

Standing Committee on The Alberta Heritage Savings Trust Fund Act

Tuesday, October 13, 1981

Chairman: Dr. Reid

1:30 p.m.

MR CHAIRMAN: The committee will come to order. We'll continue with discussion of proposed Recommendation No. 16. The next one I have on my list is the Member for Edmonton Whitemud.

MR KNAAK: Mr. Chairman, the only point, and it's been made before, is that we are currently funding a considerable amount of research including some of that research. I would prefer the resolution be changed to read: "[that] funding from the AHSTF be invested in research into the technology", and go on; then possibly go into that but with a view subject to not duplicating already existing research in those areas and known to the Alberta government. So really two points: one, since we're already funding it, just continue with the funding, take out the two words, "Greatly increased"; and put the proviso in that this research not duplicate other already existing research in the world.

MR ANDERSON: Mr. Chairman, I think the Member for Edmonton Whitemud and myself are on the same point. I'd formally move that "Greatly increased" be deleted, and that we add following the last sentence: "Such research must not duplicate similar efforts being carried out elsewhere". I think that would satisfy the concerns of a number of members, both regarding the term "greatly" and also ensuring we don't duplicate efforts of other bodies or organizations that might be carrying out such research.

MR CHAIRMAN: Is that acceptable to the Member for Spirit River-Fairview?

MR NOTLEY: Agreed.

MR CHAIRMAN: Can we have a vote then on Recommendation No. 16, as amended, with deletion of the first two words and a sentence added on the end about duplication. Those in favor? Unanimous.

No. 17 is on Page 10. The Member for Spirit River-Fairview.

MR NOTLEY: Mr. Chairman, in a sense this is just an extension of Recommendation 16. It would provide, from the heritage trust fund, a certain support for demonstration projects. I suppose an example I might cite would be the Saskatchewan House that our neighboring province has undertaken with respect to alternative energy systems. I think it's fairly straightforward.

The other aspect of it is the projects would be designed to encourage, if you like, some private sector development in the area of alternative energy. I don't think there's any doubt that one of the real advantages of investments in alternative energy is that it does offer substantial opportunities for the small private sector. So I think it's just fairly straightforward, Mr. Chairman. It's an extension of Recommendation 16.

MR PAHL: Mr. Chairman, I would be very supportive of this, but I would simply observe that it's already being done in co-operation with two departments of government and, predictably, the housing industry, both in terms of the parade of homes shows in Calgary and Edmonton and demonstration projects in Alderslie. Although it's well meaning and I certainly support the intent, I would say that it's being done from regular departmental budgetings. I would see no need for the Heritage Savings Trust Fund capital projects division to participate. So although I support the intent, I would reject it because it's already being done with regular programming.

MR CHAIRMAN: Any further remarks by members? No. Can we put this one to a vote then? Those in favor of Recommendation 17? Three. Those against? Five. The recommendation is defeated.

The Leader of the Opposition isn't here, so we'll hold No. 18. Proposed Recommendation No. 19 by the Member for Calgary Currie. He has submitted a written amendment to the one I have received. Has everybody got the new, written . . .

MR D ANDERSON: Are they still around? Or should I just read this?

MR CHAIRMAN: I don't know where they went. I think we did distribute them.

It is recommended that the government investigate ways of dealing with the impact of rapid growth on the future mental health of Albertans through a Heritage Savings and Trust Fund investment designed to support and strengthen the family unit in Alberta.

It looks like that one didn't get around to everybody, including the secretary. We'll just wait a moment until Shelley can get copies of it made.

In the meantime, perhaps we could discuss this subject of further meetings of the committee. We're obviously not going to get finished today. It would appear the only available dates are Monday and Tuesday mornings because of the meeting of Private Bills and Public Accounts on Wednesdays. Monday and Tuesday mornings of next week -- hopefully we will get through it in that length of time. If need be, we would have to go the week following. Is it acceptable to members of the committee that we schedule meetings for next Monday and Tuesday at 9:30?

MR KNAAK: Mr. Chairman, is there anything wrong with meeting in the evenings? Usually the House doesn't sit in the evenings the first week. I'm not sure what the House leader has in store this week. Is there a problem with meeting in the evenings as we usually do from 8 till 10:30, if the House isn't sitting?

MR CHAIRMAN: Well, it's acceptable to me, but I don't know about other people. I understand there are some committee meetings scheduled for, I think, Thursday evening of this week. I think some members have got social arrangements booked tomorrow evening. That would finish it for this week. It doesn't help with the ultimate time factor, unless we're talking about evening meetings next week. I can certainly check with the Government House Leader and see what is scheduled.

MR NOTLEY: I'd like to advise you that I won't be able to be here on the morning of the 19th, but that's fine. The 20th will be all right.

MR CHAIRMAN: Would it be all right if we proceeded anyway and held over any of your recommendations that come up in order? I take it there are no further objections, so we'll go ahead. The 19th at 9:30 . . . The member for Bonnyville.

MR ISLEY: I can be here on the 20th, but not on the 19th.

MR LITTLE: I would have trouble with the 19th. If there's an alternative?

MR CHAIRMAN: The point I'm making is that we are really getting into a time squeeze. If we can get a quorum together on the 19th, I would like to proceed, except for those proposed recommendations by members who can't be here. Is that agreeable? Okay, the 19th and 20th at 9:30.

Perhaps the Member for Calgary Currie would like to start into the discussion of proposed Recommendation No. 19 under capital projects division.

MR D ANDERSON: Mr. Chairman, the basic purpose of Recommendation No. 19 is to facilitate possible investments that will round out all those now being carried out through the Heritage Savings Trust Fund. We are now investing some \$300 million in the Alberta foundation for medical research, looking after the future mental well-being of Albertans through that and some other projects. We're investing in projects like Kananaskis Provincial Park, Fish Creek park, and other such recreational areas to look after future recreational needs of Albertans.

I submit that we need to take a look at -- and you'll notice that this is a facilitating recommendation in that I use the term "investigate ways" -- the possibility of dealing with the future mental well-being of Albertans through strengthening the family unit, which I still believe is the basis of society in Alberta. Now it's purposefully general in that sense, because I think there are a number of directions which investigation might lead us as a government or as a Legislature to go in that regard. I would see them investigate it first. I think members are aware that in the past, I've presented something called a family institute Act. I've met with over 200 groups in the past two and a half years about that and have completely changed my direction of that institute. But I believe that there's a need for that overriding kind of situation. There are programs such as the B.C. Council for the Family which, through church organizations and volunteer organizations, helps reinforce the family unit and therefore assists in future well-being of the people in the community.

I'd just like to feel that the rapid growth which has taken its toll on the family unit in Alberta is being dealt with through an investment from the Heritage Savings Trust Fund. Specifically, I feel we are moving so quickly in terms of investments and social programs, volunteer agencies becoming involved, municipal governments as well as the provincial government trying to deal with the difficulties by the family in all its aspects -- be it in terms of suicide, juvenile problems, or mental health difficulties associated with the family -- that we need to make sure we have the best and most available information for all organizations dealing with that, and that we have indeed done what we can to balance the difficulties faced as a result of rapid growth with the possibilities for strengthening and supporting the family in Alberta.

I'd be more than happy to suggest other specifics that I personally recommend. But this recommendation is to all the government to investigate various means of doing that and look at Heritage Savings Trust Fund investment. If I were to put a figure on it I think it would be one of the

smaller investments we'd be likely to make compared to those we've made in the past, I'd say in the order of 10 to 20 million for an endowment fund, if it were going in the institute direction, or possibly even in a council for the family, or some other type of body. That being said, I believe it's quite appropriate that we make an investment of that size in the mental well-being of future Albertans to support the medical well-being that we've strengthened and the recreational well-being we've supported.

I'd be willing to answer any other comments when the other members have a chance to discuss this recommendation.

MR PAHL: Mr. Chairman, I must compliment the Member for Calgary Currie for cutting the cloth to fit this interest that I know he has. I compliment him on it to the Heritage Savings Trust Fund.

However, the first point I would like to make is I think it's a mistake for us to suggest, for example, that the investments in recreational opportunities made under the Heritage Savings Trust Fund, such as Kananaskis Country, Fish Creek, the Capital City park, are somehow not related to the mental well-being of our citizens. Similarly, I think the investment in education through the Heritage Savings Trust Fund, through the library endowments, and whatnot are again directed to the well-being of our citizens with respect to mental health. Similarly, the efforts we are making to add diversity to our economy -- so that we're not one-dimensional in our employment opportunities -- so that we are in fact able to have people gainfully employed also adds to the future mental health and well-being of Albertans. I would first of all take some exception to the suggestion that the investments are not already contributing to that, both now and in the future.

Secondly, I wonder whether the case could be made that the mental health of Albertans has not been addressed, or could not be addressed through the revenues gained by taxation, and by the 70 per cent of the non-renewable resource revenue that is already directed to current government budgeting. Although I compliment him on his initiatives and his concern because rapid growth does have an impact, I would question whether it is an appropriately placed recommendation under the Heritage Savings Trust Fund.

MR MACK: Mr. Chairman, I too echo the sentiments of the hon. Member for Edmonton Mill Woods in complimenting the Member for Calgary Currie for continually expressing what I recognize to be a very sincere concern for the family unit. I think he has certainly exemplified this on many of his previous comments.

However, I would have to say this. Having had the benefit and the pleasure of having a very strong, supportive family, it's difficult to probably place oneself into an objective position to the point where we would truly be able to feel and appreciate the concept that's being advanced here. However, working with people for a number of years and many of those years as an advocate for workers, I find that fulfilment in life basically is directed to whether they're meaningfully employed, whether they have the capability to provide a home and the basic amenities for their family. These are some of the strengths of the family and working together.

