

Legislative Assembly of Alberta

Title: **Thursday, May 16, 1991**

8:00 p.m.

Date: 91/05/16

head: **Committee of Supply**

[Mr. Jonson in the Chair]

MR. DEPUTY CHAIRMAN: Good evening. I would ask the committee to please come to order.

head: **Alberta Heritage Savings Trust Fund**
head: **Estimates 1991-92**

Health

MR. DEPUTY CHAIRMAN: The estimates for votes 1 and 2 are located on pages 18 and 19 of the estimates book.

I would ask the hon. minister if she has any opening remarks.

MS BETKOWSKI: Thank you. Mr. Chairman, I'm pleased to make a few introductory comments on the applied cancer research program and the Alberta family life and substance abuse foundation, which are both funded under the Heritage Savings Trust Fund.

The applied cancer research program was initiated in the 1976-77 fiscal year, and to the end of the 1990-91 fiscal year we have spent approximately \$44.1 million on this program. The '91-92 estimate of \$2.8 million before you will be utilized to fund new and existing research projects whose emphasis includes advances in the prevention, diagnosis, and treatment of cancer.

At this point I'd like to point out that over the 25 years from 1964 to 1988 the incidence rate for all types of cancer revealed an increase of approximately 57 percent for females and 96 percent for males. Even if these increases were adjusted to include the nonmelanoma skin cancers, the increases over the past 25 years are substantial: 44 percent for women and 77 percent for men. Applied cancer research, therefore, is a very essential program.

The Alberta Cancer Board, having invited competitive cancer research proposals, has approved 16 projects for continued funding, which include major studies in radiotherapy and chemotherapy, research into the prevention of colon cancer, operation of flow cytometry facilities which serve numerous research projects, and the molecular genetics and carcinogenesis project, which is an internationally recognized scientific project that will increase our knowledge of the origins of cancer.

Fourteen new projects will be funded during 1991-92, and all of these projects are subjected to the peer review and approved by an advisory committee on research composed of nationally and internationally renowned scientists. As the Alberta government we are very pleased to make these research funds available to Alberta scientists, and I would like to highlight some of the research initiatives which would be of particular interest to the House.

Cancer prevention strategies will be evaluated in a workplace setting using three methods of changing behaviour. If it can be shown that a minimal intervention could change an individual's risk behaviour, clearly a reduction in cancer mortality could be made. An epidemiological research project will examine cancer incidence and geographic distribution in the four western provinces. A clinical evaluation of novel radiopharmaceuticals could lead to new nuclear medicine diagnostic procedures. These projects and many others continue to add to our body of knowledge about cancer and its treatment, and the advances in

cancer research are an integral part of cancer diagnosis and management.

With respect to vote 2, Alberta Family Life and Substance Abuse Foundation, I note that on May 15, yesterday, it was my pleasure to introduce Bill 35 to initiate the proceedings to establish this very important foundation. The estimate before you provides for \$6 million in the 1991 fiscal year towards this important program.

The objectives of the foundation are to strengthen Alberta families through the discovery and application of new knowledge about substance abuse by supporting the development and evaluation of new educational and public awareness programs on family life and substance abuse, the development and evaluation of new methods for the treatment of substance abuse, innovative basic and applied research projects on the relationship between family life and substance abuse and other innovative studies in the field of substance abuse, an evaluation of proposed and current programs relating to family life and substance abuse, and finally, the development of an information base on family life and substance abuse in Alberta.

Mr. Chairman, I'd be pleased to answer questions that hon. members may have with respect to these two very important programs under the Alberta Heritage Savings Trust Fund.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Calder.

MS MJOLSNESS: Thank you, Mr. Chairman. I certainly do have some questions to ask the minister when it comes to the setting up of the Alberta family life and substance abuse foundation. Something that is not clear in my mind is why in the world we are doing this in the first place. I know that the minister might say that we're not duplicating services with this particular foundation. Under vote 2 it states that the objective of the foundation is "to provide funding for research and education with the objective of strengthening Alberta families." Now, that is exactly what AADAC is set up to do. Their mandate is to deal with education and treatment and research in this whole area. So I really feel strongly that what we're doing here is setting up another bureaucracy, exactly the same bureaucracy that is set up already and is operating through AADAC, and I would really like the minister to clarify why we need this particular foundation.

Another thing that bothers me, Mr. Chairman, is the fact that although AADAC's mandate is almost identical to what is happening here, they were cut back in their funding by 11 percent in the area of research and education. It just doesn't make sense to me. The 11 percent adds up to about \$500,000. I would say to the minister: if AADAC was to receive this \$6 million, they could do a heck of a lot in this area. I feel very strongly that there's no need to set up another bureaucracy. When this government is always preaching less government and often doesn't practise what they preach, this certainly doesn't make any sense.

The other thing that I wonder about is: who is going to sit on this foundation? We're setting up another bureaucracy. It states in Bill 35 that the foundation would "consist of not fewer than 3 and not more than 11 persons appointed as trustees by the Lieutenant Governor in Council." I would ask the minister: who are these people going to be? Is this just another council or commission set up by the Conservative government so that they can employ Conservative MLAs or other Conservatives in the province? I think that these are important questions that need to be answered.

Mr. Chairman, also, what the Bill is intending to do is limit what AADAC is now able to do. The Bill has a much narrower focus in that it deals with substance abuse and family life, where AADAC has a much broader focus. So again I see the role of AADAC as being one that is very important; it is doing a very effective job in this area. I see setting up the foundation as something that is totally unnecessary. I would ask the minister: why is she not committing this money to AADAC so that they can do the job that they're already mandated to do? They're already in place, and they're already doing these kinds of jobs.

Thank you.

MR. DEPUTY CHAIRMAN: The Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Chairman. I have broad shoulders, gentlemen, so I'm here to carry the weight.

AN HON. MEMBER: You're the guy. You can do it.

MR. BRUSEKER: I guess so. Thank you.

Just a couple of quick questions to the minister with respect to vote 1, Applied Cancer Research. I apologize if I am going over ground that perhaps she covered before, but I'm wondering where this money is being directed in particular. We've got the Cross Cancer Institute here in Edmonton and the Tom Baker institute in Calgary. Is that where this money is being directed? I'm a little curious as to the kinds of projects. As I read the direction, "reviews applied cancer research proposals and recommends projects," I'm wondering what kinds of projects. As the minister knows, cancer is of a variety of forms and a variety of causes. Although we're still looking for a number of the causes, cancer has been linked to certain chemicals such as the ones that I know the Minister of the Environment is obviously concerned about, dioxins and furans. Smoking is related as a carcinogenic substance. Cancer can be caused by viral compounds. I'm wondering just a little bit about the kinds of projects. I wonder if the minister could just elaborate on that.

8:10

I, too, would like to join in expressing my concern about vote 2. It seems that there's a substantial amount of overlap with respect to the Alberta family life and drug abuse foundation and AADAC. In fact, in one of the sections of Bill 35, which was just recently tabled, it says that one of the members who is a trustee "must be a member of the Alberta Alcohol and Drug Abuse Commission." It seems like there's some substantial overlap there.

I would like to get some reassurances from the minister that the dollars that are being expended are being primarily – I would like to say a hundred percent – expended in the delivery of programs. I'm not opposed necessarily to the expenditure of the \$6 million; I am opposed, though, if we end up spending a lot of it in terms of the bureaucracy. Now, it says that Salaries, Wages, and Employee Benefits are \$75,000, Supplies and Services, \$60,000, and Purchase of Fixed Assets is \$30,000. There's a fair chunk of money coming out of there; \$165,000 right off the top that is going to be expended not in the delivery of programs. I wonder if the minister could just outline in a little more detail how these grants are going to be expended in terms of what programs and in terms of what's going to happen specifically with the grant section under vote 2.

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Centre.

REV. ROBERTS: Thank you, Mr. Chairman. With respect to Applied Cancer Research, \$2 million, this is, I guess, the fifth time we've been through this, and it's hard to know what to say that's going to influence much how the money is allocated or expended or evaluated or any of that. We've rehearsed that over the last four times going at this vote, but just for the record again – and I'm sorry to have missed the minister's opening comments – I'd like to ask for something of an update with respect to how these moneys and this fund connect with other medical research funds and other medical research efforts.

I thought that there was some talk a year or so ago about the fact that these moneys, separate as they were, specially designated as they were, would in fact become part of a more comprehensive way in which public funds devoted to medical research in its full panoply of protocols and areas would be much more clearly integrated. I don't know if this \$2 million is going to be brought into better co-ordination with the rest or whether it's just going to be left hanging out as it continues to do its work in its own way, independent of all the rest.

As we know, heart people would like to have applied heart research. AIDS people would like to have applied AIDS research. Children and pediatric services would like to have their own dollars, their own pot of money. We have this cancer money, and I guess now we're having substance abuse money. It does seem to me to be a bit unfair, year by year, to have these sitting out. Maybe they're the darlings of government; maybe they're special pet projects of previous ministers or the Premier or this minister, whatever. As the minister knows, I would just like to think that we could at this point say hey, let's pool our resources; let's take a comprehensive look at where dollars need to go in terms of research and get on with it.

Insofar as it continues as it does, with this \$2 million this year and who knows how many years into the future, again I'd like to ask certain questions with respect to how we're evaluating this expenditure of funds. I'm told: well, there are two ways that we know we're getting value for dollars for this \$2 million. The first is to see that in fact there is a reduction in the incidence of cancer in the province of Alberta. If we're spending this \$2 million this year and however many years it's been in existence, has there in fact been a noticeable reduction in the occurrence or incidence of various cancers in the province?

Now, I remember being with the Heritage Savings Trust Fund committee. We went down to the Tom Baker centre and had quite a presentation by the folks down there from the Cancer Board, saying in fact that, no, there wasn't any reduction; there was in fact a vast increase. We keep spending this money on research and on cancer treatments, but in fact there is a greater incidence of cancer in its many devastating forms in the province and in the population. Again we have to stop and wonder why. Maybe some of these moneys or some other moneys could look at some epidemiological studies, at some environmental health issues, at some life-style issues instead of sending the money all down at the end in terms of the molecular, biochemical structures of cancer, which we need to continue to do, I guess. Maybe we should start asking questions about what it is in terms of our life-style, in terms of what we're eating, in terms of what we're smoking, in terms of a variety of factors, perhaps psychological or whatever, that is continuing the fact that cancer is running apace in this province, according to what I heard from the Cancer Board a year and a half ago.

