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Standing Committee on The Alberta Heritage Savings Trust Fund Act

Thursday, October 18, 1979

Chairman: Mr. Payne

7:05 p.m.

MR. CHAIRMAN: I recognize, gentlemen, that there are still two or three members of our committee who will be joining us., but in view of the hour and the need to accomplish a great deal this evening, perhaps we could get started. We do have a quorum and then some.

I would first of all like to confirm that each of you has received a copy of the two revised Irrigation recommendations developed by the Speaker/Pahl subcommittee. If so, could I call on you, Mr. Speaker, to make a comment or two. Did you wish to speak to these singly or together? I'll defer to your good judgment there.

MR. R. SPEAKER: Together, Mr. Chairman. I believe the direction from the committee was to separate the recommendation with regard to irrigation districts from the recommendation with regard to drainage on lands outside irrigation districts. So that's the first thing we tried to do. The second thing we attempted in the resolutions was to say that along with the rehabilitation or reclamation in either area, there would be a research component. In the drainage one, we did recommend that there be some flexibility, that the support for research could come from either the heritage research trust fund or from general revenue. We left that open. Mr. Stewart felt he would prefer it that way, so we agreed with that point of view. Otherwise, they're fairly straightforward.

MR. CHAIRMAN: Perhaps I could give the committee members just a moment or two to read these two revised irrigation and drainage recommendations. Mr. Speaker, could I confirm that you, Mr. Pahl, and did you say Mr. Stewart were parties to this?

MR. R. SPEAKER: Yes, we asked Mr. Stewart to sit in on the committee, because he's very interested in the drainage area. The three of us agree on the submission.

MR. CHAIRMAN: Any comment on either of these revised recommendations?

MR. KNAAK: Well, I just think the committee captured the intent of the suggestions that were made.

MR. CHAIRMAN: Ready for the question?

HON. MEMBERS: Agreed.

MR. APPLEBY: That includes both, Mr. Chairman.

MR. CHAIRMAN: Moving then to the five recommendations on Debt/Equity Investments, I see that Mrs. Fyfe has not yet arrived, so perhaps we'll have to deal with No. 2. You may recall, members of the committee, that this was Mr. Knaak's recommendation on a foreign investment division. When we last met, we were discussing it and debate was adjourned on it. Mr. Appleby, would you care to resume debate on Debt/Equity Investments, Recommendation No. 2?

MR. APPLEBY: Thank you, Mr. Chairman. Perhaps I should have adjourned debate because I was the last one speaking. I guess I was one of the timid souls last time.

But I have given considerable thought to this recommendation since that time. As suggested at the last meeting, Mr. Chairman, it does have considerable merit in the long-range view. I feel that if an occasion arises in the future when the investment opportunities outside Alberta and Canada are not available as far as the funds in the Heritage Savings Trust Fund utilization are concerned, then such a resolution might well be considered. I think I suggested last time that I felt it was premature.

I think the situation now, Mr. Chairman -- the consensus last time, or my assessment of the discussions, was that if this resolution went to a vote of the committee it would probably be defeated, which would mean we were rejecting it out of hand as not a worth-while idea to be considered. I shouldn't like that to be the final analysis of the recommendation.

Perhaps in the future Mr. Knaak, being a young and vigorous member of the Legislature who will no doubt be around for some time, could reintroduce this when the need for it arises. In consideration of what I have said, perhaps he would consider withdrawing it, then bringing it back when appropriate.

MR. CHAIRMAN: Would anyone else care to respond to Mr. Appleby's suggestion before Mr. Knaak, the drafter of the recommendation, responds?

MR. SINDLINGER: I would like to urge the committee members to reject this thing out of hand. (laughter)

AN HON. MEMBER: Let's not be so harsh.

MR. KNAAK: Mr. Chairman, I think I'm learning every day. I think that is a fine suggestion that was made, and I appreciate that. I'm prepared to withdraw it.

MR. CHAIRMAN: Thank you. Debt/Equity Investments, Recommendation No. 3. I believe this was Mr. Pahl's recommendation. Mr. Pahl, in your absence on the last occasion we met as a committee, we initially attempted to discuss all five recommendations in the Debt/Equity Investments section. Quite appropriately, we did not discuss your recommendation at length other than, as I recall, Mr. Appleby's comment that he felt it might be useful to change the word "and" to "or" between "diversify" and "strengthen". I don't recall any other comment on that at the time, but I must confess I haven't checked the minutes or the transcript. In any event, Mr. Pahl, would you now like to take advantage of this opportunity to speak to your recommendation?

MR. PAHL: Mr. Chairman, not having had the benefit of the discussion on the other recommendations in this direction -- and it's my own fault, of course -- I do recall Mr. Appleby's suggestion to me privately at an earlier time on that point. I can see the wisdom of that as well. Our senior member is

providing lots of wisdom, both now and earlier. I wouldn't feel inclined to speak vigorously for, unless there was strong opposition against. I take it there has been some debate on the whole subject.

MR. KNAAK: Well, one of the considerations we had been discussing was whether or not this is an opportune time to go into venture capital. As many of you know, at this time I've not been in favor of suggesting venture capital funding in a general way out of the Alberta Heritage Savings Trust Fund.

May I suggest the following amendment to shorten the whole thing:

That the Alberta Investment Division of the Heritage Savings Trust Fund allocate funds to establish a program for providing funds to diversify or strengthen the Alberta economy.

And perhaps even more so, add onto that "and, if required, that the Act be amended accordingly".

MR. CHAIRMAN: Well, committee members, we have from Mr. Knaak a tripartite recommendation that the word "and" be changed, as was previously mentioned; that all after the words "Alberta economy" be deleted; and that there be an additional phrase indicating amendment of legislation if deemed appropriate or if necessary. Discussion of Mr. Knaak's suggested amendments? I'm sorry, Mr. Knaak, did you have a further comment?

MR. KNAAK: Well, maybe just the reason for it. Or if someone else wants to address himself to it . . . What this probably turns into, then -- and former members should take credit for it -- is really an expansion of the use of the Heritage Savings Trust Fund, since it has been suggested that the present interpretation is that any investment must strengthen and diversify. If we use the word "or" and then amend the Act when it's opened up, we'll be able to have investments from the trust fund that strengthen but do not diversify. It leaves greater scope for investments, and that's really the intent the recommendation would then have -- and at the same time not defeat the principle of venture capital funding, leaving that open as well.

MR. CHAIRMAN: Mr. Notley, is that furrowed brow an indication that you would like to participate?

MR. NOTLEY: Well, basically I think we have to move into the area of venture capital funding. I suspect I'm a minority in this committee on that score. So I guess part of my furrowed brow related to the fact that we were going to sidestep the basic proposition in Mr. Pahl's recommendation.

The other thing that concerns me a bit -- I think the Official Opposition has a couple of recommendations on diversification, and so do I -- it seems to me that if we say "funds to diversify or strengthen", we shift that mandate away from diversification a little more than I would like to see. That's one of the things that kind of troubles me. We could argue that a number of things strengthen the economy, but they don't necessarily contribute one little whit to diversification. It's a sly distinction there, but I think an important one.

MR. CHAIRMAN: What kind of distinction, Mr. Notley?

MR. NOTLEY: The distinction between "diversify and strengthen" and "diversify or strengthen". "Diversify and strengthen" means we recognize two things. Now we're saying one or the other, and that troubles me somewhat.

MR. MUSGREAVE: Well, I would just respond to Mr. Notley and say I don't know why it would trouble him. I would think that putting in "or" instead of "and" broadens the possibilities of improving our economy. For example, you could be taking some minerals out of the residue left over from the tar sands. That isn't done now. Some people may say, well, that's working with depleting assets, yet technically it wouldn't be. But the way the Act is now, it would say you really couldn't do that. By changing "and" to "or" you can do one or the other.

MR. KNAAK: Mr. Chairman, I just had a very short example. The question is: we have an Auditor General, and there's no intent to shift a big emphasis. One of the concerns is if there is an opportunity or a desire for the government to invest in another oil sands plant, it would not be as much diversification as strengthening. Rather than be concerned about a breach of this provision, it's probably better to accept the suggested alteration.

MR. NOTLEY: I don't think there's any question that the change broadens the scope somewhat. The problem I have in my own mind is whether or not I want it broadened sufficiently that we can shift from the emphasis on diversification to the possibility of moving too easily into things which, one could argue, strengthen. But one could also argue that it's essentially just building on the resources we have.

Rather than spending a lot of time getting into that argument here, two other recommendations are coming up down the road where we're going to go through the same process. So rather than prolonging the discussion, that's really all I have to say.

MR. CHAIRMAN: Mr. Pahl, I feel an obligation to give you an opportunity to speak to what really are two or three amendments to your recommendation suggested by Mr. Appleby and Mr. Knaak. If you're prepared to accept those amendments, I'm prepared to ask the question.

MR. PAHL: Thank you, Mr. Chairman. I suppose we can "and/or", which would satisfy everyone, and I'm not entirely facetious. I think it's a legitimate sense: "diversify and/or strengthen". Does that lose the sense of your amendment, Mr. Appleby?

I hesitate to give up too easily on the thought that "venture capital funding of Alberta owned and Alberta based firms" be rejected. I accept the point that the investment division has a mandate to a competitive interest. That would mean that somehow you have to get over that curve where probably only one in every 10 sort of innovative developments succeeds with spectacular pay-offs. I accept that sort of concern. I hope that's the qualification Mr. Knaak is placing on the recommendation.

I would argue that we could move a little closer to the rationale, because I somehow fear that the sense of my intention would be lost if we stopped at "Alberta economy" without perhaps -- losing the sense of venture capital, then you go to "Alberta owned and Alberta based firms". That's sort of fundamental to my feeling about what it means to diversify and/or strengthen the Alberta economy. I just don't see that sense of strengthening occurring where the beneficial owners of the companies that we would put equity into would be, by

and large, outside Alberta. That worries me; accepting it moves quite a bit away from my intention.

But I would appreciate a little more elaboration from Mr. Knaak or others in terms of how we could accommodate my concern.

