There might be hon. members present here who might have an idea of a better location. Certainly if it's going to be a or the major initiative from the Heritage Savings Trust Fund, I think the whole area has to have

a careful look as to what might be the most appropriate area for development. I note that the hon. Member for Athabasca-Lac La Biche's constituency is particularly blessed with many potentially good sites. There's the Lac La Biche south area, which has a number of very fine lakes and recreation opportunities; there's the area north of Athabasca, and so it goes. Although I bow to his judgment here in terms of what might be the best site within his constituency, there are other constituencies all across northern Alberta.

The other point I would like to make is that if we're going to look at a location, I think that although the primary purpose of it might be for northern Albertans to enjoy, we also have to look at the tourist potential, because that's naturally going to be combined with such an initiative. I have to, once again on the basis of location, question whether this particular site is the one that has the greatest potential in terms of being perhaps more centrally located, serving more people in northern Alberta, and also being a viable attraction for the tourism industry of the province.

I do not want to take away from the concept and the merits of such an initiative, but I just have those reservations, Mr. Chairman.

MR. CHAIRMAN: Thank you.

If there's no further discussion on that recommendation, does the Member for Athabasca-Lac La Biche wish to make any concluding remarks?

MR. CARDINAL: Just a brief addition to the comments made, I guess. The area is unique. But I agree there are no doubt other areas in the north half of the province or in central Alberta that are just as unique. I guess one of the reasons I see a project like this moving ahead somehow, regardless of how it may happen, is that it's necessary when you plan regional economy in the province, when you try and diversify the province, to make sure we protect one of our most valuable resources out there, and that's the lakes and streams, roadways, and so on. I'm working on other initiatives with other departments to make sure that within the FMA area we protect the lakeshore by reserving areas around all the lakes within those areas.

Again, as far as the funding, no doubt if regular program funding is available at this time and may be available in the future, then I personally don't mind where the funding comes from.

Again, I agree with the member as far as the location of it. If you do look at a number of locations that are available and it happens that another location would be more appropriate, that would be a priority. I would live with that decision; I don't mind.

Thank you.

MR. CHAIRMAN: Thank you.

We're prepared to consider recommendation 33. The Chair recognizes the Member for Athabasca-Lac La Biche.

MR. GESELL: Westlock-Sturgeon.

MR. CHAIRMAN: I'm sorry; the Member for Westlock-Sturgeon. The Chair apologizes.

MR. TAYLOR: Actually, I was interested in seeing how he would field a thing like that. He'd do a better job than me

maybe.

Mr. Chairman, it's fairly simple, and I will take a moment to read it:

That the Alberta government appoint at least one member to the board of Vencap.

The reason for that, Mr. Chairman, is that Vencap is financed in large part through a loan by the Alberta government. I don't know if much of it is convertible or not. Therefore, I think it's important that the people of Alberta, through the government of Alberta, have some insight as to what is going on with the loan. There is a precedent for this sort of thing, because in the Alberta Gas Trunk, later called Nova, there are government appointed directors, and in Alberta Energy, another publicly traded company. So we have publicly traded companies with government representatives on the board provincially, and of course nationally it has been used for some years. So it's not an unusual move, and as a matter of fact it's unusual for something with as big a government investment as Vencap not to have someone. It's the exception rather than the rule, the other way around.

I think I'll leave it open. Some more questions may come up. That was enough to give the reasoning behind the move.

MR. PAYNE: Mr. Chairman, the Member for Westlock-Sturgeon with the passing years is displaying signs of increasing wisdom.

MR. CHAIRMAN: I'm sorry; I was distracted.

MR. PAYNE: Feel free to be distracted, Mr. Chairman. As long as my supportive comments for this interesting recommendation are recorded in *Hansard*, I don't care how distracted the chairman or the committee gets.

I think it's safe to say that I have received considerable abuse over the years from the various negative perceptions of this organization, and it doesn't matter one twit when you say, "Well, we're not represented on the board." You know, you speak to all the merits of arm's-length structures and so on. Frankly, as a government member, if I have to carry the can for the perceived deficiencies, then I would like to have a greater influence on the policies, the directions, the planning, and the operations of Vencap. Yet at the same time, I recognize that the nature of this organization would be seriously inhibited if there were untoward government influence. I do recognize that. But I think, on balance, the notion of a single representative on the board from the government makes a fair amount of sense.

I recognize and appreciate the fact that we're going to have a few days before we're called to actually vote for or against these various recommendations. I would like to have the benefit of a few more days of contemplation on, you know, the full implications of the recommendation, but at face value or at first blush I think it has some considerable merit and, at least for the time being, would like to indicate my support for the recommendation, Mr. Chairman.

MR. CHAIRMAN: Member for Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Chairman. I seem to be following my colleague from Calgary-Fish Creek in continually echoing his comments. I guess again today I'm a little surprised that I'm supporting a suggestion from the Member for Westlock-Sturgeon, but I think it would be appropriate for Vencap to make the gesture to invite a government member to be a part of their board, keeping in mind that I think it would have to be

an invitation from Vencap to the government as opposed to from the government to Vencap, because it is a publicly trading company. I probably feel the same way as my colleague from Calgary-Fish Creek. We have a lot of investment in Vencap, and we are accountable, through our investment, back to the people of Alberta. I would like to see participation from a government member on their board of directors that could report back, say, to the minister, and to this very committee actually. So on face value I, too, would be supportive of this motion.

MR. CHAIRMAN: Thank you.

Member for Edmonton-Avonmore.

MS M. LAING: Thank you. Well, I'm not sure if the Member for Westlock-Sturgeon will be able to stand all this support, but I too would speak in support of this motion, and I would underline "at least one member" on the board. I think in view of the fact that the heritage trust fund has given 80 percent of the investment Vencap has, certainly we need to have a representative there, at least one, and that might dispel some of the negative information we hear about Vencap and also give us a voice in the administration of it.

REV. ROBERTS: Mr. Chairman, my comments are directed to the Member for Westlock-Sturgeon. I'm wondering whether he's intending by this for the Liberals to open up yet another position for government patronage. I find that to be kind of odd.

Then I was actually concerned by the comments of the Member for Calgary-Foothills, Mrs. Black, saying that in fact she is understanding this to mean a government member being appointed to the board. I don't know if that's the intent. It's that the "government appoint at least one member," at least a citizen at large, who would have a Liberal membership and not a PC - I'm not sure at that level. But certainly the intent of it is good, and I just wouldn't mind some clarification about the kind of member that would be so appointed.

MR. CHAIRMAN: Member for Wainwright.

MR. FISCHER: Thank you. I guess I would have to be against this . . .

SOME HON. MEMBERS: Boo.

MR. FISCHER: Sorry to be that way, but we have to realize that it is traded on the Alberta Stock Exchange. We shouldn't have government interference directly with that, when you get it trading. I know that we already police the securities to begin with, but I'm afraid I wouldn't like to see that. The other thing is the appointments, the same as was mentioned by Edmonton-Centre. Unless you would have an elected member on there, I don't see why we would put one on. So I would have to be against that motion.

MR. CHAIRMAN: Thank you.

We'll give the Member for Westlock-Sturgeon an opportunity for closing comments.

MR. TAYLOR: All right. Thank you, Mr. Chairman. I appreciated the comment from Calgary-Fish Creek saying that obviously my wisdom had been increasing. As you no doubt will notice, Mr. Chairman, one of the few joys of getting white hair

and seeing your sex appeal disappear is the fact that your wisdom is increasing.

AN HON. MEMBER: But your hearing's the same.

MR. TAYLOR: The hearing is gone, so I can't hear the compliments when they come.

MR. CHAIRMAN: The Chair isn't commenting.

MR. TAYLOR: Okay.

Closing arguments. Actually, I think one of the members, and I believe it was again Calgary-Fish Creek, said that in a way it reflects on all of us. I'm sure I don't get as many complaints about what the government does wrong as the hon. member over there does, but I do. A lot of the people out there don't really associate – they consider the Legislature as the government, and always quite a little bad-mouthing goes on about Vencap. I don't think that one member being appointed by the government – and by the way, that member could have even an NDP membership. As a matter of fact, I have met some fairly astute businessmen through the years that were socialists. Apparently, quite often what happens is that their conscience bothers them after they become rich and they take out an NDP membership. Nevertheless, we could use those abilities anyhow on the board.

REV. ROBERTS: The road to Damascus.

MR. TAYLOR: Yeah. The road to hell is paved with good intentions too.

The last remark from the Member for Wainwright I didn't quite follow, because I thought I had answered his worry about it trading on the stock exchanges when I used references to Nova and the Alberta Energy Company. Those are stocks that trade publicly and we have members on them, so it's quite an accepted practice to do that. It wouldn't hurt at all.

So that is all I'd have to finish it up. I just hope it goes by when it comes up for vote.

