

10:02 a.m.

Tuesday, November 13, 1990

[Chairman: Mr. Ady]

MR. CHAIRMAN: I'd like to call the committee to order and welcome the committee to a new phase of our hearings wherein we will be debating the recommendations that have been submitted by the various committee members.

For the purposes of our discussion today, would all of you be sure that you have draft 7? If you don't have that, our legislative secretary will make one available to you. Could I just have a show of hands of those who do not?

The Member for Three Hills.

MRS. OSTERMAN: I'm sorry, I don't have it. I wasn't in my office earlier.

MS SKURA: It's on your desk.

MRS. OSTERMAN: Oh, it's been delivered. Thank you.

MR. CHAIRMAN: Thank you. That's typical of the efficiency of our legislative secretary.

Now, a word to the process. Historically we have allowed the mover of the recommendation to move the recommendation and then speak for it. That can be followed by any member of the committee who may wish to speak to that recommendation, each member being entitled to speak once and the mover being entitled to close debate.

The Chair has looked over the recommendations and would suggest that each one can stand on its own merit, unless members of the committee can see some that can be put together. Is there any discussion on that? In other words, we would debate each recommendation that's there.

The Member for Edmonton-Meadowlark.

MR. MITCHELL: Mr. Chairman, I would like to discuss the process point that you made, that we can only each address a recommendation once. It seems to me that in the past we were allowed to speak more than once on a given recommendation. Sometimes the give-and-take of debate and arguments that are made after you spoke that need to be addressed again would dictate the necessity of people being able to speak more than once on a given recommendation. I think that's fair, and I know you'll think it's fair too.

MR. CHAIRMAN: I don't believe that's correct, hon. member. In reviewing the process that was established previously on recommendations, it was much as I outlined. Now, that's not true when we had people before the committee: you could go to the bottom of the list and come back on. But on recommendations the process was established that each person spoke once, with the exception of the mover, who could come in and close debate. The Chair may stand corrected, but I believe that was the process that was established.

The Member for Westlock-Sturgeon.

MR. TAYLOR: I would think that maybe you should stand corrected, Mr. Chairman, because I think the standard committee procedure in the House and here is to speak as often as you want, but when the mover speaks a second time, it automatically closes everything. In committee I might make a point in answering the hon. Member for Calgary . . .

MR. PAYNE: Fish Creek. Read my lips.

MR. TAYLOR: Okay. I might answer one of his very well-reasoned arguments with a very fallacious answer, and he should have the right to be able to get up and say that the point I made was entirely wrong.

I think standard committee procedure, Mr. Chairman – not that we want to take advantage – is to speak as many times as you want except that when the mover speaks the second time, it automatically closes it.

MR. CHAIRMAN: It's the Chair's understanding that committees, within certain guidelines, can set their own process, and I believe that process was established.

The Member for Edmonton-Centre.

REV. ROBERTS: I hate to differ with the Chair, but my memory is that we did have a much more free-flowing discussion. People were able to get in once or twice on a particular recommendation in the past. Now, maybe I'm confusing it with something else, but could the record be checked? I'm sure we have *Hansard* from last year's debate. I don't know why, but I distinctly remember that in a couple of cases we were able to jump in two or three times, particularly to clarify points and to have the free flow of discussion that's often necessary.

MR. CHAIRMAN: Hon. members, would the committee . . . Yes? The Member for Ponoka-Rimbey.

MR. JONSON: I'm sorry. Perhaps, Mr. Chairman, you have a suggestion. I just wanted to suggest that perhaps the committee could adjourn for 10 minutes for you to have a chance to check the records of last year.

I have another recollection in that a person could introduce their motion and had the opportunity to conclude debate, at which time the person entering the recommendation would have a chance to refute any misinformation, et cetera, that might have been entered into the debate. But there was just the one chance to speak.

Nevertheless, my suggestion is that we adjourn for 10 minutes so you have a chance to check the procedures of last year, which seemed to work well.

MR. CHAIRMAN: Hon. member, what you just recited is along the lines of what the Chair outlined at the beginning, and that's your recollection.

What's the feeling of the committee? The Chair is in your hands. Would you like us to adjourn?

MR. MITCHELL: I move.

MR. CHAIRMAN: The Member for Edmonton-Meadowlark moves that we adjourn for 10 minutes to review the procedure. We'll reconvene in 10 minutes then.

HON. MEMBERS: Agreed.

[The committee adjourned from 10:09 to 10:28 a.m.]

MR. CHAIRMAN: We'd like to reconvene and call the committee to order. The Chair is having the question before the committee researched by Parliamentary Counsel, and they will give us a ruling on it very shortly, but in the interests of time the Chair doesn't see any reason why we can't proceed to debate the

recommendations. We'll have the ruling, hopefully, before anyone besides the mover would like to speak a second time. Is the committee in agreement with that process?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: The Chair would suggest that we go through the recommendations as they're listed, without any exception. Last year we did make an exception because one of the members had to be away, out of the country. Nothing like that has been brought to the attention of the Chair, so I would suggest that we proceed with recommendation 1, moved by the Member for Edmonton-Centre. The Chair recognizes that member.

1. Moved by Rev. Roberts:

That at a minimum of seven days before the commencement of the annual hearings of the Standing Committee on the Alberta Heritage Savings Trust Fund Act, the Provincial Treasurer publicly release the following three documents:

- (1) the annual report of the Heritage Savings Trust Fund,
- (2) the annual audited financial statements of the Alberta Crown corporations with debentures owing to the fund, and
- (3) the report on the breakdown of the investments of the commercial investment division and of the fund's cash and marketable securities, giving the total return of investments net of inflation.

REV. ROBERTS: Thank you, Mr. Chairman. I'd like to speak to recommendation 1. I guess there's much that can be said, in the sense that when I reviewed last year's resolutions, I know the Member for Edmonton-Avonmore, Marie Laing, put in a similar resolution calling for at least the annual report of the trust fund to be tabled for public review and for our preparation for these committee hearings at least seven days prior to the commencement of the annual hearings. I know that, in fact, you endeavoured to have that complied with this year. But again, I think that to call for this is a very important mechanism for us to ensure that the problem just doesn't happen again, that someone gets the message very clearly that we are a very important select standing committee - I guess to even use the words that we are stewards of the fund - accountable both to the people of Alberta and to this Legislature for its operations, and that it is just highly irresponsible for us not to have this vital financial information well in advance of our meetings so that we can review the material and be able to speak and ask questions intelligently and accordingly about that.

So we're asking for the vital financial information and the pertinent financial statements for the billions of dollars in the fund, and since the Provincial Treasurer is himself a kind of manager, investor, and his own accountant of the funds, we're really trying to pry loose from his office this information it is imperative that we on the committee have at least seven days prior.

I don't know how many members of the committee have served on boards, whether they be hospital boards or school district boards, or have been town councillors or in other positions of public trust.

AN HON. MEMBER: All of us.

REV. ROBERTS: I hear the comment that all of us have, and I think that's probably true. Even where the budget is a couple

of thousand dollars, let alone \$12 billion, due regard is taken for those people on those boards, who are stewards of those funds, to have information in a similar kind of way, well in advance of meetings. You don't just come the day before a board meeting and be sprung with the information that you're to be the stewards of. It seems to me that if we're called to be faithful in those smaller organizations at local levels, then certainly we at this provincial level and with the heritage trust fund must clearly have this information before us beforehand.

On this side, in fact, we've expanded the resolution to say that we need to have not just the annual report of the trust fund but, secondly, the audited financial statements of the Crown corporations as well. As we know, again, the minister of housing did provide us with Alberta Mortgage and Housing Corporation's audited statements, but again it was only a couple of days, I believe, before he met with us. I think it's essential, it's vital. We need to get it on the record that at least seven days before even the beginning of the hearings we need to have the audited financial statements for all the Crown corporations with debentures from the fund.

