

[Chairman: Mr. Ady]

[9 a.m.]

MR. CHAIRMAN: I would like to call the meeting to order this morning. This meeting has been called to discuss the recommendations that have been put forward by members of the committee after having the various ministers and other interested parties before the committee. There are some items of business that the Chair would like to bring forward for your consideration prior to moving to the recommendation portion of our meeting.

First of all, I'd like to have consent of the committee to adjourn this meeting at 12 o'clock today, or prior if we see fit, but for it not to run beyond 12 o'clock. I've had several calls from members of the committee saying we've perhaps moved more quickly than they can prepare to discuss these recommendations. So in view of that, we would allocate the afternoon as a reading day.

If I could have a motion on that? The Member for Calgary-Fish Creek.

MR. PAYNE: I'm prepared to make that motion, Mr. Chairman.

MR. CHAIRMAN: Thank you. All in favour? Thank you. Motion carried.

One other order of business, which is a bit of a house cleaning motion having to do with amendments of the recommendations. It would seem to the Chair that we should have any amendments that might be considered made at this point in the process. So if any of you have amendments to your recommendation – if you found wording is not correct or isn't quite the intent that you had – now would be an opportunity to make those amendments, and then once we begin debate on the motions, they would not be subject to amendment. The committee would perhaps, at their discretion, still accept withdrawals any time during the process, but amendments should be done at this point.

Is there a motion on that? The Member for Lacombe makes that motion.

MR. MOORE: Mr. Chairman, I make the motion that if there are any amendments coming, they be made at this time, and we proceed with the debate on motions as amended from this point on.

MR. CHAIRMAN: Okay. Discussion on that motion? Yes, the Member for Edmonton-Avonmore.

MS M. LAING: Are you saying, then, that the amendments now would be moved by the mover of the motion? There would be no possibility of amendments from the floor during the debate; that is, by other members of the committee who might be able to support the motion if it were slightly amended? Are we ruling out that possibility by this motion?

MR. CHAIRMAN: Yes. As I understand it, the rationale for that is that if you open a recommendation up for amendment, then it's subject to amendment by anybody in the committee, and it would cause a member's motion to be distorted badly from perhaps what his original intent was. The door is being left open for amendments at this point so that the sponsor of the recommendation can make whatever changes he or she sees fit at this point, and then it would be debated on that basis.

Is there any other discussion?

AN HON. MEMBER: Question.

MR. CHAIRMAN: Question has been called. All in favour? Opposed? Carried.

With the committee's indulgence, I'd like to deal with the budget – yes?

MR. MOORE: Mr. Chairman, are we going to hear the amendments at this point?

MR. CHAIRMAN: Oh. Well, certainly before we move into the recommendations, and you're quite right. Thank you. We probably should deal with amendments at this point for any members who have them. Perhaps we should just expect committee members to deal with perhaps the first 15 recommendations, because we likely won't get past that today. That would give you an opportunity to amend your recommendations at the next meeting for the balance. Would that be fair and acceptable?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Okay. Those who have amendments, if they'd like to bring them forward – Member for Calgary-Fish Creek.

MR. PAYNE: Mr. Chairman, I'd like to make two amendments to recommendation 4. It presently reads:

That the Alberta Heritage Savings Trust Fund, Alberta investment division, invest in a comprehensive, multifaceted recycling program in Alberta.

On retrospection I've concluded that the capital projects division is the more appropriate division, not the Alberta investment division. So the first amendment is to delete the words "Alberta investment" and replace them with the words "capital projects."

MR. CHAIRMAN: Thank you.

MR. PAYNE: Then I have a second amendment in that same recommendation as well.

AN HON. MEMBER: Do we vote on that first?

MR. PAYNE: I don't think we require a vote, do we?

MR. CHAIRMAN: I wouldn't think we would vote on those.

MR. PAYNE: No.

I would like to insert the word "consider" after the word "division."

MR. CHAIRMAN: On that same recommendation?

MR. PAYNE: The same recommendation.

MR. CHAIRMAN: Thank you.

MR. PAYNE: And, of course, add the letters "m-e-n-t" to the word "invest," so that the amended recommendation would now read:

That the Alberta Heritage Savings Trust Fund, capital projects division, consider investment in a comprehensive, multifaceted recycling program in Alberta.

Thanks for the opportunity to amend that recommendation,

Mr. Chairman.

MR. CHAIRMAN: Are all members clear? Thank you.

Are there any other amendments to recommendations? Is everyone comfortable with allowing amendments on the last 50 to be brought forward by members at the beginning of our next meeting in a similar manner that we handled those this morning on the first 15? If I don't hear a negative, I assume that the committee concurs.

One other matter we need to deal with is the budget, and I mentioned earlier you all have copies in front of you. You've not had a lot of opportunity to consider it, but is there any discussion on the budget?

MR. MOORE: Yes. This budget covers right up to March 31, does it?

MR. CHAIRMAN: Yes. Member for Lacombe, the Chair has to clarify that. That is the 1990-91 budget.

MR. MOORE: I understand.

MR. CHAIRMAN: That's right. It's next year's budget. Okay. Yes, Member for Lloydminster.

MR. CHERRY: Would it be in order to adopt the budget at this time?

MR. CHAIRMAN: The Chair does need a motion to accept the budget, and if that's what you're doing . . .

MR. CHERRY: That's what I'm indicating, Mr. Chairman.

MR. CHAIRMAN: Thank you. We have a motion to adopt the budget. Do we have discussion on the motion? Yes, Member for Clover Bar.

MR. GESELL: You've just referenced the 1990-91, and I'm not quite clear. Could you maybe clarify that for me? I'm a little bit lost. Is the \$152,197 related to '89-90 or '90-91?

MR. CHAIRMAN: Now the Chair is confused. I'm informed by the legislative clerk that there's a typographical error on this sheet and that we are already working on a budget that was previously approved. This is the budget for 1990-91. Okay?

MR. GESELL: Thank you.

Further, Mr. Chairman, some question with respect to those items that show a 100 percent increase. Are we not tracking those items right now as an expenditure then? I assume that '88-89 budget on this list also then changes to our present budget that we're working with right now. Is that correct?

MR. CHAIRMAN: That's right.

MR. GESELL: So there are two changes: number one - and then number two, I wanted to ask for clarification on the 100 percent increases. Are we not tracking those items right now? Are they - just for some clarification there.

MR. CHAIRMAN: The Chair can only assume that increase is due to an actual expenditure that the committee has incurred in this fiscal year and consequently is being budgeted for the next

year.

Yes, Member for Edmonton-Centre.

REV. ROBERTS: I'm just wondering, Mr. Chairman, if this budget will take into account, or will have some flexibility if certain recommendations such as the first one pass, which calls for:

... private-sector consultants be retained to assist the select committee in its review.

I would imagine such consultants, if this motion were passed, would have to be paid for by this budget. Am I not correct on that? So would the fact that it's not accounted for make that motion impossible?

MR. CHAIRMAN: The budget would not include that, and the committee would have to go back to an increased budget if that recommendation were passed and we, in fact, did embark on that recommendation.

REV. ROBERTS: There are a couple of others like that as well, that may impact on our budget.

MR. CHAIRMAN: Yes, that's true.

To the members of the committee. I believe it would be in order for us to table that motion to accept for a time to receive some clarification on some of these points, and then we'll bring it back later.

The Member for Ponoka-Rimbey.

MR. JONSON: Yes, Mr. Chairman. Although I realize it's mainly a typographical matter, I think the document before us should be changed and complete and up to date and tabled at the next meeting. Therefore, I would move that consideration of the motion be delayed until our next meeting.

MR. CHAIRMAN: The Chair has no problem with that. I believe that we should have accurate information before us when we consider something as important as the budget. I see no problem with us delaying it until the next meeting to deal with the budget, and it would give committee members an opportunity to review this budget at length.

Is there discussion on that motion?

MR. PASHAK: I don't know whether . . .

MR. CHAIRMAN: The Member for Calgary-Forest Lawn.

MR. PASHAK: Oh, sorry. I didn't know whether I'd been recognized.

We're going to come back at some point in, I would assume, either December or January to actually vote on the recommendations themselves.

MR. CHAIRMAN: That's correct. That's the process that was approved at our original meeting.

MR. PASHAK: Would that be an appropriate time to deal with the budget, or . . .

MR. CHAIRMAN: It depends to some extent on the clarification that we receive on this. The Chair hesitates to be locked into that position. Could we leave it that the budget will be brought forward for further discussion at the next meeting for a decision to be made at that time and leave us that flexibility?

That would be in accordance with the Member for Ponoka-Rimbey's motion.

Any more discussion on that motion? Member for Athabasca-Lac La Biche.

MR. CARDINAL: It's not totally clear. You know, the way this is laid out, it's very clear that there was a certain amount budgeted and a certain amount increase from the previous year of operation. I just wonder, is it possible to bring forward a percentage of expenditure to date in each area so we can determine?

MR. CHAIRMAN: The chairman doesn't have that information, but I will check with the Legislature Clerk to see if we can make it available.

MR. CARDINAL: Just to give an idea if, you know, 30 percent of the money is expended, or 80 or 90 percent - whatever.

MR. CHAIRMAN: Fine.

All right. Are you ready for the question?

HON. MEMBERS: Question.

MR. CHAIRMAN: All in favour? Opposed? Carried.  
Yes, Member for Calgary-Forest Lawn.

MR. PASHAK: I wondered if we could incorporate in an agenda at some point a discussion of the way the committee itself operates. I mean, I have some suggestions. What we're going to be dealing with today are recommendations to the government with respect to the heritage trust fund itself, but would there be an opportunity at some later meeting to at least look at suggestions as to how we might improve our effectiveness as a committee that would maybe be passed on as suggestions to the next committee that's struck by the Legislature?

MR. CHAIRMAN: I suppose that properly should have been done at our organizational meeting. I'm in the hands of the committee. Does someone have some discussion on that suggestion?

Member for Edmonton-Avonmore.

MS M. LAING: I think at an organizational meeting we often don't know the pitfalls and the needs we have as members, and it's after we've been through the process for a period of time that we can then evaluate that process and make suggestions as to how to improve it. So I would support this motion that we have a chance to look now at the process itself in terms of where we have seen that it may have failed us in some way.

MR. CHAIRMAN: Fair comment. However, I would like to make it clear to the Member for Edmonton-Avonmore that it was not a motion on the part of Calgary-Forest Lawn; it was a suggestion for discussion.

MR. PASHAK: I'm sorry. It was a way of getting it on the floor. I could make it a motion, if it's acceptable to the Chair.

MR. CHAIRMAN: Let's follow through with a little discussion prior.

The Member for Ponoka-Rimbey.

MR. JONSON: Mr. Chairman, first of all, I'd just like to emphasize that I think our priority right now should be on dealing with the work before us, which is that of debating the recommendations and then making the eventual decision on them. At the end of that process we might want to discuss how we might have input into the next round of Heritage Savings Trust Fund meetings. Whether we would decide at that time to have a discussion within the meeting or whether we would invite members to prepare submissions that should be considered at the organizational meeting of next year's meetings, that's something we could decide at that time. I'm not rejecting the merits of receiving suggestions from members about, you know, the possible improvement of the operation of the committee, but I think right now we should move ahead with the business before us.

MR. CHAIRMAN: Thank you.

The Chair doesn't have any problem with the committee reviewing the process. I think that's healthy. But the Chair has a little problem with perhaps stopping midstream to do that, and in fairness perhaps we could discuss this at our last meeting. When we discuss the recommendations, we could spend a few minutes. It might be a good suggestion to submit written recommendations, and we could discuss them and make some preparation for next year. Okay?

One other slight change in the process: normally, it's been the position of the committee to start at recommendation 1 and move through . . .

Yes, Member for Calgary-Foothills.

MRS. BLACK: Mr. Chairman, I believe there's a motion on the floor from the Member for Calgary-Forest Lawn.

MR. CHAIRMAN: No, that was not a motion. However, there was a motion from Ponoka-Rimbey. Did we vote on . . .

AN HON. MEMBER: We passed that.

MR. CHAIRMAN: Yes, that's passed. Thank you.

No, that was a suggestion from the Member for Calgary-Foothills and not in the form of a motion.

Back to my original discussion. We normally start at number 1 and go through to completion. There has been a request by the Member for Calgary-Forest Lawn that his recommendations move to the top of the list for his own reasons. He's had the concurrence of those who have recommendations ahead of his, so with the concurrence of the committee, we'll accommodate the Member for Calgary-Forest Lawn today. Is there any discussion on the committee moving in that direction? And is that the intent of the Member for Calgary-Forest Lawn?

MR. PASHAK: May I just explain my reason for this request, Mr. Chairman?

MR. CHAIRMAN: Yes. The Chair hesitated to do that, but if the Member for Calgary-Forest Lawn wishes to do so, that would be in order.