MR. CHAIRMAN: We'll recognize the Member for Westlock-Sturgeon to initiate discussions on recommendation 34.

34. That the Alberta government propose the sale of its 994 grain hopper cars, 50 percent to Canadian Pacific and 50 percent to Canadian National, to be financed by the federal government.

MR. TAYLOR: I'm afraid, Mr. Chairman, when I look at the next couple of pages, this will sound like a stuck needle in the record player, and that's why I wanted to change the other day to do it by grouping. But this particular case, where we propose the sale of the 994 grain – formerly green – hopper cars, 50 percent to Canadian Pacific and 50 percent to Canadian National, was engendered by two bits of information I picked up in the last couple of weeks. One was by the Associate Minister of Agriculture when she appeared before this committee to say that they now have 994 – I think we lost three or four through collisions; I hardly think anybody would steal one – and they were used roughly 50 percent by Canadian Pacific and 50 percent by Canadian National.

The second item. I don't know how many members noticed here just in the last week or 10 days where the CPR and the CNR were reporting very good profits on transportation out of western Canada. This comes back, then, to the Member for

Lacombe's often repeated statement that there might have been a use for these grain cars . . . I'm sure there was a use for the grain cars when they started out, but now that grain is moving well – the railroads have learned how to move the grain – and they're making good profits, I don't see why we can't rescue back some of that capital.

I'd imagine that a grain hopper car in the open market doesn't have many competitive bidders. It's going to be a little hard to move around, but there must be some price on it. I'm not so sure what the San Salvador rebels will pay, or whatever it is, but there must be a price somewhere in North America for second-hand grain cars. Even if it's only a third or a quarter of what we put up initially, it's a fair amount of money and is in line with the Member for Lacombe's recommendation that we pull in our chips as much as we can. The railroad's making money off it now, and I don't see why we can't negotiate a sale. It'd be even nicer if it was the federal government that loaned the railroad the money to pay us back.

MR. CHAIRMAN: Thank you.

The Member for Lacombe.

MR. MOORE: Thanks, Mr. Chairman. The first thing on the sale of the cars to the two railroads: they utilize them for hauling grain. That is the purpose, and they cannot use them for anything else. They're put there to meet the need of a shortage of grain cars to get prairie grain to tidewater. To remove the 900 and whatever cars from the system would slow down that process of moving grain. Right now we haven't got it. The Member for Westlock-Sturgeon says that with today's technology we're moving grain, but we aren't moving it. The turnaround time is not acceptable yet, and to remove that many cars from the system would only slow it down further.

The other side of it is that if we did sell them to them, then we have no guarantee, once they own those cars, what they'll be used for. They could be hauling sulphur, they could be hauling potash, they could be hauling anything, and you can be assured it'll be something to the advantage of central Canada. I don't know what they'd haul down there in those cars, but they haul a lot of things, and they would certainly be relegated into that area very quickly by those two railroads. Right now that's not possible because they are allocated to haul prairie grain only, and should remain in that area.

I like his idea – when I say "his," I mean the Member for Westlock-Sturgeon, Mr. Chairman – of getting our money back on it, but in this particular case it would be detrimental to all our prairie farmers and detrimental to the intent when we put them there. We wouldn't have done anything but put them in there for a while and then give the railroads cheap cars. I'm against giving the railroads anything. They've ripped us off enough over the last hundred years; I don't think we should give them any more chances to do so, especially with discounting heritage trust fund dollars.

Then to say you can sell them outside the country, that's again . . . You can sell them to El Salvador or Nicaragua, but heck, they haven't got any money to even pay for the armies they keep fighting themselves with.

The motion may mean well, but it's completely out of touch with reality to take those cars out and sell them to the railroads.

MR. CHAIRMAN: Thank you.

The Chair recognizes the Member for Westlock-Sturgeon if he has concluding remarks on this recommendation.

MR. TAYLOR: Yes, thank you, Mr. Chairman. One that might be a bit of a misunderstanding for the Member for Lacombe, because I was talking about selling them to the CP and the CN – they only haul the grain in Canada, so it would be used in Canada. So the selling of the grain cars would not remove them from service; it would be just a transfer of title. They'd still be in service for the railroad hauling our grain. They already have the right to use . . . I checked into this some years ago when I was looking for things to criticize about the plan. I found out that the railroads have the right to use them as they see fit. Being an old potash miner, I can tell you potash wouldn't be one of them, but there might be other uses for . . . They already have the right to use them, but they're not likely to because they're designed specifically to haul grain.

There's one item I did forget, Mr. Chairman, in putting forth the first call. I also think selling them would avoid the chance of us being called on for replacements, which, as sure as the Lord made little apples, will happen in the next five to 10 years. As these things get wrecked or wear out, the government is going to come up and say: "Hey, you have these. How about giving us some more, or how about replacing the old?" So I think we would avoid the chance of having this – I don't like the word "cancer" – ever recurring drain from generation to generation to supply hopper cars to railroads that I think are getting paid, from the profit picture now, a fair and reasonable amount to haul our goods. I would like to extricate ourselves from buying equipment for the CP and the CN.

MR. CHAIRMAN: Thank you.

We'll move to recommendation 34. Could I have some advice as to which of the members sponsoring this would like to give the lead comments?

MR. TAYLOR: We're on 35. We just did 34.

MR. CHAIRMAN: I'm sorry; 35. The Member for Westlock-Sturgeon.

35. That a continuation be sought of the municipal recreation/tourism areas and grant program by infusing more from the Alberta Heritage Savings Trust Fund, which will allow funding of programs on top of those already developed.

MR. TAYLOR: Mr. Chairman, it's not that we intend to use the hidden ball trick like the Edmonton Eskimos, but one or the other of us will leap to the fray when you call on both of us – only one.

Number 35 is really a continuation of a recommendation that's been in the last two annual reports of the heritage trust fund, that the municipal recreation/tourism areas and grant program receive more money to do what is a very good project in most rural areas. Now we're running about \$300,000 per rural constituency for grants that are for parks and funding recreation and tourism. I think tourism has been highlighted by this government as a great money-maker, and I agree with them. I think they're really on the right course there. I think this is just a bit of an expansion in a policy that's already working out fairly well.

MR. PAYNE: Mr. Chairman, once again I find it necessary or at least useful, I hope, to remind the Member for Westlock-Sturgeon of the conversation between the Member for Edmonton-Centre and the Premier here in the Assembly in earlier deliberations of this committee. As I recall, in the Premier's

response to the Member for Edmonton-Centre's question or request for clarification between investments that are appropriated out of the General Revenue Fund and those that are appropriated out of the heritage fund, the Premier used the interesting word "foundational." I think by the use of the word "foundational" he was implying that these are investments that underlie anticipated future growth or directions of government policy and government initiatives.

In the recommendation before us, Mr. Chairman, the words "on top" are used:

That a continuation be sought of the municipal recreation/tourism areas and grant program by infusing more [heritage fund dollars], which will allow funding of programs on top of those already developed.

I think it should be quite clear that any program that visualizes being "on top of" is hardly foundational. It would appear to me that an "on top" program should come out of GRF and that a foundational program possibly should come out of the heritage fund. Consequently, I'm not able to support this recommendation.

MR. MITCHELL: Mr. Chairman, I'd like to respond briefly to the comments by the Member for Calgary-Fish Creek. He has based his argument against my colleague's request on a statement made by the Premier. The last time I checked, I thought we were to make recommendations to the Premier, not the other way around. It's immaterial to me what the Premier's view of how we should structure this fund is. I'm surprised at the Member for Calgary-Fish Creek, who is normally so outspoken and, in fact, was quite pointed and aggressive with the Premier himself. It seems to me that this argument may be weak, and I would ask him to defend his case in some other way.

MR. CARDINAL: I think I would also have to speak in favour of this program, because in particular in the rural areas where small municipalities have very limited dollars, limited economic opportunities – have an opportunity to develop some parks, but I agree; I don't think it should be on top of but possibly in addition to the parks already developed.

One concern I have with that program if we are using heritage funds is that that program normally gets 20 percent of the total amount for a period of 25 years. So we're committing a lot of dollars here, and we have to be very, very careful. I would be more comfortable, if the program were to continue, if each year a municipality files a work plan of the work they want to do and the costing of it rather than committing set dollars for 25 years. I guess the policing part of it may not be there as to how a municipality may do the work, if they do it or not. Or money could easily be directed to other programs, which may leave parks not maintained. So I'd leave it at that.

Thank you.

MR. CHAIRMAN: Member for Clover Bar.

MR. GESELL: Thank you, Mr. Chairman. Representing a rural area, and since this particular program is specifically directed to the rural areas, I find the existing program quite beneficial. I do have some difficulty with this specific recommendation though. I believe it is somewhat premature. We've seen a recent increase in the MRTA program, and it will cover the coming year, if I understand the program correctly. So the appropriate time, I believe, to look at an extension of this particular program would be after 1990, when one can take stock of the situation and see where there may be some additional

infusion of moneys that may benefit both recreation and tourism.