There are so many areas abundantly clear to us today that do have a deleterious effect on the family unit. That is where it's necessary for the two-parent family, for both of them to go into the work force. That has an effect on the family. It separates the family from being able to do things together, rather as individuals. These things are clear to us, and I think we do not really need much of a study to be able to determine those, because they

do have a very profound immediate impact on the family. The ability to be able to have a home, or to be able to rent a home, and pay from a one-family provider is becoming increasingly more difficult. I would tend to support initiatives that would enhance the ability of people to be able to do those basic things which are already clearly recognized as opposed to perhaps at this point of time going into studies that might provide us an insight in the psychological area, but not necessarily relieving the pressures and the distresses that have been defined and recognized. So in that respect I have some reservations as to additional funds taken out of the Heritage Savings Trust Fund to go into further studies, albeit their having a tremendous amount of merit, when we're not really fully addressing needs of the citizens that have been identified. I too concur that recreational facilities provided within easy transportation reach, both within the community where one lives, and also in an adjacent area, that one could have a change of atmosphere as well as the ability to enjoy the beauty of the mountains and so on. We're contemplating expanding the similar kind of a facility or facilities we were involved in or have initiated as far as Kananaskis is concerned.

Having all those things in mind, I think if families are bereft of family respect -- and it basically commences with many individuals where they lose the respect of self-worth. They seem to lose their point of reference. We have not provided them with a reference point. They appear to be lost in a wilderness that's not a wilderness. But I think in many respects society has basically planted and created that kind of an environment where it is robbing the young who perhaps are maturing and maybe many of us who are even older of that reference point and the value of the family, the value of respecting children, working as a family, taking them to their hockey, their ball, and to their schools, rather than sending them. I believe there are an awful lot of identified areas we can address. I'm not so sure that I would be prepared at this point of time to support yet another agency to give us more definitive problems that may be identified. I say that with all due respect, Dennis.

MR NOTLEY: Mr. Chairman, I think the precedent for this type of investment is there in other ways. We've made investments in education from the heritage trust fund. We've made investments in health in terms of cancer and heart disease research and the endowment fund as well. There is a precedent for it.

I'd just like to make a couple of observations. The first is, it seems to me that, while I support the recommendation as it's worded, we are going to have to look at the broader implications of massive growth on the people of Alberta. I think we're going to have to, as a province, assess the wisdom of re-establishing a human resources research council. That may be an anathema to certain people, but it was one of the initiatives taken in the late sixties by a party I don't belong to, but I thought was useful. I think we're going to have to reassess, particularly if heritage trust fund money is going to be used for these things. There is a bit of a problem with a disjointed approach to the area of human resources development as opposed to a co-ordinated approach. I think if one reads back to the white paper of 1967 by Mr. Manning, the argument for a co-ordinated approach to human resources development is a very strong one. So, one of the concerns I have with this is is that I think it's only part of a larger picture. That larger picture would be the impact of growth. But I think it is a useful area that we should consider at this time because we don't have a human resources research council.

The other observation I'd make is that one of the areas where some research had begun in the late sixties was on the question of urbanization. We had a

task force on urbanization working, I believe -- Mr. Speaker can correct me if I'm wrong -- under the aegis of the human resources research council at that time. If ever there were an argument for an ongoing review of urbanization it is now. We saw it as being important in the late sixties because of the aftermath of the Watts riot and the other problems in the United States' cities, but with the impact of growth all the things we were looking at this morning, light rapid transit, moving people, housing, energy conservation, et cetera, seems to me leads us invariably to a more co-ordinated approach on human resource development.

While I support the recommendation as far as it goes, I really would like to make the pitch that at some point in this province, and the sooner the better, we have to move beyond a fragmented approach to investments of this nature and ask ourselves: do we want to make investments in human resources from the heritage trust fund, whether it's medical research, social research, or urbanization studies. There perhaps should be a co-ordinated approach under some kind of agency.

MRS FYFE: Mr. Chairman, I'd like to make a number of comments related to the motion. Firstly, dealing with the concept of accepting an institute itself -- I've talked to church leaders on this question a number of times, people who are directly involved with dealing with family problems on a day to day basis. I use that as one group of people who have a very strong interest in this particular type of concept. I have always felt that it is very difficult for government to get into this area and establish a body without a particular philosophy. Philosophy and values are so important to the family. To say that one family's values are better than another, so much depends on the economic standing, on the various ways that the family members contribute, the problems that exist within the family. I believe so firmly that those problems have to be dealt with through a particular sense of moral framework. I really have a great fear that it is not the role of government to be involved in establishing values, and if it is an institute without basic values then I think it would be very watered down and probably not very effective.

I agree there may be a case for supporting an institute in conjunction with a group such as the Alberta church leaders or some area where they are involved in assisting from a particular point of view. But as far as the motion as it's worded in simply setting money aside for this type of project, I think it would not be wise.

Secondly, if it's dealing with research, I believe a good deal of our research should be done in this area through the facilities we have in the advanced education area. If there are funds required -- and I believe it's an area where perhaps we should be doing more and making more research funds available in the social science areas -- the universities with specific projects can play a very large role, and maybe a larger role than they're playing now. But those are facilities that are in place; people who are trained specifically in research. I think from that point of view this may be something we may want to consider through the regular budgetary process in this Assembly.

The third area I want to mention is that we are certainly very concerned about families, and by not supporting this resolution, I think it's extremely important to recognize that everyone who serves within this Assembly, I believe, supports the concept of assisting families. One example that has been very successful, and there was a lot of input over the last couple of years was the review and the revamping of the previously preventive social

services program into the new family and community support services. So when we're talking about delivery of programs that assist the family, I also am a very strong believer that that is much better done at the local level. I believe local communities have different values, and they are more able to assess the localized need than a larger agency that would serve the whole province. There are so many variations in the needs across the province. Really for many years, more than a decade, I have been involved with and supported the PSS, or now the new family and community support services programs because of the very strong benefits it gives to local decision-making and reacting to the need at that level.

The fourth area I want to mention is that if you compare this type of concept to the medical research project that was approved, I think there is a difference from the point of view of the fund. I'd like to now just make a comment related to the economic basis of the fund. If we talk about this fund having long-term social and economic benefit for the people of the province, I believe the medical research fund, certainly without much doubt, qualifies under the fact that yes, there are human benefits. But secondly, the economic diversification developing within this province through medical technology will be of tremendous assistance. I believe the figures have been put forward to us in previous times that for every job set up through this fund, two and a half technical jobs are established because of it. There is certainly nothing more social than having a work base. The greatest social program is allowing people of all age groups in the working age to find employment. That's extremely important in my perspective.

I think we have to be very cautious of looking at this fund from a shopping list point of view: where can we spend it next. I think the concept, if it's going to be a valid one, has to be one that will serve future generations so that we look at families of the future and know that there is some economic benefit that we set aside to assist them, which I'm sure will help their mental health. It will provide assistance and less pressure on the family in the long run.

In conclusion, there may be areas that an institute would be very worth while and which I think would gather a lot of support. I don't think the government taking that responsibility is wise. I think we should look to other agencies that have values, and perhaps we can assist through the regular budgetary process, but not in the way this is presented.

MR R SPEAKER: Mr. Chairman, a couple of comments to the mover. One, I think I would support the resolution in terms of a project and not potentially an ongoing institute of long-term standing. I do this on this basis: most of the projects that occur -- coal development, oil development, or tar sands development -- the social impact from that economic development can be categorized and is predictable, as to what happens. I would see a project such as this, where we look at maybe a growth area, would be to better define and refine our knowledge at the present time, and then in turn, set forth some type of program that could be put in place to work with those social casualties or the negative parts of social impact.

I could see a lot of benefit. The royalty money is in the province; the growth is related to the energy industry. This would be one way of investing money back into the system where we could, I'm certain, save a number of human lives and human disasters.

MR ISLEY: Mr. Chairman, I'd like to start by complimenting the Member for Calgary Currie on putting this forward, and state that I agree with him and

his statement that the family unit is the basic building block of our society, and we should be concerned with it. Dennis and I have been around this one a number of times, and I think he finally has it worded in a way that I can support it. What swings me is "investment designed to support and strengthen the family unit".

While I agree with many of the people here that the family is not something government should be interfering with, and the less the role we play probably the better, my concern is that we have already interfered. The hon. Member for Edmonton Mill Woods listed a number of program areas he felt were contributing to the mental well-being of the individual. I would agree we're contributing to the mental health of the individual, I'm not convinced, in many of our programs, it's to the mental well-being. We have recreational programs out there, a mass educational program -- some discussions have been going on for years as to whether we've been allowing too much transfer of responsibility from the family to the school as an institution. We've moved in recent years into the area of day care. I question whether this strengthens the family unit. Now we're into the area of after-school care. We've got social service programs that I'm not sure are strengthening the family unit.

If we're looking at an agency that would take a look at people as a whole, and then appraise what governments at various levels are doing through programs that impact the lives of those people, and put the programs to the test: does this support and strengthen the family unit? If, yes, let's enhance the program; if no, let's withdraw the program. If this is the type of agency we're talking about, then I am in support of it. In my mind, I can justify it coming from the Alberta Heritage Savings Trust Fund because if it operates that way I think it would be an investment in the future and the strength of the family.

Thank you, Mr. Chairman.

MR D ANDERSON: Mr. Chairman, I think the variety of comments expressed speaks to two things: one is probably the confusion that results in a mental health area to start with because of its lack of finite concreteness. The other one is probably the inability of the person introducing the resolution to word it in such a way as to make sure that the members understand it doesn't necessarily speak to the members' previous recommendations.