I'm appreciative of the minister's work with the breast screening clinics throughout the province, which is a very direct way of looking at that issue for women and has a proven outcome and a proven benefit. I still think there are some issues about false positive results and what that can mean for some people who are told, "Well, you are a likely candidate for breast cancer," but in fact they are one of the 5 or 6 percent false positives. There's a real gain in terms of breast screening or other screening tests for cancer. I think it could be well argued that, yes, on the bottom line in terms of what we're getting for those moneys, that is really going to address either prevention of later stages of breast cancer or it's really going to get at the incidence rate and perhaps will lower those women who will need to have mastectomies and other treatments which are very expensive and very devastating. If that is a good example, and I can be persuaded that it is, what are some other measures that are really going to get at the root of the issue in terms of the prevention of cancer and not just spend money trying to battle a disease which is going to continue to ravage us with an increasing incidence, being higher and higher among the population.

The other side is that we can evaluate these moneys by the fact that the scholars and the researchers who have them put out lots of publications and are seeing that there's a great advance of the research in connection with others and that we can do our part here in Alberta when we link up with what they're doing at the Pasteur Institute in France or with researchers in the U.S. and that we can contribute to a global effort in this regard and that the more our researchers at the bench or at the bedside do what they do, then we can contribute to a global effort and we can measure that or get a sense of evaluation of that by the number of publications which contribute to journals that have a global impact. I'm not sure if the minister – again, I'm sorry – in her opening remarks said that, yes, we are moving in that direction in a significant way and we can evaluate the fact that, yes, these \$2 million are being well expended because we have these results to show for it in terms of publications and contributions to global research efforts.

A difficult issue has come up, and I'm sure the minister's aware of it. I don't know how indicative it is of the whole cancer research area, again this sense of it going from bench to bedside. It has to do with the amount of research that has gone on at the bench and has resulted in the development of interleukin-II, which is a very effective drug, I'm told, for the slowing of the growth of cancer cells in the body. It has some toxicity, some negative side effects for some people some of the time. It's argued that we still need some clinical trials to really see whether this is an effective drug or not. I guess the conundrum that we're in with this, as with other areas of medical research, is that here we have spent money at the bench to say that here's what is going to prove to be a drug with lots of potential, yet when it gets to its application, it's also very expensive. I'm told that the folks at the Foothills hospital just don't have enough money or that in fact the Department of Health itself has refused extra funding for this drug, which the researchers have said is going to have a direct effect in terms of improving the health status of certain Albertans, yet there's just no money for the treatment side of it, at the bedside end of things, so to speak.

8:20

As I say, it's a conundrum, because more and more I'm sure we're going to develop with our research dollars innovative and effective treatments, at least on paper or in the trials, yet when

it comes to its full application for Albertans or for Canadians or for people anywhere, there's not going to be enough money to actually pay for the treatment. I'm told, in fact, that medical knowledge doubles every five years, that five years from now we're going to know twice as much as we know right now about the body and its workings and how we can affect certain disease processes. Of course, those physicians and those health care professionals who want to treat people with this new knowledge are going to say: well, where's the money for it?

Again I guess it gets back to the whole issue of better evaluating what we want and where we want it and for whom we want it, where we really want to best put our health research. In a sense, I hate to be the kind of Tory that would have only an economic bottom line, but it's going to be: what's the biggest bang for the buck; where are we going to best utilize our health resources to get for my money the greatest improvement in health status for Albertans?

As I say, these are just a couple of issues which, I think, continue to plague us in a general sense. There are dozens more with this vote. I remember that a few years ago I asked the previous minister 20 questions pertaining to how these moneys were spent and the rest and never did get any satisfactory answers. Oh, I do appreciate the annual statement which is sent out from the Cancer Board, I believe, in terms of who gets these moneys and what they've done with it, but in this larger framework I think there's still debate which needs to go on which I don't hear being debated very publicly in the province at many levels. I guess we can appreciate that we can do it a bit in the Legislature here.

With respect to the family life and substance abuse foundation, I know that we're going to have more debate when the Bill comes before us for second reading, committee, and third reading, and the government's going to plod ahead with this. I, with my colleagues and others, have thought from the beginning and continue to believe that it is a pet project of the Premier to do a special thing in a special way that's going to make certain members of government feel better about things and that it continues to bypass – I mean, it doesn't use what AADAC had already built up and the kind of framework that AADAC provided for even on the research and education side. We're told that AADAC is the treatment arm and that this is going to be the research arm. I guess that's one way of looking at it, but I still believe that AADAC themselves, because they're doing the treatment, for heaven's sakes, know or should have a sense of the best research they need to be where that is.

As well, though we don't have the \$200 million here before us tonight, rather \$6 million to just get the ball rolling, I question what the timetable is in terms of how the dollars are invested, where they're invested, how much money is accruing to the foundation for its annual use and all of that. Are we ever going to get up to the \$200 million level? Are we going to sort of cap it at \$50 million, or is it going to be a \$200 million endowment from which they draw \$6 million or so or however much you can draw from \$200 million each year?

Bear in mind that, you know, this is a huge sum of money if they go ahead with the full \$200 million, bearing in mind that even the whole Heritage Foundation for Medical Research has only a basic endowment of \$300 million, I believe. Right, Mr. TRT? Trying to do the whole ball of wax of medical research out of that \$300 million pot, and here's \$200 million, you know, two thirds of that, for one area of health, being substance abuse. So if the minister or cabinet or Treasury decide, "Well, we're not going to go the full \$200 million but maybe \$50 million," I think

that would be all right on this side of the House, and they wouldn't get a lot of argument.

I guess the question is also that if it is seen to be purely a research foundation, again how is it going to not duplicate AADAC, not duplicate other research bodies already in existence throughout the world? I'm thinking, for instance, of the Ontario addiction research foundation, which I'm told again does great work. I know that there are outfits in the U.S. that do the research arm of this. I'm just wondering how much research you can do. I guess researchers say that it's an infinite amount. In order not to overlap with other efforts in the world, how is this foundation going to link up with what the Ontario addiction research foundation is doing or what they're doing in other parts of the world in terms of research into these issues? Again, there's no need to have to reinvent certain wheels just to please some researchers or some politicians here in Alberta.

In fact, I like the Ontario model in a sense because it does get at what I think to be the issue. It isn't substance abuse. It isn't necessarily family life. It is addiction and the nature of addiction. What is it about addictive personalities? Are people born with them? Are they part of certain behavioural or nurturing kinds of environments, that people just happen to have an addiction to some things and can't control their behaviour around those addictions, whether it's an addiction to substances which harm the body, be it beer or scotch or whatever else or if it's to substances like Lysol or glue or things? I'm sure the psychological literature is full of addictive personalities, addictive behaviours, and in fact I submit that we all share in that to some degree. I guess it's a matter of how we manage that, how we understand that, how we in our own lives deal with certain things which we feel addicted to, whether it's video games or chocolate or hockey or marijuana or crack or whatever.

So again I think it's a nice way to dress it up, talk about family life and drug abuse. Maybe the family life side will say: yes, there is a major way in which parenting, for instance, and some very dysfunctional or very negative forms of parenting – and, heaven knows, there's a lot of that out there around us. Certain changes or parenting skills could help all our children deal with the issues in their lives so they don't end up destroying themselves or others because of certain addictions to certain things. There's a variety of ways, I guess, you can get at this issue of addiction through this sort of – I won't say superficial title, but it's certainly a very politically nice sounding title. I think the basic issue is around addiction, addictive behaviours, and once people have discovered that, they can, with various resources and treatments and therapies and so on, deal with that in healthier ways.

Just a couple of other quick issues while we're on it. One other one is that I would like, here in the Alberta Legislature tonight, to ask the question whether or not this fund and these moneys are going to in fact look at the issues around the legalization of certain illegal substances. As we know, and as I've heard debated hotly in the U.S. – I think it's been said that we don't want to touch it here in Alberta, but why not? It's about time that we look at the fact that what really ruins families, what really ruins people, is not just the addiction to certain illegal substances but the money it takes to buy those substances because they're illegal. The black market and the trade from South America and the rest which is forcing it to come up in very, very expensive ways is the issue. Families are broken apart because certain husbands or wives or so on have an addiction. They have to have the substance, so they mortgage the house to get it.

Evidence suggests that if certain substances were in fact legalized, I'm told that if they were even made freely available, say, through the health units, people would go there and not mortgage the house, not ruin the family, not have to go into economic ruin because of their addiction. They could in fact get their fix at a health unit where these things are freely available, and at the same time perhaps be referred to someone who could say, "By the way, you know we have some resources, some groups, some self-help, some ways that you can maybe deal with this addiction in other ways." I think there's a lot of merit and virtue in looking at that side of the issue. Clearly, who's benefiting from the drug trade?

8:30

The other thing is: here we have free market private enterprisers over there who believe in, I think, supply and demand principles of the free market. Yet when it comes to certain substances, they say: "Oh, no, no, no; we're not going to have supply and demand. We're going to restrict supply so much, so tightly, through government regulation and through the laws, through the courts, that there's only going to be a certain amount of supply." That supply, with supply and demand curves, is going to go sky-high in terms of price and cost, and it's those costs which then of course certain people, because of whatever, end up spending the earth for. In fact, according to free market principles, it's argued that some of these substances can be put on and it would completely put out of business all of the drug lords in Medellin, Colombia, and other parts of South America. It would drastically reduce the crime around this whole issue in Florida or the States or Montreal or however it's imported into North America. I guess enough said.

There are some really crucial issues here. I read through a bit of the report. I didn't really see that the report from the Black/Cherry commission actually looked at these issues in any full discussion or full way, yet they're there. They're at the root of much of this issue, where \$200 million is being allocated, \$6 million this year. Whether we get into it now or through debate on the Bill, I'd like to engage the minister and others in this House in a much fuller debate on these issues.