MR. PASHAK: I appreciate that, Mr. Chairman. I'm the Chair of the Public Accounts Committee, and I've been invited to participate in the Canadian Comprehensive Auditing Foundation conference next week. I just will not be able to attend those sessions early next week in which my recommendations would

most likely normally come up.

**MR. CHAIRMAN:** Thank you for that information. I think this accommodation sets the stage for a good atmosphere in our committee as we enter into the discussion of the recommendations. [interjection] The Chair certainly hopes so.

That being the case, we would begin with recommendation 11. The Chair recognizes the Member for Calgary-Forest Lawn.

11. That a major review of the Alberta Heritage Savings Trust Fund be conducted and that the review include public hearings.

**MR. PASHAK:** Thank you, Mr. Chairman.

There hasn't really been a major review of the Alberta Heritage Savings Trust Fund that included public hearings for some time. As all members are aware, at one point in the history of the Heritage Savings Trust Fund committee there was a major stated objective that the Heritage Savings Trust Fund would be used to diversify the economy. I think that is a worthwhile goal, but it has been removed as a statement of purpose for the committee itself, and given the nature of the economy in Alberta, it may be time to look at that question again.

We all know that we've had a serious decrease in the amount of revenue coming into the Treasury from Alberta's nonrenewable resource sector. We know that in part that's due to the fact that we do, in fact, have a declining conventional oil and gas industry on our hands. There are different projections with respect to the long-term viability of the oil and gas industry in this province. Many people who talk about problems in the oil side would suggest that we have about eight to 10 years of discovered recoverable oil that's available, and that if we continue to explore and develop existing pools perhaps there'd be a 35-year life to the conventional oil industry. I haven't seen any estimates that go beyond that, but we do know that it's been in decline. There's been an actual falloff in production from Alberta oil fields over the last year in the amount of about 5 percent. On the gas side, although we're optimistic about exporting vast quantities of gas from this province, the fact of the matter is that there's only about 70 trillion cubic feet of gas reserve that's deliverable in this province, and all but about 6 trillion cubic feet of that 70 trillion has already been spoken for or assigned through contracts. Although the industry is optimistic that maybe there's as much as 200 trillion cubic feet of gas to be discovered – and I've seen that estimate put forward in some quarters – that's the most optimistic estimate I've seen for the amount of recoverable gas in the province.

So the point I'm trying to make is that in this province we've been almost totally dependent economically on the oil and gas industry to provide the quality of services that we as Albertans have experienced and have come to accept as essential for us. I think the time has now come where we must begin to look at using the Alberta Heritage Savings Trust Fund in a more creative way. I don't have monopolies on ideas as to how that should be done, but that's one issue that has caused me to put this motion before the Assembly.

The other major issue that I think is significant and we should be looking at is: with that decline in revenue we've also had some serious troubles, as all members know, in terms of balancing our actual budget. Currently we're looking at – I think the best estimate would be a \$1.6 billion deficit in this year's operation. One year we had a \$3.3 billion deficit – I think that was 1986 – and in total we've got about a \$10 billion deficit out

of our general account operations. That sum of deficit there is roughly matched by what some people would argue would be the real value of the Alberta Heritage Savings Trust Fund. The Treasurer might agree with that. He'd probably put it at at least \$2 billion higher than that. But \$10 billion, I think, would be a conservative estimate of the real value of the Heritage Savings Trust Fund; certainly \$10 billion would be much greater than the immediate liquidity of the assets in the fund. In addition to that, of course, as many members have pointed out on numerous occasions, the unfunded pension liability of the province is in the \$6 billion range. So we're really in a net debtor position as a province.

Now, that, of course, is all reflected in the consolidated financial statement of the province. But normally that's not how we present these things. We present the General Revenue Fund as somehow different from the Heritage Savings Trust Fund, but when we look at the consolidated figures, I think we're in economic difficulties. For that reason as well I think it's important to look at the Heritage Savings Trust Fund and the direction that it might take. I would see that review being conducted through a legislative process. I haven't spelled that out. I think it would be up to the Legislature itself to determine which would be the best way to conduct that review.

I'm completely of the view that since this fund belongs to the people of Alberta – it's their heritage, after all – that the people of the province should have an opportunity to really express their views. I think that this would serve a number of purposes. It would help to inform the general public as to what the heritage fund is truly all about, and it would help them to look at the promise of the fund. And who knows? Perhaps the people of Alberta may have some ideas, worthwhile ideas, that the politicians haven't been able to think about or arrive at themselves. So I think it's essential to conduct a major review and have the public be given a real opportunity to make input into that review.

**MR. CHAIRMAN:** Thank you.

The Member for Edmonton-Meadowlark.

**MR. MITCHELL:** Thank you, Mr. Chairman. I would like to speak in support of this motion. While I accept the points made by my colleague from Calgary-Forest Lawn, I would like to broaden the argument in this way.

I believe it is extremely important that we review the Alberta Heritage Savings Trust Fund for another reason, and that is that I believe it has not achieved the objectives for which it was originally structured. Those objectives were rainy day liquidity, real income earnings to replace declining natural resource income revenue, and projects that would support diversification. If you analyze those three objectives and the achievement, or lack of achievement, of the Heritage Savings Trust Fund management in approaching those objectives, I think we will only be disappointed.

It is not liquid; \$2.9 billion of that fund, referred to as deemed assets, are one-time capital expenditures for which the money is gone. You can't sell the Kananaskis golf course in order to get money to create jobs in difficult times. You can't sell the Walter Mackenzie hospital. You can't sell the Fish Creek Provincial Park, if for no other reason than the Member for Calgary-Fish Creek would never let you do it. So it isn't liquid from that point of view. It's not liquid to the extent that there is over \$6 billion worth of loans to Crown corporations, Crown corporations which could never liquidate assets in a way that would

allow them to pay off those loans. That's about \$9 billion of the purported \$15 billion in the Heritage Savings Trust Fund. Beyond that, you can look at a variety of other investments: the scholarship funds, the Alberta heritage medical research foundation. These are not liquid resources. So while much was made of the importance of liquidity in that fund, made by the government over the years, established in the minds of Albertans as an objective to which the Heritage Savings Trust Fund would work diligently, that objective plainly and simply has not been pursued and has not been achieved.

Real income earnings to replace declining nonrenewable resource revenues: simply stated, that is a myth, as we know. Over 25 percent of the earnings claimed by the Heritage Savings Trust Fund each year are paid on debentures held by three Crown corporations which have consistently lost huge sums of money, sums of money that would be in the order of the amount of "interest" they are paying to the Heritage Savings Trust Fund. Simply stated, there are not high-quality real income earnings in the Heritage Savings Trust Fund, despite the fact that so much has been made by this government over the years of the strength of the Heritage Savings Trust Fund in supporting the revenues to the government of Alberta.

Finally, the objective of diversification. It is again a myth to say that the Heritage Savings Trust Fund has pursued the objective of diversification. If you add up the allocation of those assets, and I have done that, it is very difficult to find more than 10 percent of the assets of the heritage trust fund which could be construed as investments in the diversification of this province's economy.

For this overall reason, that we have three objectives which Albertans have been led to believe are realistic and to which the government has been committed, three objectives which in fact have not been achieved and, I would argue, have not been pursued, it is essential that we review the Alberta Heritage Savings Trust Fund, the manner in which it has been structured, the objectives for which it has been structured, and what is most important about this motion, that that be done in a public forum so we can communicate through open and public debate the realities of the Heritage Savings Trust Fund.

One particular issue that I think would be addressed in that process would be the question of the relationship between the political management of this government and the day-to-day management of the Heritage Savings Trust Fund. If you look at funds elsewhere, particularly the one in Quebec, great pains have been taken to separate that fund's management from the day-to-day pressures of the political process. It is, I think, clear that the three objectives of this fund have not been achieved, largely because the process, the management of the fund, has been confused by political pressures. In fact, it has become little more than an extension of the General Revenue Fund. It has become a myth perpetrated upon the people of Alberta. It needs to be reconsidered and reassessed.

**MR. CHAIRMAN:** Member for Ponoka-Rimbey. [interjection] Oh, I'm sorry. I thought it was a point of order. My apologies from the Chair.

**MR. MITCHELL:** It is essential that it be reassessed, and it is essential that it be reassessed in the public forum. For that reason, I strongly endorse the motion.

**MR. CHAIRMAN:** Thank you.  
Member for Lacombe.

**MR. MOORE:** Thanks, Mr. Chairman. I compliment the mover. He gave a very factual and realistic background to his motion, and I compliment him on it. However, I can't say the same for the last speaker. I listened to close to 10 minutes of rhetorical hogwash, and it's very evident he would need public hearings. Because he hasn't listened here, he must let the public listen to what went on in our deliberations. It's very, very evident, and I agree with him, that possibly if we all did the same as he did while these deliberations are on, he would say we need a further review outside this committee because he didn't listen to what went on from the people who came before us. Very, very evident, Mr. Chairman.

I'm not going to go in and take it point by point, because we all know that every point he brought up is not based on fact. He likes saying these things, and that's all right. It's his credibility that goes down, not this committee's. And the credibility of this committee is in question with this motion. I think it's the job of this committee here to stand as a watchdog and review and make recommendations as to where this fund should go. I think we're doing an excellent job. I realize the public could probably give us a lot of good ideas, but that's why we MLAs are out there speaking to the public and bringing that expertise from the general public back here from right across the province. Believe you me, we hear that on the heritage trust fund, because it's very dear to the hearts of every citizen of Alberta. It should be, because it's working on their behalf and has worked on their behalf.

So, Mr. Chairman, as much as I accept a lot of the statements made by the mover – they're very well thought out – I would have to say that, you know, it would be a duplication of the work of this committee to go out on that. Besides that, we also have a responsibility to the taxpayers' dollars. Public hearings are very, very expensive, and to set it up we'd go on public hearings in an exercise that duplicates the good work of this committee as we sit here as a watchdog over this fund and report back to the Legislature with recommendations. And hopefully our recommendations are not just coming from individuals of this committee but from our constituents. Hopefully we are voicing for our constituents, not our own or political viewpoint.

So, Mr. Chairman, I feel that at this time I'm not prepared to support this motion.

**MR. JONSON:** Mr. Chairman, I'd just like to make a few comments on the motion. The mover of the motion has raised a number of topics which I think are certainly of major concern to the government, and the government has indicated that. We are certainly concerned about the deficit and the accumulating debt. Economic diversification in the face of the decline in the conventional oil industry in terms of revenue flowing from that is an area which has been a major priority of the government over the last couple of years particularly, and there has been success in that area. Certainly the area of pensions is another topic of concern to the province.

But, Mr. Chairman, the arguments or the points that were made in support of this particular motion I think indicate that there are a number of important topics to be discussed in the political realm in this province. We will have a spring sitting of the Legislature coming up fairly early, I imagine, in the new year. The arguments that were advanced are covering the whole range in terms of economic direction for this province, and there's going to be an open debate in the Legislature. The throne speech, the budget debate – all these things – will be brought into it, I'm sure, including the Heritage Savings Trust

Fund. So it seems to me, Mr. Chairman, that the rationale for this motion, although good in itself, does not really focus on the need for this particular kind of review.

Further, I'd like to indicate that the second speaker referred to the Quebec fund. I won't try the French; my pronunciation is not very good. But the Quebec fund is an entirely different matter. It is linked to pensions, something once again beyond and very different from the Alberta Heritage Savings Trust Fund and the income source it has had. That leads to a much broader debate, which I'm sure that we will have over the next number of years in the province in the Legislature. I do not see this particular motion being needed or related to the arguments put forward.

MR. CHAIRMAN: Thank you.  
Member for Edmonton-Centre.

REV. ROBERTS: Yes, Mr. Chairman. Speaking in support of the motion, I appreciate the comments from the last two speakers. I think they, particularly the Member for Lacombe, have helped in saying that we need not bring political purposes into this but the will and views of our constituents. I think this motion very much does that in terms of my perception of my constituents.

I know other colleagues I've spoken to have said that in talking to constituents about being on this trust fund committee, many of them have said to us: "Oh, yes. Well, how much is in the trust fund anyway? What's it being used for anyway?" There is, I think, a widespread lack of understanding and information and appreciation. Now, certainly they see the heritage fund plaque on certain things, but I think that's about as far as it goes for most people. So this kind of motion, particularly calling for a review to include public hearings, I think very much speaks to the will of thousands of Albertans out there who really want to be more involved, have a greater sense of ownership around their own fund, which is the Heritage Savings Trust Fund. I agree with the Member for Lacombe particularly, who says that we need to bring our constituents' wishes to bear, and this certainly does that in large measure.