Personally, Mr. Chairman, on the recreation side I believe this government has provided considerable assistance, such that I believe the majority of recreational needs in the province are adequately met. In tourism I think there may be some additional initiative that could be taken in order to develop that industry, but that initiative should be taken after there is a thorough foundational evaluation of where we might best put those funds.

The second concern I have with the MRTA program is that it is a 100 percent funding program, initially for capital and then an ongoing funding for a considerable number of years for operations and maintenance. I do not believe that is the best possible way to initiate or infuse funds and create recreational and tourism opportunities. I think one needs to have a buy-in by the community, by organizations within the community, so that they have a personal interest in initiating such projects and then running them afterwards. I don't believe it is correct for this government to continually hold the hand of municipalities and societies and agencies and provide all the necessary funding. I think a certain amount of work needs to be done by those organizations themselves.

Now, I started by saying that yes, I appreciate the program. I think it has been beneficial, but I would want to take, in my constituency at least, a close look at where additional benefits may be gained before I would want to support an extension of that particular program.

MR. CHAIRMAN: Thank you.

Member for Edmonton-Meadowlark.

MR. MITCHELL: Mr. Chairman, I would like to respond to the comments of the Member for Clover Bar. Maybe it's in the form of a question, if he feels he would like to answer that. There is some merit to what he is saying to the extent that it is important that we assess and evaluate programs of this nature. Of course, we have no apparent commitment or apparent consensus from this committee yet as to how we would structure such an evaluation. Recommendation 1 by Calgary-Fish Creek, of course, answers that question.

I'm wondering whether the Member for Clover Bar is saying that he is withholding his support of this motion in lieu of an overall comprehensive evaluation of the heritage trust fund, which would include, of course, an evaluation of this particular program, and whether that means specifically that he's supporting recommendation 1.

MR. CHAIRMAN: Member for Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Chairman. I think the MRTA program has been successful. In the report it indicates that there were 35 new sites that received development funding this year and 15 additional sites were in fact completed, for a total investment of \$7 million. I don't know that we're at a stage in the province right now financially where we should be committing additional funds from the Heritage Savings Trust Fund for further or additional enhancement and development. I think we have to hold the line somewhere, and we've talked about this today quite a bit back and forth. I think this is one area where we could hold the line and maybe have our municipalities come in on a matching basis, or change the concept of that somewhat because the 100 percent granting is a little bit much at this stage in our economic affairs.

So I would be opposed to this motion from the standpoint of

providing additional funding. I think we can live with what we have, and I think we have to review it at a later date when we have more revenues coming into the fund. We could look at it some other time, but I would be opposed to it right now.

MR. CHAIRMAN: Thank you.

The Chair recognizes the Member for Westlock-Sturgeon with closing remarks.

MR. TAYLOR: Thank you very much, Mr. Chairman. The points made by everyone were all well made. I'll try to answer them, not necessarily to their satisfaction maybe.

Certainly the MRTA fund is successful and one of the good things the government is doing, particularly as it advantages rural areas. That's the reason I amended: if we're doing a good thing, let's continue to do it and maybe bone it up a bit.

The hon. Member for Calgary-Fish Creek worried about it coming out of the heritage trust fund rather than current revenue. But the type of funds that MRTA finances are the long-term capital funds. I can see much of the tourism money for improving short-term facilities in towns and advertising and that coming out of revenue, but these are essentially capital developments that the municipality doesn't have the money to go ahead and do, yet will serve a dual purpose in the future: an attraction for tourism into the area; secondly, it helps the sociological development, if you want to say it that way, of the rural area, making it a better place to live. Consequently, it will attract industry, diversify our industry, move it around Alberta and that. So it's truly a capital investment that pays off over the generations. That's what I think the heritage trust fund, or at least a portion of the heritage trust fund, was made for: capital investments that may take a generation to pay for.

The argument that the Member for Clover Bar makes is that it may be premature. I don't follow, because the extra funding we are getting now in the MRTA fund was proposed, if you'll read the annual reports, nearly four years ago. In other words, there's a two-year lag, so if we're looking, we've got to be pushing. If we wait till we run out, it's going to take another couple of years to get the government going, even if it's a Liberal one. They move very slowly; therefore, we should be looking at it now.

There is the argument that the community should be putting in more money. At first blush that sounds fine, but then as a rural MLA I say to myself: "Well, what do you mean, putting in more of your own money municipally? All we have is a property tax." The provincial government takes away our share of the income tax. The provincial government takes our share of any royalty tax. The provincial government takes any share of the business tax. We're not getting a gift, rurally, back from the provincial government. We're getting these moneys in lieu of - being denied - taxation privileges in legitimate areas of concern.

In many other areas where I've done business in the world, they had the right to tax, whether it's Germany, France, or the U.S. There are business and corporation taxes that are allowed and, of course, royalties. They're all local, because they're all owned by the local farmers. These things are all denied us. They all go into the central government. So the fact that we say to the municipality, "Well, you should put up some money," after we've taken a good chunk out of it - you know, their taxes - I don't think is reasonable. I see what he's getting at. If you pay part of it, you're going to be a little more responsible; you'll be a little better in planning. But I think one has to remember that

municipalities under the system we operate in Alberta only have one source of income. The rest of the time we have to beg to get it back from the government because we do not have in place a revenue-sharing program for municipalities.

MR. CHAIRMAN: Thank you.

We'll consider recommendation 36.

MR. TAYLOR: If my voice is still lasting. I think I have about the first dozen, and then the hon. Member for Edmonton-Meadowlark comes in.

This one is almost identical to the next one. I don't know whether it couldn't have been grouped with that one:

That given the Alberta Heritage Savings Trust Fund commitment to bettering the quality of life for all Albertans, the standing committee endorse developing an urban parks program for Alberta towns and villages in order to provide continuing recreational and leisure opportunities as well as environmental protection and beautification.

This again is a repeat from the last two years' recommendations. The MRTA grant goes partly towards that, but the MRTA grant is strictly an outside recreation/tourist attraction type of program, whereas this type of program would help develop things like halls and band shells and meeting places within park areas within our rural communities.

MR. CHAIRMAN: Thank you.

Member for Wainwright.

MR. FISCHER: Thank you. I don't like to be continually disagreeing with our member over there because he did support my motions 27 and 28. Both 35 and 36 interfere directly with motions 27 and 28. I don't see how we can possibly keep the integrity of the heritage fund in place if we continually put it out, especially with these kinds of projects. With this project we are continually cutting out the private-sector development. I guess I would have to give you a ski hill or a golf course as an example where private developers have to stay away because they can't compete with the 25-year operating grant that some of these communities are getting.

My other reason, I would have to think, is going back to our three objectives again. We seem to keep on that third one so much, "to improve the quality of life for Albertans," and we forget about number one. I think we have to think about number one a lot if we want our future generations to have any of the natural resource money.

MR. CHAIRMAN: Calgary-Foothills.

MRS. BLACK: Yes, Mr. Chairman. I'm opposed to this motion as well, because I do feel that we have to, as my colleague has said, save for the future, and I do feel we should leave the ultimate responsibility for parks and recreational areas within the urban settings to the urban municipalities and the people within them: to the communities themselves, to the service clubs, and private sector. I really think sometimes we interfere too much, and we don't allow them to function independent of the province.

It's one thing to say, "Well, we tax dollars." Well, our source of revenue in the government of Alberta is also tax revenue. So whether it's coming out of the right-hand pocket or the left-hand pocket, it is tax dollars. I would rather see the communities make those decisions on their own and levy their own people accordingly through their own councils and their own community

groups than have us make those decisions for them. So I am opposed to this motion on that basis. I think we're interfering too much.

MR. MOORE: Well, just a couple of comments, Mr. Chairman. The idea is good. I'm glad to see somebody recognizing small towns and villages. However, that area isn't really being neglected. We have the Alberta tourism action plan that is pouring a considerable amount of money right into this area. It's targeted to those areas. There's also the community enhancement program, which adds to this area. So there are programs out there working other than the heritage trust fund. That particular sector is being recognized – maybe not financed as highly as they'd like, but there's a considerable amount of financing of lottery and tax dollars going into it already.

MR. CHAIRMAN: Thank you.

Member for Westlock-Sturgeon, do you have some concluding remarks on this recommendation?

MR. TAYLOR: Yes, I'd like to make a couple of concluding remarks, Mr. Chairman. I think the Member for Calgary-Foothills mentioned that the communities get involved, but possibly she is not realizing that we take away all the income from the municipalities – the system of government that we operate – and then we give it back to them in the form of grants. That is supposedly, if you were a political scientist, under the idea of equalizing opportunity. You take from everybody according to their ability to pay, and you give back according to needs.