The other matter . . . Well, I'll let it be. It's still the issue of using Alberta health care insurance plan dollars to fund people to go down to the U.S. for treatments. Okay, I know. There are more treatment centres here now, and it was announced in the paper here even today that we've now got what we need in Alberta for teenagers and the rest, and that's a good move. I still think from the insurance plan point of view that there could be some greater scrutiny and caps put on those dollars, but that's a separate issue to do with the treatment side.

I throw these comments out, Mr. Chairman. I hope they're provocative enough that other members will now want to contribute to the debate and have a fun evening. Thank you.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Chairman.

MR. FOX: Hi, Bettie.

MRS. HEWES: Hi, Derek. Welcome home. Glad you're back.

Mr. Chairman, I'm pleased to see that the Bill is before us and look forward to the debate on that particular Bill. There's been a kind of mystery around this foundation since its announcement. It sort of dropped out of the sky on our heads

some many months ago. People on the one hand were pleased to see the concern for family and for substance abuse, yet on the other hand were puzzled and curious as to what this meant, particularly since we already had a very active agency in AADAC, one that has had some extraordinary successes, and also another series of agencies in family and community support services. We were all concerned about how those things related to one another. It seems the mystery is now unfolding, and perhaps we will begin to develop some of the answers together.

There's no question in my mind about the need for treatment services for those who are substance abusers in our society, nor is there any question about the need for support services to families in our communities. The commitment of \$200 million through the heritage fund is a very important piece of information, but here we have a budget of \$6 million, and I need to know from the minister just how those two numbers relate. The Premier has talked about the foundation being started up, that we are committing \$200 million. That doesn't appear in the Bill, and there's no reference to it here on this page. Whether or not the \$6 million is only for this year, whether in other years the foundation will have access to the interest from the \$200 million: that we haven't heard about, Mr. Chairman. I think we need to have that information about how the ongoing financing is going to be managed and what we can look forward to in this particular foundation.

Further, Mr. Chairman, the title of the foundation, I think, has confused people. It seems that it is somewhat misleading. It's called family life and substance abuse foundation. Now, on the surface one would think that it did relate to family life as well as to substance abuse. Nothing appears to be farther from the truth. It seems that this foundation is set up solely to deal with substance abuse and substance abuse as it affects, in a detrimental way, family life. If I'm wrong about that, perhaps the minister can correct that. I believe the general public in Alberta believes that this foundation is there to support family life exclusive of problems that might occur with substance abuse. Further, they are somewhat confused by the Premier's advisory council on family life and by this foundation. I think it's important that we do clarify those items, that if they are different, we help the public to understand them: what the differences are, how they will relate together, and also, one step further, how this particular foundation would relate, for instance, to FCSS or to AADAC. This is still puzzling a lot of people who do not understand, if there is a reason for there to be two separate kinds of operations, what the rationale is for that. I think an explanation is due to our public on this one.

Mr. Chairman, I have some quite specific questions about how this will operate. They aren't necessarily in the order of importance, but I'd like to get them read into the record, and perhaps the minister will have time to answer some of them. Where will the proposals for projects be generated? Will they come from the foundation itself, from the community, from AADAC, from private agencies, from individuals, or all of the above? Will these projects be public services or private services or both kinds of services? Will we support our own government agencies through this foundation as well? I'm assuming that the foundation will be education, research, and treatment programs, although that is still not abundantly clear from the Bill itself. For instance, would a government department be able to apply to this foundation for funds for a particular form of treatment or research? I'm also assuming – and the minister, I hope, will clarify – that guidelines and parameters will be established for the type of research projects that would be undertaken.

The Bill itself directs the size of the foundation . . .

Chairman's Ruling Relevance

MR. DEPUTY CHAIRMAN: Order, hon. member. I realize that this is a new initiative, but I find you concentrating more on the Bill than on the estimates which we're dealing with this evening.

MRS. HEWES: Thank you, Mr. Chairman. What I'm trying to get at is how this \$6 million is anticipated to be spent in this year we're in.

Debate Continued

MRS. HEWES: These are start-up funds, Mr. Chairman. Where is this start-up going to take place? Is it going to be here in Edmonton or in some other community? I think it's pretty clear what portion of the \$6 million the start-up will cost, but we do have \$5,800,000 in grants available in 1991, so it's of interest to me to know exactly how fast the foundation is going to get into business and whether or not the government already has plans in place as to what the parameters of the research would be.

Mr. Chairman, I need to know too: is one of the immediate goals to reduce the number of Albertans who are of necessity having to go out of the province, with or without insurance from Alberta, for treatment? Will that happen right away?

8:40

Will the funds be available to provide treatment for what one would consider to be the causes in addition to the manifesting circumstances of substance abuse. If, for instance, juvenile prostitution is determined to be the cause, would the research and treatment processes and projects extend to providing transition for juvenile prostitutes who need to be prostitutes to support their abuse? We are not clear, Mr. Chairman, from what we've heard so far, whether the treatment parameters will back up into causes or whether we are just looking at the abuse itself.

Mr. Chairman, it seems clear to me, and I'd like it clarified: are we talking about operational funding, or are we talking only about one-shot project funding, and will that be for one year or over five years or 25 years? Perhaps the minister can give us some ideas about that.

Mr. Chairman, there have been a number of reports recently. The Cawsey report is one I've asked quite a few questions about in the House, and it's one that I believe commands our immediate attention. I need to know from the minister, since this tragedy is referred to in that report, how this foundation will deal with the kinds of recommendations that are in the Cawsey report, how they'll deal with the kinds of recommendations that are, for instance, in the Thomlison report, which have never been satisfactorily resolved, in my view.

Mr. Chairman, there are many, many questions. As you have pointed out, since the Bill is before us, we'll have an opportunity in debate to ask further questions about it, but I want to reinforce the notion that the public is still quite mystified about how this foundation relates to other existing programs in the government. We need to clarify that so that we make the most appropriate use of this.

The other major question that I have is the \$200 million. Does it exist someplace, and if so, why don't we refer to it in this particular document?

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Order in the committee, please.
Hon. minister.

MS BETKOWSKI: Mr. Chairman, I'll attempt to give a certain response to the general questions, and I'll certainly check the *Hansard* record and respond to the specific ones. First, Edmonton-Calder raised the question, and so did several other members, about AADAC already doing research. AADAC does not do research of the nature that is contemplated under the family life and substance abuse fund. AADAC is more prevention and education oriented and may well review certain types of programs.

The purpose of the foundation is to look at new, innovative treatment, basic and applied research projects. It is the new, innovative side. It is certainly not meant to be the operational side, which AADAC would be. I'm trying to keep the discipline of not getting into the Bill, Mr. Chairman. I think the Bill, in fact, clarifies that this is the short-term, innovative research arm as opposed to the operational, program delivery arm, which is AADAC. Yes, I think it is not exclusively, however, AADAC's agency. What we've tried to do is structure the foundation so that many of the groups that the Member for Edmonton-Gold Bar contemplated, like FCSS, like many others who may come and want to look at a certain project and have the foundation make grants for that project – this would be the purpose of the research foundation. It is not, in fact, a duplication of what is currently going on with AADAC. That was certainly something that was heard loud and clear throughout the province, that people did not want there to be duplication. That is why the foundation has been set up as it is. You'll note in the Bill itself that a member of the AADAC board must be on the foundation board to ensure that there is a correlation, although I repeat that it was not meant to be exclusively the agency for AADAC. I think there are many other things that could well be referred to it.

The question of research. There are, indeed, several addictions foundations: one in Ontario, a small one in Montreal, and others throughout North America. No one, for example, has done any research into the predisposition towards substance abuse, what causes it. The reason for the link with the family is: what came first, the dysfunctional family or the substance abuse? I think it is in fact a very legitimate research goal and is, hopefully, work that this research fund can do.

Social science research is certainly not ruled out, because indeed if you're looking into family research, I think social sciences is very much an important part of it, an evaluative tool as to how successful we're being. It may well be that there will be a pilot tried under the foundation which, if it proves to be effective, could become an operational program under AADAC, and by that link I think we will get to the issues. There definitely is a link, however, between substance abuse and family life, and in an attempt not to duplicate what's being done by the family council, it may well be that given the existence of the family council under ministerial order as opposed to legislation, a member of that council would be part of the foundation board as well. But there would be a specialized research arm of that foundation, very much like, I would suspect, for example, the Cancer Board, where it has a peer review of research projects by other researchers. They pull together an international body to look at research projects to ensure there's not duplication of effort with other research funds around the world. In that way you have both an academic research body as well as a publicly governed body with the link with our program of AADAC.

Cause of substance abuse versus symptoms: I think that's exactly the kind of issue we want to get into with the foundation. I don't have a sense in my own mind as the minister responsible for the foundation, at this point anyway, of the kinds of research projects that may come, nor do I think we should have. I think we want to be able to ensure that these projects are coming, they're being evaluated, and they meet the very broad objects that are defined in the Bill.

With respect to the questions raised by the Member for Calgary-North West and others about cancer research, the cancer research, through this \$2.8 million fund, is delivered through the University of Alberta, the University of Calgary, Tom Baker centre, and the Cross Cancer Institute. This is clinical research, as opposed to research under the heritage foundation, which happens when you fund a scientist for a long-term scientific project. This is actually clinical research and is being delivered right at the same time. The treatment and the research are going on, coexisting on a clinical basis.

The Member for Edmonton-Centre made reference to not knowing the incidence and the increase in cancer rates in Alberta. I would refer him to my opening remarks, where I discussed it.

Epidemiological research and all of our concern about the link between environmental impacts, particularly here in Alberta and western Canada, is in fact the subject of a specific mapping study that will be done. The cancer incidence mapping for western Canada is actually a research project that is now going to be funded by this applied cancer research fund, and epidemiological research is becoming more and more a part of the Cancer Board's research funds, including cancer prevention.