I agree, too, that it could be kind of costly. But certainly when we take issues seriously in the Legislature, such as the health care system for instance - the Premier, in his wisdom, decided to have a Premier's commission into the future of health care for the people of Alberta and set up a review of the entire health care system with public hearings. Lou Hyndman has been doing that, I think, very effectively and has gotten a great lot of input from Albertans at the grass-roots level about their health care system. I think they are going to be able to put together a terrific report in terms of how to review that with recommendations for the future.

So the same needs to be done with this vitally important aspect of the life of Albertans. I can't argue enough the need that it would fulfill in the minds of many Albertans, and be consistent with the views of many government members as well as those of us in the New Democrat and Liberal caucuses, to really go out there and, on behalf of our constituents, give them an opportunity to have more input and more say and more involvement with this vitally important fund of theirs.

MR. CHAIRMAN: Thank you.  
Member for Calgary-Fish Creek.

MR. PAYNE: Mr. Chairman, given that recommendation 1 in

my name also advocates a review of the fund, I feel obligated to add my support at least to the first part of the two-part recommendation advanced by the Member for Calgary-Forest Lawn. At such time later in our deliberations when I speak to recommendation 1, I will elaborate on the reasons why I am supportive of the review. As to the public hearings being incorporated in that review process, I'm happy to defer to the arguments that have been made by others today. But certainly without equivocation I would like to speak in support of the concept of a major review and will elaborate on my reasons later.

MR. CHAIRMAN: Thank you.  
Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Chairman. I would like to congratulate the Member for Calgary-Fish Creek for his comments, and I would also like to support the comments of the Member for Edmonton-Centre, who I think makes a very, very powerful point about Albertans' concern with the status of the Heritage Savings Trust Fund.

In the last three or four years I have done, as we all do, a great deal of speaking and meeting with groups across this province. I'd like to relate to the committee my experience in asking two questions about the heritage trust fund. The response I received consistently to these questions was extremely revealing about Albertans' understanding of the fund, their concern with the fund and, too, comparisons of the manner in which we manage our fund with the manner in which Quebec manages its fund and the implications of that management on our relationship with the rest of this country, with Ottawa and the support we should be getting from Ottawa. I ask people this question: "Would all those people in a given room, at this meeting, please indicate to me whether they believe there is \$15 billion in the Heritage Savings Trust Fund." Without fail across this province, meeting after meeting, there is almost nobody who believes there is \$15 billion in the Heritage Savings Trust Fund. Almost without fail.

I then ask a question: "Could anybody in this room or at this meeting please tell me whether they are aware that Quebec in fact has a heritage savings trust fund?" Without fail, almost nobody at these meetings can indicate that Quebec has a heritage savings trust fund, which in fact they do. What that says is, one, that Albertans are not convinced the heritage trust fund is what it appears to be and, therefore, logically cannot be in support of the government's stated aims and objectives of that fund. Therefore it's time, I believe, for public debate to reassess and re-establish objectives.

But more important, that dichotomy underlines the problem the Heritage Savings Trust Fund is creating for this province in negotiations with the rest of the country. I was struck when we had the Treasurer here in how he continues to establish and re-establish and brag and promote and project the point that Alberta is rich. How do we know? Because we have \$15 billion in the Heritage Savings Trust Fund. Of course, we don't have \$15 billion in the trust fund. Everybody in Alberta I speak to knows that, except the Treasurer, and he keeps sending that message to Ottawa. So when it comes time to say, "Gee, Ottawa, we've got to do something for Albertans and for Alberta," Ottawa says: "Well, why would we do that? Alberta is rich."

Quebec has a \$30 billion heritage savings trust fund. Called by another name, the Caisse de depot, it is a pension fund. It does exactly for the people of Quebec what our Heritage Savings

Trust Fund should have done for the people of Alberta. The Caisse de depot financed, for example, the purchase of QCTV several years ago in Edmonton by Videotron, a very successful entrepreneurial firm from Quebec. Our fund has been inclined not to do that. If you look at their success, the manner in which that fund has been managed, you will see that it outstrips the accomplishment, or the lack of accomplishment, of the Heritage Savings Trust Fund. But what is very critical about it: it is used exactly as we should have used the Heritage Savings Trust Fund.

It is bigger proportionally to the population of Quebec than our fund is to the population of Alberta, but almost nobody outside Quebec knows of its existence. You know why? Because they don't brag about it, and they don't tell everybody in this country that they are rich. They call it a pension fund, and it doesn't belong to the people of Quebec; it belongs to a handful of public servants in Quebec. It isn't, therefore, construed in the psychology of Ottawa, the psychology of the rest of this country, as unfettered wealth in Quebec. And what does Quebec get? Between 1984 and 1986 – we have to update these figures – the province of Quebec received \$486 million for Department of Regional Economic Expansion grants. Alberta, with a much more distressed economy during that period of time, received \$13 million.

Mr. Chairman, what we are talking about is the manner in which the Heritage Savings Trust Fund has been advertised as a deterrent to successful negotiations with the rest of this country. Albertans aren't fooled by what the government is saying. Albertans are concerned by the consequences of the structuring of this fund on our ability to deal with the rest of this country, federal funding to redress regional imbalance. It is entirely consistent with those observations, and in fact motivated and required, I believe, demanded by those observations, that we have a review of the Heritage Savings Trust Fund and that review be open to public input so the people of Alberta can have a say about where that fund, supposedly set aside for their heritage, should go.

MR. CHAIRMAN: Member for Athabasca-Lac La Biche.

MR. CARDINAL: Yeah. I, too, would speak against the motion, for a number of reasons. I believe, number one, that the fund works well, and we can't underestimate that. We'd be foolish to ever think there is not an ongoing review of the fund. It would be very foolish for anybody to think that, because there is an ongoing review by this government of the direction the fund should go. Just look at the economic diversification in Alberta. It's working well. We have the lowest personal income tax, probably the highest standard of living, the lowest unemployment rate now, the best health care programs, educational facilities. I feel we wouldn't have those in Alberta if it wasn't for good management of the fund. nI

relation to the motion, public hearings, I hear from my constituency that we elect the government to make decisions and run the province. Go out there and run it; don't keep running back to us on public hearings: that's what I hear from my constituents. Maybe your constituents are completely different from mine, but that's what they tell me: go govern; don't come back. Therefore, I feel the fund is very well looked after, and I speak against that motion.

MS M. LAING: Mr. Chairman, I would like to speak in support of this motion. I'm always amazed at the resistance to democracy that we hear in this Chamber. Public hearings, I think,

would certainly serve a much-stated need that I hear all over this province about what is going on with the trust fund. Over and over again we hear people say: "How much money is in it? What on earth are they doing with it?" To suggest that public hearings would undermine the credibility of this committee is beyond the pale, it seems to me, because I'm not sure that we have a lot of credibility given the questions I hear about the administration of this fund. What I hear from people also is that they want politicians to listen to them and not always be telling them what to do. The people really want to be involved in a democratic process; they really want to know what is happening to their heritage. This would serve not only that need of democracy, but we might learn something from those hearings and might learn better ways of managing this fund in ways that are more in keeping with what Albertans want.

MR. CHAIRMAN: Thank you.

Member for Clover Bar.

MR. GESELL: Thank you, Mr. Chairman. I've been listening quite carefully to the arguments back and forth on this particular motion and I've kept an open mind. But the last presentation by the Member for Edmonton-Meadowlark has convinced me actually, because he spoke quite eloquently in my mind – and I'll explain that right away – against the motion. Let me just outline that.

He drew reference to the Quebec fund that exists, and he indicated that perhaps one of the problems we are having with our Heritage Savings Trust Fund is that we provide open review and public hearings and discussion. I think he called it "brag about it." I'm proud of the fund, I must say, but we provide that opportunity for open discussion. In Quebec, he indicated that hardly anyone knows about it, and that's why they perhaps receive, and he implied, some federal assistance for some things.

MR. MITCHELL: Point of order, Mr. Chairman. I said hardly anybody else outside Quebec.

MR. GESELL: That is why perhaps Quebec receives some federal assistance that we may lack. Well, he's presenting an argument here saying that maybe we should not be advertising this fund to the degree we are because there are some advantages, and he's used Quebec as an excellent example.

Now, Mr. Chairman, the other point I want to make – and he's convinced me there. Perhaps the fund needs to be reviewed, and we do that effectively, and I'll get to that point right away. But perhaps the public hearing portion of this argument is not correct, because we are then perpetuating the situation that the Member for Edmonton-Meadowlark is indicating is working to our detriment. So he's speaking against the motion, and I accept that argument.

Now, with respect to the review, I think the point has been made that there is going to be ample opportunity to review this fund in the upcoming session, during this committee, in fact. That is, I think, where the hon. members have missed the boat here, because they have spent considerable time wrangling and repeating themselves instead of asking pertinent questions about this particular fund. To me, that has wasted some time that could have been properly and efficiently and effectively applied to get some questions and some input, some answers, to some of the concerns their constituents may have. So on one hand, the public hearing portion, the advertisement of the fund, is considered to be detrimental – as I say, the member has



convinced me – but on the other hand, there is ample opportunity for review that already exists.

So I'm afraid, Mr. Chairman, I'm going to have to vote against this motion. The hon. members have convinced me.

MR. CHAIRMAN: That concludes the speakers list.

MR. MITCHELL: Mr. Chairman, could I just comment one more time?

MR. CHAIRMAN: The Member for Edmonton-Meadowlark.

MR. MITCHELL: I believe the previous speaker's statement is a gross distortion of my comments. That is, I did not say that people in Quebec did not know about the fund. I said that no one outside of Quebec knows about the Quebec fund. That's a very, very critical distinction. The fact is they don't brag about it outside of Quebec, and we brag about it everywhere. So I believe it has had a detrimental effect on our relations with Ottawa. Any government that was capable of negotiating effectively with Ottawa would recognize that intuitively, implicitly, and explicitly. It would be reflected in their actions.

MR. CHAIRMAN: Thank you.

We'll move to recommendation 12. I recognize the Member for Calgary-Forest Lawn.

12. That the government of Alberta submit to the Legislative Assembly for its approval the annual financial plan for the Alberta Heritage Savings Trust Fund.

MR. PASHAK: Thank you, Mr. Chairman. I'd also like to thank all members of the committee for permitting these motions to go ahead on the Order Paper.

AN HON. MEMBER: You owe me..

MR. PASHAK: Okay. I'll find some way of paying you back. I won't challenge your motions because . . .

AN HON. MEMBER: That's because you won't be here.

MR. PASHAK: That's a possibility.

In any event, this motion raises the question of accountability. I think it should be seen in the larger context of what is happening in this country from one coast to the other, which has to do with the fact, I think, that taxpayers all over are in a stage of revolt. They really are concerned about the high level of taxes they perceive themselves to be paying. They're outraged by foolish and excessive expenditures on the part of government. We could look at what's happening federally, but we could also look at home. We look at the outrage Albertans have expressed over the relationship between Peter Pocklington, Gainers, and the amount it's going to cost the public treasury to try to collect a \$6 million loan.

In any event, back to the Heritage Savings Trust Fund. The whole principle around which parliamentary governments became established had to do with that notion of accountability: the commoners protesting against absolute power in the hands of the nobility to impose taxes and then to spend those sums of money, usually on military purposes and that sort of thing, without having any say from the people themselves. We see all kinds of examples of this government engaged in taking public dollars and not having any real legislative accountability for the

way in which they spend those dollars.

I could just point to the Lottery Fund and the way in which the community facility enhancement program grants were set up underneath that and the kind of mandate given to the minister to spend public dollars without having any review of those spending plans.

Well, the same situation exists with respect to the Alberta Heritage Savings Trust Fund. We do get an opportunity to deal with capital project expenditures in the Legislature, and I think that's important. But for the rest of the fund we really don't have an opportunity to have any say. One of the members on the government side indicated that there is a government financial plan, that they do have some idea of how they're spending money. But we in the general public don't have any idea of what that plan is. It never comes before the Legislature. I think that at least it should be brought before the Legislature. We should have an opportunity to examine the direction and purposes that the government has in mind, not just in the long term but in the short term, for the resources that they're managing. One way to do that would be for us to have a full legislative opportunity to debate the government's projections over the immediate fiscal year for their priorities and their intention with respect to all investments, not just those that are in the capital projects division.

MR. CHAIRMAN: Thank you.

The Member for Lacombe.

MR. MOORE: Thanks, Mr. Chairman. Well, again we have an excellent presentation by the Member for Calgary-Forest Lawn. He always does an excellent job of explaining anything he brings forward, and he brings out a lot of good points.

However, on this particular motion I can't agree with him that the government submit to the Legislative Assembly for approval an annual financial plan, that we bring this before the Assembly, the spending of this fund. That's exactly what the Legislative Assembly is there for. All spending decisions come through and are approved through the budget process. And the days that we spend on estimates here when the ministers come before us – we know exactly the area that's debated. The fund spending is approved through the budget process, and it's there in the Assembly. It's controlled by the Assembly. This committee, in our deliberations, comes back to the Assembly. Everything is in the Assembly now.