Similarly, we hear the Treasurer saying what a terrific investment portfolio he is managing and how well the fund's cash and marketable securities are doing and that we're moving to a more liquid state of the fund's assets and that we're getting a good rate of return on those financial assets. Well, let's take a closer look at that. Again, seven days before the committee meets it is essential that we have a full breakdown of the investments in both the commercial investment division and the fund's cash and marketable securities, and give what has been the total rate of return for those investments over the past year. I think there is maybe one figure in the body of the annual report which talks about that, but it's in a general, sort of generic fashion. We want it clearly broken down to see just how well these investments are doing net of inflation. Again, there's been lots of comment by outsiders talking about the fact that the fund needs to be corrected for inflation. I'd like to see how the investments are corrected for inflation to see the degree to which we're really making moneys over and above what the inflation rate is.

So it's a pretty straightforward recommendation, Mr. Chairman and members of the committee. As I say, I think that as stewards of these funds it only makes common sense that we should have this kind of information in advance. To not do so really makes, I believe, a sham of our proceedings: saying that we're sort of coming together, and by the way, folks, here's some information you might find useful. That's just not acceptable. We need to have it well organized, well audited, seven days in advance of our meetings, so that we ourselves, our researchers, and others can take a look at it and we can come into these hearings prepared in a much better way with information and that we're dealt with as the responsible stewards of the fund that we are.

I hope there's further discussion; I'll look forward to how that ensues.

MR. CHAIRMAN: Thank you.

The Member for Three Hills.

MRS. OSTERMAN: Mr. Chairman, thank you. I have a great deal of sympathy for the first part of this motion which speaks to the annual report of the Alberta Heritage Savings Trust Fund. But the hon. member has gone beyond that, and I question whether it is possible, really, or fair to make the Provincial Treasurer responsible for financial statements or the timing of

them from Crown corporations. It's my understanding that those various corporations are governed by a board of directors and they, in fact, have it within their mandate when their year-end is and the timeliness of their reporting.

The third part of the motion, Mr. Chairman. While there is a little bit of it, I guess, that again I have some sympathy for, I believe there is some of this that as members of the committee we ought to be getting and figuring out within our own responsibilities.

So I just have a mixed view, with the hon. member having rolled in all of these components. We'll recall the frustration of that first day's meeting when we were discussing the lack of timeliness of the annual report and that we were going to be meeting with the Provincial Treasurer. There was a lot of frustration. But I wish the hon. member had made his motion more narrow in that respect and not rolled in the other elements, Mr. Chairman.

Those are all my comments.

MR. JONSON: Mr. Chairman, I could support the overall direction of the motion in terms, I suppose, of the principle that we need to have some lead time with respect to certain documentation. As with the comments of the Member for Three Hills with respect to the annual report of the Alberta Heritage Savings Trust Fund, I certainly would support the direction of the recommendation in terms of that being provided seven days prior to the commencement of our annual hearings. But when we get to item (2) – and I suppose to some extent (3), but particularly item (2) – the timing of the annual reports and the provision that they have to be tabled in the Legislature and so forth: these events revolve around the rules and procedures of the Legislature. I don't think it's realistic to expect that we can require that they coincide with our deliberations in all cases; the priority, of course, has to be with the Legislature and the filings there.

Mr. Chairman, I know that you endeavour to get all required information here in good time, and I don't think this recommendation is viable as it applies, particularly to item (2).

10:38

MR. CHAIRMAN: The Member for Lacombe.

MR. MOORE: Thanks, Mr. Chairman. Well, I can agree with the intent of the motion. However, when we get into the specifics I have some concern. Number (1), the annual report of the heritage trust fund, I think should be here seven days prior. Sometimes it doesn't happen that way, but to get it here prior should be the thrust of the Provincial Treasurer, so we have some time to review it.

[Mr. Jonson in the Chair]

However, the previous speaker touched on (2) and (3). These different organizations make their financial statements and they have a filing responsibility to the Legislature. They always meet that, and to put additional filing limitations on it I think encroaches into their area of operation, which we've given them the responsibility to carry out. The one thing I heard about, the return on – the up to inflation: I don't think we've ever been under 10 percent return on the whole heritage trust fund at any one time. Surely at that rate we're going in at higher than inflation – the return on it.

MR. HAWKESWORTH: Well, Mr. Chairman, I guess maybe it's appropriate that this should be the first recommendation on the floor for our committee to concern itself with, because in a way it really gets to the heart of what we're about here in this committee, and that is whether the process of committee review is a serious process or simply the trappings or the image or something that has no substance: simply a process of going through the motions because for some reason we should be going through the motions. If we're not serious about this business of the Heritage Savings Trust Fund, that's one thing. Then, of course, it doesn't make any difference whether we have an annual report, it doesn't make any difference whether we have any knowledge whatsoever about these investments, it doesn't make any difference whether we know what's happening with this portfolio, because of course it doesn't matter, it's not a serious process, it's not taken seriously, and therefore why would a committee need information if what they're doing is not serious, is not important, is not significant?

If, on the other hand, it is a serious process, if there is a genuine attempt of all parties in the Legislature to review the fund and to bring some accountability to the actions or the decisions of the people responsible for the management of the fund – if it's a serious process, then we need the information in order to do our job. If we come into this place and we do not have the most recent annual reports of Crown corporations, that means that as a minimum the most recent information we would have available to us would be outdated by at least 18 months. So, I mean, we came in here in early October. If we don't have the annual reports of those Crown corporations for the year ended March of this year, the most recent annual reports are March of the previous year. That's 16, 18 months ago. So if we're serious about seeing what's going on and reviewing our portfolio and being able to ask the minister relevant questions and pertinent questions, we have to have the relevant and the pertinent information.

[Mr. Ady in the Chair]

Now, the Crown corporations. If you look at the investments of the Heritage Savings Trust Fund, even excluding the billion dollars that was invested in Alberta Government Telephones Commission and is now held as shares in Telus, excluding that billion dollars, there's a billion dollars in Agricultural Development Corporation, close to three billion in AMHC, and close to another billion dollars in Alberta Municipal Financing and Alberta Opportunity Company. So if you took the financial assets of the fund, close to 40 percent of them are invested in Crown corporations. Now, if we don't want to know what's happening in 40 percent of our portfolio, then we're not serious about this process, or if we are serious about the process, it would seem to me we would want this committee to know what's happening in 40 percent of the portfolio of the trust fund. As far as I know, I don't know whether we ever did get the AOC annual report. I don't have a copy. If it was distributed at the meeting or whatever, I may not have gotten my copy. But even now I don't think we've got an annual report for at least one of these Crown corporations.

The third point about a breakdown of the investments in the commercial investment division and so on: I even took this to the Legislature itself in the form of a motion for a return. Now, fortunately, I think finally the Provincial Treasurer got some part of the message and was able to bring this with him when he

appeared before the committee, so we got it at least the day that we began to sit, and that's a breakdown of the commercial investment division investments by individual corporations. Now, if I were to go out and buy a mutual fund in the private sector as a unit holder in a mutual fund, I'd get this kind of information on a quarterly basis, and here we are, a committee to review on behalf of the public the public's holdings in these companies, getting even less information than we would get if we were members of the public holding private investments in a mutual fund. It seems to me that government should be able to at least do as well as can be expected for a private-sector investment portfolio. We should be able to expect at least the same level of information to be provided to us. I think that's something the public could expect.

So I guess it comes down to whether we ourselves think what we're doing is serious and important, and if we don't take it seriously, who else can we expect to take it seriously? If we think it's just motions we're going through, that these are just the trappings of some bygone fund that had its heyday many years ago and we don't know what else to do with it but to meet once a year and we're not serious about it, we certainly can't expect the Provincial Treasurer or the board of directors of the Crown corporations to take it seriously either, or the Legislature or the public. So if we don't care, who's going to care? I guess maybe the challenge to the committee simply is: are we serious about this process or not? If we're serious about it, then we can expect others to take it seriously and provide us with the information for us to do our job properly.