Breast screening, although not specifically part of this cancer research, is certainly part of the Alberta Cancer Board, and the model that has been structured is certainly one that's epidemiologically based and also one that will find us evaluating how effective we're being at lowering, as one of our health goals, the incidence of breast cancer in women. We've certainly seen internationally the impact of early screening in the 50 to 69 age-group in other national studies, and hopefully we'll have that kind of success as a result of our breast cancer screening here in Alberta.

The hon. member made some comments with respect to legalization of substance abuse. I'll leave those comments to him. I won't reflect them in here because it's not part of the research that is part of the foundation at this point, although certainly the example that the Member for Edmonton-Gold Bar gave, about life-styles of young adolescents with respect to prostitution, I would say would clearly fall into the parameters that have been defined by these objects.

Mr. Chairman, with respect to the specific questions I will respond, including the question with respect to interleukin-II. I know there's an answer; I just don't have it in my head at the moment. I'll respond to the specific questions in writing to the hon. members.

8:50

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Calder.

MS MJOLSNESS: Thank you, Mr. Chairman. I certainly appreciate the minister's comments. I know she's attempted to distinguish the roles between the foundation and AADAC, and I appreciate that. However, I still don't understand why we need a separate new body, even though their mandate may be a bit different from AADAC's. Now, the minister has said that

the foundation would deal with innovative research, that kind of thing, whereas AADAC is more operational and delivery of services. I still don't understand why, if we need research done, AADAC couldn't do those kinds of things that she's talking about the foundation doing. Certainly she would have to agree, I'm sure, that AADAC is very capable of research and, given the \$6 million that we're allocating in this particular budget, could certainly do a very excellent job in that area. I'm still not clear on the reasons why we need a totally separate body set up as opposed to just allocating this amount of money to AADAC so that they could do the innovative research that the minister was talking about.

Thank you.

MS BETKOWSKI: Mr. Chairman, I think we're really into the substance of the Bill as opposed to the estimates before the House. Certainly I will get into that, as I'm sure the hon. member will, when we get into second reading and committee study of the Bill in the Legislature.

REV. ROBERTS: Four items that I don't recall the minister addressing. One is the issue I tried to raise around interleukin-II. I guess it's a bit unfair to say that it's not out of this exact vote, but insofar as cancer research has developed a drug called interleukin-II which is now not being funded, what about that? Are we going to have other incidences of drugs and treatments being produced by researchers with these moneys which are not going to be able to be implemented because of the lack of operational funds?

Good news on the breast screening clinic and that issue, but again, as I tried to intimate, there are a range of other proven screening measures for various other cancers. I haven't got the literature all here, but cervical cancers and other cancers for which there are proven screening tests may be other areas we can move in. Do we need more research on those, are we just going to stop at breast cancer, or what else is available in terms of that screening issue?

One thing I didn't bring up and forgot about a bit. Again, it might not be directly out of these moneys, but there was a bit of a kerfuffle last September or so – I forget exactly when – with a study by, I thought, the risk management group over at the Cancer Board with respect to the discharging of cancer patients and the various assessments of them in the various stages of the disease. I thought it was going to be more operationalized in terms of cancer treatment as outpatients. It's still a bit fuzzy. I haven't done my work to get that exact study, let alone to know how government is about to implement it.

Then the other one on substance abuse, Mr. Chairman. I'm not sure that it's outside of the purview of this vote. Here's \$6 million that we're allocating this year. I think it's fair for anybody who is going to give money to something to know what we've been committed to long term. Are we going to have \$50 million next year, the next couple of years, to the \$200 million target that the Premier has said? Have they made the determination that there's only going to be \$100 million or \$50 million? Is it going to be the foundation that we're going to use the interest accruing from for this operating, for the \$6 million? That whole issue is still unresolved, and before I want to support this \$6 million, I want an answer to that question as well.

MS BETKOWSKI: Mr. Chairman, on interleukin-II, I told the hon. member I would give him an explanation in writing, and I will do that. Excuse me; I don't have it with me right now.

Other cancers besides breast cancer that may be part of screening. There's certainly a study going on right now under this fund on the prevention of colon cancer, and there's also a screening project that's occurring into cancer of the prostate, so I think we have to let medical research direct us in the area of where screening is most appropriate because as the member knows, screening with breast cancer of itself is somewhat questionable in terms of exposure to the radiation.

Better utilization of mix of health services versus cancer patients and how we can get a better mix of services from a macro health/fiscal point of view is something that the Cancer Board is reviewing very carefully. They were very much aware of the study that was done and are looking at their own procedures as to how they might reduce length of stay, how they might increase their outpatient capacity, all of which is part of responding to the health needs of Albertans but trying to use the fewest resources to do so and do so effectively.

What was the fourth one?

REV. ROBERTS: The \$200 million.

MS BETKOWSKI: The \$200 million as opposed to the \$6 million. This is a first step. It's not a secret that to have dedicated an endowment fund of \$200 million in this year would have greatly reduced the income flow from the heritage fund into the General Revenue Fund. We believe that the \$6 million was appropriate start-up funding, and the flow of dollars towards the \$200 million will be done within a fiscal context of the management of the heritage fund.

MR. DEPUTY CHAIRMAN: Is the committee ready for the question?

Edmonton-Centre.

REV. ROBERTS: To get it clear, then, on the \$6 million versus the \$200 million. Is it clear that this \$6 million is operational dollars? I guess they must be operational dollars, or are they the first \$6 million that is being invested, part of the \$200 million to be invested to be used for the foundation? I guess it's that clarification I'd like.

MS BETKOWSKI: It's the latter, Mr. Chairman. Certainly some of that will be used to have an executive director and an office, and that would be a minimal amount. It is the first installment towards the \$200 million as a research fund.

MRS. HEWES: Mr. Chairman, just on that point. I wonder if the minister would just go over it again for me. The \$200 million at this point has not been set aside. Six million dollars has been made available from the heritage fund for this year only, with no guarantee or no commitment as to how much for future years. Is the government then committed to a \$200 million endowment in the future? Is that to be expected? Yes?

MS BETKOWSKI: Yes.

MRS. HEWES: Thank you.

MR. DEPUTY CHAIRMAN: Is the committee ready for the question?

HON. MEMBERS: Question.

Agreed to:

Total Vote 1 – Applied Cancer Research	\$2,800,000
Total Vote 2 – Alberta Family Life and Substance Abuse Foundation	\$6,000,000

MS BETKOWSKI: I move that the vote be reported, Mr. Chairman.

[Motion carried]

Forestry, Lands and Wildlife

MR. DEPUTY CHAIRMAN: There are two votes: Grazing Reserves Enhancement, and Pine Ridge reforestation.

Does the hon. minister have any opening remarks?

9:00

MR. FJORDBOTTEN: Mr. Chairman, I'd like to thank you for the opportunity to review my department's involvement with the Heritage Savings Trust Fund. Many of the programs we've undertaken with the support of the fund continue to play a very important role, I believe, in the diversification of the province, and are working through to sustainable management of our renewable resources.

One of the purposes of the fund when it was established in 1976 was to do just that, and that purpose I believe is still valid today. My comments will cover the Pine Ridge tree nursery and also the provincial grazing reserve program. In addition to that, Mr. Chairman, I'd be happy to answer any questions that members might have. If I miss some, I'll certainly respond in writing about any of the areas that are touched on.

[Mr. Moore in the Chair]

First of all, Mr. Chairman, with respect to the Pine Ridge tree nursery, I wish to express my appreciation for your kind support in last spring's sitting of the Committee of Supply for the Alberta Heritage Savings Trust Fund, during which funding for the retrofit and the expansion at Pine Ridge was approved. Tree production at Pine Ridge is an important component of the seedling supply strategy, and we expect that the retrofitted and expanded facilities near Smoky Lake will eventually grow approximately one-third of the trees required for reforestation. Pine Ridge is a major link in the seedling supply which will see requirements for Alberta to produce over 100 million seedlings by the mid-1990s in support of our province's reforestation requirements. I might say that it will likely stabilize at that 100 million level. It could fluctuate somewhat, but over the next 10 to 20 years that will be the best projected number.

In 1991 the private growers have sown 11 million seedlings and the forest industry a further 13 million, and the shortfall between our seedling demand and supply from Alberta is about 19 million seedlings. These seedlings are contracted from growers in British Columbia. We have been nurturing a rapidly growing seedling industry in Alberta, and while our current supply from private growers is 11 million trees, those growers are collectively planning to expand their facilities to grow 25 million trees in the next few years. I'd add that there's a very strong interest by existing greenhouse operators and other entrepreneurs who are not currently producing seedlings to introduce seedling production into their production line.

Seedling production is just a component of our overall commitment to reforestation in Alberta, and we have reinforced our already high standard of reforestation with the new Free to Grow regulations.

I'd like to illustrate my point, and I will note that our most recent assessment of reforested areas by the professional staff within my department shows that over 97 percent of the areas are satisfactorily restocked at 10 years postharvest. But we're not satisfied with that result, because we know that some of those areas are not thriving even though over 600 seedlings per acre were established. As in the past we know that there's been a lot of competition from shrubs and grass and aspen, and it will cost some of these blocks to fall below our establishment standard of 600 seedlings per acre. With Free to Grow the millions of seedlings that will be grown in Alberta are much more likely to survive and grow with that competing vegetation. That's what Free to Grow means: they will be free to grow.

I briefly noted two very significant areas where spin-off employment will be created for Albertans as a result of the growth in the forest industry. The production of seedlings will create a number of jobs in communities, especially, I have to say, in our rural communities, where diversification is very much needed as an aspect of our economy, and the stand-tending work that will be required by both government and the forestry companies and, I have to say, by both large and small companies in that area.

There's been a strange twisting of the Free to Grow standard, where some have said that we're subsidizing companies. Only the most backward logic would suggest that hitting the forest industry with tens of millions of dollars of new costs constitutes some kind of subsidy, but, Mr. Chairman, we live in times where some will argue that black is white, so all I can add is that we're very proud of our reforestation record and of our effort to find practical and reasonable solutions to any problems that arise. It is a fact that the forest industry is responsible for the cost of reforestation, and the province provides a large portion of the seedlings that are produced. However, supplying the seedlings only represents about 17 percent of the overall cost of reforestation, and the costs of seedlings as well as the other reforestation activities are generally paid for up front by the industry. It's a per cubic metre charge paid by the operators of quotas, and the charge is indexed for inflation. So the industry is truly paying significant costs, and that cost is certainly significantly higher now with the Free to Grow standards.