MR. CHAIRMAN: Through the Chair, Mr. Pahl has asked committee members for their views on how his concern for Alberta-owned and Alberta-based firms, as phrased in his original recommendation, could be preserved, in light of the suggested amendments. I'd like to ask Mr. Knaak to respond, because I suppose it was he who suggested the deletion after the words "Alberta economy".

MR. KNAAK: Maybe I can ask a question in return. Mr. Pahl, is the concern that you want to keep in the question of venture capital? Is that the issue? The reason I suggested the amendment is that in the last discussions, I sensed that majority were not supportive of a broad-based venture capital funding at this time. Rather than defeating such a motion, for that reason I stopped at "Alberta economy", and really changed the intent somewhat, nevertheless saved the original suggestion and recommendation.

MR. CHAIRMAN: I'm not so sure that that was Mr. Pahl's primary concern. Correct me if the Chair is wrong here, Mr. Pahl, but I think his concern was more with the deletion of the reference to "Alberta based and Alberta owned firms" than to the venture funding reference. Is that correct, Mr. Pahl?

MR. PAHL: Yes, there were sort of . . . I guess I identified the need, then speculated on the vehicle. I would be pleased to see progress in the sense of some flexibility in the direction of the funds. Not having had the sense of the past meeting, I will accept both amendments and ask that the question be put. It now reads:

That the Alberta Investment Division of the Heritage Savings Trust Fund allocate funds to establish a program for providing funds to diversify and/or strengthen the Alberta economy.

MR. CHAIRMAN: I'm not so sure this is entirely appropriate in terms of parliamentary procedure, but an alternative occurs to me. That would be "to establish a program for Alberta owned and Alberta based firms". I'm not so sure I would agree with that; I'm just indicating that's one way to preserve your earlier concern about the deletion to the reference to Alberta-owned and Alberta-based firms.

MR. R. CLARK: Mr. Chairman, aren't there two things here that we have to keep our eye on? If one looks at the fourth line of the rationale, we're talking about forgivable loans. In the proposal Mr. Pahl has before the committee, when we say allocation of funds, if we're really talking about forgivable loans, that's a whole new concept from the heritage fund. I'd be very interested in knowing, Milt, if that's what you have in mind.

MR. PAHL: I guess I have to plead guilty to thinking a little bit out loud with the rationale. I anticipated, quite frankly, that there would be more than one recommendation coming from the committee in this regard. I guess you'd have to say that the way the recommendation is formed, you couldn't accept the alternatives -- the alternatives within the rationale are exclusive, one from another, if that makes sense to you. In other words,

"forgivable loans and/or minority equity positions" would be one alternative. Another alternative would be to provide default insurance, which is sort of saying there's a normal curve associated with investments: you have some good ones, spectacularly good, some bad ones, and those in the middle. And one would tend to offset the other, although I would feel that some minor moves in terms of the Alberta investment division's range of alternatives would be far better than losing the whole recommendation.

MR. CHAIRMAN: Mr. Pahl, I have to confess I'm not entirely clear where you now sit with respect to the suggested amendments. Could you clarify your position on Mr. Knaak's amendment?

MR. NOTLEY: Question on the amendment.

MR. PAHL: Yeah, I . . .

MR. KNAAK: I'm agreeable to that. (laughter)

MR. CHAIRMAN: I detect from some non-verbal as well as verbal clues that if you were in fact prepared to accept those amendments from Mr. Knaak, I think the committee would be ready for the question, but I don't want to hurry you unnecessarily.

MR. PAHL: Yes, I think that would be best, because I'm a little behind the discussion, to say the least.

MR. CHAIRMAN: Well, without agreeing that you're behind the discussion, Mr. Pahl . . .

AN HON. MEMBER: Agreed.

MR. CHAIRMAN: We then have Mr. Pahl's Recommendation No. 3 on Debt/Equity Investments, with three amendments suggested by Mr. Knaak: first, changing the word "and" to "and/or"; deletion of all after the words "Alberta economy"; and the addition of a phrase, "and, if required, the Act to be amended accordingly". Do I have agreement on that amended recommendation?

HON. MEMBERS: Agreed.

MR. MUSGREAVE: Without any reference to venture capital?

MR. CHAIRMAN: That's correct.

Debt/Equity Investments, Recommendation No. 4. Mr. Notley, would you care to speak further to this recommendation?

MR. NOTLEY: Mr. Chairman, I spoke on this last time; I think it's fairly straightforward.

MR. CHAIRMAN: Do any of the committee members have questions of Mr. Notley? Because of its brevity, perhaps I could read it aloud:

That the committee urge the government to set as its priority the investment of Heritage Trust Fund money in Canadian rather than foreign controlled corporations.

MR. MUSGREAVE: I have a question for Mr. Notley. I would imagine from this motion that he would be suggesting that such investments as were made through Syncrude in Gulf Canada and Imperial Oil would not be made?

MR. NOTLEY: If you're asking for my personal opinion, Mr. Musgreave, the answer would be no. That's correct. But the proposal here basically sets out that the yardstick should be "priority"; in other words, the priority should be the investment of heritage trust funds in Canadian as opposed to foreign-controlled companies. I think there would be a number of cases where I would have some real qualms about investments, but the proposal does not say "no foreign investment". It would leave that latitude, but would set out the objective of saying that the priority should be placed on Canadian investment.

It was an effort to try to glean as much as I could from the discussions we had four or five years ago on the foreign investment committee. Rather than taking a Walter Gordon/Mel Hurtig line entirely -- which I must confess I might be rather more sympathetic to individually -- nevertheless I felt this was a position that might at least be reviewed by other members of the committee. So I'll keep it at that.

MR. APPLEBY: Mr. Chairman, my impression or understanding is that this is the procedure being followed at the present time. Investments in Canada, and I think the one in Quebec Hydro, are an indication of the way the investment procedures are carried out. I have a feeling that at this time, such a recommendation is rather superfluous, because I understand that this is the sort of thing that's going on.

MR. NOTLEY: Well, Mr. Chairman, I think there is a distinct difference here. The investment procedure at this stage is based on the twin objectives of reasonable return and tending to strengthen and diversify the Alberta economy. What I'm saying here is that we should be setting a priority of investing in Canadian as opposed to foreign companies. I think there is a subtle difference there.

Now, I suppose one could argue that the government has been following that. One could also argue that the government has been following the recommendation we just passed. A lot of these things tend to be reassertions of arguable points. People could say, well, we've been doing it anyway, so why are we recommending it again?

I'm not sure I would accept that suggestion or assertion in the case of Recommendation No. 4. What it would do, I think, is mandate the investment committee a little more firmly to set a priority on investing in Canadian companies.

MR. APPLEBY: Mr. Chairman, following this up. Mr. Notley has already indicated that he probably wouldn't consider that the Cities Service/Gulf Oil debentures should be eliminated as far as investments are concerned. It could be that a situation would arise where it might be expedient to make such an investment in the future in order to get some massive development under way. If we have a recommendation like this on record, I feel that at stage of the game it might be brought forth saying, this isn't in keeping with policy we've set up. I'd be hesitant to vote for such a recommendation.

MR. R. CLARK: I would simply like to say, Mr. Appleby, that I would hope that cabinet paid that much attention to our recommendations.

MR. APPLEBY: We can try.

MR. NOTLEY: So far our batting average in past recommendations has not been so much that the cabinet stands in total awe of our recommendations.

MR. APPLEBY: Yeah, but who was going to bet on the Pirates three games ago? (laughter)

MR. R. CLARK: I did.

MR. CHAIRMAN: Am I to infer from this frivolity that we've exhausted our . . .

MR. NOTLEY: I think the arguments have been put, and there really isn't much point in -- I'd just call for the question.

MR. CHAIRMAN: Okay. Those in favor of Recommendation No. 4, Debt/Equity Investments: Mr. Speaker, Mr. Notley, Mr. Clark. Those against: the record should show the remaining members of the committee voted against. Recommendation No. 4 is defeated.

Mrs. Fyfe, would you care to speak to Recommendation No. 1. We got off to an early start tonight, and just proceeded with nos. 2, 3, and 4. I thought before we went on to 5 and the new section, we could deal with yours.

MRS. FYFE: I apologize. I indicated last time that I would either rewrite or withdraw. As I think there have been a number of investments made in various corporations in Canada, I would like to withdraw this motion. I think it's redundant.

MR. CHAIRMAN: Okay, Debt/Equity Investments, Recommendation No. 1 is withdrawn. Debt/Equity Investments, Recommendation No. 5, Mr. Notley.

MR. NOTLEY: Mr. Chairman, No. 5 is a recommendation I had submitted last year, and I believe the Official Opposition had submitted a somewhat similar one. I would be less than honest if I didn't say that committee last year, after considerable discussion, voted it down. But I happen to disagree with the committee's decision last year, and I felt we should be looking at a similar concept this year.

Basically what we're examining here is using part of the heritage trust fund in a way that is, quite frankly, deliberately more liberal -- if I can use that expression in this committee . . .

MR. CHAIRMAN: It's entirely appropriate.

MR. NOTLEY: . . . or flexible than the normal guidelines that would apply to heritage trust fund investments.

The problem that various people in the native community whom I've talked to have brought to my attention is that it really isn't possible for them to get into business easily -- I shouldn't say "easily", because we don't necessarily want to get people in who are going to be going out the next day -- even if they have reasonable proposals. They just aren't in a position to put together that initial package of venture capital.



So in a sense what I'm doing is taking part of Mr. Pahl's proposal, where we look at the concept of venture capital, and applying that the native community.

I think I'd also be a little less than honest if I didn't indicate that I gather several years ago, some consideration was being given to this sort of concept, but it was dropped by the government of Alberta. I happen to think that when the government of Alberta was considering the concept, they were on the right track; when they dropped it they were on the wrong track. Even though I would be the first to recognize that the failure rate might be, by other standards, even unacceptably high, I think the gains that would accrue would make it well worth investment from the heritage trust fund.

MR. CHAIRMAN: You've heard the introductory comments of Mr. Notley, whose recommendation this is. Any comments or questions of Mr. Notley?