MR. CHAIRMAN: Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Chairman. I speak in favour of this recommendation. In fact, I'm very strongly in support of it. The concern I have – and I would echo the comments most recently of the Member for Calgary-Mountain View – is that it is essential that we have this kind of information before we can properly review and hold accountable those people who administer one way or another the funds of the Heritage Savings Trust Fund. It is nothing more than a charade if we are not given timely information. In fact, if we do not insist upon that, information that would be critical to us and somebody knows would be critical to us, although perhaps damaging to their cause, could be withheld by delaying, by shuffling the feet, by not pursuing the audited financial statements and insisting that they be done in time and so on. So it seems obvious that we simply must have this information.

10:48

The arguments prior to our commencing deliberations and review and commencing the accountability process for heritage trust fund managers – what seems to me to be evident from the case being made by members of the government on this committee is a certain weakness in the rigour with which they want to manage their role, the role of this committee. I keep hearing them say, if you read between the lines: "Well, let's not offend the Treasurer; let's not offend somebody who's important or apparently important. Let's give them all the benefit of the doubt. When they can get at their good people, I'm sure they'll give us the information, and if they can't get it, then there must be some legitimate, obvious, and acceptable reason." But when you're managing, when you're pushing, when you're trying to achieve an objective – the objective of this committee, of course, is proper accountability for the Heritage Savings Trust Fund – you can't accept excuses. None of these people would accept

those kinds of excuses from people who work for them in their companies. They would insist that there is a deadline and that that employee meet that deadline, and if that employee didn't meet a given deadline in some project, then something would happen.

On this committee nothing happens. The Treasurer can hold us literally in contempt – he can deride us; he can laugh at us – because these people have made one fundamental error: they believe that they report to the Treasurer. But instead, under law, under the way in which this committee is structured, the Treasurer reports to us, period. If we ask the Treasurer to do something, he had better do it. It is not unreasonable to push and say we want the annual report seven days before we commence our deliberations. It is not unreasonable to push and say we want annual audited financial statements of Alberta Crown corporations with debentures to the fund seven days before we deliberate. That is absolutely essential and absolutely reasonable. To back off, to cower in the face of the arrogance or the determination of the Treasurer, is, one, to not do our job and, two, to demonstrate a fundamental weakness, I would argue, an obsequiousness to that kind of power.

People on this committee have a fundamental responsibility to hold that Treasurer and people who manage those debentures accountable. We cannot do it, it is logically impossible to do it, unless we have the information. There can be no question. This argument that, well, they're accountable to the Legislature and they have to meet those deadlines and so on and so forth – so what? Okay, if that's the case, then we won't meet until such time as they have met those deadlines. We will meet seven days after they finish those audited financial statements no matter when they finish those audited financial statements if we must back off. I don't believe we have to, but I believe it is entirely consistent with this motion that we in fact could schedule our meetings seven days after they report no matter when they report. Mr. Chairman, it is obvious; it is essential. It is nothing more than weakness, obsequiousness to power, that we should be standing up against, because if we don't and it can make mistakes, it can cause us to make mistakes that within our mandate we simply cannot afford to make. It is essential that we put the pressure back on the Treasurer to get the kind of information that we need. Therefore, I ask that members of this committee support this resolution.

[Mr. Jonson in the Chair]

MR. DEPUTY CHAIRMAN: The Member for Westlock-Sturgeon, followed by the Member for Cardston.

MR. TAYLOR: Thank you, Mr. Chairman. I have little to add, but listening to the two schools of argument, I can see a point – of course, I don't think we can qualify or back off a bit that this committee will become nothing but a useless rubber stamp if we don't have the annual report of the heritage trust fund and the financial statements of the Alberta Crown corporations borrowing from the fund, which I think makes up 60 to 70 percent of the fund. In other words, we become a laughingstock. I think that goes without saying. Secondly, I think the government members may have underrated their importance. This is one time that the cabinet has to report to the backbenchers in the government, and they're willing to let them off.

I understand, though, from the government members' point of view, that maybe some of this information won't be available. So to that end, Mr. Chairman, I have a one-word amendment I'd like to propose. I propose that in the very first line, "that . . . a

minimum of seven days," we add the word "elapse" before "before the commencement of the annual hearings." That's all that's necessary. We get everything we want. We don't worry about the annual reports. So I move that we insert the word "elapse."

**MR. DEPUTY CHAIRMAN:** Hon. Member for Westlock-Sturgeon, according to our precedents, the chairman did call for amendments earlier in the meeting today. We have not been allowing amendments as we proceed along.

**MR. TAYLOR:** It was always in the restructuring of our own motions that we've said we had to do that. In the course of a committee meeting surely you can amend the motion.

**MR. DEPUTY CHAIRMAN:** Well, hon. member, I would suggest that we leave the matter of amendments until we come back to our procedural discussion, respeaking a number of times or not speaking a number of times to a motion, and we'll deal with it there. If a decision is made at that time to deal with amendments in a different way, I'm sure your turn will be . . .

**MR. MITCHELL:** No decisions were made either. We're dealing with amendments. Just because . . .

**MR. DEPUTY CHAIRMAN:** Hon. Member for Edmonton-Meadowlark, I did not recognize you.

**MR. TAYLOR:** This is the most peculiar parliamentary procedure I've ever heard of if you can't amend the motion.

**MR. DEPUTY CHAIRMAN:** Hon. member, I think I've outlined a way that it might be approached, and I'm quite sure the hon. member remembers that we used this very same procedure I'm referring to last year. So let us have our procedural discussion in a while, and I would recognize the Member for Cardston.

**MR. ADY:** Thank you, Mr. Chairman. I'd like to speak to recommendation 1 specifically dealing with the timing of and tabling of reports to be made available to the committee. The reason I chose to speak on this is because I'd like to assure the committee that there was a great deal of effort put forward to have the annual report of the Alberta Heritage Savings Trust Fund tabled seven days prior. Hopefully the committee can understand that the meetings must be scheduled in order for people to calendar them, and in the event the Treasury Department is late having the report prepared and printed, it would necessitate trying to recalendar all our meetings, which would be very difficult to do. So in that case the Chairman sometimes has to make the decision whether to proceed or recalendar when it is late. That's not to suggest for a moment that the committee should not have that report at least seven days prior, because I support that position that the committee should have that report that early and the effort will be continued to try and have that provided to the committee in future.

Moving on to the second item in the recommendation having to do with the other financial statements of Alberta Crown corporations falling into that same category, again I support the committee and this recommendation in that request. However, we have a little problem having to do with the statutory requirements of the reports needing to be tabled in the House prior to being released. If this were going to be accomplished, I believe some change would have to be made in some of the

Acts to allow that to happen. At some time in the future perhaps it could be brought forward in the House to have that accomplished, because in fairness to the committee, that information should be made available to them. The last financial report prior to the onset of the hearings should be made available to this committee in reasonable time for them to have an opportunity to study the contents. However, I want to make it clear that there is a problem with some of the requirements of tabling in the House, and hopefully that can be dealt with, which would allow the committee to have that information tabled prior to the onset of the hearings in future years.

10:58

As chairman, let me just reiterate that I certainly support the intent of the first two parts of that recommendation, that the committee should have the information and we should endeavour to investigate the possibility of accomplishing that. However, I don't see any way it could be done now in view of the statutory requirements that are in place. Thank you.