The fact is that in Alberta our municipal governments do not have the right to tax to raise the moneys to run their schools and parks and recreation. We take it all in. They're children of our government, if you want to call it that. Therefore, in the absence of any worked-out, definite revenue-sharing program the only way they can build parks or anything else is to get grants from the Alberta government. I submit that just because we've managed our own shop poorly is no reason why we should try to balance the books on the backs of the municipalities and that some of these programs should continue to go ahead.

Secondly, I mentioned environmental protection. The group here will remember that when it toured the Kananaskis area, they said most campers – I think it was 90 percent – do not wander farther than five miles away from where they camp. What it means is that to have a recreational and environmental area that's preserving the environment, you do not need too big an area, but you still need to have something, a couple of townships. If a person can go five or six miles either way, that's 12 miles by 12 miles; that's four townships.

All I'm getting at here is that Kananaskis should not be the only area in Alberta where we're preserving wilderness areas and park protection. I'd like to see that moved out through many of the rural areas of Alberta. To assume that Kananaskis, because it has the Rockies, is the only area where we can put environmental parks is wrong. I think we can protect a great deal of our environment, as we've done in Kananaskis, with mini-Kananaskis, if you want to call it that, here and there throughout rural Alberta. This is what I'd like to see developed here.

MR. CHAIRMAN: Thank you.

Move to recommendation 37.

MR. TAYLOR: This one, Mr. Chairman, answers a plea to all

those who were saying that all I wanted to do was spend money. Here I am saying let's not build long-term health care institutions in areas where doctors and other support services are not available.

Do I have to read these in?

MR. CHAIRMAN: Perhaps it would be well to read it into the record.

MR. TAYLOR: Okay.

That the heritage trust fund committee instruct the Minister of Health and the Minister of Public Works, Supply and Services to build long-term health care institutions in areas where doctors and other support services are available rather than areas that may be missing these support services.

I think it may have been true in years past, because I've heard the Member for Lacombe comment that. He is actually my source of ancient history in Alberta, having been there when it occurred. He did mention that back in the days when seniors only wanted to go live in a home, as time evolved, it didn't matter where the health care facilities and that went on. But because we have improved our health care facilities and methods of keeping people in the home, when a senior moves out of the home today, it's usually because they have some very serious health deficiencies. To build these facilities for seniors to live in in areas where there are no doctors and support services is - I wouldn't say wasting money - not spending money as efficiently as it should. Consequently, I wanted to see our committee advise them to at least put these long-term health care facilities where the support services are, because it's impossible to expect the mountain to come to Mohammed in this case. The medical profession being in such short supply as they are around the world, doctors and nurses just do not move to where you build a hospital. They just leave the hospital or the long-term facility, whatever you've built. They just leave it sit there and work where they are.

MR. JONSON: Well, Mr. Chairman, just a couple of comments on this recommendation. First of all, I guess, this must relate to the famous Thorhild discussion that was held earlier this year in the course of estimates and at various other times. It would seem to me that if that's the only example that has been brought up in the last decade or so, we're not doing too badly in co-ordinating these things. I'm not sure that we have the complete arguments on both sides of that question even at this point in time.

There are two things directly related to the recommendation, Mr. Chairman. First of all, I do have to wonder whether this kind of a recommendation is really within the purview of the Heritage Savings Trust Fund committee. It seems to me that this is a direction for the Minister of Health and the minister of public works and the cabinet, the people who make this particular decision, but it doesn't have anything particularly to do with the mandate, or the current activities at least, of the Alberta Heritage Savings Trust Fund.

The second point I would like to make, Mr. Chairman, is that there will be cases where there needs to be a long-term care facility, and there will have to be initiatives taken to make sure that there are health care professionals available to serve that institution. If we were to follow this to the letter, it means that health care professionals locating at particular locations will then drive to where the government must build certain facilities. I don't think that's a principle we want to endorse. We hope these things will happen in a co-ordinated fashion and happen

naturally.

I won't go into them here, but I can think of a couple of examples that I'm familiar with in central Alberta where there was a very major need for long-term care facilities. At that point in time there just didn't happen to be the professionals available, but they are now and providing good service.

MR. CHAIRMAN: Before we go any further, the Chair does have some difficulty with this recommendation in view of the fact that the Alberta Heritage Savings Trust Fund has not been utilized to build hospitals or other health care infrastructure in the areas that are described by the sponsor of the motion. However, in view of the fact that we're into the motion, I believe we should continue with the discussion on it, but I'm not sure that this committee would be within its mandate to make a recommendation to the minister in this case. Perhaps it's not the position of the Chair to raise this concern, so let's just proceed with the discussion, if it's all right with the committee.

MR. MITCHELL: Mr. Chairman, if I can put your mind at rest on the relevance of this motion, it is that the Minister of Health, the minister of public works could well in the future, of course, be in a position to build these kinds of facilities under the Heritage Savings Trust Fund, and we want to have it on the record.

What I find difficult to believe is that any member - well, I guess I don't find it that difficult to believe, but one would expect that responsible members of a government back bench would of course accept this as a given. Are they saying in arguing against it that they would like to build long-term health care institutions in areas where doctors and other support services are not available? So it would just seem to me that there is a prima facie case to support this, that it certainly won't hurt to send this message to these two ministers, and it may hurt not to. I therefore congratulate my colleague and myself on presenting this motion.

MR. CHAIRMAN: The Member for Edmonton-Centre, followed by the Member for Lacombe.

REV. ROBERTS: Well, thank you, Mr. Chairman. I actually have to agree with other members of the committee. We find that this is a difficult issue to raise in the context of the trust fund at this point because as we know, neither the ministers of Health nor public works are actually going about building long-term care facilities out of trust fund dollars.

But it does raise an important issue. For members' attention I want to remind them of a recent report of the Alberta Hospital Association which basically takes the same view as my two hon. colleagues and myself: that health care facilities really ought not to be built where they cannot support three full-time physicians. That was quite a statement by the AHA in terms of this issue, and I think government policy needs to reflect that wisdom.

I might just say, though, that in the haste for adopting wisdom of that sort, there may be missing out here something which I think is vitally important, because as we know, under the trust fund dollars do flow to Alberta Mortgage and Housing for certain long-term care - whether they're lodges or group homes or different things that Alberta Mortgage and Housing can be, to supporting elderly and mentally ill and others in the province in special housing needs with a health care component. Such a component does not need to proceed where a doctor is always present. In fact, it could be proceeding where there's some good

home care nursing and other things. So I would hope that the members to my right would not be blind to the fact that certain trust fund dollars through Alberta Mortgage and Housing could well go to support people in areas who need the help where there might not be a doctor.

I just have that proviso, even though I think that overall the resolution, as I say – like the rest of you, I don't think it really fits our mandate right now.

MR. MOORE: Well, Mr. Chairman, I am surprised at the Member for Westlock-Sturgeon bringing forward such a motion. I have to say it was an apparent stand – I don't know whether it's his real stand – in support of rural Alberta. Because if you really look at this and follow the results of such a recommendation through, you'll find it benefits the bigger centres. I can use for an example, starting right in my own area – the village of Bentley has a small hospital. It certainly isn't as equipped and doesn't have the services that the regional hospital in nearby Red Deer has. So I would say that if we looked at this and it was more appropriate to build long-term facilities in Red Deer and not in Bentley, if you follow this through – you know what that would do, if we took those cares out? The three doctors at Bentley would soon live in Red Deer, wouldn't they? Because there's no point there. Now, Red Deer would suffer, too, because there are more services available for them in Edmonton at Mill Woods, at the U of A. So maybe we should – you'll find that argument from the bigger centres, and they argue. They'd love to see those small rural hospitals and health facilities closed out. They would argue, and very effectively, with their urban members and from their superior financial position and say: "Look, we have all this terrific equipment. Why are you building those out in Red Deer?" So Red Deer would lose, and eventually the big urban centres would gain. It's just a human process that would follow through on such a thing, and I for one think that hospitals and long-term care should be built where the need is and as close as we can to the families and where they live. That is what the people want, and it's an understood fact that people recover better in their home environment than off in some institution, and the closer you can get to their friends and relatives and their home environment, the quicker they recover.

So this sort of motion goes against that. It says we'll go to the bigger centres, and that would evolve if this was a regulation or a stipulation that our officials in the Department of Health had to follow. So I oppose it in that way; it's detrimental to rural Alberta.

MR. CHAIRMAN: Thank you.

Member for Westlock-Sturgeon, do you have closing comments on recommendation 37?