So I think this motion really is just underlining the process that actually goes on now. I can see no different approach by approving this. I can't see what we would do differently than what is done right now. That's a part of the Legislative Assembly, to debate all this spending so the public does know where we're going. They do know where we're going, and it's very evident, when you look back over the elections, that they approve of it too, Mr. Chairman.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Centre.

REV. ROBERTS: Thank you, Mr. Chairman. I think this is a very important motion to contemplate, because certainly as we sit in budget estimates each year in our sessions of the Legislature, there's I think a lack of clarity in terms of just how much the fund is funding to other companies, whether it's AOC or Alberta Mortgage and Housing or other things that we're having to make decisions on in terms of a financial basis, out of the



General Revenue Fund. Moreover, as we heard the Treasurer the other day, he said that his prediction is that – well, he thinks there will be an increase in terms of the transfers from the heritage fund to the General Revenue Fund next year, even though it's been continually in decline over the last three years. Now, of course, we're getting hit. We heard the Progressive Conservative Prime Minister, Mr. Mulroney, say that he's going to reduce transfer payments through the established programs funding part from the federal government to the province, that that's going to be decreasing.

So here we stand in the Legislature with a lot of pressures and variables in terms of our General Revenue Fund, our own Heritage Savings Trust Fund being one of them, and we can't really tell Ottawa, despite the fact that we have so many Conservative MPs going to Ottawa – we still get the message back that they're going to cut transfers for education and health care and so on. But certainly in our own financial resources, including the trust fund, we should have a much greater understanding of where the trust fund is going, what definitely we can expect to be transferred into general revenue, and what amounts are going to prop up other Crown corporations, so that we in the Legislative Assembly during the budget debate and during estimates can have a much clearer understanding of what the fiscal plan is and what can be expected.

So to play this kind of smoke and mirrors game, whether it's in our own province or in the national economy, I think does not serve us well. And as my colleague has said, the kind of accountability which this motion would bring to bear I think would be entirely helpful to be better stewards of the resources of our people.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Chairman. I speak in support of this motion, and I would like to respond, I guess, in particular to the comments of the Member for Lacombe. For him to say that it is sufficient for this committee to review what the heritage trust fund does and then authorize de facto each year the status, one way or another, of \$15 billion is for him to say that a committee of this size should meet each year, and only a committee of this size, and authorize on behalf of the Legislature the entire operating budget of the government of Alberta. Of course, it would be ludicrous for us to assume that a committee of 15 people would review a \$10 billion budget and then make a decision without broad discussion and authorization by the entire Legislative Assembly of Alberta.

Whether they like it or not, each year decisions, either by omission or commission, are made as to what will happen with that \$15 billion. If the money isn't moved from one stock to another or from one portion of the fund to another, if it's just left where it is, it is still a decision as to how that money will be used. I believe that given the magnitude of the fund, its dollar magnitude, and given its importance to the province of Alberta, it is really unacceptable that the Legislative Assembly of Alberta should only have the power to consider – what? – \$160 million in capital expenditure from the fund this year and not to consider or reconsider, as the case may be, the disposition of the entire \$15 billion on a regular annual basis.

I can't accept the arguments against this motion. I wholeheartedly support the motion.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Avonmore.

MS M. LAING: Thank you, Mr. Chairman. I would speak in favour of this motion. I would speak in the context of a recent \$200 million Family Life and Drug Abuse Foundation being set up out of heritage trust fund moneys. I would question if in fact that kind of disposition, that kind of using of the assets of the trust fund, should not have been either discussed in the Legislature as to the advisability of such usage of the funds or in this committee. I have no knowledge of that discussion having occurred in either place. That's only one area.

I think that inasmuch as this is public money – it has a certain origin; it nevertheless is public money – the way that it will be used and managed must be of public concern and, therefore, must be addressed in the Legislative Assembly by all of the members present so that we can say: what do we want do with these assets? Do we want to liquidate some of these assets to set up an endowment fund for family life and drug abuse? Is that the best use of that money? I would suggest there are many areas where we might say: is this the best use of that money? So I would speak strongly in support of this motion.

MR. CHAIRMAN: Member for Lloydminster.

MR. CHERRY: Thank you, Mr. Chairman. I guess I'm appalled at what I'm hearing, and especially from the last speaker. What is a better way to try and help out our people in Alberta but through such a foundation as this that she has just spoken of, the Alberta Family Life and Drug Abuse Foundation? The money that is being used is just the interest from the endowment. But I raise the point that in my view the Legislature is the place where we debate these financial matters, and I think the Legislature is open to each and every one of us as members. I'm sure that when it comes forward, each and every member has a right to speak on it.

It just caught my ear there about the Alberta Family Life and Drug Abuse Foundation. We in this province and this government are totally behind what the Premier did, and I believe that as the Premier and as the body that looks after the heritage trust fund, it is their given right to do that. And if some people don't agree with it, so be it, but I think the majority of Albertans agree with it. I know; I've been out in the field.

Thank you.

MR. CHAIRMAN: Thank you.

Member for . . . Is the discussion concluded? I'll recognize the Member for Ponoka-Rimbey and give you the opportunity to make closing remarks on your motion.

MR. JONSON: Mr. Chairman, I just want to make one point, because I think that something has to be corrected for the record of this committee. That is that the proposed – proposed – new direction as far as the Family Life and Drug Abuse Foundation and the allocation of money is concerned was outlined in a ministerial statement at the end of the last session. I believe members of the opposition commended the minister for bringing forth that proposal. Efforts are under way to have that proposal widely discussed throughout the province. It will certainly come back as a matter for discussion within the Legislature at the spring session, quite probably with a form of legislation. It is just incorrect to say that that decision has been passed without there being consultation.

MR. CHAIRMAN: Thank you.

We'll give the Member for Calgary-Forest Lawn the opportunity to close the discussion on his recommendation.

MR. PASHAK: Mr. Chairman, before I get into that, maybe there is a point of order that must be raised with respect to that issue. Whether or not that is, in fact, how the committee proceeds, that when the mover of a motion speaks to it – is that how we're ruling? Is that going to be the ruling, that that automatically closes debate? I mean, I noticed that the Member for Edmonton-Meadowlark spoke on three different occasions on the first motion, so you're permitting more than one speech in some cases. I mean, the ruling is fine with me. I just want to know what it is.

MR. CHAIRMAN: In reviewing past process within the committee, it appeared that that was permitted. I'm in the hands of the committee. If the committee chose to change that, the Chair certainly would be agreeable to it. However, I believe it also has been customary to allow the sponsor of a recommendation closing remarks. So the Chair erred in not recognizing that on your first recommendation but is correcting it with the second. So please feel free to proceed with closing remarks on your motion.

MR. PASHAK: Just for the record, then, I'm assuming that if someone introduces a motion and then speaks a second time to that motion, that in effect would be closing debate.

MR. CHAIRMAN: My understanding is that the process has been that the sponsor of the recommendation speaks initially and to conclude remarks but does not speak in between. That does not preclude other members from speaking more than once.

MR. PASHAK: Fair enough. I just wanted to make sure that we all understood that.

Then with respect to the motion, I'd like to pick up on remarks made by the Member for Lloydminster. I think he suggested that somehow my hon. colleague from Edmonton-Avonmore was opposed to the establishment of the family and drug abuse foundation, and nothing could really be further from the truth. She was just raising it as a question that was only partially debatable in the Legislature.

I'd like to pick up, too, on the comments from the Member for Ponoka-Rimbey with respect to the same issue. It's true that some mention of this foundation was made in the throne speech and then was later raised again by the minister in a ministerial statement. On both occasions we did have opportunity in the Legislature to discuss the purposes, the aims, of the foundation and, I suppose, in a sense to vote for or against whether or not we thought it was a good idea to proceed with the foundation.

But the concern that's being expressed in this motion looks at a different aspect of this question, and it has to do with the specific way in which this foundation is to be funded. Although it may be a worthwhile goal to set aside \$200 million from the Heritage Savings Trust Fund and put it in an endowment foundation that will produce interest that will pay for the operation of the family and drug abuse foundation, I still think it's highly essential that the Legislature itself at some point should look at the specific way in which funds are transferred from the Alberta Heritage Savings Trust Fund to the foundation, because in order to take the \$200 million out of the Heritage

Savings Trust Fund to set up this foundation, we're going to have to liquidate some of our paying assets that already exist in the Heritage Savings Trust Fund.

As all members of this committee are aware, our assets are producing a return of some 11 percent annually, I believe. So now, by taking the \$200 million out of the Heritage Savings Trust Fund, we're going to lose 11 percent on that \$200 million's worth of investment, because we're certainly not going to realize a return to the Heritage Savings Trust Fund from the family and drug abuse foundation. All I'm saying is that we should be able to examine the specifics with respect to the way in which the foundation is set up by the use of the Heritage Savings Trust Fund. It shouldn't be just a cabinet decision; it should be a cabinet decision that comes before the Legislature for final approval and ratification.

I would suggest the same argument applies to our proposed involvement in the OSLO project. It may be very well for us to get involved in OSLO, but how are we going to do it? We're talking about getting involved in OSLO through using Heritage Savings Trust Fund dollars. Well, how are we going to get money out of the Alberta Heritage Savings Trust Fund to fulfill our commitment to the OSLO project? Well, one suggestion that has been put forward by the Premier would be to liquidate our ownership position in Syncrude. Now, we know that it's carried on the books of the Heritage Savings Trust Fund at some \$512 million. The Treasurer couldn't give me an answer when I asked him yesterday as to what the real value of that asset is. So certainly if we're talking about selling Syncrude to pay for our commitment in OSLO, that should be a matter that should come before the Legislature just as a matter of course.

My motion would permit that to happen. It says simply that the government of Alberta submit to the Legislative Assembly for its approval the annual financial plan for the Alberta Heritage Savings Trust Fund.

I think Albertans are entitled, just as a matter of normal parliamentary practice, to at least have access to a recorded debate on those issues. It shouldn't be an issue that's just dealt with by a cabinet committee meeting, in effect, in secrecy.

MR. CHAIRMAN: Thank you.

We'll move now to recommendation . . .

REV. ROBERTS: Mr. Chairman, just as a point of order or a point of information, can I just have a clarification as to why we do not take votes at the end of each motion or discussion? I mean, I know I'm new, but I've never been in a situation where we've had a debate about something and then not a vote taken. Then to come back to it several weeks later, it seems to me we'd maybe lose some of the threads of it. I'm unclear about that procedure.

MR. CHAIRMAN: The only light the chairman can shed on that is that the committee passed a motion at the organizational meeting that this would be the process. I assume that the process was adopted in an effort to give the committee the benefit of discussion and debate on all of the motions, to have them all before them and to make a decision on which of them they would choose to pass. A later debate may influence your position on this particular motion. I presumed that was the thought process that went into that decision and motion.

The Member for Calgary-Fish Creek on this point.

MR. PAYNE: On this point, Mr. Chairman, I think you are correct. I think it's also correct to suggest that, you know, there

is a remote possibility that the government members of this committee might come in with a predisposition that's negative toward an opposition recommendation. The proponent of that recommendation may very well advance arguments that might change the view of the government members, but they would not have an opportunity to caucus on these new arguments that have been advanced; hence, the value in additional time to caucus and discuss before making that final decision as to the vote.

MR. CHAIRMAN: Okay. Was there another point of discussion?

REV. ROBERTS: No, that's fine. Thank you.

MR. CHAIRMAN: Member for Calgary-Foothills.

MRS. BLACK: Mr. Chairman, I was wanting to comment on the closing remarks of . . . Is that a possible . . .

MR. CHAIRMAN: No, that's not part of the process, Member for Calgary-Foothills.

Member for Lloydminster.

MR. CHERRY: Mr. Chairman, just a small point. Of course, it probably doesn't . . .

MR. CHAIRMAN: It is on this issue?

MR. CHERRY: On what the Member for Calgary-Forest Lawn spoke on.

MR. CHAIRMAN: No, I'm sorry. The Chair has closed that discussion. We're discussing the point of information that was brought forward by the Member for Edmonton-Centre. If it's on that point, we'll allow it. If not, we'll . . .

MR. CHERRY: I withdraw.

MR. CHAIRMAN: Thank you. Are we clear, member, on that?

REV. ROBERTS: Thank you very much.

MR. CHAIRMAN: Okay. We'll move to . . .

MR. CHERRY: Mr. Chairman, now may I have a point of order?

MR. CHAIRMAN: Is it a true point of order or a point of information?

MR. CHERRY: A bit of both.

MR. CHAIRMAN: The Chair will hear it, and we'll decide.