I guess in that regard, I'd like to make a few comments. I think Mr. Pahl's points were quite within the understanding of the resolution, the way I present it. He indicated that parks and other such investments are indeed contributing to the mental well-being of Albertans, and that's entirely correct. In fact, I think you can take any investment we make and be unable to find it having some ramification in a long-term sense, or in some way, on the mental well-being of people because they all relate to individuals and their environment. But I would say that this doesn't deal with the problems in a very direct sense that we're facing over the long run.

The Member for Edmonton Belmont kept emphasizing a study and research. I don't have that in the recommendation, and I assume that thought is coming from former discussions we've had. I think research is a possible dimension, but I think this investment could be made without involving any direct research. In fact my recommendation personally, in dealing with an institute -- and again I have to emphasize that that is one possible direction that can be considered; there are a number -- would be that such an institute do exactly what the Member for Bonnyville suggested, advise governments, provincial and municipal, on what the impact of our legislation and our



programs are on the family, and whether or not it's helping the positive or negative side of that balance sheet; and secondly, to make the most up-to-date information on all problems and programs, no matter where they exist, available to volunteer organizations, church groups, governments of all sorts, upon request.

I guess that takes me to the comments of Mrs. Fyfe. Again she dealt with the institute throughout her comments. I would emphasize that this is not a recommendation for an institute, regardless of how you define an institute, but rather to look at trying to balance that side of the scale in some way, and that government have an opportunity to investigate that and look at a possible investment in that direction.

In short, I guess I'm saying that we do need that balance, in my opinion. We need to look at an investment possibility. I personally think an institute should be one direction. But as I say, the B.C. Council for the Family, which is totally a volunteer organization consisting of church leaders, has funding through that government to strengthen the family. That's another direction one might want to go. The former research council mentioned is a possibility. There are obviously a number of options available. But I think we need to open up that area and take a close look at what may possibly take place as a result of a Heritage Savings Trust Fund investment.

In terms of church leaders, I have documented support from Alberta church leaders for the concept as well as the Catholic Women's League. A number of other organizations have said they believe we need an organization of some nature to deal with the fast moving, complicated area of social obligations in our community and helping the family to try to stay together and be strengthened and support it. In that respect, I'd only say that I think the Member for Bonnyville has correctly identified the purpose of the recommendation. I hope members would vote according to that statement and to the facilitating nature of the recommendation, rather than any preconceived ideas regarding an institute, or research, or dimensions of that nature.

MR CHAIRMAN: The question on the proposed Recommendation No. 19. Those in favor? Those against? The recommendation is defeated.

Perhaps we can now return to proposed Recommendation No. 18 by the Member for Little Bow.

MR R SPEAKER: Thank you, Mr. Chairman. I believe the recommendation is fairly straightforward. It just is a way of looking at better financial accountability in terms of the heritage fund.

MR KNAAK: I think the recommendation has considerable merit. I guess the only thing that would have to be addressed in any such recommendation: whether we should show the future intended expenditure be reflected in constant dollars or in current dollars. The way we do things in government, we state everything in constant dollars, and by the time it comes around to spending them, they're in current dollars, and it sounds like the price went up twofold. It did, but in current dollars. I just wonder if the Member for Little Bow could just clarify that aspect of the recommendation.

MR R SPEAKER: Whichever way is the most accommodating; if it's current dollars, that's fine with me.

MR CHAIRMAN: Perhaps we can see what comes out in discussion, and see which way will work out.

MR PAHL: I just want to indicate we were on this one in previous years, and I think it was agreed to by the committee. On the same point, I would suggest that perhaps the reading might be "a total budgetary [estimate] for the program". I think, generally speaking, when a project is committed there is some estimate, and maybe it's a reminder. It addresses the same problem Member for Edmonton Whitemud spoke to.

MR CHAIRMAN: Well, we have the difficulty of which do we wish to . . . Do I take it from the Member for Little Bow he's agreeable to putting something in there to define which kind of dollars we use?

MR R SPEAKER: I wonder whether the word "estimate" in the place of "figure" met the requirements of the hon. Member for Edmonton Whitemud.

MR KNAAK: It could be "a total budgetary [estimate in constant dollars] for the program".

MR CHAIRMAN: With that amendment, are there any other members who wish to discuss the subject? I can put it to a vote. Those in favor of the amended Recommendation 18? It's unanimous.

Proposed Recommendation No. 20, the Member for Calgary Currie.

MR D ANDERSON: Mr. Chairman, I'll admit this recommendation is not my own. It results from last year's discussions on this topic or on the topic of a gerontological institute. I've merely made some wording changes. I believe we should again recommend, as this committee did last year, that we establish some organization, an institute, to deal with the aging population. I think we're all aware that the average age of Albertans is now higher than it's ever been in the history of mankind. That's true of the world at large. We're going to be faced with increasing economic ramifications of the increasing average age of people, and of how to deal with the difficulties they encounter. One of those is the private pension plan schemes as well as the public pension plan schemes. With those few comments, I would just refer members to last year's discussions on this topic and the passage of the recommendation, recommended by Mr. Magee last year.

MR R SPEAKER: Mr. Chairman, my concern would be that it's more an operational kind of budget we're looking at here, and rather than through the heritage fund, support it through the general budget of the province.

MR D ANDERSON: Mr. Chairman, along with the former resolution, I would see an endowment fund set aside to deal with such an institute, as with the Alberta foundation for medical research, therefore no long-term drain on our operating budget. I too would have concerns if we had to deal with long-term operating problems, but an endowment set aside specifically for that purpose, and funded only through that means, I think would deal with that difficulty in the long term.

MR PAHL: Mr. Chairman, I'm just looking at last year's recommendations. The one I see that I think the hon. Member for Calgary Currie is referring to reads: It is recommended that consideration be given to a feasibility study done in co-operation with the Kerby Centre in Calgary to consider the possibility of establishing a gerontological research centre for Albertans.

Is that the one?

MR D ANDERSON: I don't have them in front of me.

MR PAHL: It didn't quite seem to be the same. If the member wanted to restate that one, if there hasn't been consideration given to that recommendation, I would support it. But I'm not sure we're quite at the stage of establishing an institute. I'd like to find the other recommendation if I could, and I will.

MRS FYFE: Mr. Chairman, I have the same concern about this one as I did about the previous one. I'm certainly not arguing against assistance to the aging and identifying problems on the aging. But I agree with the Member for Little Bow, I think it is more of a budgetary item out of general revenue. If we start classifying each segment of our society and set it up with a separate endowment fund -- if you are following that same type of philosophy and look at the long-term medical research which undoubtedly is some precedent -- then look at different segments of our population such as the infants and early childhood sector, the school-aged, the adolescent, the middle-aged, the senior citizens, mental health and the physical areas, we get into a very large proliferation. We can then get into areas related to careers. I think it could go on and on.

My biggest concern is that this not become a shopping list for specific areas; that we deal with the capital works division very, very carefully before recommendations are approved in this committee. I think this is an item that can certainly be dealt with through our regular budgetary process.

MR KNAAK: Mr. Chairman, I've mentioned this before. Some of the real difficulties I have in this committee are that I agree with some of the ideas and they're good ones, but I can't see how they can possibly be justified as appropriate expenditures out of the Heritage Savings Trust Fund. Whenever I see a recommendation, I ask myself this question: should the current taxpayer -- and now I'm not talking about the recommendations, I'm talking about whether it should come out of the trust fund or not. A lot of us are thinking that the trust fund is pile of money belonging to no one, and the opposition primarily believes it belongs to this generation. I heard the leader of the Social Credit Party saying on some radio station that his thrust is going to be how to spend the trust fund in this generation. Well this Legislature, and I've said this before, has supported and endorsed the concept that the trust fund is for our children, our future generations, for their benefit. We are spending 70 per cent. This generation is spending 70 per cent of the exhaustible resource revenues.

With respect to this particular problem of the aging population, the way this is written:

An institute on aging be established to advise on the problems of an aging population and its effect upon the economy of the province.

It seems to me that either the department of economics in Edmonton, Calgary, or Lethbridge could do a study on it and quite thoroughly advise this government on what kind of problems to anticipate with respect to the economic problems. There are a lot of social problems also involved with the aging of people. Now this aging process has continued for as long as mankind has been in existence, and this isn't all that new. In terms of the average age getting older, it's just a temporary phenomenon while the post-war baby boom

is working its way through the life cycle, to the extent that our children have children that will soon change.

My point again is that I hope we as a committee don't transform into suggesting all our good ideas be funded out of the Heritage Savings Trust Fund. I would really like to begin supporting some of them. But because I feel so strongly about the concept of saving 30 per cent of the exhaustible resource revenues for our children, again I have to vote against this one, primarily for that reason. It should come out of current funding. There's no need for an endowment. A study should be done, but it doesn't have to be a continually funded endowment. One major study will do the job. It should come out of current budgeting.

MR LITTLE: Mr. Chairman, I doubt very much if any other member of the committee has more understanding or more empathy of the problem of the aged than I have. It's a privilege extended to few. But I have some problems, so I'd like to pose some questions to the member proposing the recommendation. The first one, that "an institute on aging be established"; how does this co-ordinate with the efforts of the Senior Citizens Council of Alberta? Incidentally, I think a great deal more can be accomplished by volunteer organizations in these areas, especially if they have a great deal of input from the aged, than anything funded or run by government.