The provincial government has ensured that reforestation is the company's responsibility. It must also be noted that there are areas that the province is responsible for. Those areas are the burned over areas, liquidation cuts – liquidation cuts are done because of disease – and harvest areas, many of which were done 10 and 20 years ago and weren't fully stocked due to the effects of competing vegetation. So we'll have reforestation costs, and it's reasonable to assume these costs as they're investments in our long-term supply of timber as well as providing a host of benefits afforded to a truly thriving forest industry.

The costs of the work will be covered in a number of ways. First of all, there's some in my department's reforestation budget that will cover it. We also anticipate signing a federal/provincial forestry agreement in the months to come, and a portion of that funding will also be directed to reforestation. I would suggest that in years to come the Alberta Heritage Savings Trust Fund might once again invest in reforestation as it did in a program called Maintaining Our Forests in the early to mid-80s.

On Pine Ridge, Mr. Chairman, I'm happy to report that the project is well under way and proceeding according to schedule. The design and the development work is complete, and the construction has commenced on site. As you will recall from our discussions last spring, funding for this project will total \$8.1

million over three fiscal years. The important benefit of that is increased growing space, and direct results will be seen from those enhancements. We're upgrading the current greenhouse structures and controls to reflect really a truly state of the art technology and increasing the existing greenhouse capacity by 2 million seedlings a year. We're upgrading wide areas of Pine Ridge. Examples of that are that we're upgrading the shade frames and providing more uniform irrigation coverage, and that will better crop production. Also, we're increasing the growing space by 6,000 cubic metres, and the shade frames and everything that go along with that. What that really will do is provide for fertilization and shade and some frost protection so that it really will increase the growing capacity by some 7 million seedlings a year. It will double the current cold storage that we have there, with the freezer capacity that's also included in it. So it will enable us at Pine Ridge to have a great deal of flexibility in seedling handling.

The increased capacity of the infrastructure at Pine Ridge will handle that production, and we also will need some additional staff because there will be a little more workload because of the enlarged production room capacity. We're doing things like the lunchroom and quality control lab and administration office, which are included in that as well.

9:10

Mr. Chairman, with respect to the grazing enhancement program, the recently completed \$40 million grazing reserve development program developed 12 new grazing reserves in Alberta, as well as the one particular reserve, the Cooking Lake-Blackfoot grazing, wildlife, and provincial recreation area. I think that program has certainly been well received and has resulted a significant increase in grazing capacity of public lands in Alberta. During the planning and creation of these reserves there was careful consideration given at that time to multiple use of those reserves, so it not only benefits the ranchers but benefits recreation users as well. The grazing reserves are among the most popular hunting areas in the province. One of the reasons would be, I suppose, the ease of public access to them.

During the initial development of those grazing reserves there was emphasis placed on bringing them into production as quickly as possible and to accommodate a significant demand at that time for grazing. As a result of that, it was done quickly, and I don't believe it was done properly. In many areas it went back to brush, and that's really been a common occurrence on some of that land that was cleared of trees and seeded to perennial forages. These lands now must be redeveloped to make sure that they don't revert to brush and unproductive grazing areas. The program which you approved in 1989 for a total of \$19.2 million was started in 1990 and will be spread out over seven years. During that seven-year period we're doing that to maintain the grazing capacity while we're working on them, and we want to maintain the existing stocking levels. We don't want to see the stocking levels go down any more while we're in the period of renovation. In 1990-91 \$1.4 million was spent on the program. In keeping with sound soil management practices, the land is going to be broken primarily with large disks in late August, then worked down to a stage that the breaking has been smoothed out. The following spring the land will be seeded to annual forages. We're doing that to make absolutely sure that there aren't going to be any erosion problems on land without cover on it.

Mr. Chairman, a total of 21,256 acres have been tendered out for breaking and working in 1990-91, and 16,663 acres have

been tendered to date for this calendar year. There'll also be an effort made to enhance the wildlife habitat wherever possible, because when these lands are being redeveloped, one of the things we want to make very sure of is that the aspect for wildlife is taken very seriously in the renovations that are taking place. In the '50s and '60s that wasn't a priority that was looked at carefully enough. In the work that we're doing now, we're making absolutely sure that that program will recognize wildlife. In the next five years of the redevelopment program we'll see an additional 98,117 acres treated.

After that development has been completed, Mr. Chairman, the projected optimum level of forage production will increase very significantly and will provide grazing for an additional 19,640 head of livestock. Without that redevelopment taking place, the production capacity would drop dramatically and would continue to be reduced, but the increase in grazing will yield about \$900,000 additionally annually in grazing fees to the province. To give you an idea of what the present grazing annual fees are, they are \$2.9 million. If you look at the value of the weight gain from extra grazing calculated at \$300 a head, it'll contribute another about \$5.9 million to the local economy.

Mr. Chairman, those are my opening remarks to give a broad overview of Pine Ridge and also the grazing reserves program. I'd be happy to try and answer any questions the members might have.

MR. ACTING DEPUTY CHAIRMAN: Edmonton-Jasper Place.

MR. McINNIS: Thank you, Mr. Chairman. It turns out I have a few comments about the votes in the heritage trust fund under Forestry, Lands and Wildlife.

First, under the grazing reserves enhancement program, I really think the provincial government needs to clean up its policy dealing with several issues related to public lands that are under grazing lease and grazing allotment. I'm assuming that most of the lands that are covered under vote 1 are part of what's called forest grazing licences as opposed to leases, although sometimes it's difficult to tell the distinction.

There are two problems I'd like to deal with. One is the problem of public access, which continues to come up from time to time. I think the provincial government made a major mistake in not dealing with the court case that recently went through the system. My understanding is that they were able, on appeal, to get the judge to order a new trial because of an ambiguity about the evidence that was provided in the original trial dealing with the Alexson case. There was an ambiguity in the evidence dealing with the rights of a grazing lessee, so the judge ordered a new trial. The options at that point were to write a new policy which accords to the public wishes, to allow the new trial to go ahead, or to stay the charge and the new trial and bury the whole mess for another decade or so. I don't want to keep members in suspense much longer. The government chose option number three, which was to stay the prosecution of the case and to throw the whole matter into limbo again for another 10 years or at least until such time as we get a government with some common sense that's going to make a resolution to the problem.

I deal with people all the time, primarily hunters but other outdoors people who find access routes into some of the public lands of the province blocked by grazing lease holders, some of whom will not permit any access whatsoever. One case I've dealt with in the vicinity of Edson, where a public road was blocked, fenced by a grazing lease holder. He would not allow

– the people contacted me to utilize what was previously a public roadway to have access to a hunting area. The nearest public road or public access road is some six miles distant. Now, the significance of that is that at that point in time the grazing land had no cattle on it at all. It's as if the grazing lease holder now has what amounts to a private hunting preserve that he and whomsoever he chooses to allow onto the property can use for hunting purposes. That's wrong. I think that citizens of Alberta should have at least right of access by foot or on horseback onto public lands because they are, after all, our lands.

I think it would be better to spend time and effort to educate people about their responsibility to the land that belongs to all of us. I know that the grazing lease holders are, by and large, very, very careful and very good stewards of the property. They're ranchers who know the land well and care for it well, and I would say 95 percent-plus of the recreational users are in a similar category, but you get the odd person who comes by and irresponsibly uses off-road vehicles and causes damage. There are cases of fires being set accidentally and garbage being left behind, and that's wrong. I really think we need to educate grazing lease holders about their responsibilities, and recreationists to make certain that they responsibly use the property. But the issue simply will not go away.

It costs \$50 to apply for a grazing lease in the province of Alberta and what amounts to pennies per day to maintain the lease in good standing. That ought not to confer the same rights as fee simple ownership, but we're coming awfully close to that in the province of Alberta. Even though that's not the express public policy, that's the way it works out, and if the provincial government is prepared to manipulate the court process in such a way that the issues are never properly adjudicated by the court, we'll continue to be in a situation where de facto grazing lease holders are given fee simple status even though it's arguably not what was intended and these remain public lands. If you want to go the fee simple route, then that's the way to go. You sell the property and the property owner has the cost of purchase and all of the rights and responsibilities that go with land ownership. But they're in an in-between situation right now.

9:20

I think we have a problem in terms of the surface rights compensation arrangements on grazing leases and in forest management agreements as well, but the attitude of the Department of Forestry, Lands and Wildlife seems to be, well, the oil and gas industry is rich, they can afford it, so whatever they get charged in terms of surface access is fair enough.

I received a copy of a recent study prepared by a Mr. Dunnigan, a forester in the department, where they were attempting to evaluate what the oil and gas companies should be charged for timber that's damaged in a forest management agreement. I looked at the numbers; they're done by a competent professional. They go through a long process to determine what the market value of the timber is, and it turns out that the market value of the timber, according to Mr. Dunnigan's calculation, is approximately eight times what it costs the forest company to harvest the land right through to the end, including the reforestation commitments that they make: eightfold. That's quite a remarkable number, because it was confirmed just the other day by a study done for the B.C. Forest Resources Commission, an interesting concept that I think the minister should look at in terms of what they're doing in B.C. An independent research firm calculated that in fact what forestry companies are charged in that province for timber is about one-eighth of the market value of the timber. The

eightfold factor seems to be cropping up all over the place in terms of the difference between what's paid for timber and what's charged. The attitude of the department is: well, we'll charge the forest companies the market value, eight times what the forest company is charged for the timber. Well, who gets that money? Mr. Chairman, the money goes to the forest management agreement holder. It doesn't go to the Crown, to the owners of the timber resource.