MR. TAYLOR: Yes, a bit. Many people have interpreted this as an attack on rural Alberta, and I think they're possibly a little hyper in that area. What I'm trying to get at is that I've noticed two things, two trends, in the provincial government health care facilities here over the last few years. One is the trend to build institutions that cover much more than just a specific function as a lodge or as a nursing home or an auxiliary hospital. As a matter of fact, those three categories seem to have the tendency to be lumped together, and rightfully so, I think in a way, because they can maximize the use of the facility by in effect moving the partition around as to who is in there: who are just slightly frail, those who are more frail, and those who are under

fairly heavy care. Therefore, with these types of institutions being built by the provincial government, I think it's wise to flag it or semaphore the ministers, if you want to call it that. Let's not put them out the way we did the old lodges. It was more or less a geographic and political type of thing, and that won't necessarily work. We want to have these institutions where they're going to get good medical support services.

Now, they use the argument that they're going to suddenly start moving from Legal into Morinville or from Lacombe to Red Deer, as our Member for Lacombe mentioned, then from Red Deer to Edmonton. I think it ignores the issue that anything much more critical than an infected hangnail does get moved to Calgary or Edmonton now anyhow. The idea that there's anything major being done out in a small hospital – I've talked to many medical people, and they claim probably the least used surgeon is just . . . They are somewhere around, but most of the major work is done in the city hospitals. I think that's something we've got to face, and therefore transportation, a helicopter and otherwise, may be a way to cover it. So this is just a method to try to forestall the old system of granting health institutions on the basis of population rather than on the basis of services.

MR. CHAIRMAN: Thank you.

We'll call on the Member for Westlock-Sturgeon with opening comments on recommendation 38.

MR. TAYLOR: Mr. Chairman, number 38 is: resolved that before the heritage trust fund lends any money to a provincial government controlled organization, be it Alberta Government Telephones, which is quite removed, or AOC, which is less removed, et cetera . . .

And by et cetera I mean the Agricultural Development Corporation and municipal corporation

. . . proof be obtained that the money is being loaned at the market rate rather than higher than market in order to enhance the appearance of high dividends to the heritage trust fund.

Now, Mr. Chairman, speaking to that, that can be accomplished a couple of ways. It can be that any bond issue that we give to one of these organizations would have a segment of it public, 10 or 15 percent. Let's say we issue a \$50 million bond issue to the Agricultural Development Corporation at 11 percent, your debenture issue at 11 percent. If 10 percent of that's picked up on the open market at 11 percent, if there was some competition in setting the rate, then we know it's a reasonable rate. What we're getting here, I'm afraid – and I think many financial people are a bit concerned – are debentures and bonds issued to government organizations at an interest rate half a point or a point higher than a competitive rate in the public in order to enhance the appearance of earnings to the heritage trust fund.

It's particularly onerous when two things happen in order to get that dividend to pay to the heritage trust fund. One is that they take money from our general revenues and give it as a grant to the organization, as we've seen with the Agricultural Development Corporation and municipal development corporation. So we're running up our debt on our current account to make our heritage account look good. I think we and the public need to know that the interest rate paid by these government organizations is one that isn't artificially kited in order to enhance the appearance of the dividend that's coming out.

In Alberta Government Telephones it's even worse. In cross-examining the minister here, I got no satisfaction at all that this was going on either or that they could answer me on it. The fact that AGT is able to turn around and pass its costs on to the ratepayer or the phone user through the Public Utilities Board's ruling doesn't make it any more acceptable. Now, I know the PUB is assigned the task to see that the Alberta government doesn't loan money to AGT at exorbitant rates and then try to claim it back out of the users, but I don't think the PUB's examination of a debenture or a bond issue is nearly as good as the test of the market. Being an old Friedman disciple – and I think there may be a few of those in the back bench over there too – there's nothing like the free market test to see whether something's right or something's wrong, and I'd like to see a portion of this being loaned at market rates.

MR. CHAIRMAN: The Member for Ponoka-Rimbey.

MR. JONSON: Mr. Chairman, it would seem to me that in supporting this particular recommendation, the hon. Member for Westlock-Sturgeon might be a little more specific in terms of what the justification is for this recommendation. Surely if we were to be considering this recommendation, we should have some illustrations as to where the rates being charged or provided to the Alberta Heritage Savings Trust Fund are out of line with current market rates. It seems to me that in the course of our debate we hear on the one hand that the rates are too high, and then we get to some other area of responsibility of the fund and the rates are too low. We should have a look at the market.

Being here for the meetings with the Provincial Treasurer and the Minister of Economic Development and Trade and so forth, as near as I can tell those rates which are being charged are pretty well in the ballpark. I'm certainly prepared to look at a graph or to look at evidence which shows that they are way out of line, but not having that kind of information before us, I don't see the need to pass this particular recommendation.

I'd also want to note that in the case of Alberta Government Telephones it is certainly correct that Alberta Government Telephones derives its revenue from the public, but the last time I checked the figures, which was not too long ago, telephone rates in Alberta were, I believe, the second lowest in Canada, so I don't think anybody is being gouged there.

MR. CHAIRMAN: Thank you.  
Member for Lacombe.

MR. MOORE: Thank you, Mr. Chairman. The Member for Ponoka-Rimbey certainly covered many of the areas that I have concerns about on this motion. However, this came up before in our debate in this committee, when Mr. Johnston was there. I was just looking back through *Hansard*. Again, it was the Member for Edmonton-Meadowlark who had brought it up. It was in part on this same area. That kind of nonsense doesn't exist in this committee, Mr. Chairman. We're trying to manage this fund in an appropriate way. We're setting the rates based off the market. We've described and described it – it's in the open marketplace – and described it. It goes on to say, and I think it answers it very clearly here, very straightforwardly:

As I've said before, the valuation is there. The auditors looked at those debentures and said, "Yes; the debentures are disclosed at the right price." No question about the valuation, Mr. Chairman.

I underline that: no question about it. And I find no substan-

tiation for the insinuations that are in this motion. I feel it's a discredit to this committee that oversees it and a discredit to the people who set them out. Unless they have absolute evidence, this type of what I call cheap politics shouldn't be tolerated in this committee unless they can back it up with facts.

MR. CHAIRMAN: Thank you.

If there's no further discussion, we'll recognize the Member for Westlock-Sturgeon for concluding remarks.

MR. TAYLOR: Thank you, Mr. Chairman. I am pleased to learn that Vesuvius is not dead. I thought he had overeaten and I was going to get nothing but slumber all afternoon.

But the point I was trying to make is the very point that they make: that it is open to innuendo and it is open to questioning of whether or not the funds were got at the cheapest rate. I would remind the Member for Ponoka-Rimbey, for instance, that just the loan issue of the Agricultural Development Corporation of \$300 million at 1 percent a year would work out to \$3 million and to \$1.5 million at a half a point – \$1.5 million. On a 20-year bond that's 20 times \$1.5 million; that's another \$30 million. So you've canceled . . .

The point I'm trying to get at here is not whether or not it occurred, as the Member for Lacombe seems to think it has and, therefore, I shouldn't mention it. But the Member for Ponoka-Rimbey is right on when he says, "Prove it." I'm saying that the only way you can prove it is the test of the marketplace and that bond issues shouldn't be put out a hundred percent; 5 or 10 percent should be reserved for the marketplace. That's the only way you'll test it. You and I can argue till the cows come home whether it was high or low; we can't tell. I'm saying that this solves little rhubarbs like we're having now, Mr. Chairman. If it was put out so the marketplace could test it, we'd know what it was. That's all I'm arguing: test it in the marketplace. Otherwise, when I'm in government, the Member for Ponoka-Rimbey will say that I'm lending it too high, and when he's in government, I'll say he's lending it too high. The only way you can find out is have the marketplace test it.

MR. CHAIRMAN: Thank you. We'll consider recommendation 39 and recognize the Member for Westlock-Sturgeon.

39. That the Agricultural Development Corporation gradually move out of the direct lending field and instead supplement private capital by way of sliding-scale guarantees and interest subsidization.

MR. TAYLOR: Yes, thank you. My voice is still holding out, Mr. Chairman.

This one is something that should be near and dear to the hearts of the government back bench. Why I had to make the motion, I don't know. I felt I should put it forward anyhow. Any disciple of Professor Friedman would agree with it. My main argument for it is the well-known one again: the supply of capital by the marketplace, which makes our government-owned organizations more sensitive to just what they are doing. That's the rule of a marketplace: for what they're getting, they're paying for their private capital.

Secondly – and this is, I think, more important. This addresses concerns I've heard expressed by the Member for Lacombe and the Member for Clover Bar and others. How much money do we have to go around? I'm saying that all the government's money should be used for is to top up, is in the guarantees, and in the interest subsidization, and that that vast fund of interna-

tional capital that's floating around all the way from the little gnomes of Zurich to Hong Kong be used to use the basic funding of lending, and that the Alberta government's money and the taxpayers' money just be used to make up whatever we think are the business programs that have to be done to help whatever we're doing in Alberta, which is maybe 20-year loans; it may be 6 percent loans. The point is that all we should be doing is making up the difference. The basic guts of the money, if you want to pardon the expression, come from the international marketplace.