MR. CHERRY: I just want to make the committee aware that the constituency that I represent is Lloydminster, not 'Lloydminster' or anything else but Lloydminster. I've heard it once; I've heard it a hundred times, the way it's pronounced. I don't pronounce any other constituency differently, so I want the constituency of Lloydminster pronounced the way it's supposed to be. Lloydminster. Thank you.

MR. CHAIRMAN: The Chair accepts that, and perhaps I have erred. If you'll commit to never calling me 'Addy,' I'll commit to referring to your constituency with the proper pronunciation.

MR. CHERRY: Thank you, Mr. Chairman.

MR. CHAIRMAN: Now, can we move to recommendation 13? Member for Calgary-Forest Lawn.

13. That the balance sheet of the Alberta Heritage Savings Trust Fund not include deemed assets and the deemed equity represented by deemed assets.

MR. PASHAK: Well, thank you, Mr. Chairman. In his report to the Provincial Treasurer, the Auditor continues to bring up this question, and the Provincial Treasurer has gone some way towards meeting the objections of the Auditor. He does now separate deemed assets from assets in the financial statement.

If members have their copy of last year's Alberta Heritage Savings Trust Fund report with them and turn to page 33, members will note that the assets of the Heritage Savings Trust Fund are listed at \$12,411,760,000 and the deemed assets are listed at approximately \$2.9 billion. It does create some confusion in the minds of Albertans, because on the one hand sometimes we're told that the real assets of the Heritage Savings Trust Fund are \$12.4 billion, and on other occasions, though, the \$2.9 billion is added in there so that we're told that the assets are \$15.3 billion. I think that the deemed assets should not be reported at all in the fund, that they don't make much sense to be included there, that they're very misleading.

I think that if members are interested in following this argument, if they'd turn to the capital projects division on pages 46 and 47 of the '88-89 annual report . . . I mean, how do you put a real value on some of the items, or virtually all of the items that are included there, in a financial sense? Does it make sense to sell, for example, the Capital City Recreation Park or Fish Creek Provincial Park? Sure, I guess we could, if we wanted to sell them to some investor, but the outcry from the public would be so enormous that those are virtually nonstarters to begin with. How could we sell the Paddle River basin development for \$41 million or our grazing reserve development for \$39 million? How could we sell the children's hospital or applied cancer research for \$38 million? Whereas those expenditures are worthwhile expenditures on the part of the public purse for the most part, they really aren't assets in the sense that they're financial assets that have liquidity. I just think it's critical, in terms of giving Albertans a real, true, accurate sense of what the Alberta Heritage Savings Trust Fund is, to comply with the Auditor General's recommendation that these deemed assets not be included in the Heritage Savings Trust Fund balance sheet.

MR. CHAIRMAN: Thank you.

Member for Edmonton-Meadowlark.

MR. MITCHELL: Mr. Chairman, thank you very much. I appreciate you giving me the opportunity to speak to this motion. I . . .

AN HON. MEMBER: Is this going to be a [inaudible] commentary?

MR. MITCHELL: . . . would really like to be able to speak without that kind of comment, but I guess I'm not going to be

able to.

I speak in support of this motion. I agree with the presentation made by the Member for Calgary-Forest Lawn that to continue to consider deemed assets in the way that the heritage trust fund annual report considers them is misleading. And it's not simply a political statement that we are making. That is a statement that has been supported year after year by the Auditor General of Alberta, who has insisted that deemed assets are not consistent with generally accepted accounting principles and that that should be removed from the annual report.

[Mr. Jonson in the Chair]

There are inherent, logical problems with the government's thinking. I want to say that I am sympathetic with the government's desire to indicate to the people of Alberta where the money has been spent. I don't have any quarrel at all with outlining to Alberta somewhere in that annual report that \$2.9 billion of money that went into the fund has been spent on capital projects. I think the government has a right to have that reflected so they're not treated unfairly by skeptics about where the money's gone, and the people of Alberta have a need to know about where that money has gone. For that reason, I would argue that there's nothing wrong at all with indicating a list of capital expenditures, one-time capital expenditures, in a note or a special section of the annual report. But to have that designation "deemed assets" anywhere near a balance sheet is fundamentally misleading.

I'll show you one of the logical problems that this is going to create. There is, of course, in this assessment of deemed assets, no provision for depreciation. So let's say that in 50 years the Walter C. Mackenzie hospital, outmoded now, obsolete now, is torn down. What's going to happen? We're still going to have \$2.9 billion of deemed assets on that balance sheet. Why wouldn't we? It's not worth what we built it for two years ago, but we say it is. So 50 years from now when it's torn down – what? – one day it's there and the next day it's not. Clearly, it underlines the logical improbability of the manner in which they are trying to assess these assets.

I am not arguing against indicating where that money has been spent. Yes, the government has a right to be given credit for where it's been spent. But I am arguing, as is the Member for Calgary-Forest Lawn, that it is highly misleading to call it any kind of asset – it isn't – that it is logically improbable the way they are accounting for it without depreciation. If you wanted to extend the process to its logical conclusion, we should include every single provincially administered and owned hospital in this province in the heritage trust fund. We should include every single provincially owned institution in the heritage trust fund. We should include every road, and we should include every provincial building in the heritage trust fund, because they are exactly what those expenditures, "deemed assets," are in the heritage trust fund. They are buildings; they are edifices; they are capital expenditures one time that are gone. We don't carry any of the other provincial hospitals as deemed assets in the books of the provincial government. Why would we carry the Walter C. Mackenzie hospital as a deemed asset on the books, the balance sheet, of the Heritage Savings Trust Fund? No reason at all.

But I would take it one step further than the Member for Calgary-Forest Lawn. Yes, he is exactly right in saying that the people of Alberta are misled by that designation, but equally importantly the people of Canada are misled by that designation.

At the very minimum, they think there are \$2.9 billion more in that fund than in fact there are. So they say, "Jeez, we're rich; Alberta's rich." We inflate it unnecessarily. We inflate it in a way that literally cuts our nose off to spite our face.

I support that motion, and I support it very, very strongly. I believe that we can no longer carry deemed assets on the balance sheet of the Alberta Heritage Savings Trust Fund. I don't see how any member of this back-bench Conservative Party, who construe themselves as tough-minded, hard-nosed, nitty-gritty business managers, would ever allow that to occur. I can see the Member for Lacombe looking at the balance sheet of his small business, where his accountant has said, "Well, I think you should include your 15-year-old truck on the books as a deemed asset." He'd take that into the bank, and he'd say, "This is one of my deemed assets. I think you should include the paving on your parking lot outside your establishment as a deemed asset." He'd take that to the bank, and you know what the banker would say? "Mr. Lacombe, this isn't worth the paper that it's printed on. It has no relationship to the value of your business. Take it off. You're misleading me; you're misleading us." And this is misleading the people of Alberta and the people of Canada, to our detriment.

MR. DEPUTY CHAIRMAN: The Member for Lacombe.

MR. MOORE: Well, Mr. Chairman, I sure welcome the opportunity to follow the eloquent speaker. He has misled, wandering around in his economics that are based on the criteria that Mr. Cormie built his corporate empire on, and I wonder who advised him in charge of corporate investments there. I'll tell you, when the Member for Lacombe goes into his bank with a list of assets, a truck is an asset, and so is land. Very good, but in the eyes of the Member for Edmonton-Meadowlark – he doesn't realize what an asset is, because he wanders in the nebulous area of whatever out there, entirely not based on fact. I just wanted to clarify that point.

But let's get back to the resolution. Now, I find this very difficult to understand, some of the statements that have been made about the way the deemed assets are listed in the annual report here. Now, I know that a lot of people say that we're bringing people through our educational system right up to grade 12 and further and they are illiterate; they can't read; they can't do this and can't do that. Now I'm beginning to believe that there are some cases like this, when they say that nobody can read this financial statement.

It says clearly on page 33 – and the Member for Calgary-Forest Lawn was correct. He pointed out that deemed assets were pulled out. There it is, separate, clear to be read, Mr. Chairman, very, very clear. I think anybody, no matter what type of education or what walk of life they come from, can see that. There are the assets. Where should it be? The Walter Mackenzie hospital has a tremendous value. It's an asset, and where should it appear but on the balance sheet on the assets side? I can tell you that any asset, including parking lots, as the member stated, has a value. A parking lot has a value on an asset sheet. It has a tremendous value. If you go downtown in the city of Edmonton, look at parking lots, how much value they have on the asset sheet.

It shows how much he knows about finances. It's unfortunate he's talking about them here in this [inaudible] supposed to be knowledgeable group and giving us this type of economics. I can't understand it, Mr. Chairman, because deemed assets are there. They are an asset. They should be on the balance sheet,

and it clearly says there, and not in small print, in schedule 6 – and I go to schedule 6 on page 46. In case the member couldn't follow it through, it's on 46 and there's an entire breakdown of it, which includes the 1988 value and the 1989 value.

[Mr. Ady in the Chair]

How clear can you do it? Are they suggesting we mislead the public by taking it out of the balance sheet, taking it out of the statement? I think that's a totally wrong way to go. If you really want to confuse the public, let's take that out and throw it out and do whatever we do with it. I don't know what we're supposed to do with it. It's supposed to be put somewhere else, but in the annual report, it's there. It's part of that fund. It came from that fund, and to suggest that all hospitals should be under that is ludicrous. They weren't paid for out of the heritage trust fund, so they shouldn't appear there. It seems the previous speaker didn't even have any knowledge by saying that all hospitals and all roads should be in there. Why should they be in there? They weren't paid for by the heritage trust fund, Mr. Chairman. I've listened this morning to so much misinformation being given out that I'm beginning to wonder why we have a committee if we've got this type of thinking on it. Maybe the original motion that we should go to public hearings and let them decide, if we have people like that thinking that . . . But, fortunately, I have more confidence in the majority of members here.

MR. CHAIRMAN: Thank you.  
Member for Clover Bar.

MR. GESELL: Thank you, Mr. Chairman. I'd like to speak on this matter a little bit, and I'd like to speak on it as a small businessperson. Now, some of the comments that have been made here today by certain members indicate that they want to link their comments to that particular role. I have some difficulty. I'm not quite sure whether they have any familiarity or any knowledge about small business in order to make those particular comments. But let me say that as a small businessperson, any value, any old truck, or whatever that is owned by that particular business is an asset to that particular business. Now, it can be a direct asset and readily convertible, liquidated into cash, or a deemed asset. I have some of those deemed assets myself, Mr. Chairman, that I've had for a long period of time; some property, for instance. Now, if that is not an asset anymore to my company, I'm in serious difficulty. I can take that to the bank and get a loan on that. I have difficulty liquidating it, but that's a different matter.

Now, my impression of accounting, Mr. Chairman, is that the accountant needs to provide and evaluate and attest to the fairness and completeness of financial transactions within a business, and this is what we are here, in this fund. You can equate it to that. Now, what the hon. member is suggesting is a motion that we artificially reduce that completeness of financial reporting, and I have difficulty with that because then you are providing information that is incomplete. The information that's provided here is quite clear. There is a distinction between assets and deemed assets. There's a listing of those particular deemed assets so that the reader of this balance sheet can make the proper evaluation. To me this is fair and complete accounting. What the members are suggesting here now is that, well, if they don't like a particular item on a balance sheet or it doesn't particularly agree with the case they wish to pursue or

make to the public or in this House, it then should be eliminated. Well, I'm sorry. That is not proper accounting, and I don't agree with it.

Thank you.

MR. CHAIRMAN: Thank you.  
The Member for Westlock-Sturgeon.

MR. TAYLOR: I'm sorry. I don't think I stuck my hand up, or am I expected to . . .

MR. MITCHELL: It was me, I think.

MR. CHAIRMAN: I'm sorry. That was on the list.

MR. TAYLOR: Well, I hate to pass up this opportunity, but maybe I could recite something . . .

MR. CHAIRMAN: The Member for Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Chairman. Just to follow my colleague from Clover Bar, he's absolutely correct. In accounting terms there's a generally accepted accounting principle called recognition and realization. When you have an investment, whether it be tangible or intangible, it must be identified for disclosure purposes on financial statements. That's called recognition of an investment. When you realize is when you make a disposal of that asset. In the case of the proposal that came forward, or indication that there might be a disposal of the interest in Syncrude, what has to happen is that the Syncrude asset has to be recorded on the financial statements at the investment level. When it is, in fact, down the road sometime disposed of, then the realization takes place of what the market value of the asset is. Until you have a disposal of an asset and a market value, then you have the recognition of the asset value as transferred, through a gain or a loss, on the disposal of the asset.