MRS. FYFE: Well, I have some concern that this fund would be established from the Heritage Savings Trust Fund. I certainly have sympathy for establishing a fund that would have more flexibility for people of native background. But I'm wondering if it would be in the best interests of people who have not had perhaps as much business experience to provide them with a maximum opportunity for educational background and any assistance in establishing a business, but also if it could be done through one of our conventional agencies, such as the Alberta Opportunity Company, but through a special fund set up under those auspices.

I think it's important to have a climate of businesslike procedures so that it doesn't become psychologically something that is sort of set up with a forgiveness climate. I don't think that's the sort of atmosphere we would want to create. We would want to have successful businesspeople as much as possible, successful business ventures. Therefore they have to be evaluated in that light, but with additional assistance that maybe would not be ordinarily available for other Albertans.

I don't know if Mr. Notley would consider that kind of amendment to his motion, but I think it would be more appropriate.

MR. CHAIRMAN: Mr. Notley, did you want to respond to Mrs. Fyfe's question.

MR. NOTLEY: I would be delighted, as a matter of fact, if we could persuade the Alberta Opportunity Company to set up a native -- or some kind of fund under the purview of the Alberta Opportunity Company where we would look at a form of counselling. I hate to use the term "less stringent", but I think we have to call a spade a spade. If we want to use very stringent requirements, we're not going to get many loans out to native people to get into business, I'll tell you. We'll have the welfare cycle on and on and on.

You have a number of younger people now who have ideas; a number of them have a good deal of training, university training in some cases. But they don't have the access to capital, and that's not always their fault. We have all sorts of hidden problems, not the least of which is many, many years of sorry spectacles, examples of projects that have gone awry. That's had an impact on bankers and, frankly, it's had an impact on the Alberta Opportunity Company. Unless we say, all right, we're going to take a chance, then we can say we're going to have equal opportunity, but it will be equal in name rather than fact.

MR. CHAIRMAN: Mr. Notley, just a question for my own benefit. When you agree with Mrs. Fyfe's suggested amendment of using the Alberta Opportunity Company *per se*, or an AOC fund, are you then relinquishing this reference to equity financing?

MR. NOTLEY: I think I have to do that in fact, because we've already voted on a motion that said we're going to sidestep the question of venture capital. Frankly, I think we have to take a look at that. But in terms of this recommendation, Mrs. Fyfe's recommendation that we ask the AOC to look at a separate fund, which would be loan capital, would be perfectly reasonable as far as I'm concerned.

Now, the term "equity fund" is really a misnomer, in a sense. It is a term that has been used among the native community as a consequence of these discussions several years ago. There was never really an intention, as I understand it, to set up a form of venture funding at that time. It was a form of loan, but "equity fund" became widespread as a term which really isn't totally accurate.

MR. CHAIRMAN: Mr. Clark, did you wish to comment on the recommendation as well as the amendment suggested by Mrs. Fyfe?

MR. R. CLARK: Yes, I'm planning to support the suggestion. We put a suggestion before the committee last year. It was not approved by the committee.

I appreciate the comments Mrs. Fyfe made. But, Mrs. Fyfe, I recall -- I don't always like to say, back earlier -- but about three years ago the Alberta Opportunity Company was instructed by the government to try to make some funds available for native equity ventures. It just never got going. The thing bogged down. I think until this committee, then hopefully the government and the Legislature, is prepared to say: look, publicly we all recognize that we're not going to get the kind of success rate here that you'd expect even from loans through the Alberta Opportunity Company, let alone loans through the conventional lending institutions. Until we're prepared to do that, I really think we're spinning our wheels somewhat.

It's really from that point of view that I'm prepared to support the motion here. One of the things that rather intrigued me in going this way would be to set something like -- oh, I'd pull a figure out of the air -- an amount, kind of revolving fund from the heritage fund; take a lump sum of money, take the interest, and make that available for equity ventures to the native people each year. That was really the gist of the proposition we put forward last year.

Rather than get involved in the argument of the vehicle to do it, it just seems to me that we have a very few years to show a number of our native young people, who are becoming quite sophisticated, that we're prepared to take an additional step for them really to be part of the 1980s economics in Alberta.

The last time I was on a reservation, I recall the point being made very clearly to me that, you know, sure it's great for you as a farmer at Carstairs to be able to go and get some money from the bank; you have your land as an individual. But for three or four young fellows on the reserve who have an idea they want to get going, unless they can get money from the band council, there's just no other vehicle for them.

MR. CHAIRMAN: Mr. Knank. I'm sorry, Mrs. Fyfe, would you care to respond to that question. I presume it was directed to you.

MRS. FYFE: I was just going to respond that I think I said in my comments that it would have to be a fund set up for a specific purpose, but that I'm really concerned about proliferation of additional agencies. I think in order to draw in many of the young native people, particularly the young ones, it is important to keep them in the main stream, with some additional considerations. I think we are agreeing on all those points.

MR. KNAAK: I like Mrs. Fyfe's idea and Mr. Notley's idea. I too would like to support the suggestion made by all three members that the funding -- I guess when we talk about a fund, we're talking about something in addition to, or in some conceptual way separated from the rest of the funding fund of the Alberta Opportunity Company, with some special considerations for the native people, as was pointed out. I like the idea and wonder if someone has a suggestion for wording of an amendment.

MR. CHAIRMAN: Before we can for a suggested wording, the Chair has one here on the basis of what's been said so far. Mr. Pahl, then Mr. Borstad.

MR. PAHL: Thank you, Mr. Chairman. I have to be the dissenting voice here. This thing to me smacks of reverse discrimination. There are a lot of people in Edmonton Mill Woods who have good ideas and they don't happen to have a lot of money or capital and they're not Indians either. I guess I'm raising my voice for the equity fund down at the level where nobody has any equity. That may sound at the bottom of the barrel, but that's where a lot of ideas start. I just have to say, affirmative action programs are okay. But if you take them to their logical extension, you wind up doing the other thing. I have to feel there are delivery programs in place that may need a look at. In all fairness to every other Albertan who doesn't happen to have a farm at Carstairs, I have to indicate my reservation for an affirmative action program in equity or even in the Alberta Opportunity Company that has a form of what I would call reverse discrimination.

MR. CHAIRMAN: Having heard Mr. Pahl's reservation -- no pun intended -- did you wish to respond, Mr. Borstad?

MR. BORSTAD: I could agree with the intent of Mrs. Fyfe's notion. But I would like to see it set up as a completely separate fund, if it's going to be separate, and in the Alberta Opportunity Company, particularly for native and Metis people; set up in such a way that there is counselling support with it.

MR. NOTLEY: Could we hear your suggested wording, Mr. Chairman. You may be able to . . .

MR. CHAIRMAN: Well, it might be inadequate in light of the last contribution:

That consideration be given to establishing a fund within the Alberta Opportunity Company to provide financing for business ventures established by native . . .

And I noticed the reference to Metis, and we might want to come back to that.

. . . people in the province of Alberta.

MR. NOTLEY: It seems to me that would still be consistent with Mr. Borstad's concept. You were suggesting a separate fund within the AOC, were you not?

MR. CHAIRMAN: Are you ready for the question, then? Mrs. Fyfe.

MRS. FYFE: I would just like to make one comment to Mr. Pahl's comment about residents in Mill Woods. Most loans that come in from the Alberta Opportunity Company now have gone outside the urban areas. Many people within urban areas find it easier to establish business ventures and receive conventional lending. The problem of most the native people is that they cannot get good credit. They may be good risks, but because they're lumped into a classification or geographic area, they are refused conventional lending. This is where one of the largest problems arises for them.

MR. CHAIRMAN: Do I have agreement, then, with the recommendation as amended, read by the Chair?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Thank you. That completes the Equity/Debt Investments section. Moving to the Energy section, beginning with Energy Recommendation No. 1, submitted by Mr. Notley.

MR. NOTLEY: Mr. Chairman, very straightforward. At the present time we have done a little funding in that area, but it's essentially inventories of what other jurisdictions have done. That's certainly a place to start. But I would like to see Alberta move a little more quickly and boldly in the area. The government of Saskatchewan has invested some money in solar experimentation. This particular recommendation is somewhat to a Unifarm proposal of several years back, although Unifarm related theirs very clearly to the agricultural community.

I would like to see us increase our investment in the general area of alternate energy.

MR. BORSTAD: I believe a good portion of these things is going on within departments now. If the concern is that we're not moving fast enough, then I would like to see a recommendation like we made for highways -- make some recommendation to those departments carrying out this research now to block fund some more, so they can continue their work.

MR. BRADLEY: I'd like to agree with what Mr. Borstad says. I think quite a bit of research is going on in a number of different departments, particularly the energy resources research fund. There's a \$3.6 million component there over a three-year period with regard to solar and wind. I think under that \$97 million fund, there should be more dollars come in that area. That's a sizeable amount of money being spent in energy resources and in the renewable energy resource area.

MR. NOTLEY: Mr. Chairman, the wording in this recommendation could have been a little more clearcut. I'd like to see us sort of draw together more than we have. We have a little bit here, a little bit there, and a little bit elsewhere. Just as we have done with the Oil Sands Research and Technology Authority -- we've given the thing emphasis, because we've drawn together . . . The research and technology authority have contracted private companies:

they have contracts with the university and various agencies of government. But there is one co-ordinating authority that can give some sort of overall impetus to the thing. That is what I see is lacking in our program at the moment. It's not that we don't -- as Mr. Borstad suggests -- have certain things being done. But it's pulling it together and giving it a little more of a push.

MR. BORSTAD: (inaudible)

MR. BRADLEY: In some of these areas, as Mr. Notley has said, it has been going on. There has been co-ordination, particularly in the energy resources research fund, drawing together what has been done in other areas. Looking at putting some funds into research with regard to technology in the solar and wind area, as I mentioned, bringing together all the research in the province under the Alberta Research Council and the Department of Energy and Natural Resources into one focus between Alberta and Canada -- a very exciting project.