MR. CHAIRMAN: Is there other discussion on recommendation 39? Member for Lacombe.

MR. MOORE: The concept I agree with; we're into areas of financing, and it should be examined. I don't know whether I'd follow your recommendations here, but I certainly sympathize with the idea of government and ADC, AOC, those areas – we should be . . .

SOME HON. MEMBERS: We can't hear you.

MR. MOORE: We should be looking at getting it back into the private sector.

MR. CHAIRMAN: Hon. member, could you move a little closer to the microphone?

MR. TAYLOR: I want you to speak up a little. I turned up my hearing aid, and all I get is CFRN. I'd like to get you.

MR. MOORE: I speak low when I'm agreeing with you; when I disagree, I want you to hear. I don't want too many people to know I agree with you.

MR. TAYLOR: Now that I've heard it, you can go back.

MR. CHAIRMAN: Does the Member for Lacombe have more comments, or . . .

MR. MOORE: I just want to say I agree with the concept, but not to the way of doing it.

MR. CHAIRMAN: Based on that, I assume there'll be no more comments from the Member for Westlock-Sturgeon.

MR. TAYLOR: I'd like to move on to number 40.

MR. CHAIRMAN: We'll move to number 40.

40. That whenever the land that ADC is going to foreclose on is occupied by an owner-family, that owner-family be offered a five-year leaseback at the going lease rates with the option to convert the leaseback to a purchase, such purchase price to be negotiated at the time the former owner-family wishes to make the purchase.

MR. TAYLOR: This, Mr. Chairman, is something near and dear to my heart, and I think it's solid socially, economically, and from a humanitarian point of view. I cannot understand why both the FCC and the ADC continue in their pit bull type of attitude on foreclosing owner/family farms. That is, they take it back, put it on the market, and it sells for maybe 25, 30, 50, 75 percent of what was owing on the thing, and because by law

we're not allowed to pursue the owner, that's the last the government sees of it. It seems to me the government would realize much more on their investment and not create any bad feelings either by telling the owner/family: "Look. Sorry, we're going to foreclose on you; we're taking the land back. But we will lease it back to you – you've been a family; you've worked at it – if you wish, at market rates for the next five years. In that term of five years, any time you choose, you can exercise to try to buy it. Now, we're not going to sell it to you cheap or high or anything else. We're going to sell it to you at the market rate at the time."

Now, to me, in doing that there are a number of things. One, it keeps the family in the community; therefore, the skating rinks and the schools and the school buses and all the rest that are based on it continue. Secondly, we recover as much capital as possible from it because chances are it will enhance in the next few years, whereas if we take it in now and dump it on the market, we're going to get less. If we take it in now and just lease it out to neighbouring farmers, we've lost the family living in the area and all that.

Lastly, from the point of view where they say everyone else would do it, not everyone else would do it. If you were up on your mortgage, why would you turn back the land, refuse to make any more payments on the possible risk that you're going to buy it cheaper down the road? You might not. You might have to pay more if the market conditions are a concern. Therefore, the idea that suddenly you're going to have hundreds of farmers walking in and saying, "Here, Mr. ADC; here's your bloody land back; we're taking your five-year leaseback," is absolutely wrong. They're taking a chance that they'll pay more in the next five years under market conditions than they would now. The only ones who are going to take advantage of that are ones who are absolutely up to here and can't do anything about it, and they foreclose.

Yet I think we keep the family in the community, we get the maximum amount of money that could possibly be realized back for the taxpayer, and we don't precipitate any [inaudible]. To me it's common sense. Any private banker would tell you that. Yet we have the ADC going like a Winnipeg pit bull, biting everything in sight when they want to foreclose.

MR. CHAIRMAN: The Chair is not sure; did he see the hand of Wainwright for discussion on this recommendation? I didn't know whether you had your hand up or not.

MR. FISCHER: Yes, maybe I did.

MR. MOORE: What's the motion?

MR. FISCHER: I wanted to know what this Winnipeg pit bull is doing out in this country.

I would have to wonder: once you get ADC into forgiving – that's what the member is asking – what impact does that have on these other lending institutions then? Are we going to set an example for all of them, then, to do that? If so, then I guess we're going to pay a lot more for our money. I know that when you go to the bank now, they seem to want quite a little bit when you ask them for a loan, and surely we don't want to increase that any. This certainly would have an impact on what their interest rate would be. So I'd be a little bit cautious with that.

One of the other things we're doing is – I know it's sad, and I've even helped some people go through a foreclosure, and it's

not a very nice job to be around. It seems like it's a very tough and sad thing for them to have to go through because they get so attached, if they've been there for a long time, to their land. But the other side of that is that they are inefficient. They have given it their best, and in some cases they're good in some other areas, but they're not good in farming and farm management. So I would think that they would be better off if they get out and get into something they're good at. There might be the odd case, depending on what age they are and at what time they got in, where you might be able to rescue one that could be made into a good farmer a little bit later on. But most of them build their own nest, and I don't think we should be keeping too many of those in or our total industry will be weaker because of it.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Centre.

REV. ROBERTS: Thank you, Mr. Chairman. I very much support this resolution, and I know my colleague Derek Fox has spoken to the same issue with the same kind of concern and would support it as well.

I'm kind of concerned that the Member for Wainwright would make such judgments about some of our family farms and the people on them, that because of financial difficulty they in fact should willy-nilly try to find something else to do. I mean, it just seems to me that often these people are victims of circumstances beyond their control and that the result is, as we've talked about in the Legislature already, an increasingly alarming statistic of rural depopulation. I just haven't seen very many solutions from the government side at all in terms of meeting that phenomenon, which is going to really devastate our province. I think this is one solution that might have implications in terms of other lending agencies and the rest, but if higher interest rates are part of the solution for keeping people on the farm and slowing the trend of rural depopulation, then maybe that's the price we have to pay.

So I think that for a variety of reasons the principle of this is sound, based on the compassion and humanity involved. We need to make it work with more creativity than with skepticism and suspicion.

MR. CHAIRMAN: Thank you.

The Member for Westlock-Sturgeon, with concluding comments.

MR. TAYLOR: Thank you. I'll try to answer the Member for Wainwright's questions, which were good ones. One is that they are not forgiving the loan. The property will be foreclosed, and instead of just leasing it to a neighbour or putting it on the market, it is long-term leased to the original families, provided they are living on it. If it's not part of the family unit, if it's a quarter section way off, 10 or 20 miles away from their operation, it'll just go like anything else. But if they're living on it — in other words, we'd retain the family there. So all they do is get a five-year lease, which would be made out to anyone else, and in that term they get the right to buy back at a negotiated price.

Well, that leads to the second argument, and the Member for Wainwright is right. Some people shouldn't be in farming — managerial mistakes. And it might be as high as 25 percent of these that get seized or even a third. It doesn't matter, but I'm sure it's less than half, maybe, who shouldn't have gone in that. But they'll find that out in the next five years. If the five-year

lease comes up and they've never been able to get enough money to try to buy it in the meantime, it comes back to us anyhow. So what we've in effect done is just not even gambled. We've just delayed, and often not even delayed, the realization of cash to our Treasury for a maximum of five years to give that family a second chance. Because if indeed they're bad managers, they're not going to be able to buy it back anyhow. If they're good managers, they'll buy it back, and everybody is happy. They've stayed in the community, and we've done a good thing. I like to see business run that way. It doesn't depend on charity or anything else. It's just giving them another chance at no real cost to us, the taxpayers, because we keep the land until he buys it.

MR. CHAIRMAN: Thank you.

Recommendation 41 has been withdrawn. We'll move to recommendation 42 and recognize the Member for Westlock-Sturgeon.

MR. TAYLOR: Mr. Chairman, this recommendation is that the Heritage Savings Trust Fund moneys administered by the Minister of Forestry, Lands and Wildlife be used to conduct a study to compare the various economic returns of numbers 5 and 6 farmland as to aspen cutting, cattle grazing, or game ranching. The reason I brought this in was that there has been a revolution in agriculture in Alberta — maybe a lot of the world as far as that's concerned, but particularly so in Alberta — in the last dozen years. Numbers 5 and 6 farmland, which at one time were just thought to be marginal forage raisers, can now, due to different seeding practices and controlling cover, be used for cattle grazing. In fact, up in the hon. Member for Athabasca-Lac La Biche's area, he has some good-sized grazing leases not too far from where he lives that have been planted to grass and that. It's interesting, but it's also true in northern Alberta again, that a lot of this land will raise aspen. As anybody will tell you, you stand back for two years, you go out there, and you've got a field of aspen. So aspen will grow, which can be used for pulp. [interjection] That's right.