The second concern I have is this portion pertaining to "portability of private pension schemes". I believe most of the pension schemes in our society today are private schemes. I certainly support the idea of portability. It would make life a lot more interesting for a great number of people, if pensions could be portable. But I just don't understand how any recommendations of this committee or, for that matter, legislation by this government could control portability of private pension schemes.

MR NOTLEY: Mr. Chairman, I just want to say that basically the gist of this recommendation is similar to a recommendation I received during my public hearings by the Alberta Council on Aging. Their recommendation was the establishment of an institute of gerontology for the province. Their proposal was that there in fact be an endowment created and the interest from that endowment would be used on a yearly basis to operate the institute. Their proposal would see the institute looking into essentially the same areas as I understand the hon. Member for Calgary Currie has identified, although they did not specifically mention the question of the portability of private pension schemes.

The whole question of the impact on a province of a population that is gradually growing older is surely going to have a rather significant impact in terms of our public decisions. We're going to clearly have to keep that in mind when we look at such things as auxiliary beds and nursing home beds. The kinds of decisions we have to make in terms of ongoing public commitments over the next 20 years or so have to be related to the kind of useful information that this kind of institute could provide.

So I think it has a good deal of merit. I just wanted to indicate that, as I understand it, the Alberta Council on Aging has formally proposed it. According to Mr. Bishop, the president of the council, there has been some discussion now with the Department of Social Services and Community Health. I believe the member from Whitemud indicated that this is the kind of thing that should be financed from ongoing revenue. One could make that case, but I think you could also make the case, as the Alberta Council on Aging does, that

you set aside an endowment and make funds available from that endowment for this kind of institute.

MR D ANDERSON: Mr. Chairman, just briefly to answer the questions from the Member for Calgary McCall. I think Mr. Notley dealt with some of that. The Council on Aging was involved in the original study, the preliminary group looking at a gerontological institute, and did recommend that that be moved forward; in fact, has in some detail put together proposals for a possible institute that might be considered. I would agree with his contention that volunteer organizations provide a great deal of what's needed and that any such institute would be able to help facilitate those groups, rather than replace them in any sense.

The other question was dealing with the portability of private pensions. I'm far from an expert in that area, but there are some places in the southern States, as well as in Europe, from some reading I have done, that have shown methods through which such portability can be achieved, at least to one degree or another. I would hope that such an institute would look at that item. Although, I wouldn't see that particular aspect as being the only one, or even the prime one, of such an institute.

In dealing with the comments from the Member for Edmonton Whitemud, I would just like to emphasize again that through the capital projects division we obviously have the part of the fund that we consciously, as a Legislature, set aside the ability to invest in the future well-being of Albertans without a dollar return on investment, but rather with a return that's less tangible in our community. We've done that through the variety of ways we've all discussed. But this investment would do that through dealing with the problems the generation now here, as well as several to follow, will be facing as a result of a very unique situation in the history of the world, in terms of the impact of aging on the community, and how we might deal specifically with problems of people who are aging, but also of the society as a whole. I think in that regard it certainly fits in as well as the foundation for medical research or several other project with the goals of the Heritage Savings Trust Fund.

I would just underline again that it's my belief quite sincerely that we've got to look at not just the physical well-being but the impact that growth has had on people, be they aging or otherwise, in our community, and have to look at the kind of investments we need for a long-term stability of our society. This is one means by which I think we can move in that direction.

MR CHAIRMAN: Those in favor of Recommendation No. 20?

MR PAHL: Mr. Chairman, may I ask the Member for Calgary Currie whether he could clarify the point about the earlier recommendation. That seems to be the only one I can find that was passed by the committee last time around, with respect to the Kerby Centre. In that context, could he indicate what progress has been made on the recommendation of the committee last year before we vote on this one?

MR D ANDERSON: Well, I'd be glad to answer the latter question. I'm a bit baffled by the former one as well since the member has shown me the recommendations from last year, and I can't find the one I had seen. Nonetheless, apart from that, the progress that has been made in this area as a whole relates to my answer to the Member for Calgary McCall. There has been a committee established. It has worked very closely with the Minister of

Social Services and Community Health. It has made certain recommendations, and the department was in the midst of considering those recommendations and evaluating them. I would therefore see all of that preliminary work as being quite beneficial in terms of this committee's vote, I'm speaking hopefully, to facilitate a move ahead in that area. Much of the ground work has already been completed.

MR SINDLINGER: Just for clarification, Mr. Chairman, the recommendation read by Mr. Pahl was one submitted by myself last year for consideration. But in my absence, it was proposed by Mr. Magee, I believe.

MR CHAIRMAN: In the Provincial Treasurer's response document in regard to last year's recommendations, his response is: the concept of establishing such a research centre in Alberta is currently under review by our Social Services and Community Health Department.

With that information, can we have a vote on proposed Recommendation No. 20?

MR KNAAK: [inaudible] already being done outside the trust fund [inaudible].

MR CHAIRMAN: The answer is that the concept of establishing such a research centre is currently under review by Social Services and Community Health. The concept is under review outside the trust fund. If they decide if they should have it, whether it will come to the trust fund for the capital costs, is of course not decided as yet.

MR PAHL: Mr. Chairman, if I understand properly then, we really haven't had a full response -- yes; no; we like it; we don't like it -- to last year's recommendation in this regard. I guess what concerns me is it seems to me with Recommendation No. 20 that we're sort of going beyond the recommendation we made last year that it be considered, and moving with the addition of pension schemes, which to me is a pretty important section all on its own, and could well stand on its own as an *ad hoc* activity of departments. I'm a little concerned that, without criticizing the intent of this, if we support this recommendation again, we have done it really without the benefit of the results of our last recommendation. I see us in a hiatus in this one, in that we are not very well prepared to respond to this recommendation until we know how our previous recommendation was handled. I would have some concern about this recommendation in that context.

MR D ANDERSON: Mr. Chairman, I think the point made by Mr. Pahl is a good one. In part, the recommendation was facilitated by the fact that we hadn't had a response. When the Premier appeared before this committee, I specifically asked him about this section and received a response that didn't indicate a decision in one direction or another. I guess what I am attempting to do with this recommendation is suggest a decision that might be made.

MR CHAIRMAN: Those in favor of proposed Recommendation No. 20? Those against? The proposed recommendation is defeated.

Proposed Recommendation No. 21, the Member for Calgary Buffalo.

MR SINDLINGER: Mr. Chairman, this recommendation reads as follows:

AHSTF expenditures as opposed to financial investments should be reconsidered in order to give a higher priority to social matters

such as education, health care and the handicapped -- especially in rural areas.

During the lunch break, an observation made to me by one of the members of the committee was that if we take into account all the recommendations we're making here, the expenditures would exceed the size of the fund. It's also been observed by government members that most of the fund is committed now to long-term instruments.

So I think the discussion of this particular recommendation will give us an opportunity to express the committee's feelings about expenditures and the priority given to various ones. Perhaps when we complete this list of recommendations, we might give some thought to ranking or prioritizing those recommendations which we wish to pass on to the government.

I'll just leave it at that for the consideration of the members.

MR PAHL: Mr. Chairman, I would like to strongly support the recommendation of the hon. Member for Calgary Buffalo that we in some way prioritize our recommendations, once we have sorted through all of them. We are really discussing each of them in their right in isolation. That point is very well taken.

Speaking to the specific recommendation, I think the recommendation has really hit at the heart of whether the Alberta Heritage Savings Trust Fund is a spending fund or a savings and investment fund. I find that it would address rather not to what the Alberta Heritage Savings Trust Fund is expended upon but the ratio of contributions of our non-renewable resource revenue into it. What it's really arguing for is a change in the 70:30 split. I would oppose a change in that split, in effect, in responding to the recommendation.

MRS FYFE: Mr. Chairman, while I agree with some of the concept put forward in this resolution, I find it is extremely general. In areas such as housing, for example, which I consider a social program, maybe others don't. The context within which I take the words "especially in the rural areas", does that mean priority over the urban areas? It is extremely vague. I don't feel comfortable with supporting it, certainly in its present form.

MR KNAAK: Mr. Chairman, I guess this, as Mr. Pahl put it, fits into my 70:30 speech that I gave last week. But the problem with the resolution, aside from that -- and I agree with Mr. Pahl's point, that's really the issue, do we put less than 30 per cent in the Heritage Savings Trust Fund, and do we use that for additional social programs? I'm not quite sure if the resolution is intended to say:

The AHSTF expenditures as opposed to financial investments should be reconsidered in order give a higher priority to social matters

Does that mean expenditure out of the Heritage Savings Trust Fund should be given higher priority to social matters or that the government expenditure should give a higher priority to social matters? If it's the latter, I would respectfully submit that the province of Alberta has one of the most expensive and most advanced social programs, education and health care programs, and one for the handicapped. I don't deny there's always something more that can be done. But at this point in time, the province of Alberta has the highest per capita expenditure in every one of those items listed.

I ask again, should the future generation be paying for this? Or should we, the current generation who already benefit so significantly from those exhaustible resource revenues, carry some of the load and begin to pay our way? Do we always have to take it from the future generation? This again is exactly that point. I'm robbing my children to be more well off myself. I've said before, if as a collective society in Alberta we want to spend more as a government, let me know, I'll be happy to pay more taxes. I guess I'm really asking Mr. Sindlinger: is he recommending we tax Albertans more to expand programs, or do we rob our future children of the trust fund to spend today?