**MR. DEPUTY CHAIRMAN:** The Member for Calgary-Foothills.

**MRS. BLACK:** Thank you, Mr. Chairman. I don't think anybody would argue the point that it's always nicer to have more information than you have at any one particular time. However, when you look at the motion, I think most members agree that it would be ideal to have the additional information and certainly the heritage trust fund report itself seven days in advance of the hearings' commencement. But if you look at the Crown corporations, and it's been brought up quite a number of times - I was just looking at some of them that were mentioned. The Agricultural Development Corporation's year-end is March 31. Alberta Energy is December 31, AGT is December 31, and AOC is March 31. So you have a variety of year-ends that take place within Crown corporations.

I think it's difficult, unless you work a timing mechanism within the heritage trust fund for the hearings to take place, to have the most current information available to members for review. But one thing we have to rely on as a committee is that in the very first page of the audit report from the Auditor General, he says:

In my opinion, except [for] the inclusion of deemed assets and deemed equity represented by deemed assets on the balance sheet . . . these financial statements present fairly the financial position of the Fund as at March 31, 1990 and the results of its operations, the changes in its financial position and the amounts expended within the Capital Projects Division for the year then ended, in accordance with the disclosed basis of accounting.

Now, I think we have an opportunity, usually in our first meeting of hearings with the Auditor General, to question the Auditor General in detail as to the performance of the fund. He is charged with the audit of this fund, and he makes that statement on the first page of the audit report. We do have the opportunity to go into discussion with him as to the detail of the performance of the fund, and based on the footnotes to the financial statements that are provided by the Auditor, there again is an opportunity for further explanation of components of the fund with the Auditor General. That's where the questioning should come, on day one with the Auditor General, to go into detail as to the performance of the fund. He provides a breakdown of the investments, and on the cash and marketable securities portion he even provides an estimated market value of those funds. I think it's important that members study the financial statements from the heritage trust fund ahead of time

and clearly have in their own minds an understanding as to how the fund is performing so they can come on the first day of the meeting and direct questions to the Auditor General, who has been charged with the audit function of this fund.

Now, ideally it would be nice to have the other reports all available, but normally in an audit process the audit takes three to four months after year-end to complete, and then printing of annual reports takes place after that. Normally an audit must be completed within six months of the year-end. So unless we have a timing sync within our committee meeting, we'll probably always be out of sync with some Crown corporations, and I don't know that we can avoid that unless we split our meetings throughout the year or work on a different timetable or something. I think we have to rely on the comments from the Auditor General and the footnotes within the financial statement and his expertise when he does appear before the committee if we need extra information.

[Mr. Ady in the Chair]

MR. CHAIRMAN: Thank you.

Are there any other members wishing to speak to this motion, or do you want the Chair to deal with the procedural matters that are before the committee? Was that your question, hon. member?

MR. MITCHELL: No. I'd like to speak to . . .

MR. CHAIRMAN: Oh, you'd like to speak. Hon. member, you've already spoken, so how would it be if the Chair deals with the procedural matter? In consulting with Parliamentary Counsel and referring to Standing Orders, it would appear that the committee is obliged to follow Standing Order 62, which allows a member to speak more than once, and certainly it's the intent of the committee to abide by the Standing Orders that are before us.

I think while we're discussing procedure, we may as well discuss the issue of amendments. Last year in *Hansard* it's recorded that we set out a procedure for amendments, and to paraphrase the agreement or the procedure that was established, it was established that the mover of a recommendation could make amendments to his or her recommendation on the first day of debate on recommendations and only the mover could make amendments. The committee agreed to that because they did not want other members destroying the intent of their recommendation. It was agreed by the committee that only the mover could make amendments and he should make those on the first day of recommendations. So in view of that procedure, if there are any who would like to make a change to their recommendation, the Chair will hear them now.

Thank you. It would appear that there are no recommendations to be made.

MR. GESELL: Mr. Chairman, I would like to make a small amendment to a recommendation I have before the Heritage Savings Trust Fund committee, number 5.

5. Moved by Mr. Gesell:

That a new division be created under the Alberta Heritage Savings Trust Fund, the environmental investment division, and that investments from this division be considered for projects that will provide short- and long-term benefits to the people of Alberta through enhancement of our environment and through reduction of pollution.

MR. GESELL: I would like to move an amendment that the word "made" in that particular motion be changed to "considered" so that the new motion would read:

That a new division be created under the Alberta Heritage Savings Trust Fund, the environmental investment division, and that investments from this division be considered for projects that will provide short- and long-term benefits . . . and so on.

MR. CHAIRMAN: Thank you.

Any others? The Member for Edmonton-Centre.

MR. TAYLOR: Sorry. On a point of order, I didn't pick up that. Was it 5?

MR. GESELL: Yes.

MR. TAYLOR: Was the one word changed "may"? I don't see "may" in there.

MR. CHAIRMAN: The word "made," the second to last word on the second line be changed to "considered."

MR. TAYLOR: M-a-d-e?

MR. CHAIRMAN: Yes. Take that out; replace it with the word "considered."

MR. TAYLOR: Also on a point of order. You said the amendments on the day - that seems to me to be the day they're coming up. Wouldn't it be in order to ensure, because we don't know the time elapsed, that the amendment to the motion could come any time - interpreting your order - up to when the order is presented?

MR. CHAIRMAN: That was not the process that was established by the committee, hon. member, and the committee does have jurisdiction to set those kinds of guidelines because they're not spoken of directly in Standing Orders and are covered in *Beauchesne*, which allows the committee to set its own directions as long as they do not contravene Standing Orders.

MR. TAYLOR: I'm sorry. I didn't make my point clear. Would you read it again, then, when amendments can take place? I assume amendments can take place by the mover of the motion up until the time the motion is presented.

11:08

MR. CHAIRMAN: No.

MR. TAYLOR: Because you said that the mover can amend the motion. Do you want to read that again then?

MR. CHAIRMAN: The Chair said that the member can amend his own motion, and he's the only one that can amend it, and that it is to be done on the day we begin debating recommendations. So that would be today.

MR. TAYLOR: I beg to differ. There's the point of order. I believe the day we debate the recommendation, not the day we debate recommendations. In other words, if the gentleman . . .

MR. CHAIRMAN: I don't understand your point.

MR. TAYLOR: If the hon. member from Fort Saskatchewan . . .

MR. GESELL: Clover Bar.

MR. TAYLOR: . . . or from the Clover Bar riding's didn't come up – it's so easy to forget in his case. Nevertheless, if it didn't come up for three weeks, he could make the amendment when it came up three weeks from now.

MR. CHAIRMAN: Hon. member, that was not the process that was established and accepted by the committee.

MR. TAYLOR: That's not what you read.

MR. CHAIRMAN: Yes, it is. That's recorded in *Hansard*. It's on page 239 of November 17, 1989.

MR. TAYLOR: Is it the day the recommendation comes up?

MR. CHAIRMAN: No. Perhaps the . . .

MR. TAYLOR: Because on a point of order, Mr. Chairman, you see, something may have happened in the discussion of any motion that qualifies for the amendment when it comes up. That's why I wanted to be doubly clear with you on that, because it's the day that it comes up, not the very first day of all hearings.

MR. CHAIRMAN: Perhaps the chairman could read from *Hansard* of that date.

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 have 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.

And that was agreed. The Member for Lacombe made a motion to that effect, and it was carried by the committee.

MR. MITCHELL: Mr. Chairman?

MR. CHAIRMAN: Yes, Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you. Just one point. Just because we did it that way last year doesn't mean that we couldn't have learned from that experience and perhaps move to improve it. It simply seems to me that we're putting obstacles in the way of the committee to refine its ideas, to do what's right. To say that we're not even going to allow a mover to change a recommendation right up until the final vote seems to me to be an unnecessary encumbrance, an obstacle to developing our ideas, and entirely unnecessary. In fact, if that were the case, why have a debate? Why not just have everybody vote? Because we will be limited in our ability and, in fact, precluded in any ability to glean from the discussion valuable insights and to have those valuable insights reflected in a changed motion. Forget the debate; just call a vote on every one. In fact, don't even bother to do that, because we know by and large how everybody's going to vote, and be done with it.