Now, these statements are quite clearly accurate. They've been audited, and the Auditor General is in fact correct in his clarification of the difference between an asset and a deemed asset, because you're looking at tangible and intangible asset values when you look at schedule 6. Investments into research would be more of an intangible nature, so they're called deemed assets. As long as there is a clarification on the financial statement to separate the two, which in fact there is, between assets and deemed assets, then the accounting procedures are absolutely correct. I think one thing that we have to keep in mind is that we have to recognize the investment, and then we realize it on the disposal. That's the difference, and that's a generally accepted accounting principle that comes up. It's been talked about in terms of – but that is the [inaudible] thing. The major portion is that we must have disclosure on financial statements, which in fact we have. So they have complied with the generally accepted accounting principles by the reclassification into deemed assets.

So I don't think there's any misleading that has taken place. In fact, when you look through the asset classification, they talk about the liquid assets in cash and marketable securities in schedule 1, and they go through all of the various classifications of the assets and then go into deemed assets. So they're clearly recorded correctly. The compliance is listed within the Auditor General's general statement of compliance.

MR. CHAIRMAN: Thank you, hon. member.

We'll recognize the Member for Edmonton-Meadowlark.

MR. MITCHELL: The Member for Calgary-Foothills in her comments kept referring to the value of an asset being related to its disposal value – I believe the term she used – which is an operative concept in assessing deemed assets.

What, I wonder, would be the disposal value of the Walter C. Mackenzie, for which there is absolutely no market? Unless, of course, the government is claiming that it will seek a market and sell that to public interests. What, I wonder, would be the value of Fish Creek Provincial Park in anything but purely hypothetical terms, unless of course this government is intending to privatize Fish Creek park and sell it to somebody. What, I wonder, would be the value of the Capital City Park? What market is there that would create a disposal value for that park? I can go on. Clearly, there is no disposal value; clearly, there is no market value; clearly, that designation has absolutely no right to appear on a financial statement, on a balance sheet, in the way that it does.

Secondly, the Member for Lacombe keeps talking – they all do – about these deemed assets. But, you know, they are very, very careful about what assets they use as the base upon which they determine the earnings of the Heritage Savings Trust Fund. Isn't it interesting? They brag about the heritage trust fund having 11 percent earnings. Now, if I take for '88 \$1.3 billion and I put that over \$15 billion, which is of course the amount of the trust fund "assets" if you include deemed assets, I don't get 11 percent return; I get 8.5 percent return, give or take a few points. So my point is that on the one hand, they want to say, "Look; we have all this money there," but when it comes to showing how wise they are in the management of that money, they don't include it in the assessment of return because if they did, the return would be about three percentage points lower.

The point is, Mr. Chairman, if you're going to call it an asset, then live with its being an asset and factor it into your return calculations. If you're not going to call it an asset and you're going to do what the Auditor General tells you to do, then take it out, and then you don't have to factor it into your calculations. You can't have it both ways. It's misleading to do that.

MRS. BLACK: On that point, Mr. Chairman . . .

MR. CHAIRMAN: Hon. member, you'll have to wait and come in on your rotation.

Member for Edmonton-Avonmore.

MS M. LAING: Thank you, Mr. Chairman. We seem to get the impression from hearing the recent comments that somehow those of us who support this motion are just making it up from nowhere, or somewhere, without any foundation. I would read into the record from the Auditor General's statement in the heritage trust fund report these words:

The practice of including deemed assets and deemed equity represented by deemed assets on the balance sheet is not appropriate nor is the presentation in accordance with generally accepted accounting principles.

Now, if we're hearing from these members that in fact this is good accounting practice, then how do they square that with what the Auditor General has said? In addition . . .

MR. CHAIRMAN: Hon. member, could I just make a point? Since you're reading something into the record, would you also state the year of the annual report that you're reading that

from?

MS M. LAING: Yes. It was 1989, and the date of the statement is July 11, 1989.

So one has to say: how do the statements that this is standard accounting procedure square with the Auditor General's statement? In addition, we can say – the example used is that a 15-year-old truck could be considered an asset, but certainly it would not be an asset at the level at which it was purchased, unless of course you said after 15 years it was an antique. You could also not say that a paved driveway was an asset that could be liquidated. So again I think we're using some fancy talk to not deal with the real issue. As the Member for Edmonton-Meadowlark has stated, when we're looking at assets, we want to say, "Are they disposable?" I would suggest that applied cancer research and applied heart research, which are both considered deemed assets, could not be sold to anyone.

MR. CHAIRMAN: Thank you.

Member for Calgary-Foothills.

MRS. BLACK: Further on that point, I think the major thing in accounting is disclosure on the statements. When you make an investment into cancer research, you have made an actual investment. It would likely be an intangible investment, and I think you have to disclose that investment. From what the Member for Edmonton-Meadowlark indicated, to wipe that out, I think is not showing a clear picture of the investments of this fund. Because they have been categorized separately from the other assets of the fund, that is your indication that these are different types of assets of this fund. I think the people of Alberta want to know what has been invested from this fund, whether it be applied cancer research, whether it be the Alberta foundation for medical research. I agree with the Member for Edmonton-Avonmore that there is no resale value in that. But I think the investment as an asset in the future, keeping in mind what the objectives of the Heritage Savings Trust Fund are, is what makes this absolutely necessary. When we go back to the three major objectives of the fund, they are

1. to save for the future,
2. to strengthen and diversify the economy . . . and
3. to improve the quality of life for Albertans.

There are going to be investments from this fund that are going to fit in "the quality of life." We can certainly see that through items like the foundation for medical research, like the cancer research foundations, that are not going to be liquidated or down the road you could not sell those off. So I think it's very imperative that through this fund we expose our investment and disclose that on a financial statement, and we classify it separately under deemed assets. I think that's imperative for that disclosure to be there, not sitting somewhere else. So I disagree totally with the Member for Edmonton-Meadowlark that it should be removed from the financial statements. As long as it's classified as a separate item on the financial statements, then it is clear to anyone who is reading those financial statements with the clarification that, in fact, has come from the Auditor General, which is in fact correct. But it's a clear disclosure, and that's the key thing.

MR. CHAIRMAN: Thank you.

Member for Edmonton-Meadowlark.

MR. MITCHELL: Mr. Chairman, thank you. I would like to further the point made by my colleague from Edmonton-

Avonmore by reading two other statements from the Auditor's report on page 32, dated July 11, 1989. The first statement supports the point that I made earlier, that the operative concept in valuing an asset, however you want to call it, is that it has some value on disposal. The Auditor General's statement that I will read now addresses that point precisely.

Deemed assets represent amounts expended which are not recoverable by the Fund and where assets do exist, they belong to other organizations.

Point made.

The second excerpt that I would like to read from that Auditor General's report is as follows:

In my opinion, except that the inclusion of deemed assets and deemed equity represented by deemed assets on the balance sheet is not appropriate as explained in the preceding paragraph . . .

Except.

. . . these financial statements present fairly the financial position, the implication being that that portion of the financial statements which deals with deemed assets does not present fairly. That is, they present unfairly the financial position of the fund. I think it is a fait accompli. It is an open-and-shut case, and I am personally disturbed that the members from the government side of this committee continue to support what can only be a misconstruing of the assets of the fund. I think it doesn't dignify them. In fact, in the long run I think it erodes the entire credibility of the fund, because what happens is that people can look at them and begin to say, "Well, if those assets aren't real, what assets are real?" That, in fact, is what is happening. People are beginning to focus on the unreality of those assets, and it will backfire politically on the government itself. We're going to help to make sure that happens.

MR. CHAIRMAN: Thank you. That's the conclusion of the discussions on that.

We'll offer an opportunity to the Member for Calgary-Forest Lawn to conclude discussions on this recommendation.

MR. PASHAK: Thank you, Mr. Chairman. I'm going to touch on some comments that have been made by other members.

First of all, I agree with the Member for Calgary-Foothills, who says that it's clear to anyone reading the financial statement that there is a separation between assets and deemed assets. But not everyone has an opportunity or knows how to read a financial statement. We're talking about the perception that the general public has with respect to the fund. To include the deemed assets in the balance sheet of the Alberta Heritage Savings Trust Fund report is what we're objecting to, and we've made the point repeatedly. It is misleading as far as the general public is concerned.

I also agree with the Member for Calgary-Foothills that there should be some recognition and realization of these deemed assets, and as the Member for Edmonton-Meadowlark pointed out, that could easily be done by just having a statement in the report showing where Heritage Savings Trust Fund dollars have been spent in the interests of Albertans. I think that quite legitimately the government can take some considerable pride in these expenditures. We're not quarreling with the government getting recognition and taking pride from these expenditures; what we're objecting to is including them in the balance sheet: that, pure and simple.

Well, then, that raises the question of where these assets should be reported, where and how, as a matter of fact, these assets should be reported. I'm sure the members are aware that there are general accounts for the province of Alberta that list

all of the capital assets of the province. Those assets should most properly be reported there. How they're to be reported, I think, is answered by having them reported in the general accounts, because there are criteria that are used to determine what an asset of the province is. I'm not in any position to look at the capital projects division deemed assets and say: what's a real asset? Are grazing and reserve development lands worth \$39 million a real capital asset for the province, or is applied cancer research an asset that should be included under the capital assets of the province of Alberta? No, but we do have a criterion that would allow us to go through all these so-called reported assets and separate out the ones that have a redeemable value of some kind from those that don't. The money's already been spent.

So just from the point of view of giving the public, you know, a good understanding of the real value of the Heritage Savings Trust Fund and in order to comply with what the Auditor General has suggested are proper accounting procedures, I think it imperative that this committee support the motion to have the deemed assets and deemed equity represented by deemed assets not included in the balance sheet of the Alberta Heritage Savings Trust Fund.

MR. CHAIRMAN: Thank you. If I could have the indulgence of the committee for a moment, I've been informed by the hon. Doug Cherry, Member for Lloydminster, that we have in the gallery grades 11 and 12 from the E.H. Walter school in the Paradise Valley area visiting us today. We would just like to tell them we'd like them to stand, and we'll give them the applause that we usually give to members who visit the gallery. Thank you.

If I could just take a moment to explain in detail what's happening here. You're visiting the Assembly on a day when the select Standing Committee on the Alberta Heritage Savings Trust Fund Act is meeting. It's a 15-member committee made up of all parties. They have various ministers and other interested parties come before them to question them, and then bring forth recommendations to the government of the direction that the Alberta Heritage Savings Trust Fund should, in their opinion, be directed in. So the process is ongoing. We are now to the point where we're discussing the recommendations that have been brought in by the various members of this committee. So we hope you enjoy your visit with us today and appreciate you coming.

We'd like to now move on to the next recommendation. The Member for Calgary-Forest Lawn.

14. That the mandate of the Auditor General be expanded to include the evaluation of the effectiveness, economy, and efficiency of the Alberta Heritage Savings Trust Fund investments and expenditures.

MR. PASHAK: Thank you, Mr. Chairman. Again, this motion has to do with the general concern of accountability. What it is attempting to introduce into the accounting processes of the province is this notion that is being used by government departments across the country and at all levels of government; that is, that we should be using value-for-money audits which are based on examining the effectiveness, economy, and efficiency of essentially government operations, with a view to generally accepted accounting principles.

Now, it's not just governments that are using value-for-money audits. This process is being increasingly used by private companies as well, particularly now that environmental issues are



at the top of our public agenda. Some companies will take a look at their own accounting processes, not just from the point of view of dollars and cents kind of accounting but looking at the purposes and goals of the operation of an organization with respect to a range of what you might call social issues.

Now, the way that a value-for-money audit should ideally operate is for a department to engage in these kinds of audits, because they're only going to work effectively if department managers are committed to this process – the looking at the operation of their own departments from the point of view of effectiveness, economy, and efficiency – and often these audits proceed in conjunction with internal auditors and sometimes with specialists who are employed by auditing companies. Then the role of the Auditor General really is just merely – not merely, it's an important role – to sit and evaluate whether or not these value-for-money audits have been conducted in terms of value-for-money principles and sound auditing principles.

I could provide, I think, some examples of where it would be in the public interest to conduct such audits. For example, we've raised questions with the minister when he was before us with respect to Alberta Mortgage and Housing Corporation. Well, if the Heritage Savings Trust Fund committee was in a position to, in effect, ask of the minister that he conduct a value-for-money audit of the Alberta Mortgage and Housing Corporation, I think that could possibly have led to a significant savings over the long haul, because we all know that the value of that organization had to be written down recently; it's had to be written down over the years. Maybe that whole organization could have been operated in a much more effective way from the point of view of the public treasury and the public purse. But we really don't know that unless the kinds of audits that I'm talking about are conducted.

So what my motion does is just basically introduce into this whole public accounting sector the sense that value-for-money audits are important and that the Auditor General should play a role in determining whether or not those audits are conducted according to sound accounting practices and principles. I think that if we moved in that direction we would generate enormous savings at all levels of government expenditure for the citizens who have to fund government operations out of minimal incomes in some cases and in situations where it's increasingly difficult for governments to raise tax dollars and where increasingly there's a revolt against wastage and unnecessary expenditures on the part of government.