MR NOTLEY: Mr. Chairman, when we look at the present portfolio, for example the capital projects division, we certainly see a good number of investments which could be characterized as expenditures. It becomes very much a value judgment as to whether or not some of these things should be in a capital works project under the heritage trust fund, or whether they should be financed from the ongoing revenues of the government of Alberta. I think, as much as possible, we should be shifting our responsibility for ongoing programs on the general tax base of the province. That's one of the reasons I think it's so important to use the trust fund for diversification. It is a tax base we create from diversification that will give us an opportunity to provide ongoing social programs down the road, when we have the oil, and when we don't have the oil. But we have to have the tax base, and that tax base can only be built as we diversify the economy.

I think there's another point, and it's useful that we discuss it at this stage, Mr. Chairman. As we look at a recommendation such as this, we not only can examine it from the portfolio we have now but we have to look at the \$64 billion that will be coming in over the next five years, and what percentage of that \$64 billion should in fact go into the Heritage Savings Trust Fund. Should it be 30 per cent? Should it be increased to 40 per cent? Should it be a revenue-sharing arrangement with the municipalities, as they asked from Calgary a few days ago. Those are the kinds of questions we're probably going to have to address as a committee, if we're going to be relevant to what we know will be there -- at least what we're told will be there from both levels of government.

There's no question in my mind that there has to be a higher priority given to social matters: clearly education, health care, and the handicapped, especially in the rural areas. One needn't get into a long discussion about that. We can talk about the programs that are available, but few of us would seriously argue that we can't in fact and shouldn't do more in these areas, especially in the rural areas. The question to me is whether or not that should come from a lower amount going into the heritage trust fund or whether it should come from a reassessment of the tax base in this province, and finance that as the ongoing responsibilities of government.

My own preference is the greater emphasis I would see placed on these programs -- apart from research programs, because I think research programs where you have special endowments set up and use the interest to do certain things, a human resources research council, for example. I won't go into that again, but it is important that we sort of bring together that kind of research so we're not fragmenting what we're doing, running off in different directions, a piecemeal approach. But having said that, in terms of the operating costs of whatever program is available, as much as possible, I think that should be financed from the ongoing revenues of government as opposed to the Heritage Savings Trust Fund. I would even see some of the things in the capital works budget, to be quite frank, shifted over. I think they do



represent ongoing costs of government. My personal inclination is that, while I see the need for greater emphasis in these programs, they should be financed from ongoing revenues of government. The principal objective of the trust fund should be to diversify and strengthen the economy so that we have something to base our yield on down the road.

I don't think I can support the resolution the way it's worded at the moment. But I think it is a useful thing to debate, because over the next five years clearly we have to come to grips with what percentage of the \$64 billion is relevant to go into that trust fund. My personal view is that perhaps we could look at moving that from 30 per cent to 40 per cent over the next five years; if not immediately, then over a period of time.

MR R SPEAKER: Mr. Chairman, in terms of the wording here, I don't think I can support it, but just a comment. On the basis of social investments in schools -- specialized schools are good for 50 years; hospitals are good for 50 years, more than one generation, more than the present generation; facilities for the handicapped, more than one generation; homes, more than one generation. I would see -- in terms of the \$64 billion, the portion thereof that will supplement both the trust fund and general revenue -- a greater emphasis placed on that kind of investment, rather than on some of the mega-investments we're making through the fund or even large sums of money lent to other provinces. The resolution, as I see it here, is a tool through which we can discuss some of the future directions of the fund and some of the new responsibilities I think we have to take on as legislators.

MR D ANDERSON: Mr. Chairman, I think most of the remarks I would make have been made. I'd just like to say again, though, that -- while as is obvious by the two recommendations I presented to the committee -- I believe there is a need for investments in some areas that might be termed social, although that's always a difficult term to define. I would agree with what has been indicated: in this recommendation there is no indication of the long-term benefits for future Albertans, and no indication as to whether or not it would deal with capital costs, at the moment appropriately defined through the capital projects division, or whether it would deal with ongoing costs, which would confuse it considerably with the General Revenue Fund.

In addition to that, I guess that while I certainly believe that in rural areas there is a need, I would be reluctant to support "especially in rural areas", since a good number of the social problems we're facing are in Calgary and Edmonton as well. I think there's a case to be made for both rural and urban programs which, as the Member for Edmonton Whitemud pointed out, is being done to a fair extent compared to any other province through the General Revenue Fund. I don't think this recommendation would fall in line with the intent of the Heritage Savings Trust Fund.

MR SINDLINGER: Mr. Chairman, first of all, thanks to the members for their comments.

The only point I'd like to make is that when I put this recommendation down, when I was talking about "AHSTF expenditures", I was not directing it towards the 70:30 split we now have, funds coming from the non-renewable resources.

The number 64 billion has been presented. It's true that the Alberta government will receive about 64 billion over the next five years from the recently consummated energy deal, but only 30 per cent of that will go into the fund. If you take 30 per cent roughly of 64 plus roughly the 10 that's there today, there will be about 30 billion in the fund over the next five

years. Then again, since I'm dealing with expenditures, it's the capital projects division, which is limited to 20 per cent of the fund. You take 20 per cent of that and you're looking at about \$6 billion. So there will be \$6 billion over the next five years that will be allocated to the capital projects division. The intent of this recommendation was simply to provide some guideline for the investment of that \$6 billion. I don't know if the point was made or not. Discussion centred around the fact that we could spend all that \$6 billion in just one tar sands plant. Indeed, the government did offer to spend \$7 billion at one time on a tar sands plant. So consideration has to be given to prioritizing expenditures in the capital projects division.

MR CHAIRMAN: Before we have the vote, there's just one comment. The 20 per cent is an upward limit on the capital projects division. It's not an allocation.

If we can have the vote on proposed Recommendation No. 21. Those in favor? Those against? The proposed recommendation is defeated.

Having just been talking about the size of the capital projects division, if we can go on to Recommendation No. 22, by the Member for St. Albert.

MRS FYFE: Mr. Chairman, there's one word omitted from this resolution. I'd ask your permission to have it included. That would be "A [lower] limit" rather than "A limit".

MR CHAIRMAN: I'm sorry. That is a typographical gremlin again. I'm afraid there wasn't time to review these after they were typed up.

MRS FYFE: In speaking to the resolution, the capital projects division now has a maximum of 20 per cent of the fund to be invested within the capital projects division. I would like to refer to a comment from notes I took from the consultants who were hired by the official opposition last year. The official opposition invited us to attend a briefing session with these consultants. One of the comments I wrote down at the time was: non-recurring revenues should finance non-recurring social and economic impact areas. That's a comment I really agree with. I think we have to always keep that in mind that, as a bench mark when looking at the capital projects division, we have to ensure it's not something that can be financed through the ordinary process; that any projects approved in this division come about solely because of our wealth and resources in this province, which other areas are not as fortunate as Alberta to have.

After the first five years of the fund, approximately 12 per cent of the fund is now invested in the capital projects division. I appreciate that when the fund was established there were no bench marks as far as what would be the actual amount to be spent. I think within the 12 per cent range is a reasonable figure. I would not like to see us move much further than that 12 per cent. As the fund grows, and it will grow, as others have made comments this afternoon, so will the amount of money in the capital projects. I think we should certainly refrain from ever saying, well, we must be looking at spending all our 20 per cent and get to the point where we're simply looking for projects to approve. Maybe that's a little idealistic, but I'm just concerned that we not go any further in that mentality of just looking at areas where we can possibly just get rid of this money. As we know, one of the greatest problems we have in communicating is that the fund mostly is invested in long-term types of investment, and is not available for short-term.

After a five-year experience, we are at approximately 12 per cent. I did not put a specific on it, because I think there should be some freedom. I certainly, personally, would like to see a maximum of a 15 per cent limit put on the capital projects division, although I'm not intending to submit that as part of the resolution.

With some of the recommendations that have come out this afternoon and other days we've been discussing the report there are some very good ideas, there's no doubt. I think it's because members of this committee spend a lot of time going through material, receiving comment, and making submissions. We should refer those recommendations to the appropriate ministers for consideration in general revenue, so that a lot of the ideas that have come forward aren't simply lost, but they are considered. Part of the budgetary process is to set priorities. Values change, our society changes, economics change, and we have to continually review. That's certainly the essence of budgeting: trying to set your priorities based on those other factors.

I believe we have to be extremely prudent in the recommendations this committee puts forward for the capital projects division. But, because we are significantly under the 20 per cent, I think now the five years' experience does give us that bench mark. I would like to see that that limit be removed and that programs that are appropriate be considered through the general revenue expenditures and not set aside in the capital projects.

MR PAHL: Mr. Chairman, if I understand the rationale, the recommendation should read:

A lower [upper] limit be set on the size of capital projects division as a total percentage of the total AHSTF.

MRS FYFE: Yes, I agree.

MR PAHL: I would certainly accept my colleague's comments with respect to what the operating experience has been. However, when I look again at the purpose of the capital projects division, it's for the purpose of making investments in projects which will provide long-term economic or social benefits to the people of Alberta, but which will not by their nature yield a return to the trust fund.

Certainly that area of the Heritage Savings Trust Fund is, to me, the area where we have such a great opportunity to do those things that are not possible by any other administration in any other context in history. I would feel it is better to have a cushion there than to not. The investments we're making now could very well move another 8 per cent. I would hate to put an artificial ceiling on the area that to me has the most excitement, in terms of being able to do truly innovative things: the Oil Sands Technology and Research Authority, the Farming for the Future, the nursery. I would almost challenge the member to say which of the capital projects division investments would you not have. In other words, there is a suggestion here that we're setting a limitation. I would be reluctant to set a lower upper limit until I perceived diminishing benefits to the capital projects division, in terms of an overall -- and it's not a precise cost/benefit, but it's one of societal assessment of benefits.