The third, of course, that is looming on the horizon and giving all of us a bit of a point is the game farming. Animals like elk can be taken and grazed on wild 5 and 6 land and, between selling their antlers and meat and that, raise a return. So I think it would be a big step forward in helping our farmers of Alberta to best utilize numbers 5 and 6 farmland, which makes up the vast proportion of our arable land in this province, if you can call 5 and 6 arable, because it makes up nearly 70 percent of our land inventory. So I think it is a study that could be of tremendous advantage and point a finger or weather vane to the future to our farmers, and it's something that only the government can make.

MR. CHAIRMAN: Thank you.

The Member for Lacombe.

MR. MOORE: Well, thanks, Mr. Chairman. The land that we're talking about here, those types of soils, now are the lowest productive type of soil there is. I don't know what research we do, other than you have to build that soil up and it will produce anything if you work it, and a lot of capital and what have you to bring it to a productive level. It's marginal land, and I find it difficult to see what any studies would prove.

However, the opportunity is there under the heritage trust fund to do studies into all these areas, and this is a really good area for anybody, including the Member for Westlock-Sturgeon.

If you want to come up with a study, go under Farming for the Future. There's a committee there that would examine that. It's just an excellent example of what Farming for the Future is set up for. I think they can move into that area very adequately and cover this well. I don't know what they're going to study it for, as I said before, because the land is very, very marginal. But the avenue is open to do any type of this studying that the Member for Westlock-Sturgeon foresees or recommends is necessary.

**MR. CARDINAL:** I would speak in favour of this process, because I know that where I come from a good percentage of our land and soil is gray-wooded 5 and 6. Therefore, the farms are very marginal. The farmers are not diversified. They have a tough time surviving.

On the other hand, regardless of where the funding comes from, I would encourage that some more research be done as to how farmers may survive and plan in the future when they are farming in zones or targeted areas that have this marginal farmland. Maybe Farming for the Future organizations may look at specific policy changes in the existing farm policies to assist with maybe lower interest rates even or longer term loans or possibly different policies for farmers that are caught in that situation. So I would speak in favour of that. Now, where the dollars come from is another thing.

Thanks.

**MR. CHAIRMAN:** The Member for Westlock-Sturgeon with concluding comments.

**MR. TAYLOR:** Thank you for the member's support. There's nothing more I have to add there. I can move on to 43.

**MR. CHAIRMAN:** Okay.

**MR. TAYLOR:** I'm moving a little fast for you, am I, Mr. Chairman?

**MR. CHAIRMAN:** I'm right with you, hon. member. We'll just move to recommendation 43, and the Chair recognizes the Member for Westlock-Sturgeon.

**MR. TAYLOR:** I tell you, Mr. Chairman, when you get hooked up with the Liberals, you have to hold onto your rickshaw because we move here and there.

I move

that the heritage trust fund moneys administered by the Minister of Forestry, Lands and Wildlife be used to evaluate the economics of protein production through fish farming.

Before I started living off the taxpayers here in the province as an MLA, I did a lot of work in China, and it always fascinated me, the amount of protein they were able to raise out of their ponds and dams by raising fish, usually carp. They grow fast. Even up in the north, where their dugouts freeze down, they harvest the fish in the fall and reseed it in the spring. Fish live on manure usually and grow to substantial sizes and are ground up for fish meal and protein production. In following up on it, it seems to be quite a money-maker.

I did some inquiring around at Farming for the Future and Wildlife and a few others, and nobody seems to have done any work on it at all. I think it would be fairly easy to check out, so consequently I made the motion.

**MR. JONSON:** Mr. Chairman, I think that once again there are

opportunities for research in this particular area through programs that already exist and where really all that is needed is a proposal in terms of some added dimension to that research rather than making it a separate initiative out of the heritage trust fund.

The other thing I would say here, Mr. Chairman, is that although perhaps this research is not as complete as the hon. member would like, I am aware that there is an applied research project, I guess you'd call it, under way with respect to the irrigation canals in southern Alberta, where they have some very hungry carp that they are going to be putting into the irrigation canals for two purposes. One is, I guess, to see if they grow and are usable for something, but also to clean out the irrigation canals. They're evidently very effective at doing that.

So, Mr. Chairman, I'm not in any way saying that looking further into this isn't a good idea, but I don't think it has to be a separate initiative here. I think the opportunity for doing this is already there.

**MR. CHAIRMAN:** Thank you.

If there is no further discussion, the Member for Westlock-Sturgeon with concluding remarks. Or are you prepared to move on?

**MR. TAYLOR:** Yes, I'd like to make a little bit . . . Some of the others I skipped over, but I do think this is a much bigger industry than a lot of people would suppose. I know talking to Albertans about fish farming is a little bit like talking to ranchers about raising sheep. I mean, there's something repugnant about feeding manure into a slough and watching all the fish grow. But the point is the terrific yields of protein is enough for us - and I thought that we're in this research business anyhow. I know I've called around, and what I get is what the Member for Ponoka-Rimbey said: well, they're going to look at it here and a little bit there. But there's no real process of sitting down and how much could they yield under Alberta weather out of an ordinary dugout; take a half a dozen dugouts, plant them to carp, and see what they could do.

I think it's something that could bring quite a little side cash income to the farmers. Who knows, we might even do as the Member for Lacombe and go back to all these farmers and try to get our dugout money back if they start making a fortune out of them raising carp.

To go on to closing off at recommendation 44:

that one of the conditions of funding the heritage trust funds administered by the Minister of Advanced Education be that the University of Alberta re-establish its extension library to provide equal opportunity for and access by our rural people to central libraries.

This one is a pet of mine and anybody in the rural areas. I'm a great believer in the university extension library, and it was cut off about three years ago. The books are still over there, Mr. Chairman, when I was checking over there, but they now don't mail them out. I think that's something that the rural people . . . Well, certainly city people used it very little because they have good, large, complex library systems. In spite of the rather admirable library funding that the government has done through the years, the last few years rurally, you still cannot make a rural library larger than a certain amount. You can put quite a little in there, but you can't get all the extension services and all the possibilities from films to textbooks.

I was very disappointed when the University of Alberta was allowed to cancel their extension library and transfer funds, really from their overall grant, to other areas. I think that the

Minister of Advanced Education, when next he is giving out the funds to the universities – and he appeared here and said what they had asked for and what he wanted – one of the regulations or stipulations would be to put the extension library back into service, because although it may not serve great numbers of voters, it's a very critical and important part of our rural areas, particularly our more isolated rural areas. I just felt that it was improper to suspend its function.

MR. PAYNE: Mr. Chairman, as an urban member I feel ill qualified to comment on the merits or otherwise of the concept of re-establishing the U of A's extension library. It may very well be that that's an appropriate and laudable thing to do, but I'd be more than happy to defer to the judgment of this member, and indeed any other rural members who may have a direct interest in extension libraries.

My difficulty is the implication of the recommendation that the Minister of Advanced Education is administering a large cache of heritage fund dollars that he's dispensing in various directions. Members will, of course, recall from our meeting with the Minister of Advanced Education that the only heritage fund related programs that he's involved in would be the clinical research building on campus and, indirectly, the scholarship funds. So I'm frankly puzzled as to why such a recommendation is before us. Without the benefit, perhaps, of the research that the sponsoring member has given to the subject, it would appear to me that this would be more properly directed to the minister in the context of discussion of his departmental estimates.

MR. CHAIRMAN: Thank you.

The Member for Lacombe.

MR. MOORE: Thanks, Mr. Chairman. I'm in a quandary, Mr. Chairman, on the wording of this. It says

that one of the conditions of funding the heritage trust funds administered by the Minister of Advanced Education be that the University of Alberta re-establish . . .

Now, is he saying that's one of the conditions, before we give any money to the University of Alberta here, that they do this? Or does it mean that one of the conditions of funding the heritage trust funds administered by the minister be that before we fund anything else, they should do this? It could take a lot of judgment. However, it's directed at the re-establishment of the library and that it "provide equal opportunity for and access by our rural people . . ."

There is evidently a lack of knowledge on the part of the movers of this motion, Mr. Chairman, as to the library systems in Alberta. Now, we have a network of very extensive regional libraries that service all the public libraries and all the school libraries, and some private libraries can draw upon the regional system. Now, I can speak for Parkland, which is centred on Lacombe and goes all over central Alberta, from Rocky out to Provost, draws out of that regional library, and it's a very, very extensive library. In fact, they're just going to open a new building that increases the size of the facility by at least 10 to 12 times because of the demand for the books they have, and that services the public and the school libraries in that entire area. None is excluded. Now, there's Marigold in the south, and there are the ones up north – I'm not sure of the names of them – but they are the regional systems that people draw on. So rural people have access even more so than what they would have if there was another one re-established at the U of A. These serve the rural area very, very well, and you'll find that there is no need to re-establish this.