MR. CHAIRMAN: Inasmuch as reference was made to the Alberta Research Council, did you wish to participate in this discussion, Mr. Musgreave?

MR. MUSGREAVE: Mr. Chairman, they are doing some work already in some of these areas. I understand the university is doing a program with company over there, this biomass. But they are doing some work on solar energy; they are doing some work on wind energy. Not a lot, but they are doing some, Mr. Chairman. If we get the right kind of favorable treatment from the Legislative Assembly next spring when the budget comes down, we'll do more.

MR. CHAIRMAN: We'll ignore that last commercial. Mr. Knaak.

MR. KNAAK: I don't think I need to repeat my views on this. I've always considered the Heritage Savings Trust Fund as a big piggy bank, in that it should be invested in capital and capital-related investment projects. I have felt that this kind of research should be a normal budgetted program, out of Environment especially, in light of our budgetary surplus.

MR. CHAIRMAN: I have no suggested amendments, then. Ready for the question? Those in favor of Energy Recommendation No. 1: Mr. Notley. I assume the rest disagree. Thank you.

MR. NOTLEY: My batting average is higher; I'm really not offended if a motion is voted down. (laughter)

MR. CHAIRMAN: Mr. Pahl, would you speak to Recommendation No. 2?

MR. PAHL: Thank you, Mr. Chairman. The recommendation:

That Heritage Savings Trust Funds be employed on a program to conduct a provincial renewable and non-renewable resource inventory over a five to ten year horizon whereby the accumulated information would be computer stored and publicly available for optimum planning and development of the province's renewable and non-renewable bases.

simply reflects the fact that in order to plan and develop our economy, particularly in the need to move from those areas of non-renewable resources to renewable resources, we need to have a better handle on the data that will go into that planning. That is the macro-sense. In a more direct way, I have a concern in the non-renewable resource base area, particularly, that when we as a government try to make a decision with respect to the amount of reserves we have in place or the amount of gas that should be sent off to the United States or to eastern Canada, we have a national energy board sit down and ask the oil companies that are active in Alberta how much gas we have in the ground and where it should go. I think there's enough at stake here, both on the macro and micro -- in terms of one or two sets of commodities -- that we need a better information base, so we can take the guesses out of the area, for example, of oil and gas exports.

So there are two phases: one is rather broad in its intent; the other would be very specific in its utility to optimum resource use in Alberta.

MR. R. CLARK: Mr. Chairman, I would just make two quick comments. One would be that I think this is the kind of thing we should be financing out of the normal operating budget of the province. Secondly, with regard to Mr. Pahl's comments about exports and sources and so on, the Energy Resources Conservation Board is the agency which has that responsibility under legislation. Even if the National Energy Board were say, yes, you can export, Alberta has to be satisfied that we have the amount in surplus of our own 30-year needs. So, while I'm sympathetic to this kind of renewable resource inventory, that pretty obviously is the kind of thing that should be on an ongoing basis in the department.

MR. PAHL: Mr. Pahl, did you want to respond to Mr. Clark's suggestion that this would be more appropriately a general revenue departmental item as opposed to a heritage fund item?

MR. PAHL: Thank you. I accept the point as well taken, and would submit that all things being perfect, that's where things such as medical research that have been funded under the Heritage Savings Trust Fund would go. My view is simply that there is not enough priority attached to it in terms of funds or in terms of the project-orientation that Heritage Savings Trust Fund lends itself to. If we put it in a department, it becomes sort of, ho-hum, we do a little every year. I think there's a recognition that it needs to be done, but it just hasn't been done with the sort of dispatch I think is necessary in terms of the planning we have to look forward to. The Energy Resources Conservation Board, although you're quite correct that they have a mandate to look at reserves, don't have the easy cross-access. As example, if I may Mr. Chairman, is where you're sitting in a situation where you have to decide what sort of level of development can be accepted -- let's use oil sands plants, or even gas processing plants -- then you try to interface that with the level of buffering capacity in the surrounding soil. We don't have information bases that are hung on the same compatible basis that we can make those judgments with the sort of information that, admittedly, should and will over hundreds of years be developed by line agencies. I would suggest that it's of high enough priority and important enough for optimum development, that would be something that could receive Heritage Savings Trust Fund priority in funding.

MR. MUSGREAVE: I guess I was naive in my experience in the oil industry. I was under the impression that the EMR. R. CLARKB was doing the very thing Milt says they're not doing, or at least not doing as well as they should. That concerns me. Perhaps my understanding of how the EMR. R. CLARKB operates -- it's operated under what is essentially a tax on the oil industry; it doesn't come out of any other funds.

MR. NOTLEY: It's fifty-fifty, isn't it?

MR. MUSGREAVE: Okay, yes. What I'm concerned about though -- you know, I used to work for an oil company and they always accused our company, that everything we said or did the EMR. R. CLARKB automatically adopted. It took us years to live that down. But I was under the impression they were a fairly independent agency, protecting the interests of Alberta citizens. There is a lot of argument about some of the parameters they use and the terms and understanding of people. But I can imagine, if you left the oil and gas industry alone and went to renewable resource inventory -- being prejudiced, I'd like to suggest that the agricultural community should then be taxed fifty-fifty, that we would assess a tax against them to come out with the same kind of inventory, a method that is being suggested here. I imagine that would be a pretty tough one to fly politically. I can see my rural friends chuckling.

MR. NOTLEY: I wouldn't try it while campaigning in Barrhead. (laughter)

MR. MUSGREAVE: Believe me, I wouldn't.

MR. NOTLEY: On the other hand, it might be helpful if you did.

MR. MUSGREAVE: In brief, Mr. Chairman, I don't think it should come out of the fund. It should be provided by general revenue through other departments.

MRS. FYFE: I agree. I don't think it should come out of the fund, either, although there may be sufficient need for priority in an item like this in a government with surpluses. I agree with the comment that Peter made, that the fund should be a piggy bank and not a slush fund. Because it's been done in the past and there have been projects that have long-term social benefits -- if there is an alternate way, I think we should be very careful that the funds are employed for a monetary investment for the future. I couldn't possibly support it.

MR. KNAAK: I understand Mr. Pahl has had experience in this area and knows a little on the inside of what's happening. I'm wondering if the Chair would entertain a suggestion that we say that the Department of Energy and Natural Resources consider a program to conduct . . . Then you go on, "to maintain the continued viability . . ." Then at the end, you add "to maintain the continued viability of the Heritage Savings Trust Fund". Since the Heritage Savings Trust Fund is dependent on resource revenues and resource revenues are, to some extent, dependent on -- my friend here is ready to vote against it before he has heard my suggestion. Since resource extraction, depletable and renewable are to some extent dependent on proper inventory, I'm wondering whether the Chair would entertain such an amendment.

MR. R. CLARK: Mr. Chairman, an observation: I think the hon. Member for Edmonton Whitemud is actually attempting to become Anthony Eden tonight.

MR. CHAIRMAN: Before I respond as to whether the Chair is prepared to entertain that, I would appreciate some direction from members of the committee. I'd like Mr. Appleby to respond, but first I would like to remind Mr. Sindlinger and others that non-verbal cues are very difficult for Hansard.

MR. APPLEBY: Thank you, Mr. Chairman. I suppose what I'm doing now, after the last two or three speakers and Mr. Clark some time ago, is re-emphasizing the fact that this should come out of current revenue, surplus funds, or whatever. I have in mind specifically to mention the fact that the Alberta Forest Service has just completed such an inventory, and is in the stage right now of assembling the information. I suppose it's much easier to do a visible resource like forestry. When you get into these non-renewable resources, like petroleum or coal, it's pretty difficult to come up with an inventory that would be accurate for the future. Nevertheless, my feeling now is that I would vote against this because I don't think it should be out of the Heritage Savings Trust Fund.

MR. BRADLEY: I've been asked to be consistent, Mr. Chairman. I'd have to put forward the following arguments, similar to the ones I made earlier. In the non-renewable resource area, there is a project under the energy resources research fund which does exactly, or practically exactly, the thing which Mr. Pahl is suggesting, in my estimation. Therefore, to be consistent I would have to register my negative vote.

MR. CHAIRMAN: Thank you. Before asking the question, may I ask is there any committee member support for Mr. Knaak's suggestion of the change from Heritage Savings Trust Fund to General Revenue?

MR. KNAAK: I'll withdraw it.

MR. CHAIRMAN: Those in favor of Energy Recommendation No. 2, please signify. Those against? Recommendation No. 2 is defeated.

Mr. Notley, would you care to comment on Energy Recommendation No. 3.

MR. NOTLEY: It's just a suggestion to the investment committee:

That consideration be given to expanded loans and/or equity participation in energy projects outside Alberta being undertaken by Petrocan or other Canadian provincial public agencies.

The "and/or equity" really relates to Petro-Canada. Whether or not the federal government finally decides to put part of it up for sale or on what basis, I would think we want the Alberta government to be in a position to consider acquiring part of it, if they chose, if they thought it was a good investment.

The other aspect of it: the expanded loans -- we already saw the beginning of that yesterday with the loan to Quebec Hydro. I think that's very important. We are going to find other provincial governments, I would hope, looking to Alberta for capital financing for energy-related projects. It seems to me we should be well and ready prepared to accommodate those requests.



MR. BORSTAD: I support that motion if we drop everything off after "Alberta". That last sentence bothers me: "being undertaken by Petrocan or other Canadian provincial public agencies". If we just stop at the end of "Alberta", I could support it.

MR. NOTLEY: If I were having a caucus, I would say no. But being here with my colleagues on the committee, I would think that would be reasonable.

MR. MUSGREAVE: I was going to make the same suggestion. I was going to mention that Mr. Notley has his whole caucus here; he has the advantage over us. (laughter)

MR. CHAIRMAN: For the benefit of Mr. Bradley and Mr. Pahl, in your absence it was suggested by Mr. Borstad and, in effect, seconded by Mr. Musgreave that Energy Recommendation No. 3 be passed by the committee with the deletion of the words that follow the word "Alberta". The recommendation would then read:

That consideration would then be given to expanded loans and/or equity participation in energy projects outside of Alberta.