I support the ongoing concern. I understand the drive of the trend, but I'm pretty comfortable with the 20 per cent.

MR NOTLEY: Mr. Chairman, I sympathize with some of the points Mrs. Fyfe made. I think many of the present investments could in fact be transferred; for example, Fish Creek Park, Capital City Recreation Park. If we've got a parks capital works program, then it should come under the normal capital works program of the parks in this province. Two examples come to my mind; one could argue about it -- library development is first rate, but surely library development is an ongoing operation of government. We don't need the heritage trust fund for that. That's something that should be an ongoing commitment of government. So there are certain things that could appropriately be transferred to the ongoing costs of government without spending a lot of time arguing over each one.

The concern I have with this proposal, however, is not related to the arguments Mrs. Fyfe put forward, which I think have a good deal of merit. The concern is that this is the one section of the fund subject to legislative control: prior approval by the Legislature. We now have up to 20 per cent, which is the maximum; that is, up to 20 per cent can be determined by the Legislature on a prior approval basis. If we move this back to 8 per cent, 10 per cent, 12 per cent, or whatever the case may be, what we've done is surrendered to the cabinet, to the investment committee, a significant power, it seems to me, in terms of the allocation of this trust fund. For that reason, I have some real concerns with it.

Frankly, if we had a different approach to allocation of funds; for example, somewhere to our neighboring province of Saskatchewan, where decisions have to be made by the Legislature on a prior basis, then I think we could take a second look at whether we indeed need a capital works division. I think we can actually look at that question of whether or not it should be there at all, or whether those kinds of useful investments or expenditures -- call it what you will, but we're not going to get any money back, we can't really sell any of these things -- shouldn't in fact be committed to the capital works budget of the province on an ongoing basis the same way roads are, the same way our billion dollar hospital program is. It's all there, all useful investment, but all made by the capital works budget of the operating income of the province.

So, my concern about it is not related to the original concept -- I think there's some real merit in that -- but rather the question of legislative control, whether it's prior decision or not. I would hate to see us relinquish what would in fact be the control over a potential of 8 per cent of the trust fund.

MR R SPEAKER: Mr. Chairman, my point was the very same. Under a change like this, and under the present day circumstances, 88 per cent, in terms of dollar value, in terms of decision-making, is made by the cabinet of this government. We are able to look at a little dribble here of 12 per cent and feel we're really part of allocating the fund. I'd hate to see that any lower.

Secondly, I really feel that, in talking to Albertans, they would like to see us place a greater emphasis on the capital projects division and meet some of their community needs at the present time, in terms of hospitals, roads, some very basic things that we could do through the capital divisions project. That isn't expenditure. That's in terms of investment for a long period of time. There's a great pressure out there for that right now. So I see this area even increased rather than decreased.

MRS FYFE: Mr. Chairman, I'd just respond to the question asked by the member from Mill Woods. He asked me which project I would not have. I don't think

that's particularly relevant when only 12 per cent of the fund is spent now in the capital projects division. I'm proposing that that is the bench mark that has been established over the last five years. I think it's a reasonable one, one that has provided some very worth-while projects that, as I said, would not have been approved within this province otherwise. They would not have come out of general revenue, or from a sales taxation, or from a gasoline tax, or from all the other areas where provincial governments in other parts of this country get their revenue. There are some extremely worth-while projects, but I do think we have established a norm, and we can look at a more realistic figure.

The comments made by the Member for Little Bow suggesting we should be looking at more investments in roads and hospitals and day to day work: I think that negates the total concept of the fund. As I mentioned in comments last time attending this meeting, in hospital expenditure, it only takes two and a half years to equal the capital investment. Every time a hospital is built, every time a capital project is built, whether it comes from the general revenue, wherever it comes from, that ongoing expense to the budget is the same. I think it would be extremely foolish and not very prudent to approve ongoing operating types of budgets. It certainly goes against the comments that came from that member's party recommendations to us last year.

With that, I rest my case.

MR CHAIRMAN: Those in favor of proposed Recommendation No. 22? Those against? The recommendation is defeated.

Proposed Recommendation No. 23, put forward by the Member for Little Bow and the Member for St. Albert.

MR R SPEAKER: The intent of the resolution is to distinguish between what could be classed as an expenditure from the Heritage Savings Trust Fund and that which is an investment or becomes an asset to the fund. That's basically what our intent is there. Just a clarification, a better definition.

MRS FYFE: My concern in the accounting is that we have an ongoing accounting problem. I certainly appreciate why the present system was incorporated into the legislation, as how do you provide a value on a number of the areas that were invested out of the capital works projects, but also what happens in the ongoing, the long-term, related to the hopper cars, for example, or the airport terminal buildings when those are no longer in operation. What mechanism do we have to remove them from the balance sheet? The money was spent, yes.

I think it's even fair enough to continue to have that same expenditure listed in addition to the funds that are invested, but I think it gives a rather false impression to the citizens who have some difficulty dealing with this. I put myself in that same category. Anytime you get over a smaller amount of money, it's very difficult to comprehend. What does \$1 million mean? Well, maybe there are enough millionaires around now that people understand that now. But what does \$1 billion mean, \$10 billion? Those are very difficult figures to comprehend. I think that to include these figures on the amount that was invested originally causes us a lot of difficulty in communicating it. I would like to see it set out in a way that firstly, there may be a mechanism to depreciate or to devalue those things that are on an ongoing basis. If you're in a business, you can depreciate capital cost equipment that you put into your manufacturing operation. It has a certain

value the first year. I think that in some of these programs we're going to have to look at that type of depreciation.

Now, for projects such as a hospital that may have to be replaced, that certainly falls into a different category than a park development that will probably be there for hundreds of years. I do think we have to find an answer to that problem.

MR PAHL: Mr. Chairman, I note that last year's report had a recommendation that spoke to that:

That the Heritage Savings Trust Fund Act be amended to remove the provision that deemed assets constitute a portion of the Fund. Such removal would then assure that the accumulated Fund reflects only such monies and assets that can reasonably be used by the Government of Alberta to fund future budgetary requirements.

I would just indicate my support for the recommendation made last year, and wonder why the two members who made the recommendation this year . . . Are they trying to say something different from what is reflected in the committee recommendation of last year, which I would fully support? I think there is a case to be made for having expenditures reported in the fund in some way. But I think there's a very strong case to make sure that those elements of the fund that cannot be, if you will, cashed in and spent be reflected as well. I'm just a little confused as to whether the same intent is there or whether there some changes in the words that mean more than I can read into them.

MR SINDLINGER: Mr. Chairman, I'd just like to point out also that the Auditor General has made a similar recommendation.

MRS FYFE: I believe that the response we received from the Provincial Treasurer was reason why we should continue in the same procedure. As far as I'm concerned, this is just emphasizing again, supporting the resolution that was put in last year, and asking once again that consideration be given to this concept.

MR CHAIRMAN: Those in favor of proposed Recommendation No. 23? It's unanimous, I guess.

Proposed Recommendation No. 24, the Member for Spirit River-Fairview.

MR NOTLEY: Recommendation No. 24 is a proposal which came to me during my public hearings from the president of the Alberta Union of Provincial Employees. It's a straightforward proposal which would suggest that instead of leasing buildings for public purposes, we in fact expand our provincial buildings and have direct ownership. At the present time, we have a mix of both public and private ownership. The position of the Alberta Union of Public Employees was and is that this kind of investment in real estate would be a prudent one because the real estate market has been strong in the province, and it would provide the kind of facilities necessary for employees of the government, but in a way where the appreciation as a result of real estate values would go to the people of Alberta as opposed to whoever the developer of private buildings may be.

So it was brought to me during the course of my hearings in Edmonton, and it is a recommendation from the Alberta union. It is one that I support and propose to the committee.

MRS FYFE: Mr. Chairman, I ran into this problem when I served as a member of a local health unit board, whereby the legislation at the time read that a health unit could purchase a building but could not borrow the money to do so. It causes some considerable problems as a board trying to provide appropriate space for the programs under our jurisdiction. I would see that this recommendation would cause us a great deal of grief, particularly in the smaller communities that have experienced growth, for programming applied in these communities happens rather quickly.

I go back to the health units as an example. If it's desirable for that unit to own their own building and they have sufficient time to plan it, there may be some real advantages in ownership of the building, which would be public ownership. But on the other hand, in areas where there is a moving population and there is no long-term program set out, there could be tremendous advantages in leasing or renting space from the private real estate owner. I would see that this would totally negate the objectives of providing a system that is flexible and allow us to acquire space that best suits the needs of the various departments and the programs throughout the province.

MR FJORDBOTTE: Mr. Chairman, I have some concern about that particular recommendation coming to the heritage fund committee. It would seem to me it's not really part of it. I guess the question I would have is that the percentage of buildings that we are now using that are publicly owned or leased, are we leasing half, and do we own half? Is it less than half? If I could look at it in the extent that maybe we could increase the percentage we own. I doubt if we could ever get to 100 per cent. But I have a question about that. Does anyone have any idea on it?

MR CHAIRMAN: I have some very basic figures, which are at the moment about 40 per cent owned, about 60 per cent leased. But there is a considerable change coming with the federal public building coming, I think in the relatively near future, which will make quite a significant change. I think there are 300,000 square feet in the federal public building.

MR PAHL: Mr. Chairman, I could support part of this recommendation without the editorializing in the earlier part of the recommendation. I think there is some merit in this recommendation that the investment committee consider, where practical, investment in required new public buildings so that the long-term rent costs, and there is a saw off between renting and leasing that the Member for Macleod addressed.