If we're going to do anything, give more money to the regional libraries which are closer to the rural people that have access. I think they're well financed now. They wouldn't say that; they're always looking for more money. But they're adequately – I don't say "well," I should say adequately financed to provide that service, and they could provide a lot better service with additional money, probably. However, they're there doing the job.

So I feel this one is a little redundant. The library has gone by because there's no demand from rural Alberta for that sort of thing. They already have their own systems.

MR. CHAIRMAN: The Member for Ponoka-Rimbey.

MR. JONSON: Yes, Mr. Chairman. I guess the connection for this recommendation to the Heritage Savings Trust Fund must be that there was a program within the Heritage Savings Trust Fund, concluded some two or three years ago, that provided funds for the upgrading of library resources across the province. I think that was an excellent initiative and much appreciated.

I would support the Member for Westlock-Sturgeon in the sense that the history of the extension library is a long and honourable one. I think the point he makes about the resources just sitting there at the University of Alberta brings up the idea that probably something should be done fairly soon to distribute those resources to libraries throughout the province or somewhere so that they can be in fact used by the public. But I think, Mr. Chairman, that the time has probably passed for a network such as that provided by the extension library that was for the whole province but located at the University of Alberta. More emphasis has to be placed on supporting the regional library network. It won't be too long till we're talking about having data banks accessible to people in various parts of the province through their telephone and computer systems, and certainly we should not lose sight of the need that accessed information should be as much as possible comparable in urban and rural areas. But I don't think there is a good case for re-establishing an extension library as it formerly was.

MR. CHAIRMAN: Thank you.

Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you. The points by our two well-informed members from Lacombe and Ponoka-Rimbey were well taken. I must admit that there is probably an interfacing between what an extension library does and the enlarged libraries operating on the Marigold theme that the Member for Lacombe mentioned. But I felt there was still room for extension libraries, and probably even more so that the extension library system fit into the new era of home computers that the Member for Ponoka-Rimbey mentioned, of home computers being able to talk to the central library system. I thought that an extension library is actually closer to using modern equipment than the regional one is, which has the books way out and quite a ways away. However, that's completed the comments on it. If it doesn't fly this year, maybe I'll get more research for next year.

The Member for Edmonton-Meadowlark will take the next one.

MR. CHAIRMAN: Okay.

Recommendation 45. Recognize the Member for Edmonton-Meadowlark.

**MR. MITCHELL:** Thank you, Mr. Chairman. I move that the Premier of Alberta approach the Prime Minister of Canada to obtain the same funds per hectare for reforestation that are now granted to the forest industries of [the provincial governments of] eastern Canada

in order to manage their forestry resources.

The motivation for this motion arose in discussion with the Minister of Forestry, Lands and Wildlife who was very candid with us – and of course we appreciated that – in stating that while New Brunswick has a federal/provincial agreement worth \$90 million, 60 percent of which is paid for by the federal government to deal with forestry issues, Alberta has no such agreement.

It seems that the federal government has been trying to buy us off by saying, "Well, you have the Western Diversification Office." What we know, of course, is that the Western Diversification Office and its funds were really just a restructuring of funds that were already available and that they are relatively minimal in their impact on Alberta and their use even within Alberta.

It is simply an inconsistency, and there is no logical defence of why New Brunswick would get that support from the federal government and we don't. Therefore, we believe that this issue must be taken to the highest levels and that the Premier of Alberta should approach the Prime Minister of Canada to do something about it. Now, I'm asking, of course, the same individual who negotiated so effectively on our behalf to get Senate reform talked about after signing the Meech Lake accord, and at the same time I would hope that perhaps he has learned from that experience and will be able to negotiate more effectively in this case.

This government has launched itself on a massive encroachment into northern Alberta's forestry resources, and I use that term in a broad sense: not just a tree having value, but the ecosystems – the role of the forest in recycling CO<sub>2</sub>, the role of the wildlife that are dependent upon those forests – all have a value as well. This initiative, these multiple pulp mill projects, will inevitably encroach profoundly upon that area. The reports are that the Department of Forestry, Lands and Wildlife does not have the resources it requires to adequately monitor our forest reserves, let alone manage our forest reserves, and that there is now, as perhaps never before, a strong argument, a strong case to be made, for federal assistance in properly assessing our forestry resources and properly managing those resources, particularly in light of the tremendous pressure that will be placed upon them by the pulp mill projects in the north.

I would find it difficult to understand that any member of this committee would actually be opposed to this proposal, and I ask that members of the committee support it.

**MR. MOORE:** Well, Mr. Chairman, I like the idea. Anytime we go for federal dollars, I can support that very well. However, first of all, I fail to see where this relates to the heritage trust fund in any way, shape, or form. I don't know why it's on here as a question; it's another area. But seeing it's here, I would like to address it for a moment or so.

Every time we deal with the federal people, they always have strings attached to it; they always want certain controls or certain things done. We do not get treated like Quebec does by the federal people. Quebec gets the money in a lump sum, and they do what they like with it. If they do it differently than the federal people who put the strings on, they call it under their distinct society, I think they call it. They're trying to say that. However, they get away with it. We in Alberta don't get away

with it; they would hold us to it. So we have to be very careful when we're dealing with the feds. When we accept their money – we can demand it, but we must demand it with no strings attached, that we can operate and work with it. Ottawa does not view us in a favourable light, and they will not give us any funds until we go after it. This motion says go after it, and I agree with him. However, we must be very careful on the strings that are attached to it when we deal with the federal government. We don't want them involved any more in our provincial area than is possible. They're in here too much now.

**REV. ROBERTS:** Mr. Chairman, I didn't quite follow the logic of the last comments. I was trying to follow whether or not he was saying that, in fact, we should get our fair share under federal grants and federal negotiations or whether the feds should stay out of the provinces altogether. Maybe I just didn't hear all that was being said.

I'm grateful to the Member for Edmonton-Meadowlark for raising this issue, because it really has seemed to underline a lot of discussion we've had in the trust fund hearings to date; that in fact, because of the trust fund and because of certain federal/provincial arrangements, we are getting the short end of the stick more often than not, particularly with respect to this issue in terms of reforestation. And I remember – I mean, it was clear that the minister of forestry, when he was here, found it to be quite scandalous himself. I was surprised that he hadn't taken action, and if it needs to be the Premier of the province taking action with the Prime Minister on this issue, then so be it.

But I think, you know, we've let this issue sort of fester and haven't really brought it to the light of day in discussion and need to do so more. Whether it's with respect to this particular concern or other concerns, where we in Alberta because of the trust fund have been negatively prejudiced with respect to a number of federal programs, we need to make that more explicit and take the necessary action.

Maybe I could also say that if we ever get that first resolution about a review of the whole fund, consideration should be given to this aspect of it: the degree to which, because of the fund and because of its goals and objectives and performance, we in fact are not getting, or not finessing properly, the federal shares that are due to us. So I think I agree with the member in raising it now, and I think we should take action. The whole issue needs to be looked at more closely and hopefully with the review that's at hand.

**MR. CHAIRMAN:** The Member for Ponoka-Rimbey.

**MR. JONSON:** Yes, Mr. Chairman. I recognize that there is a tenuous connection here with the Heritage Savings Trust Fund, and I would say that overall I would support the theme of the recommendation. I do wish, however, that the member might have said something to the effect that we get funds on a comparative basis with the rest of Canada, because I've looked at some of the statistics and it's not all of eastern Canada that's apparently being treated rather well; we do have to consider what's being done in British Columbia and Manitoba and Saskatchewan. But I certainly support the concept of Alberta being assured that it is getting comparable and fair compensation or assistance from the government of Canada in this particular regard.

Mr. Chairman, I would say that in view of the hour we should adjourn. However, if you'll allow me, I'd like to just raise a

point for your consideration and other hon. members' consideration prior to the end of the meeting - before [inaudible], I guess.

MR. CHAIRMAN: Can we move, then, to the point of information that the Member for Ponoka-Rimbey might wish to raise?

HON. MEMBERS: Agreed.

MR. JONSON: Mr. Chairman, I would simply request that you consider and rule on the admissibility of the next two recommendations, because they are . . . I've tried to consider it fairly, and I don't see the connection with the responsibilities of the

Heritage Savings Trust Fund committee. I'm not commenting negatively on the merits of the recommendations, but we've got to stop somewhere in terms of what we consider as recommendations here at this committee.

MR. CHAIRMAN: Thank you. The Chair will review those recommendations - 46 and 47 are the two that you're referring to - and perhaps visit with the sponsors of those two recommendations and give some consideration to that.

The Chair now recognizes the Member for Ponoka-Rimbey's motion for adjournment, and the meeting is adjourned.

[The committee adjourned at 3:57 p.m.]