MR. CHAIRMAN: Hon. member, the Chair really believes that you're overreacting. Certainly there are reasons for debate. You've put forth some recommendations which the Chair anticipates were serious on the part of the member and well thought out. The opportunity for amendment has to do with finding some error in intent or wording that the member may want to correct as opposed to having a process where amendments are forthcoming just at liberty throughout the whole process, which certainly is perhaps destructive to the process. At least the committee indicated that this is what they chose to do, but the Chair is in the hands of the committee. If it's the desire of the committee to revisit that decision, establish a motion, the Chair has to accept the direction of the committee.

MR. MITCHELL: Mr. Chairman, could I speak to this?

MR. CHAIRMAN: Yes, the member can speak to that. However, I did have other people on the list on that issue. Calgary-Foothills, and then the Chair will come back to you.

MRS. BLACK: Thank you, Mr. Chairman. I think the biggest stumbling block and bottleneck of the proceedings, quite frankly, seems to be the debate over the proceedings and whether the sun is shining today or not. Quite frankly, I would suggest that we get on with the job at hand and get into the motions. I've just done a quick calculation. We've gone through – or are partway through, shall I clarify – recommendation 1. We have spent 45 minutes recommending that. We only have so far slotted off four days this week. We have 45 recommendations. If we start looking at approximately 62 minutes per recommendation, we're going to be in a little bit of trouble. We don't have 45 hours of committee time this week to dedicate to this process. So I would suggest that if the Member for Edmonton-Meadowlark would stop being a bottleneck on the committee and let us get on with the job at hand, then we could get the debating done and get the resolutions resolved.

MR. CHAIRMAN: The Member for Lacombe.

MR. MOORE: Mr. Chairman, I don't know what the problem is. It's usually stalling or – I don't see any press up there, because the Member for Edmonton-Meadowlark usually is playing for them, but there might be some up there I can't see from here.

However, Standing Orders are Standing Orders, and it's your recommendation, I understand – is that correct, Mr. Chairman? – that we pursue it as per Standing Orders. Is that your recommendation?

MR. CHAIRMAN: The Member for Ponoka-Rimbey.

MR. JONSON: Well, Mr. Chairman, I guess that, you know, you want to come up with the best procedure that's practical for the operation of this committee. It occurs to me that there are a couple of disadvantages in going to the procedure of allowing amendments all the way through. Historically we've always tried to encourage people to get their recommendations in as soon as possible in the interests of providing information to the committee, time for them to consider the merits of these recommendations, and so forth prior to actual debate. If we're going to have amendments coming in, it seems to me you remove the incentive to get your recommendations in early. It's better to have them

come in late, because if you're 25th on the list, you will have the opportunity to consider all the debate that's gone before and make a whole host of amendments; if you're number one, you don't.

The other thing is that in the Legislature itself, with respect to private members' motions we have followed a procedure whereby unless there's unanimous consent of the House to make some minor adjustment in the wording of those motions, we leave them as is once they are entered into the record. So, Mr. Chairman, I would move – perhaps it needs to be reaffirmed – that we follow the same procedure regarding amendments as previously.

MR. CHAIRMAN: Discussion on the . . .

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: The Chair had committed to recognize the Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Chairman. I would like to address this issue once again. One of the things that we – I'm sure each of us on this committee – as politicians hear from many, many people in this province, and probably politicians all across the country hear the same thing, is: why is it that you can't sit down and work together? Well, it seems to me that if we are unable to structure a process in this committee where we can accept other people's ideas and work those ideas into recommendations that, yes, were well thought out . . . I would presume that none of us think that we are perfect and none of us would believe that we couldn't benefit from discussion within a committee like this. I often hear of good ideas from members from all parties that I would perhaps like to work into some of my recommendations. The benefits of experience from somebody like Calgary-Fish Creek are very important to me. I don't get another chance to hear that kind of input in a formal environment until I get here. And it seems to me that people in Alberta are telling us: why don't you work together? This is an opportunity for us to work together, but you can't do it if you can't, even as a mover, work amendments into your own recommendation.

11:18

Secondly, I believe that if we are following Standing Orders, we can make amendments. I mean, we can make amendments to legislation in the Committee of the Whole of the Legislature. There are proper points in that process where we are able to make amendments. Committees are supposed to be even more flexible than the Legislature. Therefore, it seems to me, simply, without the necessity of debate, that we should be allowed to make amendments. In fact, any one of us should be allowed to make an amendment to this recommendation. Certainly the mover himself or herself should be allowed to make an amendment to a recommendation.

To do that is to hamstring this committee, is to make it more of a charade than it probably already is.

MR. CHAIRMAN: Hon. member, there has been a great deal of effort put into reaching a consensus for a process in this committee. Now, in fairness, there was an organizational meeting, and many of these things were discussed. There was a process set after this committee was struck after the last election, and the Chair was endeavouring to follow that process in subsequent years. The Chair has been willing to revisit this

amendment process and now has a motion on the floor for the committee to speak to, and . . .

The Member for Calgary-Foothills wishes to speak to that motion?

MRS. BLACK: Yes, Mr. Chairman. I'm wondering if there's a misunderstanding from the Member for Edmonton-Meadowlark, because I notice in his motions 34 through 43 and then 45 . . . I understood the intent of the motion would allow that amendments to the recommendations could be made today, and I'm wondering, since the member put these motions forward – I'm sure he's had time to discuss his recommendations with other members on the committee – if there are any that he wishes to amend today. I think he should be given that opportunity, Mr. Chairman, if in fact he has some that he wishes to amend today, because I'm sure he's discussed them fully with everyone else.

MR. CHAIRMAN: The Chair has provided that opportunity previously today, and that opportunity still exists.

MR. MITCHELL: So then why have discussions for the next four or five days? Why bother?

MR. CHAIRMAN: To discuss the recommendations that you have put forward, your very well-thought-out recommendations. Now, you're speaking to the motion, Westlock-Sturgeon?

MR. TAYLOR: Yes. As the Member for Calgary-Foothills correctly pointed out, we're taking a lot of time in here, but I think it's instigated by the rather peculiar rules that we're trying to put into place here, Mr. Chairman. Under the *Rules of Order* we have a system for running committees, which is on speaking more than once; some more on amendments. There are rules by *Beauchesne*, by *Bourinot*. But now we're getting rules by the hon. Member for Cardston into the books. If the whole point here is to whitewash the government . . . I don't mind that the government is trying to . . .

MR. GESELL: On a point of order, Mr. Chairman.

MR. CHAIRMAN: The Member for Clover Bar.

MR. GESELL: Mr. Chairman, I've been listening to this discussion back and forth. I would cite *Beauchesne*.

MR. CHAIRMAN: Order please. Just prior to you speaking, hon. member, the Chair takes exception to the comment by the Member for Westlock-Sturgeon. There has been no intent and no attempt on the part of the Member for Cardston to invoke his own rules. The process was established in *Hansard* last year by this committee; it was voted on. Now, the Member for Cardston has not put forth one recommendation other than to bring forward those that were brought forth in a process that's been carried on by this committee in the past.

MR. TAYLOR: Mr. Chairman, may I say in my defence . . .

MR. CHAIRMAN: Hon. member, you have not been recognized.

Hon. Member for Clover Bar.

MR. GESELL: Point of order, Mr. Chairman. Number one, I would cite Standing Order 23 and the motives that are imputed

by the hon. Member for Westlock-Sturgeon towards our chairman. I don't appreciate them at all. The chairman doesn't make the rules here; it's this committee that makes the rules. I would cite *Beauchesne* 822, where it indicates

Procedural difficulties which arise in committees ought to be settled in the committee and not in the House.

Then I also want to cite *Beauchesne* 760, specifically where it says at the end of sub (1):

These exceptions . . .