MR. CHAIRMAN: Thank you.

The Member for Clover Bar.

MR. GESELL: Thank you, Mr. Chairman. I'd like to define some terms first and then deal with the topic a little bit more generally.

The term "evaluation of . . . effectiveness, economy, and efficiency" is also known – as the member has referred to – as value-for-money auditing. [interjection] Yeah. It's a triple E of accounting, I suppose. But more important, it's a triple E of accountability. It's also known as the comprehensive program review, and having participated, Mr. Chairman, in a number of what I call comprehensive program reviews, I have some experience in that area. I've participated with the city of Calgary, and they have implemented that type of review of their programs. I must stress it's a management review; I'll clarify that in a little bit more detail. I've also participated quite actively in the county of Strathcona as a chairman of the audit

review committee and as chairman of their comprehensive program review task force.

Now, I need to first of all clarify the responsibility. There's a difference between auditing and accountability, and I think that's perhaps where we're getting confused a little bit, and perhaps the members might be a little bit confused. Basically, the management is normally expected to report on its performance. That's part of a management function; that's accountability that I'm talking about. The auditor then attests to the fairness and completeness of that reporting that's being done by management. I think that's an important aspect to keep in mind.

Now, I totally agree with the philosophical concept of comprehensive program review or, if you like, value-for-money auditing, although that term is not used that much at this point in time. The concept is correct. I think there needs to be that accountability, and if that is there, it's an effective vehicle for government, for the private sector, in order to deal with the public and ensure that there is, in fact, efficiency, economy, and effectiveness in whatever service or program is provided.

If accountability, though, is the true objective of this particular motion, then I think it's up to management to do its own performance reporting rather than continue passing the job on to the auditing community. I need to stress here that there are certain factors that need to be taken into account when we're talking about a comprehensive program review, and that is that there needs to be a comprehensive involvement by those people who are actually providing those services; otherwise, it doesn't function well. It's not a situation where the auditing process – as I suggest, the comprehensive program review – is put into place in order to cut jobs or strictly for cost efficiency; that is not its main objective. The objective basically is to evaluate the services that are being provided; to ensure, number one, that they are essential and required by the public out there; two, that they're provided in the best possible fashion; and three, that there is some economy as well. Economy is a result when the process is handled properly, and when the process is handled properly, it is undertaken by management. There is a buy-in by management into this process, and that's the essential part. It's not the auditor who is the essential part in this process; it's management.

In going by past experience, when you review, say, a transit system, you'd want to have an expert in that field to be part of the team that reviews with management those services that are provided. It's not the auditor who is the main vehicle or the main person who actually drives that review. So I feel that although I agree with the concept of a comprehensive program review – and it's been discussed in the throne speech, and I think it's necessary that we do that – I disagree with the direction that the member is taking here by passing that on to the Auditor. I do not believe that is correct. It's a management function, and that's where it needs to remain in order for it to work effectively.

So if the motion were worded differently so that management were to initiate and undertake that type of review, I could support it, but not in its present form.

MR. CHAIRMAN: Thank you.

Again, with the committee's indulgence, we have some visitors in the gallery. I'm told that in the gallery on my left we have additional students from grades 11 and 12 in the E.H. Walter school in the Paradise Valley area. I'm informed of this by the member of this committee for the Lloydminster constituency. I'm not sure who this group is here, but obviously a school

group. We welcome both of them with us. We would like to advise them that you're watching the proceedings of the select Standing Committee on the Alberta Heritage Savings Trust Fund Act, and that we're presently debating recommendations that have been developed by members of this committee. At a later date they will be voted on, and you're watching the process that takes place. We welcome you here and would ask that both groups please stand, and we'll give you the warm welcome afforded by this Legislature and this committee. We're happy to see you visiting the Legislature.

Now, do we have any more speakers on recommendation 14? [interjection] As a speaker, hon. member?

Hon. Member for Westlock-Sturgeon.

MR. TAYLOR: Recommendation 14. I have trouble with the motion, too, like the Member for Clover Bar, because I feel that indeed effectiveness is a management function. But I was wondering if we're possibly mixing up the duties of an auditor and an audit committee.

The audit committee, which I think we're supposed to be, more or less – but we limit it to one or two questions of a cabinet minister who quite often soliloquizes for half- to three-quarters of an hour on the great and wonderful things he or she has done. So as an audit committee we're quite ineffective from being able to really to get at the nitty-gritty. Also, I gather we don't have a budget to retain an accounting expert to help take apart these things, which I think is really in a corporation. I've served on a number of boards of directors; the audit committee is the one that goes after the effectiveness, as you want to call it, and economy and efficiency. I agree with the Member for Clover Bar. The auditor is really there not to make decisions on how stupid the move was you made but just to make sure that you did it properly. It's not the brightness of the move that the auditor looks at but whether it was done properly and no money was taken aside and nothing pocketed. So our duties, I think, are circumscribed a lot by the method we use.

But I find myself in a bit of a quandary. If we're not going to get more chance to go after cabinet ministers, more chance to take these ministers apart or their administrations apart, then, I suppose, expanding the Auditor General – but giving the Auditor General a huge department to wander around and second-guess the government on efficiency bothers me too.

So I guess I'm really trying to say, Mr. Chairman, that I see what the Member for Calgary-Forest Lawn is driving at, and in the absence of any other way, it's probably better than what we have now, but I'd like to spend some time thinking how we could spruce up our committee to be a little bit more penetrating in going after the effectiveness and economy of some of these moves.

MR. CHAIRMAN: Thank you. If there's no other discussion, we'll give opportunity to the Member for Calgary-Forest Lawn to make closing comments.

MR. PASHAK: Thank you very much, Mr. Chairman. I'd just like to comment on the two remarks that were made by other members of the committee.

With respect to the Member for Westlock-Sturgeon, I agree with him. I think that this committee does need some research backup. Earlier in today's meeting I'd indicated that I would like an opportunity at some point to discuss the way this committee itself functions. I certainly think that all members of the committee could benefit from having some full-time research

people attached to the committee, and part of that expertise that group would have would be accounting ability, so that we'd be able to ask and focus in somewhat more sharply on ministers when they appear before us.

With respect to the comments by the Member for Clover Bar, I agree with him on most things. There's one major issue that I disagree with him about. It's too bad; I just wish – well, anyway . . .

MR. TAYLOR: He's out looking for the press.

MR. PASHAK: He's out looking for the press. No.

I think he did make some really significant comments. It's just too bad that we can't amend our motions at this point, because I would be prepared to amend my motion in light of his comments; I think they were quite valuable. I agree with his notion of comprehensive audit, and I agree with him that management should be the key partner in any kind of comprehensive audit that's undertaken.

Where I disagree to some extent with the Member for Clover Bar is on the question of who should initiate comprehensive audits. I think that if management within various department want to take that initiative and go ahead and trigger a comprehensive audit, they should be encouraged to do so. On the other hand, though, I think that there has to be some other body that can suggest to departments – and maybe even go beyond a suggestion; require some departments that are obviously ailing, like the Alberta Mortgage and Housing Corporation – that a comprehensive audit be undertaken of those operations. Then the question becomes: who should be able to trigger or initiate those audits? Well, I certainly think the Heritage Savings Trust Fund committee should be in a position to do that. Now, whether they can just have these audits occur automatically upon the request of the committee is another question. There would obviously have to be some budget allocation that would be available that would allow this to happen, or perhaps the Heritage Savings Trust Fund committee might have to go before the Legislature itself and request that a comprehensive audit be conducted and get the full approval and support of the Legislature to do that.

All I'm suggesting here, though, is that if these audits are undertaken, the Auditor General should be in a position to evaluate whether or not they've been done according to comprehensive auditing principles. I agree that the wording of my motion is not particularly clear in that respect, but in any event I would ask . . . I think it gives a general direction, though, to what I would like to see take place.

MR. CHAIRMAN: Thank you.

We'll move to recommendation 15. I recognize the Member for Calgary-Forest Lawn.

15. That all agreements between the Crown and private sector involving the use of facilities provided by funding from the Alberta Heritage Savings Trust Fund include provision for the recovery of the capital costs of those facilities.

MR. PASHAK: Thank you, Mr. Chairman. That's the last of the motions that I've presented. This motion arose from our visit to Kananaskis Country. That's an outstanding, marvelous facility. Not just Calgarians but people from southern Alberta and, in fact, the whole province use Kananaskis Country as an important recreational facility.

However, there were some aspects of that facility, particularly

the golf course, that caused some concern for me. The golf course is provided for out of funding from the Heritage Savings Trust Fund. If it was run on a nonprofit basis and if it didn't lose money and the green fees players pay paid for the full cost of providing that rather elite facility, I'd have no objection to it being established through Heritage Savings Trust Fund dollars. But to the extent that someone uses capital facilities that are in any way provided for out of public money and then makes a profit out of that provision of facilities and doesn't pay back their share of the public dollars that have gone into that capital project, really bothers me. I find it really objectionable. So I've just suggested that whenever the Crown – that is, the province of Alberta – enters into an agreement with some private-sector operator using a facility that's either in total or in part paid for through public dollars, there should be some way of paying the public back the cost of that portion of public dollars that he's using to make money.

MR. CHAIRMAN: Thank you.

The Member for Ponoka-Rimbey.

MR. JONSON: Mr. Chairman, I have some sympathy for the direction of the motion being put forward by the Member for Calgary-Forest Lawn, because I think there may well be instances in many areas of government where we should be looking at private operation. If the nature of that private operation is such that there could be a maximizing or increasing of return to the government in that operation for the recovery of the cost of capital facilities or whatever, that should be pursued. But I guess here we have also one of the – I don't if it's exactly a dilemma, but certainly one of the classic cases where you have different objectives that you're trying to serve that just don't always come out in the perfect business sense.

In the case of the Kananaskis golf course, I can recall a debate about this facility, when it was being built, becoming an elite facility and a facility that would not be readily accessible to all Albertans. I think that argument that was presented at that time has proved to be incorrect or unfounded, because one of the objectives behind creating Kananaskis was to provide a set of facilities of top quality which could be within the realm of possibility of use by all Albertans. I've had people from my constituency coming to me and saying, "Well, why aren't you charging at the Kananaskis golf course a rate comparable to what other facilities of that nature are charging?" I remind them, and they appreciate the fact that one of the things the government wants to happen is for Albertans to be able to use that remarkable facility.

The other thing I think we have to look at is whether we should be able to compare the operation of that facility by a private contractor with what it would cost to operate it in the public domain with government employees and so forth. I believe that it is operating probably more cheaply than we could be operating it ourselves as a government, and certainly there has to be some profit incentive; there has to be some reason for a contractor to go in to operate such a facility.

So, Mr. Chairman, I would be supportive of a motion that might have recommended the consideration of all aspects: public versus private operation, and just what the feasibility of recovering capital costs is versus the objective of keeping green fees reasonable, if I can use that example. But to just zero in on getting the capital costs back without considering those other objectives that were involved in the whole Kananaskis project – I can't support the motion as is.

MR. CHAIRMAN: Thank you.

Member for Edmonton-Centre.

REV. ROBERTS: Thank you, Mr. Chairman. I, of course, basically agree with the philosophy underlying this motion: that basically where there are public moneys invested in some capital projects and then sort of leased out to the private sector, who are making money, some of that really should be returned, particularly to recover some of the capital costs.

I also agree with the Member for Ponoka-Rimbey in terms of trying to evaluate public versus private efficiency and operation in that regard, and what the objective would be. In this particular case, when you're looking at objectives and perhaps incentives for why such a payback should go on – and it's a good example with the golf course there; I mean, I understood they were overcrowded and lined up and people couldn't get on and get tee-off times when they wanted to and that they, in fact, wanted to expand and get another 18 holes or so – I think it would be smart for government to say, "Well, sure we can maybe entertain that expansion provided that, again, there's some capital recovery from you; if you give us some moneys back in terms of recovering our costs, then maybe we'll consider matching that or provide some incentive for then expanding to get another golf course in Kananaskis."

I think that would serve two purposes: one, it would help to preserve the fairness of the arrangement, and secondly, it would help to meet the need as it's expressed for more golf facilities there. I don't want to see the entire Kananaskis eaten up by fairways and greens, however, but I think to the degree that it's feasible to want to expand the golf facilities, it's also feasible to say, "Let's have this kind of incentive in which moneys would be paid back to the Crown." And then the Crown would, in a joint venture – or consider with the folks down there – spend it back out into further capital costs and construction.

So for those reasons I would certainly want to support the motion.

MR. CHAIRMAN: Thank you.

Is there any other discussion on this recommendation? If not, we'll give the Member for . . .