Similarly, if somebody has a grazing lease, and an oil and gas company comes onto the property, they pay surface rights compensation to the leaseholder even though it's public land, Crown land, our land. There are some cases which are absolutely obscene in terms of the economics. You can make more money if you happen to have a grazing lease with a few oil and gas wells on it by just holding it than most people could dream to make off that property. I've seen cases where literally hundreds of thousands of dollars are received by grazing lease holders for which they pay a few thousand, tops, to the provincial government. That kind of a windfall and bonanza, I think, has to be addressed. Again it's in the concept, in the notion that the department and the minister seem to have that if you've got a grazing lease, you're in the same position as a fee simple property owner. It's wrong.

Now, here we are allocating another \$3 million on a project which has already cost some \$39 million from our heritage, from the Heritage Savings Trust Fund, to further develop the grazing reserves to the benefit of grazing lease holders, and again, you know, once they get these leases, they're treated as if they're private property owners. Well, if you're a private property owner and getting the benefits of it, you have to pay the cost of your own improvements. You can't really have it both ways. You can't have the government as landlord responsible for the upkeep, the maintenance, the repair, the enhancement, and then turn around with the other hand and receive the benefits of private ownership when it comes to keeping hunters off the property during hunting season and only allowing friends and associates to use it, in terms of collecting the rents from an oil and gas operation if they come onto your property.

You simply can't have it both ways, and I think we need to have some policy developed which is fair both to the responsible recreationist and to the grazing lease holder. I don't believe I'm alone in making that call. I know that most of the organizations that represent outdoor recreationists have taken that position, and clearly the government has been urged, editorially, by the province's major newspapers to clarify the legislation. I think that's the best way to do it. If they won't do that, then they should at least allow the question to be adjudicated by the courts rather than jumping in and staying the charges.

I would like to make a few comments in respect to vote 2, the Pine Ridge nursery. The minister outlined the basic elements of the I think soon to be publicized strategy for meeting the need for the 100 million or so seedlings that he identified as being the target for the 1990s and beyond. He mentioned the situation that we have today in which 19 million Alberta seedlings are grown by B.C. growers. To me that's a totally unacceptable situation. Why should British Columbia industry, British Columbia citizens be the beneficiaries of the employment impact of this very important aspect of the forest industry?

I would like to begin by asking the minister why it is in Alberta that the taxpayers are responsible for growing seedlings. Why is it that that's a cost paid for by all the taxpayers in the province of Alberta as opposed to the forest companies, who, as he so often wants to point out, are supposed to be responsible for reforestation? I mean, that's allegedly one of the reasons

why Alberta stumpage rates are so incredibly low: the companies are in theory responsible for reforestation. Well, if that is the theory and that's the concept and the public policy, why is it that the taxpayers have to bear the cost of growing the seedlings? That's a terrifically important part of the reforestation exercise. I believe the minister said that some 17 percent of the reforestation cost in total is the cost of seedlings.

He had mentioned the role of private industry, and I believe it would be a good thing if a number of private greenhouse operators were able to expand in a long-term way into growing seedlings. I think that would be an excellent addition to their business and a way of decentralizing the business around the province. I do think some priorities should be given to the forestry regions of the province when it comes to siting of tree nursery plantations. I mean, if the communities put up with the deforestation and the unfortunately seasonal character of logging and all of these other things with very little cash return to the local economy – an issue that I think we have to deal with, localizing the benefits of forestry – I think they should have the benefit of nurseries. I think we should be looking at trying to get nurseries put into the Athabasca region, for example, and Edson, Hinton, Grande Cache, Rocky Mountain House, Slave Lake. A lot of these places would be good places to help to develop the seedling industry.

I've had communication with a number of greenhouse operators who are waiting anxiously for the strategy to be made clear by the provincial government, because while there is annually I believe something in the neighbourhood of 10 million to 11 million seedlings which are grown by private industry in Alberta, they're not certain at this point what type of a market they're going to have. There is a sizable amount of investment required by an individual operator to be able to set up to properly service the need for seedlings. Now, because of the situation where the taxpayers pay the cost of growing the seedlings, there's really only one customer for seedlings in the province of Alberta: that's the provincial government. So the private industry in this case is looking to the provincial government as a monopoly buyer to give them some clear signals in terms of which way they're going to go and whether their investment will be justified.

Now, I understand that the provincial government hired a consultant to study this problem and to recommend a regime for the letting of contracts to give that clear signal and that message of stability that the industry wants in order to expand in that area. Thus far, to my knowledge that consultant's report has not been made public, and that's a bit of a sore point, I think, in terms of the nursery industry and their feelings toward the provincial government right now. I think it would help a lot to clear the air if that consulting report was made public.

9:30

Now, I realize that the Assembly approved a motion for a return today which is likely to result in the tabling of any consulting reports that were done on this particular subject, but I would suggest, Mr. Minister and Mr. Chairman, that now would be a good time to make that particular report available, because now is the time, if we're going to make sure that we are able to produce 100 million seedlings in the province of Alberta, that there's going to have to be some gearing up done so that we're there. We should not only, I think, try to eliminate the need to import seedlings from British Columbia but make sure that we're able to grow in the expansion. So the consulting report would be very helpful. I would like the minister to indicate today when he expects to make that policy

announcement. He said during his estimates that very soon there would be a policy statement, a strategic document issued by the department in terms of reforestation strategy and how we're going to supply the seedlings. I'd just like to know when very soon is. Is it like June, or is it July, or when would it be?

On the question of expansion of the private industry, the Member for Edmonton-Meadowlark unfortunately is not here this evening, but I believe that someone should defend the comment that he made about subsidies to forest companies in the reforestation aspect of the forest industry. What the Member for Edmonton-Meadowlark said was that the decision by the provincial government to take back the backlog lands on the quota holders provides a windfall benefit to some of the major players in the forest industry. He was objecting to the fact that Daishowa and Canfor and Weyerhaeuser were among those who were going to have their reforestation obligations paid for by the taxpayers.

Now, I'm not the slightest bit soothed by the minister's statistic that 97 percent of forestlands are satisfactorily restocked after a 10-year period. The previous director of reforestation wrote a report in which he identified 38 percent of the forestlands in Alberta as not adequately regenerated. They've met their targets – and I think the Member for Smoky River should perhaps pay some attention to this. The previous director of reforestation, Mr. Drew, I believe it was, issued a report stating that 38 percent of the lands that had been harvested had not achieved their reforestation target. This was a couple of years ago. The reason is that the reforestation standard never required of the companies that the trees be free to grow. That's kind of a shorthand way of putting it.

We don't practise intensive forest management in Alberta; there's not very much silviculture done on those stands. If they meet the standard of having 600 seedlings per hectare, I believe it is, then the land is checked off as being satisfactorily restocked, but that doesn't mean that you have a viable population of trees that are in a position to grow. In fact, some of them, as the minister mentioned, have been beaten out in terms of the competition by other vegetation: grasses, brush of various kinds. Not just poplar either; I mean, a lot of it is willow and trees that are noncommercial in terms of their – you know, they just don't have, at the present time, a commercial use for forestry.

That's a tremendous volume of territory. If you take 38 percent of the forestlands that have been harvested – I mean, forget for a moment the fact that a lot of the harvested timber was never restocked because it was converted to agricultural land. That's a much bigger bill than the \$20 million that the Member for Edmonton-Meadowlark was talking about. There's probably another four or five times that volume of backlog material in the books of the department that is shown as being satisfactorily restocked, but the trees aren't growing. That's what I call a reforestation shortfall, and it's something we have to deal with. Nowhere is there an indication of how that's going to be financed or if it ever will be. I mean, the \$20 million that was referred to by Edmonton-Meadowlark is the tip of the iceberg. I suggest we're into at least the hundreds of millions to rehabilitate those lands. Where's that money going to come from? I don't see it coming from the departmental estimates. I don't see anything in the Heritage Savings Trust Fund. Well, we're going to need those forestlands at some time in the future, and some of the work that should have been done in the first place now has to be done. Unfortunately, because of the way the laws and the regulations were written, it is now the responsibility of the provincial taxpayer and not the responsibility of the forest company.

I would rather that the minister did not complain very much about subsidy, because I think if you look at a situation where the market value of timber that the forest industry gets is eight times their cost, that is a subsidy by any reasonable definition. When you look at the fact that we're not able to recover the appropriated expenditures of the Department of Forestry, Lands and Wildlife from forest revenue, that's an equally serious problem. I guess that is one component of a subsidy, but the subsidy in the forest industry is really the difference between the market value of the timber and what it cost them, and that difference is in the billions of dollars for each and every one of the forest management agreements over the next 90 years. Now, 90 years is a very long time. None of us will be around to be accountable 90 years from now for decisions that are made today, but there will be Albertans who will have to live with those decisions, and I think it's time that somebody did something about it. You know, I think I will do something about it.

Thank you, Mr. Chairman.

MR. ACTING DEPUTY CHAIRMAN: Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Chairman. I, too, would like to make a few comments on these two votes from the Department of Forestry, Lands and Wildlife, starting, first of all, with Grazing Reserves Enhancement, vote 1. I see an expenditure of \$2.8 million, and as I listened to the minister making his comments on this vote, a couple of questions did come to mind. One of them is that, as the minister I'm sure is aware, typically in dry years and as a result of overgrazing, it tends to promote the growth of sagebrush in some of these areas that I know the minister is referring to. I'm wondering what plans are being undertaken to control overgrazing so that we don't have these grasses grazed down to the nubs. That in turn promotes the growth of sagebrush, and that seems kind of counterproductive: on one hand, to go in and spend some \$2.8 million to reclaim some lands, and then through poor management negate all of those efforts.

The minister also made some comment with respect to acreages; 21,256 acres I think was the figure last year that was done, and already 16,000 acres tendered this year. My question to the minister is: are the tenderers, the people that are asking to do the job, local farmers, or are there commercial groups doing it? It could be a real boost for the local farmer. Many of these local farmers already have the equipment. They've got tractors; they've probably got the breaking ploughs and the breaking disks. If the farmer can get in there and do the work himself, it could be a terrific supplement for the farmer in that low time between seeding, perhaps, and harvest time, or after haying if he's got a little bit of time available. So I'm wondering if that is perhaps a policy that the government might look at, to try and promote their own farmers in the particular areas. Now, obviously a farmer can't travel a great distance; it loses the economic value fairly quickly. It sure would be nice to think that our local farmers were getting the benefits of that particular task.