Are we ready for the question? Those in favor of the recommendation as amended. Any opposed? Passed as amended.

Energy Recommendation No. 4, Mr. Borstad please.

MR. BORSTAD: We're doing such a good job changing all these, I would like to change mine before we even discuss it.

MR. CHAIRMAN: That's right, I'm sorry. I apologize, Mr. Borstad. He had given me copies of an amendment to his recommendation; these are being circulated now.

It does not appear to be a significant change. Do you want to speak to the change and then to your recommendation, Mr. Borstad?

MR. BORSTAD: I think it's pretty straightforward. Maybe in the original one the word "optimize" was not the best word. After consideration, I thought it would be better if it were changed to the way you have it here, except I had "in the Province for the benefit of all Albertans". That's what I had suggested, but that's okay.

MR. CHAIRMAN: Any questions of Mr. Borstad, or comments on Energy Recommendation No. 4 as slightly redrafted?

MR. BORSTAD: My idea was that if there were a major dam -- I'm thinking about the Dunvegan dam or the one in the northeast part of the province. Those are tremendous projects, and the province might consider getting into one of those.

MR. NOTLEY: I agree with it, Mr. Chairman. The costs of some of these projects are so massive at this stage. The latest figure on Dunvegan is something over \$2 billion, for example. I think when we pass a recommendation of this nature, we have to realize we are not talking about a few million here or there. Especially if we're talking about the Peace or Slave projects, we're talking about a lot of money. Notwithstanding that, it seems to me a consideration we have to accept.

MR. MUSGREAVE: Mr. Chairman, I believe a year ago only Mr. Notley supported a notion of nine -- and I'm sensitive about support I don't get. But I had a notion somewhat along this line, that if there were major developments the province would pay for them out of the heritage fund and lease them back to power companies operating in that area, under a management contract. Since then I've had the opportunity to speak to the president of Calgary Power. His indication was that if we went that route, we might as well take the whole system over. So I must confess, Mr. Chairman, I'm going to change my vote from last year.

MR. KNAAK: I just have a question. Is the intention, Mr. Chairman and Mr. Borstad, to lend funds to the private sector to encourage hydro electric energy development, or is the intention that any future expansion in hydro electric energy be exclusively by the province, or on a joint-venture basis with the existing utilities in Alberta?

MR. BORSTAD: I'm not tied to one in particular. My thought was that with the number of dollars it takes to build one of these hydro projects, probably the province -- if they built it and leased it back or let it out on a management agreement, or shared in that project -- that it might get off the ground that much faster.

MR. PAHL: Just to make myself feel a little better, I'd like to raise the question that, given the passage of my amended Recommendation 3 on Energy, it would seem to me that this is really a "for example", rather than a recommendation per se. With that understanding, certainly I would support my own recommendation.

MR. CHAIRMAN: Are you ready for the question? Energy Recommendation No. 4:

Be it resolved that the Heritage Savings Trust Fund be utilized for development of hydro electric energy in the province of Alberta.

Those in favor, indicate.

MR. R. CLARK: Just one comment. I want to make it very clear that I wouldn't want to see this being used as the only mechanism for future developments to go ahead. I think, to the Member for Grande Prairie -- I'm sorry, I should have been paying more careful attention. I take it that what was really being said was that that's an avenue between government and the hydro electric industry that could be used.

SOME HON. MEMBERS: Could be used.

MR. R. CLARK: Okay, good enough.

MR. CHAIRMAN: Those not in favor? Mr. Musgreave. Energy Recommendation No. 4 as redrafted by Mr. Borstad is passed.

Energy Recommendation No. 5, Mr. Sindlinger -- comment please.

MR. SINDLINGER: Mr. Chairman, this recommendation is sort of along the lines of the old adage: if you give a man a fish, you feed him for a day; but if you teach him how to fish, you feed him for life.

MR. CHAIRMAN: Would you care to elaborate on that philosophical note?

MR. APPLEBY: That stinks.

MR. KNAAK: Are you talking about fish? (laughter)

MR. SINDLINGER: This is particularly directed to the petroleum industry. Alberta, through the development of its petroleum resources since 1947, has developed a very highly skilled and sophisticated labor pool. I think it would be beneficial to other provinces if this type of labor, knowledge, and skills could be made available to them, so they don't repeat the errors we made in developing our industry.

MR. CHAIRMAN: Okay, questions of Mr. Sindlinger, or comment?

MR. PAHL: Thank you, Mr. Chairman. It would be my understanding that we have a library on how to fish in this regard. It's under the auspices of the Alberta Oil Sands Technology and Research Authority, where there's a rather extensive information bank, technical skills. I've also seen the mechanism, funded under that, of the international conferences on, if you will, technology transfer, which I think is also funded from the Alberta Oil Sands Technology and Research Authority. So I'd appreciate some clarification on that. Is it something over and above that, or were you aware of it?

MR. SINDLINGER: Yes, I should elaborate then. The intention is not to transfer knowledge directly through books and things of that nature, but actually to make people available to other provinces in the development of the petroleum industry. It would enable a method of secondment, if you like, from this province to other provinces.

MR. CHAIRMAN: With that clarification, then, Mr. Pahl.

MR. PAHL: Thank you. I think that's certainly consistent with building a bank of technology in the ability to win oil from places like oil sands and deep shales. But I am not quite appreciative of how this would be funded, and whether simply developing our oil sands for ourselves would lend us to develop those skills that are exportable.

MR. SINDLINGER: I don't understand all your comment, but you referred to AOSTRA quite often. It might be well to bear in mind that Alberta is the only province that has any oil sands of any note. The skilled labor that I'm thinking of is in the conventional and offshore type of petroleum exploration and development.

MR. PAHL: Well, I guess I'd have to observe that we're sort of the only ones who have any of that, either, at the moment. I don't see the need for funds and, secondly, I still don't appreciate how this sort of transfer does not already occur. For example, when Mobil Oil starts drilling off Sable Island, Albertans do the drilling, engineering, managing, and whatnot. So I guess I just don't see the need.

MR. KNAAK: Mr. Chairman, is the idea of this bank that the government hire, say, 100 technically skilled persons and have them sitting in a bank?

AN HON. MEMBER: A snowbank?

MR. CHAIRMAN: It would be called "Alberta Rent-a-Toolpush". (laughter)

MR. KNAAK: I wasn't trying to say that; it just came out that way. The other question is . . .

MR. SINDLINGER: We shouldn't have these meetings at night.

MR. KNAAK: Is it the intention of these people in the bank to buy patents and things of that sort, and license out these patents, these unique skills we have? Is that the plan?

MR. SINDLINGER: When the Energy Resources Conservation Board entered its modern era, one of the things it did was borrow people. First of all, it went down and borrowed people from the Texas Railroad Commission, which had had experience in the area of petroleum regulation for some time prior to Alberta. The idea was that having those people here, you would not make the same mistakes, and you would benefit from the experience of the Texas Railroad Commission. As a result, Alberta has developed one of the most highly respected regulatory agencies in the world. When many of the Arab countries set up their agencies, they sent people to Alberta to scrutinize our operations, as well as those of the government of British Columbia.

So what I envision from something like this is the provision of funds which would enable regulatory agencies and private firms in Alberta to second their people to other projects in other provinces where development is taking place.

MR. KNAAK: Private people or government employees?

MR. SINDLINGER: Government and private.

MR. R. CLARK: To the sponsor of the resolution, Mr. Chairman. I'm quite sure that the regulatory agency in British Columbia, for example, seconds people -- to use your term -- from the EMR. R. CLARKB in Calgary for some of their work where they don't have the expertise. My understanding of the resource industry, albeit very limited, is that when Mobil Oil does their drilling on Sable Island or wherever, they likely know, better than any government officials, where the best information is, and what things have and haven't worked. At least, they sure know how to get to it. I don't appreciate, yet anyway, the reason the government should be the place where we're going to store all this information. I have been very impressed with the way the industry itself seems to be able to find out bloody quickly what works and what doesn't work.

MR. BRADLEY: Mr. Chairman, it would appear to me that the oil industry in Alberta has put together quite a great deal of sophisticated technology with regard to oil, gas drilling, et cetera. I'd like to ask the hon. member two questions. How would he feel that this would strengthen and diversify the economy of Alberta? And if it were from the capital projects division, how would it tend to impart a social benefit to Alberta? Myself, I think that naturally this technology will be exported from Alberta, and the fact that we've gained all this expertise here will benefit all Canadians in the natural flow of business events.

MR. SINDLINGER: Mr. Chairman, being an individual with considerable appreciation, and recognizing the lack of support I'm getting from my colleagues, I would consider withdrawing this recommendation at this time.

MR. CHAIRMAN: Your consideration of withdrawal seems to be very well received by your colleagues. If the Chairman may be permitted an arithmetic observation, in the first hour and 20 minutes of our deliberations this evening, we have dealt with 12 recommendations; 12 remain. My conclusion is that if we can continue this pace, we could very well be finished by 9:30 or thereabouts, and I could begin the work of preparing our committee's report. But I don't wish to intimidate debate or discussion in any way with that arithmetic observation.

Moving, then, to The Alberta Heritage Savings Trust Fund Act Committee section of your binder, Recommendation 1 is on the subject of public hearings. Mr. Notley.

MR. NOTLEY: Mr. Chairman, really four quick points on it. The recommendation is that in 1980, four years after the Legislature passed the Act, we should undertake public hearings. There are really four arguments that I would advance in support of this recommendation.

Number one is that after four years, the normal term of one government, it's useful to take stock.

Secondly, I think there is tremendous educational value in having public hearings.

Thirdly, it will allow input from people. We now have all sorts of public hearings: the workers' compensation committee has just completed a very useful series of public hearings; other committees have frequently had public hearings. I know that members can say that individuals can now come as individuals or groups and make representation. That is correct; they do. But I think it would be useful to have a series of hearings where we pinpoint the heritage trust fund, where we just don't get these things and these suggestions in isolation, but where in fact we say, all right, we're going to give the people of Alberta an opportunity, within the perimeters of the Act, to make submissions. Having just gone through that process with the workers' compensation legislative committee, I think all the committee members have found the process really invaluable.