The other point that I would say moves in favor of an amended recommendation in this regard is that the government constructs its own buildings, or owns its own buildings, in effect. We then have the opportunity to incorporate the earliest and, if you will, the best pay-out design in terms of energy efficiency because the present imperatives of private construction tend to short-change what would be rational long-term investments in energy conservation because they're looking at rather short-term pay outs. I reject the philosophical bias in the recommendation, but I support the practical intent for two reasons: one, avoidance of long, long-term renting; secondly, the opportunity to incorporate energy efficient design into public buildings.

MR KNAAK: Mr. Chairman, I can see that this kind of recommendation would appear to have some benefits to the government in that if it's profitable for a private developer to build a building, it must be profitable for government to build a building, especially when it's leasing it to itself. This is a

temptation that we should resist if we are a private-enterprise party and a private-enterprise government, because it has a logical extension and the question always is: where do you stop? It makes sense to drill oil wells and sell gasoline. Does that mean that the government should go into the oil and gas well business and then manufacture its own gasoline for its own vehicles, and we certainly have enough of them. We use a lot of pencils in the government . . . [interjection] It is funny. . . . and a lot of paper. Do we start manufacturing our own paper and pencils? It goes on and on. Before you know it, without trying too hard we've transferred a basically free-enterprise party and government into one that's quite a bit less so.

In the principle here is another principle I strongly support, and I think we as a government have strongly supported; that is, where possible you hire by way of contract services you need, especially when they're temporary rather than permanent, rather than hiring additional employees. That's to maintain as large a private sector as possible. So even though I can see the possible justification for some ownership of buildings, I guess in this particular case I would just restrain myself from getting into the business of ownership of buildings and let the private sector carry on with what they've always been doing.

In terms of conservation of energy, it's always possible for a government to specify the kind of building they want built on their behalf. If you want to prelease and plan far enough ahead, a developer will build a building the way it's specified.

MR NOTLEY: Mr. Chairman, I should just point out to several of the hon. members who have taken part that AUPE recognized some of the problems with respect to smaller communities. I don't think the suggestion was that it would stop the practice, because I think there are going to be times when it's just not possible to do anything else, admittedly. Perhaps someone else might want to move an amendment, but by striking out everything after "offices" -- and we'll take out all the editorial comment here, and that's fair enough -- up to "Instead" and inserting:

be replaced where possible with a program of public ownership of real estate employed for public purposes, funded by the AHSTF in the interest of having the appreciation of such real estate benefit the Alberta public at large.

What that would do is strike out:

which amounts to subsidizing the accrual of capital gains consequent on the development of the Alberta economy in the hands of private developers be terminated.

In other words, it would "be replaced where possible with" to recognize the problems one is occasionally going to encounter where in X community it may be necessary to rent for a while, although as a representative from rural Alberta, I can testify that there is no real community I've ever heard of that would not jump at the chance of having a provincial building, Crown-owned or not, as a substitute to somebody renting a building. One of the first things you get from every town council is: we want our provincial building forthwith.

MR CHAIRMAN: Could I just have the proposed amendment again? What would come after "The present practice of leasing real estate"?



MR NOTLEY:

The present practice of leasing real estate for government offices be replaced where possible with a program of public ownership of real estate employed for public purposes, funded by the AHSTF in the interest of having the appreciation of such real estate benefit the Alberta public at large.

That's the only thing that's necessary. ". . . and the Fund be commenced" is not necessary. So that would get the idea across and eliminate any of the argument for it one way or the other.

MRS FYFE: Would that now mean that the Heritage Savings Trust Fund would be paying for provincial buildings?

MR CHAIRMAN: I think what it would mean is that all government buildings would be funded by the Alberta Heritage Savings Trust Fund, as it now reads.

MRS FYFE: [Inaudible]

MR CHAIRMAN: Was that a question or a rhetorical question?

MRS FYFE: A real question.

MR NOTLEY: Mr. Chairman, I think the point AUPE makes -- and it's a good one -- is that investment in real estate is a good, strong investment and is the kind of investment that would result in a considerable appreciation to the public, owned by the Heritage Savings Trust Fund.

MRS FYFE: Mr. Chairman, I now would like to make a comment, if I could. We invest in a lot of areas in senior citizens' buildings and a lot of different areas where we put money into it, but I think that has very little to do with the investments of the fund *per se*. The long-term benefits to the fund have to be considered. I would certainly support a concept of developing public buildings in Alberta communities, where possible. But I look at the other side of this coin and even with some flexibility, if our move or direction was one whereby we would move to build a provincial building, I can see the situation where programs would not move into a community unless a provincial building were there. They would perhaps move into other communities.

I can give a very specific example relating to the decentralization of the Social Services and Community Health programs into the city of St. Albert. They used to be served out of a west Edmonton regional centre, which caused a lot of problems to residents requiring services from that department. Those programs have been accommodated very nicely in leased space over a period of time, which probably has a fair degree of cost to the Department of Housing and Public Works but certainly has been most beneficial to the people in the community. Now, that has nothing to do with the fact of not supporting the development of a provincial building, but there are areas where it takes time for population growth and need to support a provincial building *per se*.

If it were a very general statement saying that we would like to encourage the development of provincially owned buildings for government programs as opposed to leasing, I could support that, but I'm not supporting the resolution as it is worded.

MR CHAIRMAN: Any further comments or questions? Proposed Recommendation No. 24.. Those in favor? Those against? The proposed recommendation is defeated. Proposed Recommendation No. 25, the Member for Spirit River-Fairview.

MR NOTLEY: Recommendation No. 25 comes from another organization in the province, the Canadian Union of Public Employees, and is a recommendation that the private nursing homes in the province be acquired. This would undoubtedly not be an investment from the Alberta investment division but from the capital works division, although it's not specifically spelled out in the recommendation.

I guess it's a philosophical question that we could spend a lot of time on. Perhaps suffice it to say that I think that if funds can be made available, as we have, for some of the other capital works projects, which certainly are useful, ensuring that nursing home facilities in the province be the best possible and under the non-profit principle, in my judgment is valid. I suspect that asking some of my colleagues to make that philosophical leap is unlikely; therefore, I would not bet the family farm on the success of this recommendation but would place it before the committee none the less.

MR ISLEY: Mr. Chairman, I'd like to comment on and ask for clarification on two points. First of all, I find it difficult to accept that this is where the heritage fund should be spending its moneys. To me, that would be like saying that we should acquire ownership of all hospitals. If I were convinced that we should be moving in this direction, I would say it should be coming from general revenue. Secondly, the way this is worded it would appear to me that there is an implication that senior citizens are getting better treatment at lower cost where government ownership and operation occurs. I would ask if the mover of this recommendation has any evidence to substantiate that implication.

MR NOTLEY: Mr. Chairman, [inaudible] respond to that question. You must remember that this particular recommendation comes from the Canadian Union of Public Employees, who undertook a workers' inquiry into the operation of nursing homes and, to the hon. Member for Bonnyville, indeed came up with just that conclusion that in fact there was a good deal of concern, in that union's view, with the operation of the private nursing homes. It was their unanimous conclusion that the services made available to senior citizens in the public or non-profit nursing homes were superior. So I don't have that report immediately handy, but I certainly have it in my office and I'd be glad to share it with any member who'd like to review it.

With respect to the question of general revenue, certainly public ownership of nursing homes could be financed from the general revenue of the province. That's certainly possible. On the other hand, it could be financed from the Heritage Savings Trust Fund. We're not talking about acquiring ownership of public nursing homes; we're talking about acquiring ownership of private nursing homes. We already have the example of substantial investments in health facilities. The University Health Sciences Centre, the children's hospital, the cancer centre are three major examples of investments in that field. So, Mr. Chairman, that would be my response to the hon. member's questions.

MR ISLEY: Yes, I have two concerns here. First, I don't think my question was addressed. I understood the hon. member to say that the Canadian Union of Public Employees conducted a study and concluded that the way they favored was

better. I would somewhat question the bias of such a study. My question basically was: do we have evidence that better treatment at lower cost is being given in the public institutions?

My second concern, Mr. Chairman, is that I didn't feel I was here to debate the presidents of CUPE or AUPE. I think we each get our position on this committee from being elected by the public of this province, and I would submit that a member who brings forth a recommendation should be bringing it from his own background and research as opposed to someone else's.

MR NOTLEY: Mr. Chairman, I don't think I can let that remark go unchallenged. The fact of the matter is that these submissions came to me during the course of my hearings. I felt sufficiently strongly about both this recommendation and the one preceding it to sponsor them in my own name. So it not only comes from the two organizations that I have indicated originated the idea but also from myself.

With respect to the workers' inquiry, I would just suggest to the hon. member that I'll make available a copy of the workers' inquiry and he can judge for himself whether or not it's biased. I have read it and come to the conclusion that it makes a telling case for public ownership. He'll have to make that judgment himself, and I'll be glad to supply him with a copy of it.

MRS FYFE: Mr. Chairman, I think we have to look at some basic principles related to this recommendation. First, the care of our elderly persons in our society used to be nearly the sole responsibility of the family as opposed to any other agencies being involved. As we have changed our values, many families do not now wish to accept the responsibility for aged members of their family and look to other areas for this type of care.

Now, a number of different types of nursing homes have been established, and the provincial government retains the responsibility for licensing and some review of the homes' operation. I'm sure all members of this committee are aware that a rather detailed study is presently being carried on related to nursing homes. I think that's probably going to be a rather important study for members of this Assembly who, in future provincial expenditures, will then look at whether we should be continuing in the direction where a good portion of public moneys are going into the development of nursing home beds.