Looking at vote 2, Pine Ridge Reforestation Nursery Enhancement, the minister said that by later on in the '90s, one-third of the trees required are going to be produced from this nursery, but I'm not sure what one-third is. Is that 30 million out of the 100 million that are required? Okay.

My next question was really: what species of trees are being produced? Last week we all received a nice little white spruce, but I'm wondering what species are produced. In a typical succession, if we have a forest fire for example, typically the first

thing that comes back are the grasses. Then you get the shrubs, then you get typically the poplar and so forth, and then you get the deciduous trees. In other words, then you get lodgepole pine, then you get white spruce and then black spruce. That's a normal sequential succession.

The reason I ask that question is because if we just go and allow these pulp mills to go in and cut down everything that's there and we only put one species of tree back again, whether it's a white pine or a white spruce or a lodgepole pine or whatever, what ends up happening is that you don't get the ecosystem that has the diversity of species of trees that is required. In fact, what you end up getting is something that looks much akin to a wheat field, but instead of having a stand of wheat, you've got a stand of poplar or spruce or whatever it is you put in. So the end result, of course, is that you don't get the diversity that you need in order to promote the wildlife in that area. So it's a concern that you end up with a monoculture. Unfortunately, not all members agree with that, but having taken a little bit of biology training at the university, I can assure you, hon. minister, that that's true. It is a concern, and I think one of the things that should be undertaken by this government is not simply promoting monoculture areas that are planted after the harvesting takes place.

9:40

The number that I heard the minister speak of was, I think, 600 seedlings per acre. Now, that 600 seedlings per acre works out basically to one tree for every 70 square feet, and that leaves an awful lot of bare space in between, even assuming you get a 100 percent success rate. So in an acre, when you plant 600 seedlings, I'd like to know how many of those seedlings in fact do come back for growth down the road. Is there a monitoring subsequent to the planting that ensures that those 600 seedlings do in fact survive? If I heard the number correctly of 600 seedlings, I'm wondering what different kinds of species of trees are being planted in that area.

One of the things that I'm also wondering about - now, the minister used the term "seedlings" very loosely. I'm wondering if the minister could elaborate a little more as to the age or the size of these trees when, in fact, they are planted. A seedling can mean anything from a one- to five-year-old tree with a variety of heights depending upon the species of that tree, of course, because you get different growth rates for different species of trees. Typically, deciduous trees tend to grow much more quickly than coniferous trees. So I'm wondering if the minister might just elaborate on that a little bit further.

I, too, want to echo a concern mentioned by the Member for Edmonton-Jasper Place in that it seems to me that an expenditure of 6 and a half million dollars to promote reforestation is rather redundant. We do have relatively cheap stumpage rates in this province. I think the minister has referred to the fact that the reason for those low stumpage rates was because of the requirement for forestry companies to undertake the reforestation on their own. I can understand that there is a need for a nursery in the case of forest fires or natural disasters or even for places where you might want to reforest for whatever reason, such as along a roadbed or whatever if you've cleared too much ground and you want to plant some trees back in again. But where we have forestry companies that are entering into agreements with the government, why would it not be the policy of the government to include as part of the FMA agreement that they undertake all of the costs of reforesting those areas? In other words, why do we have to have any cost other than, as I mentioned, natural disasters or replanting roadways where you've

got excess clearance? Why do we have any costs at all being undertaken by this government to reforest large tracts of land? A hundred million seedlings at 600 seedlings per acre is a lot of acres, and we sure should be able to cover a lot of ground with that. My question really is: why do we have to?

Thank you, Mr. Chairman.

MR. ACTING DEPUTY CHAIRMAN: Mr. Minister.

MR. FJORDBOTTEN: Mr. Chairman, thank you very much. The Member for Edmonton-Jasper Place raised a number of concerns that I'll deal with first of all. I must make it clear that what we're dealing with here are grazing reserves, not grazing leases. It's the grazing reserve program. There are 21 grazing reserves across the province, and in those grazing reserves there's an average of about 100 to 105, I think, patrons on each of those grazing reserves. Those grazing reserves are basically controlled by us. What happens on those grazing reserves is that there is public access. That's what makes it such a great program, that there are Boy Scout camps and other groups that use grazing reserves as well as the grazing of livestock on them, so multiple use is key.

I hesitate to make comments, Mr. Chairman, about the court case with respect to access/trespass, which I agree is an issue and one that needs to be dealt with, but under these estimates the access issue is not with respect to grazing reserves. The access issue is not only on grazing leases. It's basically covered under the Criminal Code, the Petty Trespass Act, the Public Lands Act, et cetera, and it's a very broad issue that needs to be dealt with.

[Mr. Jonson in the Chair]

The oil revenues on grazing leases of course is another issue not covered under grazing reserves. As I said, we do control grazing reserves, which are under this particular vote. In another place at another time I'd be happy to discuss that as well. They are certainly two issues.

The hon. member raised the B.C. industry supplying seedlings to Alberta, and he doesn't like it. I don't like it either. I don't agree with it. Part of the strategy that I intend to announce: we'll build till until we have the seedlings grown here in Alberta. The comment that I didn't quite agree with was having all of the nursery capacity in the forested areas. I think as part of the diversification strategy for the province, it's great. Not every part of the province has forested land, and part of the spin-off jobs that come from pulp mills or whatever is the value-adding to paper, value-adding to wood products in other places besides just where the forested area is. Frankly, I don't want to get involved in starting to dictate where they should be.

The hon. member wondered why I hadn't let the consultant's report out. Well, the honest reason why I haven't let it out is that I haven't got the strategy figured out, how to handle individuals that may come to me and say, "Listen, I want one for my community," or this community is competing against that community or whatever. I'm very close to getting that to where I think I have a resolution to it. He asked when would it be, June or July? I hope it's within days or a few weeks at the very most, and certainly I want to get it out before the end of session. I'd like to get that out so people have an appreciation of what they can do, because I think building that strategy for reforestation is extremely important. I think the consultant has done an excellent job on this report. The only thing is that from a government policy perspective I haven't got a couple of areas

resolved. As soon as I have that, and I expect to have it within days, I'm going to take it to cabinet and hopefully get approval to move ahead with it. Then I'll file the report as well as the strategy of how we intend to handle it.

The comment about there's some confusion about the \$20 million and whether that covers a backlog of reforestation work that needs to be done or whatever. Maybe I should make a quick comment just so there's no confusion in anyone's mind where that \$20 million came from. What we're talking about here is that the industry is responsible under the new Free to Grow standards for reforestation. That's their responsibility, and under FMAs they will do that, right through the checkoff at year eight and the other checkoff at year 14 to make sure the work is done properly.

With respect to the quota holders and the phase-in process. It's a tremendous, millions of dollars' additional cost to the industry to do it. Right now we have the small sawmills and the sawmillers, we've had the panelboard plant close at Weldwood at Slave Lake, and we've had others that have shut down production for a while to try and ease the transition for quota holders. There has to be a maintenance. I thought that Norm Denney from Weyerhaeuser explained it very well by saying that it's like a garden; you have to tend it.

Free to Grow standard. What that really means is that you plant a tree and it's free to grow. That means there's vegetation around it and may have to have some trimming work done, or the tree might not have survived and you have to replace a tree here or there. The FMA holders will have to do that, and we'll inspect it and make sure it's done. The quota holders on the phase-in period to 1995 will be responsible till year eight, and then we will do that from year eight to 14. If everything went to heck in a basket and the worst possible thing happened in every case, it could come to a maximum \$6 million a year. The chances of that are just about slim to nil. What it is: we'll go in and inspect, and we may have to do some stand-tending work, because that's the important part of the Free to Grow standards. That's that portion of what it is.

9:50

I'd just make quick comment since 38 percent was raised. That was one study. The study that I quoted is right in saying that 97 percent was satisfactorily restocked. The Member for Edmonton-Jasper Place said that's not good enough. I agree. I said that in my opening remarks. That isn't good enough. That was under the old standard. Under the new standard that we have through Free to Grow, it'll be significantly better. Now, the number that was used in one study, talking about the 38 percent, was one that . . . First of all, there were difficulties in some of the areas. We're talking about areas that were logged 15 to 20 years ago when the standard was very lax or the standard was nonexistent in some cases, and they went in and didn't do a good job. What happened is that that came back in a lot of aspen in some cases, which now is a valuable resource. You wouldn't tear out 15- to 20-year-old aspen to put in something else. So when you talk about the 38 percent, or whatever number you like to use, it's one that's not satisfactorily restocked to conifer, not satisfactorily restocked in other ways. I think we have to be careful in making that distinction.

Mr. Chairman, Calgary-North West talked about overgrazing and what's happening in that area. It isn't overgrazing on the grazing reserves, and it frankly isn't overgrazing on the grazing leases per se. There have been some cases. We watch that very closely. If there's overgrazing on a grazing lease, there's certainly a penalty for that. If they're on grazing reserves, that

hasn't happened. What has really been the problem in some areas is that drought has caused some difficulty. More importantly, the brush encroachment was because we've got so efficient at fighting fire. It used to be that years ago as fires would go through, they would burn all that off. It would burn all that brush, and you'd have recovery of grass. What's happened now is that we're efficient at managing, so we don't very often have prairie fires anymore like we had that went for miles and miles and miles and cleaned that area out. Now we go in and cultivate the area in order to bring it back. Tonight in a meeting with members of the Western Stock Growers' they talked about brush encroachment. That's one of the concerns they had and they raised, of course: that a lot of it was because we don't have fires like we used to.

He asked how it is tendered, or how is the work done on those areas? All work is tendered out, all of it. The work is usually awarded to local contractors in that particular area. It may or may not be farmers; it depends on whether they've got the proper equipment to do the job. They have to be able to have the right equipment, but we try and tender it in the local areas, and in some cases it is a local farmer that does the work, local farmers from the area that happen to have the proper equipment.