And I can read the exceptions, if you like.

. . . do not prevent committees from establishing their own internal procedures for regulating the time a Member may speak or question a witness.

And so on. Now, I read these citations from *Beauchesne* as saying that we as a committee, by motion in committee duly adopted – the democratic process that these gentlemen over here don't seem to agree with – establish our own procedures within this committee, and we have done that. It's unfortunate that these members over here don't like that procedure.

MR. TAYLOR: A point of order, Mr. Chairman.

MR. CHAIRMAN: The hon. member has the floor.

MR. TAYLOR: This gentleman is not speaking to the point of order. He's speaking to the motion.

MR. GESELL: Mr. Chairman, I'm speaking to the point of order.

MR. TAYLOR: What was your point of order?

MR. GESELL: That is that the procedure we have established in this committee holds in accordance with these citations that I have made. If the hon. members don't like it, they can do some more political grandstanding with the media perhaps, but not in the House. They're wasting my time and the time of the members in this committee.

MR. TAYLOR: I'd use the media, but . . .

MR. CHAIRMAN: Order. We have a motion on the floor.

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: The question has been called on the motion moved by the hon. Member for Ponoka-Rimbey that the committee adopt last year's procedure of the mover amending his own recommendation on the first day of debate of recommendations. All in favour? Those opposed? The motion carries.

Are we finished with the speakers for recommendation 1? The hon. Member for Edmonton-Meadowlark, speaking to that recommendation.

REV. ROBERTS: I thought you were entertaining some amendments, though, to other recommendations.

MR. CHAIRMAN: I'm sorry?

REV. ROBERTS: You were still going through the process of hearing amendments to recommendations.

MR. CHAIRMAN: Yes, if there are those who would like to make amendments to their recommendations. If he has an

amendment to his recommendation, the Chair will hear it from the member.

1. Moved by Rev. Roberts:

That at a minimum of seven days before the commencement of the annual hearings of the Standing Committee on the Alberta Heritage Savings Trust Fund Act, the Provincial Treasurer in co-operation with the Chair of the Standing Committee on the Alberta Heritage Savings Trust Fund Act and in co-operation with the Chairs of the various Crown corporations publicly release the following three documents:

- (1) the annual report of the Heritage Savings Trust Fund,
- (2) the annual audited financial statements of the Alberta Crown corporations with debentures owing to the fund, and
- (3) the report on the breakdown of the investments of the commercial investment division and of the fund's cash and marketable securities, giving the total return of investments net of inflation.

REV. ROBERTS: Yes, thank you, Mr. Chairman. I would just like to offer an amendment to my recommendation 1. I would say in doing so that it shows just how debate might in fact improve recommendations and perhaps get more support of more members, having heard the debate.

Nonetheless, my amendment simply goes as follows: after the words "Provincial Treasurer," to amend by including the words "in co-operation with the Chair of the select standing committee on the Heritage Savings Trust Fund and in co-operation with the Chairs of the various Crown corporations." It doesn't change the recommendation's intent, but from some of the concerns I heard discussed, people thought that it wasn't just the Provincial Treasurer. So the sense of the amendment is just to broaden it to include the co-operation of those two chairmen.

MR. CHAIRMAN: Thank you.

MRS. BLACK: Could we have clarification on that amendment, please?

MR. CHAIRMAN: You'd like to have it read back?

MRS. BLACK: Yes, please.

MR. CHAIRMAN: I'll let the legislative secretary read it into the record.

MS SKURA:

Moved by Rev. Mr. Roberts:

That at a minimum of seven days before the commencement of the annual hearings of the Standing Committee on the Alberta Heritage Savings Trust Fund Act, the Provincial Treasurer, in co-operation with the Chair of the Standing Committee on the Alberta Heritage Savings Trust Fund Act and in co-operation with the Chairs of various Crown corporations, publicly release the following three documents.

REV. ROBERTS: It should say "the various" Crown corporations.

MR. CHAIRMAN: Okay. The committee is clear on the amendment? Thank you.

The Member for Edmonton-Meadowlark, speaking to the recommendation. [interjection] I'll come in on that after. We'll finish this recommendation, if the member is comfortable with that, and then we'll deal with further amendments in one group as soon as we're finished dealing with this recommendation. The Chair would like to complete this recommendation. Then we'll revert and deal with amendments.

11:28

MR. MITCHELL: Mr. Chairman, I believe that this amendment does help to clarify the point and to, I would hope, alleviate the concerns of those people who have been speaking against certain portions of the recommendations.

One of the most powerful and compelling arguments against the recommendation was made by the chairman himself, and that argument was: well, we would be in a very difficult position to require audited financial statements of Alberta Crown corporations to be presented to this committee because they must be presented to the Legislature first. But I, for example, have just pulled the Alberta Mortgage and Housing Corporation Act. Nowhere in that Act does it say that an audited financial statement of the Alberta Mortgage and Housing Corporation must be presented to the Legislature before it is presented to this committee. Quite the contrary; it says only that the report shall be presented to "the Legislative Assembly if it is then sitting and if it is not sitting, within 15 days from the commencement of the next ensuing sitting." That doesn't mean it can't present it to anybody else; it just means that it must present it. But that is a final fail-safe to its being public.

To argue that it can't be presented anywhere else is, literally, almost ludicrous. They have been, for example, making every effort to sell assets throughout this year. I simply do not believe that if the Alberta Mortgage and Housing Corporation ever had to go to a bank between July and November of this year and ask to raise money or respond to a request by some potential purchaser of assets for an audited financial statement, that they wouldn't release that audited financial statement to the bank or to some prospective purchaser, prospective people who will deal with the Alberta Mortgage and Housing Corporation. Of course they would, because they need to do that deal, and the party that's involved in that deal would require to see audited financial statements. I simply do not believe that if we went back to Alberta Mortgage and Housing, we wouldn't find that those audited financial statements were all over the place prior to their coming to the Legislature. Certainly they could therefore come to the Heritage Savings Trust Fund prior to being presented to the Legislature, and certainly nowhere under section 25 of this Act does it say that they can't release that audited financial statement anywhere they want to. They simply have to release it to the Legislature either this session, a current session if one is in place, or the earliest next session. That's all it says; it doesn't preclude them presenting it to us.

So that argument, which would be strong if it held water against this recommendation, I would find acceptable. But, of course, as I'm saying, it doesn't hold water, and it isn't an impediment to us requiring that they release it to us before we meet to review their particular department or Crown corporation.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Centre wishes to close debate?

REV. ROBERTS: Mr. Chairman, I think members must realize that this committee is not, as we've said in the past, just to be

a lapdog committee but rather the watchdog committee that it's been set out in statute to be, not pussyfooting around, in the sense that we need much more thorough, comprehensive, more insightful information.

I take great issue with the Member for Calgary-Foothills saying that all we need to do is to listen to the Auditor General and his saying that the documents have been reported fairly. This is not a matter of the information being reported; it's a matter of – and the Auditor General is not the one to measure the performance of the fund. We are here to see how the performance of the fund is operating, and we can only do so by really going into these financial statements, as it's been outlined.

Now, I've tried to be co-operative; I've tried to be amenable in the sense that this isn't a witch-hunt. We're not going to go into the Treasurer's office and dig out every scrap of information we can. We want to do it co-operatively. We want to do it in good faith. But as Calgary-Mountain View has pointed out, if we're going to be at all effective in our role here, we need to have the process taken much, much more seriously. I mean, I cannot believe, for instance, that for the General Revenue Fund, where there's – what? – \$12 billion worth of expenditures, that we have a budget debate, that we have the attention of the full Legislature on how that \$12 billion is being managed in the General Revenue Fund, but when the management of the \$12 billion in the Heritage Savings Trust Fund comes, "Oh well, we'll call the committee together; we'll see if the Provincial Treasurer is ready and can provide what information he can at his disposal." I mean, the inequity of the two funds and how they're managed and how they're being monitored is glaring.