The fourth point is that I think it would elevate the committee's status and stature in the province. I'm not suggesting we would necessarily want to have public hearings every year; I think that's something we would want to take a look at. But after four years of the operation of the fund, as we sort of explore ways of improving our own position as a committee, our own usefulness, it seems to me that this kind of public stock-taking, if you like, would be useful. There's no other agency that can really do it as well as this watchdog committee. It's a little much to ask the cabinet, busy people, to go on a cross-province tour.

But we're charged with making recommendations, and I would say that after the spring session is completed -- I've spoken privately to some of the members and to you about the timetable. I think that's one of the things we should be taking a look at, either at this or a future meeting, because we have a timetable that's far too compressed. The fact that we're feeling some constraint tonight in dealing with these recommendations is because of the timetable, and we shouldn't get ourselves into that next year.

But I put it to the members and ask them to consider it seriously. I think it would be a useful step in the right direction.

MR. CHAIRMAN: Questions of Mr. Notley, or comments on the public hearings recommendation?

MR. APPLEBY: I'm not too sure I gather from this, Mr. Chairman, just what the complete purpose is. I think there's some suggestion in Mr. Notley's remarks that perhaps these hearings would be also be an information forum, to disseminate information about the Heritage Savings Trust Fund. There's also some suggestion that they would be an educational process for people in the province. If you're looking at information forums and dealing with the educational process, I think these are valid considerations that have to be taken into account.

But from my own experience, I would suggest that what is being done at the present time is that all members of this Legislature, certainly all government members, are at all times in this very situation in public meetings and forums of various kinds: giving out information, explaining the total purpose of the Heritage Savings Trust Fund, emphasizing the "savings" portion of that title, and in this way disseminating information to the public. I think what is needed, more than anything else, is public awareness of the purpose, the usefulness, and the potentialities of this fund. I wouldn't suggest that they had formal public hearings like the Workers' Compensation Board or other hearings done by legislative committees. I think this is being done at all times by members of this Legislature.

MR. PAHL: Mr. Chairman, having returned from a trip to Toronto, where they seem to feel that any increments to the Heritage Savings Trust Fund should flow to them rather than to the owners of the resource, the province of Alberta, you have to feel that there's a need to provide some information across Canada and perhaps across the province. But I really would have a good deal of reservation about the idea of a public hearing. For one thing, I think it's important to recognize, and I think this committee has recognized, that you don't conduct the day to day investment decisions in a public forum, nor would you be able to. So I think there would be a measure of disillusionment in a public hearing process.

I do support the need, perhaps, for more information. But I just can't see what the hearing process across the province would do. It may serve an information function, but I think it's inappropriate to provide information. I would certainly support a resolution for perhaps a broader distribution of our annual report, perhaps to school children or someone. But I would question the public hearing route.

I would also observe that there is a fair amount of what you might call public debate on it. I enjoy that opportunity on almost every occasion when I'm anywhere, and I'm sure others in the Legislature do as well. In fact, a forum or seminar is going on right now, Mr. Chairman, over at the University of Alberta, where the academic community is discussing the fund through several dimensions. I think it's fair to say that -- well, I'm planning to go over there tomorrow. I think there are some exchanges that are served.

I'd support the need for more information to the public, but I think that a public hearing would sort of raise false hopes. It's not the vehicle.

MR. NOTLEY: Mr. Chairman, first of all I think the point Mr. Pahl made, that somehow this would be difficult because of the administration of the fund: frankly, the same kind of argument can be made virtually with respect to any set of public hearings, in my view. There will be people who will be happy with the hearings on annexation; a lot of people will be unhappy with them.

Yet we proceed with the hearings on annexation. Mr. Appleby's task force this summer had hearings on forestry and presumably some people will be happy and some won't be so happy.

But it seems to me that the fact that today, tomorrow, and Saturday, we have a group of academics reviewing the heritage trust fund, when in actual fact by statute it is this committee more than anyone else that is entrusted to be the watchdogs -- I think we should be taking the initiative. I say to government members, quite frankly: here is something that we, collectively, should be running with. People are always getting up in this House and saying, the public doesn't understand the parameters of the fund; they've been misinformed -- I don't know why they would be misinformed; certainly not from the opposition members. Nevertheless, here is an opportunity to set out the parameters.

Any set of public hearings is an educational process both ways. It's an educational process for those who make submissions and for those who hear the submissions. We're entrusted with the responsibility of coming up with ongoing recommendations. We're going to be making recommendations in 1980. What better way to prepare our 1980 recommendations than to have held a series of public hearings. What better way for us to signal this province that as a committee we're taking ourselves seriously as the primary watchdogs -- not a group of academics at the university. With great respect to the academics -- I'm not criticizing them -- but we're the ones who have the responsibilities, and we're going to take them. We'll let those academics come and make submissions next year to our committee. I think that kind of initiative would do a great deal to elevate the effectiveness and the understanding of Albertans that there is a watchdog committee and that it's doing a job.

So, don't dismiss it out of hand. If you want to hold it over for a while and think about it, do it. It's worth thinking about.

MRS. FYFE: I have some comments regarding the hearings. I don't think that's the vehicle. Yet I think there is certainly some merit in encouraging as much input as we can. First, I would approach hearings or input presently from a constituency level. I think there's an onus on each MLA to get as much input as possible from our constituency. This was said very well before me that it is a two-way process. It's a process of communicating to your constituents and, secondly, listening. But because of the magnitude of the fund and because it doesn't only affect a small percentage of people but every person in the province, whether or not they are of voting age -- because of the benefits that accrue to us as a province -- I think it would be incredibly difficult to handle just hearings, and allow everyone who may wish to participate in a forum where, first, they were informed and, secondly, allow them ample opportunity to speak or present briefs or however.

I think it might be a better suggestion, from my own point of view, to have at some point in time a symposium or some kind of conference, perhaps by invitation of people from various sectors -- the business community, labor, various segments of our province -- and present them perhaps with position papers or information, so they at least have a basis of knowledge and understanding of the policies that the fund rests upon. Then knock heads and put as much information together.

But just to have public hearings -- you know, I've listened to radio phone-in programs where that's the subject. People will phone in and say, well, I think there should be more money for streets; I have potholes in my street; and I want my garbage picked up more often. There doesn't seem to be a very generally deep understanding of it. And that's very natural because it's a

very complex question. People often do not have a very in-depth knowledge of economic questions. That's part of the process.

So, while I think there is some merit in the idea, I don't think the vehicle of public hearings would be the most effective for us as legislators. I can't support this notion, although I do support getting as much information as possible, particularly the responsibility of MLAs to do that in their constituencies, which I have tried to do in mine, both communicating and listening.

MR. R. CLARK: I would like to make four comments. First of all, I would say to members of the committee -- and I'm not saying this to be nice and then get you to agree to something later on. This is I guess the third year that I've had the opportunity to be on the committee. I have found this likely one of the best legislative committees I've sat on, because there has been a pretty open attitude by all members. I commend you, Mr. Chairman, and all members of the committee for the way we've gone about it. I would suspect that some members who have been on the committee previously would likely share that point of view.

The second point I'd like to make is it seems to me that as members of the committee, we have to -- it I can use the term -- think big. We're a committee that is charged with monitoring or viewing an expenditure of money which is larger than the provincial budget. By next year that will virtually be the case. We'll be looking at the way commitments were made for an amount of money which is larger than the provincial budget.

Thirdly, Mr. Chairman, the point has been made that many people don't understand the fund. There isn't agreement in this committee with regard to the fund, really, is there? We have suggestions that I may feel should come out of the General Revenue Fund of the province and some other member doesn't. I'm not too sure that isn't a pretty healthy thing for Albertans to see. In the process of Mrs. Jones coming before the committee, telling us that her roads should be fixed kind of thing, I think there is a chance for a pretty good exchange between Mrs. Jones and one or two members of the committee in the course of that kind of thing going on.

The fourth point I'd make, Mr. Chairman, in urging members to consider the suggestion seriously is that perhaps we as a committee should consider looking at going to three or four of the major centres in this country, outside Alberta. If we're really serious about the Canadian investment portion of the fund and really saying -- not to the governments, because I think that would be presumptuous on behalf of the committee -- to people in those provinces: look, the select committee of the Alberta Legislature which makes recommendations to the Legislature is in Toronto or Montreal or Winnipeg to hear suggestions. That doesn't mean we have to buy the suggestions at all. But I do think, Mr. Chairman, it would once again provide the opportunity, when we're in those parts of the country, to help play down some of the erroneous ideas there are. Believe you me, there are lots (inaudible).

I say this with the greatest of respect to members of the committee: likely the fact that there are a couple, three, or four people from the opposition on the committee, that people outside the province would see that we as Albertans, regardless of our political stripe, are looking at this thing pretty seriously, would likely do a great deal to show people across the rest of the country that it isn't just this big bad government in this province that has some of the ideas it has. In fact, the committee looks at things from the standpoint of Albertans.



I can appreciate members of the committee feeling that this is perhaps the opposition is talking them into. I certainly wouldn't be averse, Mr. Chairman -- and Mr. Notley and I haven't talked the thing over at all until here tonight -- if members bat the thing around and perhaps come back with some sort of alternative. I really think it's important that we look at the thing from that point of view. Now is the time for the committee really to take its next step forward.

MR. NOTLEY: Mr. Chairman, could I just ask members of the committee to hold this particular recommendation. We've had a number of suggestions. Mrs. Fyfe has made the suggestion of a symposium. I think there are some difficulties with that, but it's well worth looking at. Mr. Clark has made the suggestion that we should look at going to other parts of the country, and I think there is some real merit in that. I want you to think about the idea of the public hearings. Rather than voting this in or out tonight, it seems to me that what we should do is defer the issue. We've had a good discussion on it. We're surely going to have to have another meeting, even if we try to finish -- and I think we're going to have some difficulty finishing some of these, with great respect. That being the case, it seems to me we should spend some time on it, because it really relates to the kind of profile we're going to have as a committee in the province.