MR. TAYLOR: If I could make one short comment . . .

MR. CHAIRMAN: Member for Westlock-Sturgeon.

MR. TAYLOR: I see what the hon. Member for Calgary-Forest Lawn is driving at: that we should try to recover some money from the use of the facilities. But if it's a choice between the facilities not being used because we're trying to get the capital as well as operating, and being used, I'd rather lose a little money. Because once they're built, you have to . . .

I think it's unfortunate. I think we should try to move it up to what the market will bear to try to recover, first, operating costs, and second, capital costs. I don't know if we'd go far enough to go for the profit on the third cost, but certainly consideration should be given to it, because I know that when touring Kananaskis park, I was struck by the fact that if we just charged a dollar or two more from every visitor to the park, we could balance our operating budget at least. I think maybe some of the people operating these things should be acquainted with the fact that we'd like to, if not pay as you go, at least recover some of the taxpayers' funds from it.

MR. MITCHELL: Mr. Chairman . . .

MR. CHAIRMAN: As a speaker, hon. Member for Edmonton-Meadowlark?

MR. MITCHELL: I would just like to make one point that's related to this motion, and that is that at the very minimum – so we can assess the economics of a CP hotel in Kananaskis being able to pay or not pay a fee, given the market circumstances within which it finds itself in the Kananaskis park, or that the golf course management company may or may not be able to pay a given level of fee to the Alberta government that would reflect our capital investment in the golf course and, previously, in the hotel or the facilities around the hotel – I think it is essential that this committee and the public have access to agreements between the government of Alberta and commercial operators in a place, for example, like the Kananaskis golf course. It's very, very difficult for us to assess whether or not the arrangements in such agreements are appropriate until such time as we can see those agreements. It's just, again, an example of very, very closed government.

MR. CHAIRMAN: Thank you.

If that's all the discussion, we'll allow the Member for Calgary-Forest Lawn to have closing remarks.

MR. PASHAK: Thank you, Mr. Chairman. I think all the points have been made. Again, just to repeat in conclusion and take into account what the Member for Westlock-Sturgeon said, I think no one wants to see these facilities, once they've been provided for, shut down. So if they're just operating at a break-even basis, or even at a loss, then the provision wouldn't require the recovery of capital costs. That would only be on the basis, of course, that these operations would be making money.

I think that basically concludes what I have to say on the question.

MR. CHAIRMAN: Thank you.

We'll move to recommendation 1. I recognize the Member for Calgary-Fish Creek.

1. That the goals, objectives, and performance of the Alberta Heritage Savings Trust Fund be reviewed by the select committee and that private-sector consultants be retained to assist the select committee in its review.

MR. PAYNE: Thank you, Mr. Chairman. Initially I'd like to clarify that there are two parts to the recommendation; the first part, of course, being the proposed review of the goals, objectives, and performance of the heritage fund, and the second part makes reference to the use of private-sector consultants to assist the select committee in such a review.

At the outset, Mr. Chairman, I want to emphasize that it's not my intent with this recommendation to suggest that the heritage fund's performance has in some respects been deficient. By any number of criteria I think it's safe to say the fund's performance has been outstanding. Having said that, however, let's acknowledge that it's been a dozen years since the fund was established, and frankly, Mr. Chairman and members of the committee, I feel that any program that's been operating for 12 years runs the risk of idea stagnation. Additionally, it runs the risk of assuming that it's right because that's the way it's always been done.

Now, I recognize, of course, that the select committee meets

annually in a form of review, and it's a good and useful mechanism; there's no question about that. But I think it's also safe to say that the select committee process tends to focus on somewhat partisan positions from both sides, especially during the debates of recommendations, and the thrust of my recommendation is to provide the members with, if it's possible, a nonpartisan, creative phase in its deliberations whereby we'd go back to square one and see if the original legislation, the original divisional structure and the original ground rules for the select committee, fit the Alberta of the 1990s, acknowledging, of course, that they were formulated in the Alberta of the 1970s.

Now, I think all the members here today, both opposition and government, recognize how much our province's economic picture has changed since the mid-70s. It seems to me that our select committee review would be aided immeasurably by bringing into our deliberations men and women with a variety of professional and academic qualifications, including people from other jurisdictions. Such outside resources could greatly increase the probability of new approaches and new ideas coming forward that could well stimulate the select committee in its important work.

You know, I hearken back to my days in the advertising agency business, where we'd sit around the table and my boss would say: "First off, there's no such thing as a bad idea today. No one needs to feel fettered in any way." We would attempt to trigger just a free-rolling discussion because this individual's idea, although it may not be inherently great, may trigger an inherently great idea in someone else. There's a certain synergism that flows in that kind of creative process, and it's that kind of process that I think should be factored in periodically to the process of the select committee. It may well be that out of such a review process could come confirmation of the fund's stated goals and objectives and that they're being successfully achieved. On the other hand, it's entirely possible that some useful new approaches could be considered and eventually adopted to the long-term benefit of the fund.

In any case, Mr. Chairman, I submit that the people of Alberta, who are the owners of the fund, and the MLAs, who are their representatives in the ownership of that fund, could be well served by such a review.

MR. CHAIRMAN: Thank you.

The Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Chairman. I'm often impressed by the Member for Calgary-Fish Creek – I nearly had Sheep Creek there for a minute. This time is one of those times I think he's certainly hit the nail on the head. Although I drive a 12-year-old car, I still would like to test-drive a new one now and again. The idea that this program's been going on for 12 years without any evaluation and analysis – and as the member so well said, sort of a brainstorming idea to see, along with some investment consultants, what this heritage trust fund committee could do would be well worth while. Certainly I think there's a great deal of talent on the committee here. It would be most interesting to have a free-wheeling discussion at the restructuring and an examination of the goals and everything to do with the heritage trust fund, and I heartily support the idea.

MR. CHAIRMAN: Member for Edmonton-Centre.

REV. ROBERTS: Thank you, Mr. Chairman. I, too, just want to echo my support of this motion for a number of different

reasons.

I guess, again, being a new member of the committee certainly I've learned a lot about the functions and the workings of the trust fund. But I find I have been aided by some literature on this fund and other funds which has been worked at by some researchers and academics that have had some extra resources and time in a nonpartisan way to look at the objectives and performance of our fund and other funds. That's been extremely helpful to me, in fact. I didn't know whether other members had access to this. I think there was a Peter Smith from Athabasca University here; there was another professor from the U.S., who in a conference on wealth distribution - I just exactly forget the details of it, but some very keen minds looking at the vital business of investing huge sums of money on behalf of people of various jurisdictions. So I think if that's been helpful to me as a new member and I think other people can benefit from that as well, it would be helpful even to more experienced members to further that process and to get, whether it's someone academic or a private-sector consultant, points of view in a not neutral but at least a nonpartisan way. They don't really have an axe to grind; they just want to get out some of the goods and have some good academic and scholarly ways of going at that. So for that reason I would support it.

When the Premier was before us, members will recall, I asked him a question about whether any polling had been done with Albertans about their understanding of the fund or any kind of public review kind of process that he was aware of. I don't have the *Hansard* in front of me, but if my memory serves me correctly, he said no, he couldn't remember that, although there was something done about five or six years ago. But he said maybe it's time that we do that. He sort of left it in the hands of the committee, but it seemed the Premier himself was saying, "Yeah; okay, let's get on with having an extra look at the whole fund," and to do that with some genuine interest to improve things.

So I would think, given our own inclinations and this motion and the Premier's own open mind and direction, it would be a worthwhile thing to pursue. I think we have all kinds of green lights to proceed with accepting this motion.

**MR. CHAIRMAN:** The Member for Calgary-Forest Lawn.

**MR. PASHAK:** I just would like to say that I, too, agree with the motion by Mr. Payne. In terms of the motion that I presented earlier, it represents half a loaf, but I would argue that accepting half a loaf is better than none.

I agree with some of the comments he made as well. I think that too often in the political arena we get involved in ad hominem personal attacks - we want to blame people for things that have gone wrong, and we look at the mistakes - and to some extent it's important to review the historical record with a view to trying to prevent errors that have happened in the past from occurring again. But to dwell on them, I think, is fundamentally wrong. We want to look towards the future and constantly improve our performance, and I think that by implementing this motion, we move in that direction. I think it would be very important for the province for this committee to sit down as a committee, and with good, solid advice from the private sector and perhaps from the university community and from wherever, to conduct the kind of review that's proposed in this motion.

So I support the motion by Mr. Payne wholeheartedly and unreservedly.

**MR. CHAIRMAN:** Thank you.

The Member for Edmonton-Meadowlark, followed by the Member for Ponoka-Rimbey.

**MR. MITCHELL:** Mr. Chairman, I too support this motion. I believe that it is a very appropriate motion and very balanced in its premise.

Setting aside the politics and the repartee, one of the concerns I have is that if you assess the resources this committee has to evaluate the fund from year to year, there has to be some concern, because we really don't have much in the way of resources beyond the membership on the committee, and of course, that membership is pulled in many different directions.

On the other hand, the resources that are brought to bear on the management of the fund, and to which we have some access through the hearings process, have a huge stake in the status quo. The Treasury Department, for example, manages the fund. It would be very difficult for it to point out, in answer to questions from this committee, problems that it might be encountering. Beyond the Treasury Department there are the various foundations and their staff, but each of those groups has a certain vested interest in the status quo and in convincing this committee that what is being done is being done appropriately. The committee that is charged and on which a huge responsibility rests for the review of the fund and to act responsibly in a watchdog role - our committee - is without its own staff to do in-depth and detailed analysis.

So I would agree with the Member for Calgary-Fish Creek that the retaining of private-sector consultants to assist in a review at this time would fill that gap in the resources of this committee on a timely basis and allow us to review the fund in an in-depth way, which has been more difficult to do in the past, and certainly 12 years is an appropriate time after which that kind of in-depth review should be undertaken. I support the motion, and I congratulate the member for having presented it.

**MR. JONSON:** Well, Mr. Chairman, I have a little bit different view of this particular recommendation than perhaps some of the other members in that certainly there are some elements in it that should be supported. But I see there being two parts to the recommendation: one which may be appropriate for this committee; the other which I feel is appropriate for the Legislature itself.

Now, if we're talking about reviewing - whatever review means, I suppose - the performance of the investment features of the fund, certainly with respect to that a set of private-sector consultants might be very valuable. That might be something that would appropriately be dealt with by the select committee. In terms of reviewing the goals and objectives of the fund, this was originally the purview of the Legislature itself and the total government, and then that was brought forward and it was debated in the Legislature. There is precedent, I believe - in fact, I'm sure - for the overall goals and objectives of certain government initiatives being reviewed or being debated a second or a third time in the Legislature of this province, and I think, Mr. Chairman, that that is where that aspect of the recommendation should be directed.

**MR. CHAIRMAN:** Thank you.

If there's no further discussion, we'll allow the Member for Calgary-Fish Creek to give closing comments on his recommendation.

MR. PAYNE: Thank you, Mr. Chairman. Initially, I guess I'd like to thank those members of the committee who have spoken today in support of my recommendation, but at the same time I certainly respect those members who may or may not have spoken, whose well-considered position is not in support of the recommendation; that's part of the process. But frankly, I'm hopeful that between now and the day on which we vote for or against these recommendations, I'll be able to win over those of my colleagues who have reservations with respect to the recommendation.

I neglected to mention in my opening comments, and perhaps it's appropriate I do so now, subject to my rechecking of *Hansard*, that it seems to me that the Premier, when he appeared before the committee, spoke in perhaps generalized language in support of this notion. But I will, between now and when we meet again, review *Hansard*, and if my recollection is correct, perhaps I could take the liberty of circulating that excerpt to the members of the committee.

MR. CHAIRMAN: Thank you.

In view of the hour, I'm not sure we have time to complete another recommendation. I'm in the hands of the committee. I don't like to break in the middle of a discussion on a recommendation. I anticipate that the next one will engender considerable discussion.

The Member for Edmonton-Centre.

REV. ROBERTS: Could I, in the light of those comments, move adjournment?

MR. CHAIRMAN: Yes. Could you just hold that motion for one moment?

The Chair would like to ask members of the committee to review the recommendations that are yet to be discussed with the thought that some of them are very similar and could be pooled and discussed simultaneously. If you have some of those, hopefully you can discuss them within your own caucus. Even more hopefully, you can cross party lines and perhaps discuss that possibility with members who are not of your political party, and we can shorten up this process. If it extends as it has today, we'll need 10 days to get through these discussions and these recommendations. Hopefully we can shorten it up; we don't have that many days scheduled. Obviously, the Chair should move to try and reach a consensus on at least another day or two for the discussions.

So with nothing else coming before the committee, moved for adjournment from the Member for Edmonton-Centre. Thank you.

[The committee adjourned at 11:47 a.m.]