All I've said in the final part, part (3), about the breakdown of the investments – it was two years ago or more, members of the committee, when the Treasurer was asked out of this committee for this document. He said, oh, maybe he'd get to seeing whether he could provide a breakdown of the commercial investment division investments. Then Calgary-Mountain View again had to ask for it in a motion for a return. He said, well, he'd get to it. Finally, he comes to the committee this year and says, "Oh, here is the document." Now, what kind of irresponsible, shoddy dealing with the public funds is that?

All I'm saying is let's have a formal process. Let's say each and every year this document – whether we can add the effects of inflation to it – I would like. Notwithstanding, let's have this document be an annual feature of how the Treasurer reports to this committee and to the public in terms of the trust fund's performance. I mean, why does it take two and three years of us having to berate? Year after year we say we just want this kind of information, and he finally releases it. Public disclosure is the point here. What we've said in terms of the Alaskan fund is that it is full of public disclosure in terms of how that fund is managed. Why do Albertans deserve any less?

I'm saying that we need to not only get us more on board but get the Treasurer on board. In all fairness, it's not Ms Skura's job to have to go around and get this kind of information for us each and every year. I think whoever is responsible for the trust fund in the Treasury Department should work closely with Ms Skura and the chairman to say what is going to be needed, what is going to best serve the members in their role, and for that person from Treasury to be able to provide this information well in advance, seven days in advance, knowing full well the kind of information that would be helpful to the committee. These three items could form a good basis for that.

So what is wrong here? Why do members continue to sit back and say, "Oh well, we can't offend the Treasurer; we can't offend the chairs of the Crown corporations; this information is too

detailed"? Balderdash. It is part of a responsible process for us who are stewards, to use that term, of \$12 billion of public funds here. I don't know what else to say except that I beseech members of the Conservative government caucus to feel the winds of change that are blowing throughout Canada. If they, too, want to get on board with people who want more disclosure, more accountability, more honesty with the electorate, they had better look closely at this kind of recommendation and others and add to it, not detract from it and vote it down.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you.

Are there other amendments to recommendations? The Chair will hear them now. The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. I'd like to make a small change to recommendation 16.

16. Moved by Mr. Hawkesworth:

That the Standing Committee on the Alberta Heritage Savings Trust Fund Act sponsor a one- or two-day seminar examining the comparative mandates, performance, and organizational structures between the Alaska Permanent Fund and the Alberta Heritage Savings Trust Fund and further that the chairman extend an invitation to representatives and key individuals associated with the Alaska Permanent Fund to participate in and make presentations to such a seminar and further that while the costs of organizing such an event would be an administrative expense of the Alberta Heritage Savings Trust Fund, the chairman be empowered to seek sponsorships and alternative sources of funding to help offset such costs.

MR. HAWKESWORTH: I'm really looking forward to debate on this. I'm a flexible kind of guy, so I would have been happy to take further recommendations that might have been made as a result of debate, but at least at this point I'd like to take out the word "full" in the first part of the resolution and replace it with "one- or two-," so:

That the Standing Committee on the Alberta Heritage Savings Trust Fund Act sponsor a one- or two-day seminar . . .

I can address that when we get to the recommendation.

MR. CHAIRMAN: Member for Westlock-Sturgeon, you had an amendment?

MR. TAYLOR: Yes. I have two, Mr. Chairman. One, I'd like to remove recommendation 22 in favour of recommendation 11 by Calgary-Foothills. Calgary-Foothills has made a much more succinct and better motion than mine, so I would think I'd rather vote for that. It's likely got a chance of going through because I notice that even the Member for Clover Bar smiled when number 11 came up.

29. Moved by Mr. Taylor:

That the Agricultural Development Corporation be liquidated and the government instead supplement private capital loans by way of sliding scale guarantees and interest subsidization, plus disposing of all commercial assets of ADC at competitive pricing, with the present owners being given the option of leasebacks.

MR. TAYLOR: The other area is a very extensive amendment to recommendation 29, which is the removal of all the words

after "competitive pricing," and the following inserts: after the word "subsidization" in the third line, put "plus."

11:38

AN HON. MEMBER: Say again, Nick.

MR. TAYLOR: Plus, p-l-u-s. "Disposing of all commercial assets," then add, again, "of AADC, Alberta Agricultural Development Corporation."

MRS. OSTERMAN: I didn't get that.

MR. CHAIRMAN: I'm sorry, the committee's not clear. Could you go through that again, please?

MR. TAYLOR: Okay, I'll read: "That the Alberta Agricultural Development Corporation be liquidated . . ." The first two lines do not change. The third line starts out with subsidization, plus disposing of all commercial assets of AADC [Alberta Agricultural Development Corporation] at competitive pricing, with the present owners given the option of lease-backs.

MR. CHAIRMAN: Done? Thank you. Are there others?

MR. TAYLOR: I'd like to make an amendment that I can amend my amendments.

MR. CHAIRMAN: The Member for Wainwright.

8. Moved by Mr. Fischer:

Whereas royalty exemptions under the terms of the Alberta Crown Agreement which took into consideration the results of low oil prices and the capacity addition expansion project should expire this year, resulting in increased revenues to the General Revenue Fund, that consideration be given that the net profits from Syncrude be exempt from section 4(2) of the Alberta Heritage Savings Trust Fund Act, which states that the net income of the fund shall be transferred to the General Revenue Fund. This would allow Syncrude's net profits to be returned to the Alberta Heritage Savings Trust Fund.

MR. FISCHER: In motion 8 I would like at the beginning of the second paragraph to put "that consideration be given the net profits from Syncrude." Take out the "that the" and put "consideration be given."

MR. CHAIRMAN: It will now read, "that consideration be given that the net profits . . ." Like that?

MR. FISCHER: You could get rid of the "that," couldn't you?

MR. CHAIRMAN: For the benefit of the secretary, would you read that first line again, please?

MR. FISCHER: "That consideration be given the net profits from Syncrude be exempt . . ."

MRS. OSTERMAN: Mr. Chairman?

MR. CHAIRMAN: Is the Member for Three Hills not clear on the amendment?

MRS. OSTERMAN: No. It doesn't grammatically make sense to me, Mr. Chairman, without adding the additional "that."

MR. FISCHER: Okay. Leave the other "that" in.

MR. CHAIRMAN: All right. Are there others?  
Recommendation 2, hon. Member for Calgary-Fish Creek.

2. Moved by Mr. Payne:

That the underlying principles and structure of the Alberta Heritage Savings Trust Fund be comprehensively reviewed by a task force comprising government and opposition MLAs and academic and investment community leaders with relevant expertise and experience and that their review procedures provide for widespread public discussion.

MR. PAYNE: Initially, Mr. Chairman, I'd like to make it clear that the inference should not be drawn from this recommendation that I have any deep-seated misgivings or concerns about the fund and the way it's structured and operates. This recommendation derives from my general concern that in many institutions and in many complex programs there's the inherent risk that over an extended period of time people involved become less and less receptive to new approaches and more and more defensive of the philosophical and operational status quo.

This recommendation derives from a second concern as well, Mr. Chairman. Survey research of various kinds, both scientific and unscientific, has clearly identified widespread support for the basic concept of a heritage fund but precious little understanding of the fund's principles and structure; hence, the recommendation's second part, the provision for widespread public discussion.

The benefits from this recommendation appear obvious to me, Mr. Chairman. First of all, media coverage of public forums would undoubtedly add to our constituents' understanding of the fund, and secondly, who knows, there might well be a goodly number of Albertans, some with credentials and some without, who might bring to the forum novel and potentially useful suggestions for the fund's operations. If I learned anything from the Meech Lake accord process, it's that the people of Alberta resent being excluded from the policy development process when that process relates to significant institutions and significant issues. The Alberta Heritage Savings Trust Fund is a significant institution, and now is the time, I submit, for Albertans to be given an unfettered opportunity to give us their opinions and their hopes for the heritage fund.