On the other hand, this resolution would, I assume, preclude non-profit homes such as nursing homes that have been built and sponsored by various church organizations or the private nursing home that may develop a higher standard of care for individuals who wish to pay for that type of care. In my mind, it is important that we have a basic standard of level of care for our elderly so there are not misfortunes or, as this motion seems to set forward, situations where people are profiteering on the ills of our seniors. I don't think any of us would agree with that comment, and that certainly is an editorialized comment.

On the other hand, can we preclude the privately sponsored or owned homes that may serve a different purpose, may serve a different need? And is it really the responsibility of this committee to recommend that trust fund moneys would go into acquiring homes. Why would you want to make that type of investment? Would it not be better, if the need is there, to establish out of our regular budgetary process beds for our seniors needing them within the respective communities across our province? It seems to me that would be a very poor investment, one we should certainly be looking at general revenue, and probably much better if we do it with more information than we have at

this point in time. We should look at those types of needs when the study is completed.

MR CHAIRMAN: Question. Those in favor of proposed Recommendation No. 25? Those against? The proposed recommendation is defeated.

The last seven recommendations under the capital projects division are by the Member for Calgary Buffalo. Perhaps we could proceed to Recommendation No. 1 under the Alberta investment division. The members for Edmonton Mill Woods and Bonnyville.

MR PAHL: Mr. Chairman, the recommendation reads:

Subject to the development of a suitable mechanism or program and subject to appropriate safeguards, such as risk pooling of investments, AHSTF monies should be made available to provide venture capital to Alberta businesses.

I think that responds in part to the first recommendation that was amended under my name and the name of the hon. Leader of the Opposition. I can't find it right now, but it reads that the investment committee explore innovative ways in which to make Heritage Savings Trust Fund revenue directly available to assist Albertans in participating in strengthening and diversifying of the Alberta economy.

I think it is fairly well recognized that diversification of the Alberta economy is not going to be an easy thing. We have certain strengths and are building on those strengths; however, we have some shortfalls. One of the shortfalls has been identified as a shortage of risk or deep-pocket capital for entering new ventures. One of the strengths Alberta as a province has to offset that is the Heritage Savings Trust Fund, which represents a financial strength that, with the proper safeguards, my colleague from Bonnyville and I feel could be overcome if the appropriate venture capital mechanism were put in place.

MR ISLEY: Mr. Chairman, I think the hon. Member for Edmonton Mill Woods has covered it very well. All I would say is that I strongly support a move in this direction, because I feel that if we're going to diversify our economy, if we're going to get new industries, we're going to have to look at unique incentives. I'll save any other comments until we close the debate.

MR R SPEAKER: Mr. Chairman, I didn't really have a comment on it, but in principle I would support the concept of investments like this.

MR D ANDERSON: Mr. Chairman, I'm going to reluctantly vote for this recommendation. I say "reluctantly" because I always have caveats on any involvement which could get this government into an equity position with companies. I say that because I still am of the philosophy that government is responsible for trying to achieve the goals that the people of the province want it to achieve and that, as trite as this remark might sound, business is best capable of managing programs. I realize that this particular recommendation attempts to encourage business in certain areas, but any time we get involved with the market place in emphasizing one aspect or attempting to encourage those dimensions which aren't naturally encouraged by the market place, I worry.

The reason I'm going to support the recommendation is that I feel that in moving towards diversification, towards trying to encourage the small Alberta business man to invest and bring forth those ideas which will put us on a stable footing in future years, this kind of thing is necessary. But I would emphasize that in forwarding this to the investment committee, we underline the first two phrases, "Subject to the development of a suitable mechanism or program and subject to appropriate safeguards", and that we stand by those all the way through the implementation of this kind of program, should it proceed from the investment committee or the Legislature directly. So I'm in support of it, but I put on my normal caveats in any sort of venture that would get us into potential equity positions with companies or the market place in general.

MR NOTLEY: Mr. Chairman, I just have a couple of questions here. I was out for a moment when the hon. member spoke, so perhaps you answered these questions. What do you mean by "a suitable mechanism"? Are we going to have a specific agency set up to handle venture capital, or will it be done through the Department of Economic Development? Are we looking at the Alberta Opportunity Company playing a role? What thoughts have both members given to what is a suitable mechanism?

The second question is with respect to venture capital investments. You talk about risk pooling of investments. However, what will happen to the venture capital? Will that be held in the name of the heritage trust fund? In other words, if \$1 million in made available to X company, would that be written off as an incentive similar to the old federal incentives program under DREE? What's the arrangement here? What are we looking at? Or in fact would we be taking a percentage of the business equal to whatever that advance of venture capital is? Those are two questions I have.

MR PAHL: Mr. Chairman, perhaps I could respond with my own biases. My concern about a suitable mechanism or program is that when governments traditionally try to facilitate economic development, they generally don't do it very well. So it would seem to me that something has to be set up that would allow the decisions to provide venture capital to Alberta businesses that have some merit of succeeding would have to be at arm's length from the political process.

By the same token, the process or mechanism has to be mindful of the fact that public funds are being placed in the market place, so the organization has to have sufficient credibility that it is not seen to be a pork barrel or a boondoggle or however many words you want to apply to it. It has to be credible in the sense that it is run in a businesslike way without undue government interference but in a way that the risk is acceptable to the taxpayer, in effect.

I think one of the alternatives and one of the proposals that was recently outlined in the Foster report would be a model. I haven't gone through that in great detail, but it addresses the need to deliver venture capital in a way that is professional and businesslike, yet also runs an acceptable portfolio so the spectacular successes can offset the spectacular failures. In the normal course of events, you'd expect both to occur.

So I can't address the mechanism or safeguards with any degree of precision at the moment, but I think it's generally understood in the literature that has been put forward on this and, using the Foster report as one example, that it would be along the lines I suggested.

MR NOTLEY: Where would the [inaudible] of the venture capital rest?

MR PAHL: Mr. Chairman, I wouldn't have a lot of problems with where it rested. I would suggest that some sort of endowment of a board or an authority, much the same as the Medical Research Foundation, would be an appropriate arm's length from the Heritage Savings Trust Fund. Obviously, the benefit accruing from such a mechanism would be in terms of return on investment to Albertans. But more important, I submit, are the spinoffs and benefit to the whole economy of having viable businesses, probably at frontier technology, where the private sector would take the idea beyond the seed capital. That's where the benefits would flow. I don't perceive the benefits being a great return on invested capital necessarily by the Heritage Savings Trust Fund, although I would expect it to earn a respectable rate of return. The benefit is in creating new business and therefore creating new jobs and the multiplier effects from that. So the ownership is a concern with respect to return on investment for public funds than it is to see as a high profit.

MR NOTLEY: But the ownership would be vested in the Crown? In other words, venture capital that goes to X, Y, or Z business would find that that venture capital, whatever it may be, would in fact be participation by the Crown in that company. In the case of public companies, would there be share related to that? How would that be handled?

MR PAHL: I would feel that your point is quite correct in initial instances. But because of the very nature of a risk-taking activity, we would need to make sure that we did not permanently place the Crown or government, if you will, into the structure and decision-making of a corporation. So I would hope that the venture capital mechanism could be structured so that the venture capital initially put in by the Crown, if you will, would be very quickly paid off, returned, at some rate of return to be reinvested by the Crown, if you will, in other activities. So I don't see a long, ongoing investment by government or the Crown, if you will, in the venture capital mechanism, because the very nature of it is speculative at the early stages, the start-up, not in the long term.

MR NOTLEY: Do you see it being written off in the form of a grant?

MR PAHL: By the very nature of venture capital, I don't see a lot of it being written off. I see some of it being lost.

MR ISLEY: Mr. Chairman, I suppose my caveat on this is that what we're looking for is ways of putting capital out there for new ventures, not for getting in and competing with established manufacturing operations or industries. So my reason for supporting this is to try to get some funds forward so we can get a thrust into new industry, higher technology industry, things of higher risk that may require an incentive to come.

As far as the mechanism for handling it is concerned, I've been subject to discussions on a variety of them, one being that we encourage the development of a series of mercantile banks which would borrow funds from the Heritage Savings Trust Fund, pool those funds with their own funds, and be the supplier of venture capital. I suppose that's what we're touching on when we talk about risk pooling. Another way I believe it could work is for the Crown to take a landlord position on facilities in which a new industry or manufacturing firm had to operate. In other words, we step in and be a landlord, build the facility and lease it to the new industry. I suppose a third way would be a direct equity position. I would hope that once those who

understand financing better than I do put a package together, it probably will be flexible to include all three of those, with other possible ways of injecting that capital.

MR CHAIRMAN: Any more remarks? Can we have the vote on the proposed Alberta investment division Recommendation No. 1? Did I miss somebody? The Member for Edmonton Belmont.

MR MACK: Mr. Chairman, I support the proposal, with perhaps raising some caveat or guard in the unstated portion of the proposal. I refer to the suitable mechanism. I think it's fair to say that failure without having identified whether it will be heritage trust fund venture capital on a 60:40, 70:30, or 75:25, where the heritage fund will carry the lesser number and the private investor the larger number -- the failure without the consequence of public accountability certainly would give me some concern. I support the concept. I think that where we can assist, particularly in the area of diversifying our economy in areas other than the established areas, there is a tremendous amount of merit. But I would raise the concern that it should be done on a basis of ensuring that the failure is minimized, or at least safeguards are taken so that failures are minimized as much as possible.

MR CHAIRMAN: The vote on proposed Recommendation No. 1. Those in favor? It's unanimous.

I think we should now adjourn until 9:30 on the 19th.

*The meeting adjourned at 3:55 p.m.*