So I would ask that it be held until the next meeting.

MR. CHAIRMAN: In effect, you're recommending an adjournment of debate on this recommendation until we meet next: Agreement?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Heritage fund committee section, Recommendation No. 2, Mr. Notley.

MR. NOTLEY: It seems to me there's also one from the opposition that is somewhat similar, if I'm not mistaken -- dealing with full-time staff. Perhaps we could deal with the two together.

MR. CHAIRMAN: If you would give the Chair a moment to retrieve a copy of the opposition's recommendations. These were the two submitted, along with Mr. Bradley's, last week, dated October 15.

I agree with that observation, Mr. Notley. There is some similarity between your Recommendation No. 2, which essentially deals with the hiring of full-time research staff, and Mr. Clark's October 15 submission in which an independent and impartial analysis would be contracted. Well, there is a significant difference, actually. One is with reference to staff, and one is a consultative reference. Mr. Clark, would you be prepared to discuss both these or would you prefer that yours be discussed separately?

MR. R. CLARK: Mr. Chairman, perhaps we might move the discussion along if we got some feeling from the committee about the idea of bringing someone in, be it on a full-time or a part-time basis, to do this kind of independent assessment.

MR. CHAIRMAN: Okay. Mr. Borstad, then Mr. Knack, then Mr. Pahl. As I understand it, the committee then will be addressing itself to these two

recommendations, but particularly to the concept of retaining consultative assistance and a full- or part-time staff research assistance.

MR. BORSTAD: Personally, I couldn't support setting up more bureaucracy to look after this fund. If we want something done, I would be totally in agreement with something on a project basis, but not to set up a bureaucracy that would go on year after year. If we are concerned about something, then I would see us having a fund set up so we could handle it on a project basis only.

MR. CHAIRMAN: When you say project basis, that implies consultants.

MR. BORSTAD: That's right.

MR. CHAIRMAN: I see.

MR. KNAAK: I feel very strongly on this point as well, Mr. Chairman. I'm not prepared to support the idea of establishing one or a growing bureaucracy as suggested here in the recommendation. I believe Treasury has a very large staff that monitors it, and we have an Auditor General who assures that the funding is done properly. I understand we now have the possibility for funding for specific research projects.

MR. PAHL: I have a similar aversion to permanent or semi-permanent staff. But I do sense -- and forgive me for speaking a little to the larger issue, but it seems to me that the remarks made on the item we agreed to defer debate on and the feeling and the interpretation that we had the capacity, under your initiative, to commission people to do things, would lead me to think that somewhere in our deliberations -- maybe it's at the end when we make our recommendation -- that . . .

MR. CHAIRMAN: I'm sorry, Mr. Pahl. Mr. Clark, is there a problem of your recommendation not being distributed, or . . .

MR. R. CLARK: I'm just doing a little lobbying, my apologies.

MR. CHAIRMAN: Oh, I see. I'm sorry. Mr. Pahl, go ahead.

MR. PAHL: He made such a lovely statement last time, that I can hardly be offended.

I would urge that we really defeat both these motions, but I would argue that beyond the recommendations of our committee, we seriously consider coming together again to develop a better understanding for ourselves, with some technical help -- and I would favor it to be on a consultative basis -- and look to the possibility of the need for a standing committee of the Legislature to do some of the public profile things in Alberta and across the country. I think it's premature to accept these now, but I do make the argument for taking on the responsibility or having the initiative within our group to move beyond discharging our duties on an annual basis to the Legislature, as per your time line. I'm sorry that I had to mix all that up.

MR. NOTLEY: Mr. Chairman, dealing with both recommendations, in a sense there may be some value in looking at these when we look at our assignment of responsibilities for the coming year. As I look at page 16 of the Treasurer's

response to the recommendations last year, when we essentially said we wanted the power to hire professional staff assistance and to contract, as Mr. Clark has suggested here, for an independent analysis. What we have is:

Action - The Investment Committee will approve money spent by the Chairman of the Committee, as approved by the majority of the Committee, for the assistance and analysis requested.

I think that's fair enough. No one wants a large bureaucracy here; I'm not suggesting that we have 15 or 20 people under the purview of the Chairman of the watchdog committee. But, I just happen to think that this watchdog committee is probably the most important legislative committee of the House, in actual terms. Theoretically all legislative committees are equal. But I think this is a very, very important responsibility. I would like to see us in a position where if the Chairman requires competent research or executive assistant help, we're in a position to have that assistance provided. I see the job being elevated; I see the role of this committee being elevated. As we go into another year, when the trust fund is going to be under attack by other politicians in the country, we have to elevate some of the safeguards in the Act. One of them is the heritage trust fund review committee, our committee. It's a very important part of that whole Act.

So, you know, I'm not hard and fast on Recommendation No. 2. However, I would like the understanding left that if we need additional work -- because I know there's an awful lot of work. For heaven's sake, if we're talking about going to other parts of the country, somebody has to make the plans. It's a little much to ask the Chairman to spend half his time making hotel reservations, and this kind of thing. So we're going to have to be in a position to have someone under the direction of the Chairman. But that doesn't mean we're going to run out and hire 30 researchers tomorrow.

Now with respect to Mr. Clark's proposal, I think that's a perfectly reasonable one. He's asking for an independent analysis. It's completely consistent with the recommendation we made last year. The response we got from the Provincial Treasurer says that if you people by majority vote request this information, we'll make it available.

MR. CHAIRMAN: Why don't we deal with Mr. Notley's recommendation, because I do not detect supportive consensus. Mr. Notley's Recommendation No. 3 within the committee section: those in favor, please indicate.

MR. APPLEBY: Before we vote on that recommendation, in view of the opinions that have been expressed here, would it not be possible perhaps to amend it in some way to say, "consider the hiring of consultants on a project basis", rather than a "full-time research staff".

MR. NOTLEY: Sure.

MR. BORSTAD: That was the suggestion I was making before.

MR. CHAIRMAN: I'm sorry, that's correct. That was Mr. Borstad's suggestion.

MR. BORSTAD: And I think it's a terrific idea. You know yourself, Mr. Chairman, the amount of work you have to do. I can see us taking on extra staff during the fall session when you have to do this work. I'm perfectly

agreeable with it. My concern was that we weren't setting up a bureaucracy that would be ongoing forever.

MR. CHAIRMAN: Mr. Appleby, could I just ask you to repeat your suggestion.

MR. APPLEBY: Instead of saying, "the hiring of full-time research staff", say "the hiring of consultants on a project basis".

MR. NOTLEY: That would certainly be agreeable to me, Mr. Chairman. No problem at all.

MR. PAHL: Mr. Chairman, as I read the results of the response to the recommendations, it seems quite clear to me that we already have that power, and we don't need to make a recommendation to the Legislature in this regard. If we find it necessary to carry out our mandate to do it, we do it.

MR. CHAIRMAN: Perhaps to clarify that point in my own mind and for those of the committee who may not have read for some time Mr. Hyndman's status report, the recommendation on page 16 was:

That the Heritage Fund Committee be empowered to hire professional staff assistance and to contract independent analyses, in either case to enable more effective review of Heritage Fund investments and more informed direction of future investments.

The action, as indicated by the Provincial Treasurer:

The Investment Committee will approve money spent by the Chairman of the Committee, as approved by the majority of the Committee, for the assistance and analysis requested.

MR. APPLEBY: Mr. Chairman, the Provincial Treasurer has indicated that the funding would be available if we want to implement this. And we are saying here, in my estimation, let's implement it.

MR. NOTLEY: Yes, that's right.

MR. R. CLARK: Mr. Chairman, I would just follow along what Mr. Appleby said by asking members to look at the motion from the Official Opposition:

BE IT RESOLVED THAT, this Committee contract an independent and impartial analysis and market performance evaluation . . .

And so on. Really what that does, Mr. Chairman, is give direction to the Chairman of the committee to in fact get on with the job of hiring someone on a contract basis -- not on a continuing basis, Mr. Borstad. With the response of Mr. Hyndman, there is then the need for the initiative to come from the committee to take that next step.

MR. NOTLEY: Exactly.

MR. R. CLARK: That really was the intention, Mr. Chairman, of the motion.

MR. CHAIRMAN: Further comment?

MR. PAHL: Mr. Chairman, I don't argue that that might be an appropriate step. But somehow I feel that that's an appropriate step to look at with some well considered thought after we meet our first timetable. That would certainly be part and parcel of the sort of thing we could do after we examine your committed responsibility, and one I think we accepted, to report to the Legislature in a timely manner. I would not want to sort of say, okay, at this stage of the game, let's go out and find someone. I would think all of the committee would want to spend a bit of time making the decision on the consultant, the terms of reference, this sort of thing. I think we have seen in the feedback from the Provincial Treasurer that we have the mandate to do it. But I don't think we have the capacity to do it properly at this point. Hence my thought of perhaps picking up again after our fall requirement has been met.

MR. R. CLARK: Mr. Chairman, with regard to that comment, I would find that procedure completely agreeable, as long as we don't find ourselves in the situation, once the session adjourns sometime in November, we all go our ways. Last year, after the same kind of resolution was passed, there was no mechanism to get that done. I appreciate we're not going to have an election -- at least I hope we're not going to have an election -- this coming spring. As long as members would be prepared to get together later on this session or right after the session, whenever it's convenient, to look at this kind of proposition, then I'd be quite prepared to have the motion held until then.

MR. KNAAK: Mr. Chairman, I like the intent of the motion, to examine the degree of intelligence with which the money of the funds were invested. But it's much too short a time period. What we've seen now is a period of rising interest rates. It's a fact that when market interest rates rise and you have bonds with a fixed coupon rate, so to speak, the capital value of that bond drops during that period of rising interest rates. There's absolutely nothing that an analysis of this will show, except for the fact. When interest rates come down again, which we expect, the capital value of these bonds will go up. I think the time period is now too short to really make an assessment on the investment division. On the capital projects division, there's no point in making an assessment. It's really a policy decision of the government on which direction they want to go.