He asked the question about 600 trees per acre, and I did say "per acre." Thanks to the Member for Edmonton-Jasper Place who got a calculator and worked it out. That's eight by eight roughly. What we want to have is 600 seedlings per acre established that are healthy and free to grow and do grow.

Maybe I would just make a couple of comments about his concern about having a monoculture. The last thing I or anybody want in this province is a monoculture. I'll just try and walk quickly through the steps that a company would take. They're in, and they've gone through the entire process, and they cut a specific area. They take the cones from that area from the best trees: the healthy trees, the ones that are best looking and everything. They're bagged and tagged. They go to Smoky Lake, where they're cleaned and container grown. Then those trees would go back to maybe not exactly the same area but to the same elevation, the same basic area. As any good farmer would know, if you're going to have grain that grows well, you want to get grain from your local area, if you can get the best seed, because if you bring it in, it takes awhile for it to adjust. It's the same with trees.

At Pine Ridge we're growing lodgepole, white spruce, and Douglas fir. We want to make absolutely sure that we don't have a monoculture. The forest is a total ecological system. We want to make sure it's healthy and growing properly, and we don't want to have one species of tree. That's why I don't personally agree with a lot of research on fast growing trees to replace what we've got there. I really don't want to change the makeup of this province by putting in other trees that would grow fast just for wood. The mistake that people make in their minds is automatically thinking that because it's forestry, we're only growing trees so we can cut and use them. I mean, there's more to trees than just cutting them for wood. Trees are for birds to nest in. They're the lungs of the earth. They're all of those things as well, and that has to be taken into consideration and is. What will make absolutely sure that that is done that way is the public involvement system we now have. If it's not, there'll be a penalty to pay. I hope that puts the hon. member's mind at ease about that.

We talk about Free to Grow and 600 seedlings per acre, or roughly eight by eight feet for a seedling and it's free to grow. If you go in a forest, you'll see a lot of the fire burn area that

has trees that are very close, and they're like this. What we want to have is the same forest, the same species and everything, but it'll be bigger trees and more healthy trees and a more healthy forest.

The question was asked, I think by the Member for Edmonton-Jasper Place, why we pay for seedlings. I said it is 17 percent of the cost. There are tremendous costs in an FMA. For example, they're responsible for all of the costs and the management in the area, but the agreement that we've historically made out is that we will grow seedlings. Now, we don't grow them all; the industry grows some of them themselves. The quota holders pay an up-front per cubic metre charge for quotas, and that charge is indexed for inflation, and that's basically covered in that.

When we talk about the costs of the wood, Mr. Chairman, I must say that we always have to be careful when we talk about stumpage rates because it depends on what you include or exclude. Certain provinces include certain things and don't include others. I have to say that our rate has to be competitive or, number one, we'd be hit by trade barriers. Number two, I don't see any of the other provinces doing any better. In fact, some raised their stumpage rates: British Columbia, where now they've got a heck of a problem. I don't think we'd want to do the same thing here. We want to be fair, reasonable, and the taxpayers deserve a return.

With that, Mr. Chairman, I'll be happy, if I haven't covered anything, to answer it in writing.

10:00

MR. McINNIS: Just a couple of quick supplementary questions. The whole area of reforestation I think is an area that we need to do a little more research into as a province. It seems to me that in the future what we're going to end up with, and I don't see us getting there very quickly right now, is that we're going to want to accommodate in the forest many different users, many different concepts. We're going to have grazing; we're going to have hunting and fishing. The aboriginal economy needs a place in the forest. We need to have some place for tourism. Unlike the Member for Edmonton-Meadowlark, I don't see tourism as a panacea for all of northern Alberta's problems, but we will have to build in a place for various kinds of tourism in the forests. Some forestlands we're simply going to preserve the way God made them. What it means is that the lands that are the working forests are going to have to be much more intensively managed than they have been in the past. I accept that the minister is not satisfied with the status quo and that he's working for it, but I would like to urge him and the government to commit some research into intensive forestry management, especially in that Boreal mixed-wood forest. I mean, it's one thing to say, "Well, if we lose some of the coniferous forest and they become converted from softwood stands to hardwood stands, that's okay because we now have a use for the aspen." That softwood to hardwood conversion does have a cost to the industry, and I think we want to try to make sure that our best, most productive softwood forestlands are intensively managed and well managed at a much higher and much more productive level than we have today.

Evolving to that system is going to take time and effort and a lot of work, but I think it all begins with research. I really think the funds that are available for research in forestry are inadequate and that perhaps the Heritage Savings Trust Fund is one place that we can look to fund forest research if we have no other options. Certainly the forest research branch has been disbanded. This other operation that we have before us in the

form of a Bill in the Legislature, the forest development research trust fund, is a very inadequate source of funding. It's just not very significant. So I'd like to make that representation.

I have a real concern about how this eight- to 14-year checkoff period is going to work, if we're going to have the staff and the resources to make those checkoffs. I understand we have a standard of Free to Grow, that the companies are responsible for getting those trees up and above the cover, essentially making them viable juvenile trees. It seems to me the message that I got out of the document entitled the Impact of Forestry Industry Development on the Alberta Forest Service is that the people who are doing the job have a real concern about their ability to make all the checks that need to be made, because in our system in Alberta we check up on the companies before they harvest. Their forest management plans have to be checked and approved. Then postharvest there has to be a reconnaissance done; there has to be various checks done. They're saying that we don't have the staff and resources to do that job. As the annual allowable cut doubles, the problem is going to get even worse. I think the problem has to be addressed. If we're going to say that it's the company's responsibility and rely on a checkoff system, then we have to make that system work.

One final comment. I would urge the minister to make the consulting report on seedling strategy available before he locks himself into a decision. If there are problems in the approach taken by the consultant, if there is any controversy over that, I think it would be better to have that aired before he commits himself to a policy, because it's difficult when you develop a strategy and you put it out there. For people in the position of trying to change the policy after the decisions have been made, it's very difficult. Perhaps it could be done in the form of a proposal document with a very brief period of time to make comments before it becomes policy or whatever. I'm saying that without knowing what's in it or what decision you have made, but it seems to me better to get the information base out before we're hard wired into a decision.

Those are my comments, Mr. Chairman.

MR. FJORDBOTTEN: Mr. Chairman, I appreciate the comment about the nonconsumptive users, to start with. I think it's extremely important. I mean, there isn't anything that's a panacea for everything. Forestry isn't; tourism isn't; nothing is. We've got to recognize that we're looking many years down the road, and we want to make sure that the ecology of our forest and what we're doing is right. I fully concur with that.

Talking about research, I fully concur with more research. There's two areas that need to be tapped, frankly. I think the companies need to do far more than what they're doing, and I also think they need to do more research on aspen. They should do more research in growing aspen and making sure that the trees are healthy and that we're doing the best there, but also I think they could do far more of a co-ordinating research role in value-adding to some of those things. I don't think that should all fall to government; more of that could be covered by the industry.

The comment was made about using the Alberta Heritage Savings Trust Fund. I've thought about that, and I'd like us to think more about it, but I'm not totally satisfied that it should be my bureaucrats in my department that make decisions about what research should be done. What I have in my own mind is a model based something after Farming for the Future where you have people on committees, laypeople out there that have expertise in those areas, who start to make the judgment about research. Not have long-term research: make it short-term

research that has a two-, three-year turnaround time, and anything that's longer term research would then be switched over to a longer term program and try and stimulate it that way. The heritage fund dollars invested in that kind of an approach I think would be dollars well spent, and I would feel far more comfortable. So I agree with that approach.

Do I have the staff and resources to do the checks? Is that a real problem? Believe me, after that report I had a good, in-depth discussion with my deputy in my department to find out: can we do it; is there a problem? The answer came back. [interjections] Well, no, I wanted to make sure. The deputy, Mr. Smith, being a forester and having spent his time in coming up through the system, I have a great deal of confidence in his judgment. He checked it out carefully and said yes. Then as the forest industry develops further, if we aren't able to do that, and I think the one check on the system is not only . . . It's the public involvement process that's certainly going to identify that. If there is a weakness in that area with respect to monitoring that, believe me, I think that's going to show it. I'm confident we do now. We've added 10 more forest officers in this period. I believe we need more, and I'm going to ask for more. They're confident we can handle that now, but you can be sure that in my next year's budget I'm going to ask for more staff as well, because I want to make absolutely sure that the monitoring's done properly. If we don't, the whole system will fail.

The comment the hon. member makes about releasing the strategy document on seedlings before coming to a final conclusion: frankly, that's not a bad idea. It was mentioned to me today that that might be one strategy we might want to use, and I find it humorous in some ways that it came out again tonight. Because it is mentioned, I'll certainly consider that.

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Order please. Ready for the question?

HON. MEMBERS: Question.

Agreed to:

Vote 1 – Grazing Reserves Enhancement

1.1 – Support Services	\$300,000
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1.2 – Grazing Reserve Redevelopment	\$2,544,000
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Total Vote 1 –	\$2,844,000
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Total Vote 2 – Pine Ridge Reforestation Nursery Enhancement	\$6,500,000
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MR. FJORDBOTTEN: Mr. Chairman, I move that the vote be reported.

[Motion carried]

MR. STEWART: Mr. Chairman, I move that the committee now rise and report progress and request leave to sit again.

[Motion carried]

[Mr. Jonson in the Chair]

MR. MOORE: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions and reports as follows and requests leave to sit again.

Resolved that from the Alberta Heritage Savings Trust Fund sums not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1992.

For the purpose of making investments in the following projects to be administered by the Department of Health: \$2,800,000, Applied Cancer Research; \$6,000,000, Alberta Family Life and Substance Abuse Foundation.

For the purpose of making investments in the following projects to be administered by the Department of Forestry, Lands and

Wildlife: \$2,844,000, Grazing Reserves Enhancement; \$6,500,000, Pine Ridge Reforestation Nursery Enhancement.

MR. ACTING DEPUTY SPEAKER: Is the Assembly agreed with the report?

HON. MEMBERS: Agreed.

MR. ACTING DEPUTY SPEAKER: Opposed? Carried.

[At 10:10 p.m. the Assembly adjourned to Friday at 10 a.m.]