Finally, Mr. Chairman, a comment on the suggested makeup of the proposed task force. Government MLAs, opposition MLAs, academic community leaders and investment community leaders with relevant experience and expertise: that makeup of the task force would undoubtedly bring a lot of credibility to the process. That process begins here in these Chambers today, and I earnestly request the government and opposition members to support this much needed recommendation.

MR. CHAIRMAN: The Member for Three-Hills.

MRS. OSTERMAN: Thank you, Mr. Chairman. I wanted to very strongly support my colleague's recommendation in respect of this overview of the structure of the fund. I don't know whether I can really add to the very excellent comments he has made in his introduction about the necessity and the timeliness of such an overview being done. Just to say that I think that as we look at the objectives of the fund as they were framed in the earlier '70s, given the economy of that day and the operation of government - certainly government was far less intrusive in people's lives - it is incumbent upon all of us to look at this

fund's effect indirectly or directly on the fiscal capacity of the Alberta government to meet the objectives that the people of Alberta would like. I think such a review, as the hon. member has mentioned, would give us the opportunity to hear in a very broad way the people's view of the fund and, again, its capacity to help us respond to their desires. As the Premier said in his response to a question from myself when he appeared before the committee - as he understood some comments I had made alluding to the hon. Member for Calgary-Fish Creek, initially the Premier hadn't realized that when I mentioned the hon. member, I was referring to a resolution he had put before the committee. Once the Premier understood that, his response was very positive in that consideration should be given to such a review, so I certainly hope the committee will see fit to sponsor this resolution.

Certainly, as I understand it, being a new member on the committee and looking back at other recommendations that have come forward, it isn't necessarily meant that every i and every t be crossed insofar as government's acceptance of the recommendations; in fact, some modification can be made. It is generally the intent of the resolution that is important, and I hope there will be an expression of support for the intent of the hon. member's motion.

Thank you.

MR. CHAIRMAN: The Member for Wainwright.

MR. FISCHER: Thank you, Mr. Chairman. I think I would have to oppose this motion, and the reasons would be, firstly, that that is what this committee is about. I don't know if we should disband our committee and set up a different way of looking after this heritage fund. I'm not sure whether we're doing our job properly; maybe we have to take some more time and investigate it further. When I look at the objectives of the fund - and they are three very sound objectives and are very flexible - I would have to think the integrity of the fund would depend on how we apply our recommendations and how we put our input into the fund, because I don't think, because of the soundness of those objectives, that we want to be changing those too much.

11:48

Then when I look at the task force that is mentioned, comprised of the opposition, the academic and investment leaders, I have a little bit of trouble with that because the last thing I think we need to do is have some expert lawyers and accountants - and they are very high-priced, lawyers and accountants - that would come in and tell us how they would spend the money. In so many cases, and we've seen it in the past, it always ends up in those very people's pockets. So I would be a little bit dubious about who we get in with that. Now, if we want some expertise from those people, which we do quite often, then we can go and get it without bringing them into the committee.

Even with our opposition, I don't like to say this, but the last year's recommendations especially were spending an awful lot of that money. I looked at the number of recommendations that were in there, and I had to question that a little bit. I have to give them credit this year. I thought they were doing better as far as looking after the fund itself in the recommendations they made.

Now, my third point is the review and procedure to provide for widespread public discussion. Yes, I agree it sounds good if you could make that happen, but in so many cases with our

public hearings we don't get widespread public discussion. We get a few people that come quite often with their own specific benefit in mind, and quite often we get groups of people that come with their own specific benefit in mind, and they lobby. They come to every meeting and say the same thing. We don't get the everyday, ordinary public out to the meetings, and that has been a problem with public hearings in a lot of cases in the past. So I would question why we don't think our committee is doing the job itself. Maybe we're not doing a good enough job, but if we're not, we should probably look at what we're doing and improve on our own system here.

For those reasons I could not support this recommendation.

**MR. CHAIRMAN:** The Member for Edmonton-Meadowlark.

**MR. MITCHELL:** Mr. Chairman, I would like to make it clear that both I and my colleague from Westlock-Sturgeon in the Liberal caucus support this recommendation very, very strongly. It isn't to say there is something inherently wrong with the manner in which the Alberta Heritage Savings Trust Fund has been managed. Even if there weren't, I think it is prudent and proper for the trust fund to be reviewed in a comprehensive and objective manner.

For the Member for Wainwright, who has just spoken, to argue that, well, we don't need a review of this nature and that to bring in experts costs money and so on is for him to contradict his own party's position on the constitutional review that's currently going on, on the panel that is currently going across this province soliciting views, in addition, on the Alberta environmental protection and enhancement legislation. It's simply very, very self-serving and selective for him to make that kind of argument. It's okay when it's okay for his government, but it's not okay to do this when it might not be okay for his government. I would ask that members of this committee accept their responsibility in an objective way and understand that this isn't wrong but that, in fact, it's very, very necessary. I congratulate the Member for Calgary-Fish Creek for presenting this motion and arguing so articulately for it.

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

**REV. ROBERTS:** Thank you, Mr. Chairman. I was just going to say some of the things that Edmonton-Meadowlark said in terms of if you're going to be opposed to public hearings, then why have the Hyndman commission going around talking to the public about the health care system or, as has been mentioned, the environmental protection or the conflict of interest or the current constitutional ones? I mean, I don't know whether there are many Reform Party members who live in Wainwright constituency, but I'm sure when they hear the member there talk as he did about not consulting with the grass roots, he's going to

be in some big trouble out there.

Nonetheless, Mr. Chairman, I on behalf of our caucus, too, want to support this recommendation. I think, again, it's long overdue and one that we have noted has, in fact, even some tacit approval from the Premier when he was here and others. It was interesting to hear the Minister of Advanced Education saying that the Heritage Scholarship Fund continues in operation and maybe it's time for a review now. I think it just adds to the accountability and the effectiveness of the fund to have this kind of review by a task force and to provide for widespread public discussion.

I might, though, add that our caucus felt it was one thing to go out and just sort of hear the views of folks on the vague topic of the underlying principles and structure. What we have decided in our recommendation 19 was in a sense, from the best of our ability, to put together a kind of restructuring as something to which comments could be addressed in response, to give people out there a direction about where the fund should be going and have them respond accordingly, like tabling a Bill in the Legislature and then having it die on the Order Paper and letting people respond to it before it comes back. That kind of process we felt would better enable Albertans to say okay, what are the best proposals for restructuring it, and how can they have some input into supporting or not supporting that? I guess, according to what we have here, we could just take the Act out as it currently is and ask for comments on how the Act might be amended. It could be quite a process.

Nonetheless, the basic principle of taking it forth for review is long overdue, and we support it very much indeed.

**MR. CHAIRMAN:** We'll hear one more speaker prior to adjournment. I recognize the Member for Lacombe.

**MR. MOORE:** On this particular motion I want to say that we have a responsibility as a committee here. We're well appointed; excellent members from the opposition. Even the Member for Edmonton-Meadowlark makes a contribution quite quantitative. I won't put on qualitative, but quantitative; he gives a major contribution. I can't see why, when we make 40-some recommendations here, we haven't the ability to do what this recommendation says. I think that is an onus on us as a committee, and it's a reflection that we aren't doing our job if we can't do it. No; I think this is just abdicating our responsibility by passing it on to another committee.

I have other things to say, but because of the time, I move we adjourn until this afternoon.

**MR. CHAIRMAN:** All in favour of the motion to adjourn? Opposed? The committee stands adjourned until 2 p.m.

[The committee adjourned at 11:58 a.m.]