So, rather than coming back this fall and rather than defeating this, I would suggest it be withdrawn until next year and then reconsidered.

MR. NOTLEY: Mr. Chairman, I would rather that we hold both recommendations, in particular Recommendation No. 2. The reason I think we should withhold it is exactly the point Mr. Clark made. We have tendency to be out of sight, out of mind. We get our recommendations in and then the whole process grinds to a halt until July or August of the following year. Then we go into a situation where the Chairman has to scramble around and is under a good deal of pressure in trying to find time, and everything else. I would like to see us in a position where maybe in the spring session, when presumably we're reappointed as a committee, we have a meeting and the Chairman come to us and says, all right, this year we're going to decide what we're going to do. I need X amount of money on a project basis to be able to do certain things. Maybe I'll need a secretary; maybe I'll need a research assistant; maybe I'll need some kind of private consultant; maybe I'll need this or that or something else.

The point is and the assurance I want is that we don't end up next year getting into exactly the same corner we got into this year, last year, and the year before.

It's no one's fault that it happened; I'm not attaching any blame. It's just that we don't want to go that route again.

MR. CHAIRMAN: Perhaps I could exercise my prerogative as Chairman and undertake to this committee that the time constraints under which we have worked this year will not be repeated next year, with or without research assistance, with or without executive assistant's help. It's just a question of scheduling, and I think we'll more realistic in that scheduling in 1980.

MR. BRADLEY: Mr. Chairman, I agree with Mr. Borstad's amendment with regard to hiring a consultant on a part-time basis. But I have some difficulties with Mr. Clark's recommendation with regard to what we're trying to achieve. Perhaps the end result of such an investigation and released to the public upon completion and request for data as required, could reveal the investment strategy of the investment committee with regard to the fund and would not be in the best public interest of Albertans to reveal that to the public. It probably could end up in us getting a lower rate of return on investments from the fund in the future.

MR. SINDLINGER: Just a point of clarification. Did you say you did not think it would be in the best interest of Albertans to know about the investment strategy of the fund? Is that what you said?

MR. BRADLEY: I don't believe it would be in the best public interest of Alberta if the investment strategy of the fund be revealed. That investment strategy, from the viewpoint of the -- well, to know the investment strategy of the people in Treasury who are investing the funds on a day to day basis would result in a lower return to us if the other people in the money market knew what our strategy was on that day to day basis. I think this could reveal that.

MR. SINDLINGER: I just want to make certain we are on the same wave length. I can see where on a day to day basis it might not be prudent or judicious to reveal what your overall investment strategy is. But on a long-term basis, on an annual basis, I think we all would agree that Albertans have every right to know what the investment strategy of this government is and, in fact, they do know that.

MR. CHAIRMAN: Without arbitrating those last comments, we have strayed somewhat from the recommendation which, as amended reads:

That in light of indications by the Executive Council that necessary funding will be approved, the Committee implement its 1978 recommendation concerning the hiring of consultants on a project basis.

Mr. Motley, who drafted the original recommendation, has agreed to that amendment from Mr. Borstad. So I feel somewhat impelled to ask the question, unless there is comment directly germane to the amended recommendation. Mr. Bradley.

MR. BRADLEY: I was speaking to Mr. Clark's. I thought we were discussing both.

MR. CHAIRMAN: No.

MR. BRADLEY: Sorry. I agree with Mr. Borstad's amendment to Mr. Notley's recommendation.

MR. CHAIRMAN: Okay, question. Those in agreement with the recommendation of Mr. Notley as amended by Mr. Borstad, please indicate. Agreed. Those not agreed? Mr. Pahl. Recommendation No. 2 in that section has passed as amended by Mr. Borstad.

Recommendation No. 3 in the committee section. This is Mr. Clark's recommendation. Did you wish to speak to that recommendation, Mr. Clark?

MR. R. CLARK: No, Mr. Chairman. We've gone over this earlier in the course of the discussions here. I think the real purpose behind it is simply that I think it's important the committee have the capacity to be able to make a judgment as to whether the investment committee is making the best possible investments. Not revealing on a day to day basis the investment pattern, but if this committee isn't in a position to make that judgment, then no one is.

MR. CHAIRMAN: Thank you, Mr. Clark. If my memory serves me correctly, it seems to me that you and the Provincial Treasurer did discuss, albeit briefly, this notion when he appeared before the committee in his capacity as Treasurer. Questions of Mr. Notley or comments on the recommendation? Please excuse me -- Mr. Clark. As my excuse, I'll use the comparative lateness of the hour.

MR. KNAAK: Are we talking about Recommendation No. 3 now?

MR. CHAIRMAN: Yes, we are.

MR. KNAAK: Mr. Chairman, what happened to the one we were talking about on this piece of paper here. Are we coming to that?

MR. CHAIRMAN: Yes. My preference would be to go through the binder in order so we won't have to move back and forth, and treat the two opposition submissions that came latterly, along with Mr. Bradley's, later. We are discussing the recommendation:

That the Provincial Treasurer provide the Committee, on a monthly basis, with reports on all transactions and holdings of Heritage Fund marketable securities.

As I indicated to Mr. Clark, there was some, albeit brief, discussion of this point when Mr. Hyndman was here as Provincial Treasurer.

MR. KNAAK: I think the point Mr. Bradley made on this, thinking we were talking about 3, is accurate. There is a money placement strategy, as the minister explained. If we had a disclosure on a monthly basis, it would reduce the yield of the placements, because the money brokers can anticipate the government's action. So I would ask if the opposition would accept the suggestion that "monthly" be "annually":

That the Provincial Treasurer provide the Committee, on an annual basis, with reports on all transactions and holdings of the Heritage Fund marketable securities.

MR. CHAIRMAN: If I could make an observation, Mr. Clark, that in effect put in place a procedure that we're now doing on an ad hoc basis; that is to say, when the Provincial Treasurer appeared before this committee earlier this month, in response I believe to Mr. Clark's recommendation, the Provincial Treasurer did agree to provide this kind of information approximately one year after the last occasions this information was supplied. So in effect, the recommendation as amended by Mr. Knaak would simply put in place, in a more formal way, the procedure we're now doing from year to year. Nevertheless, it does represent a very significant change from the wording of your recommendation. Would you care to respond to Mr. Knaak's suggestion?

MR. R. CLARK: I would prefer to have "monthly" remain in there. I think the practice has been established for the last two years that when the Treasurer comes before the committee, he's been prepared to make information available on a yearly basis.

MR. CHAIRMAN: Any further comment on the recommendation or the suggested change by Mr. Knaak.

MR. R. CLARK: I would be quite prepared, Mr. Chairman, to hold this until we discuss Motion No. 2 on the attachment from the opposition. In my judgment, if we could reach some sort of agreement on that one, I would be quite prepared to withdraw this motion.

MR. CHAIRMAN: Okay. Recommendation No. 3 is withdrawn with the understanding, as recorded in the minutes, that discussion of the opposition motion dated October 15 will deal with the same general principle.

MR. PAHL: Mr. Chairman, I hate to disrupt the momentum of this meeting, but my arrival into Edmonton was early in the morning, the time I was biologically on, and I'm feeling a little bushed. I'd like to think that we could crowd ourselves into another meeting and do a better job on these. I see some things coming together, the sense of which I think is important, but held separately they're not coming together with the understanding I'd like.

MR. NOTLEY: Mr. Chairman, I'd like to second the observation. Unfortunately, I have to leave to catch a plane. So I've made several recommendations, although albeit some of them are similar to those of the official opposition and could be debated. But unless there is strong objection, it does seem to me we have to have another meeting anyway. That being the case, I would appreciate if we could hold these.

MR. BRADLEY: I appreciate the desire to have another meeting, but that perhaps will mean we'll have to have two more meetings. I think we have some difficulties next week scheduling a meeting in the evening, given the . . .

MR. CHAIRMAN: I think Wednesday evening is clear. I've made a preliminary check of that with several members of both sides of this committee.

MR. BRADLEY: Then I withdraw my representations.



MR. CHAIRMAN: Perhaps I could just make an arithmetic observation here. We have remaining six policy and legislation recommendations and three new recommendations, a total of nine, plus the one on which we adjourned debate. There are 10 recommendations. I suspect if we start at 7 o'clock promptly, we could probably be well clear by 9 o'clock, judging by tonight. We have done something like 16 or 17.

Okay. I have an adjournment motion, then? Mr. Pahl.

MR. PAHL: Yes, I think the adjournment motion is there. But I would indicate that the Edmonton members will be committed on Wednesday night.

MR. CHAIRMAN: Oh, the Premier's dinner.

MR. NOTLEY: What about Thursday night. Is there a possibility the House may not have to sit on Thursday night?

MR. BRADLEY: The ATA dinner.

MR. NOTLEY: Oh, the ATA dinner.

MR. KNAAK: I'm pretty sure we'll be sitting nights from now on.

MR. NOTLEY: I know it's unheard of to do this, but is there a possibility that there is a private members' day that we could take, from 3:30 to 5:30 on Tuesday?

MR. CHAIRMAN: Many of us are involved in a chiropractic dinner at 6, but perhaps that would fit in well. I of course would have to clear it with Hansard, because that duplicates their requirement to provide Hansard services not only to the Chamber but to, presumably, another meeting room.

MR. NOTLEY: I notice three of those resolutions coming up have already been debated.

MR. CHAIRMAN: I share your confidence we could do it within two hours. I suspect we could do in in 90 minutes.

MR. BRADLEY: Mr. Chairman, with regard to the rules of the House I don't believe select committees of the Legislature can sit while the Legislature itself is sitting. I think that would be a problem.

MR. APPLEBY: We could get unanimous consent.

MR. NOTLEY: We could get permission for it, I'm sure.

MR. CHAIRMAN: Perhaps you could leave it to the Chair to try to resolve this dilemma. I shall be back to you. I'll examine the alternatives that have been brought forward now, as well as any others that occur to the Chair.

With that, then, we stand adjourned.

*The meeting adjourned at 9:15 p.m.*

