

2:31 p.m.

Thursday, November 15, 1990

[Chairman: Mr. Ady]

MR. CHAIRMAN: I'd like to call the committee to order, and I'd like to recognize the Member for Edmonton-Meadowlark to introduce discussion on recommendation 35.

35. Moved by Mr. Mitchell:

That the Provincial Treasurer provide full financial disclosure of the operations of the Kananaskis golf course.

MR. MITCHELL: Thank you, Mr. Chairman. This recommendation is consistent with my concern, my caucus' concern that there is insufficient information available to the public about the use of public funds. Frequently there are relationships with the private sector, most notably loans and loan guarantees, about which there is not sufficient public information for the Legislature, individuals, and the public to properly evaluate the correctness of these relationships.

My concern in this case is that the company that manages the Kananaskis golf course gets the benefit of a huge investment in that facility, the golf course, and pays, we were told, only in the order of \$80,000 to \$90,000 a year in the form of a rent or lease payment. That raises the question, of course, as to how much money they are making on our investment and would a lease or rental payment greater than that be warranted? If it is that they're not making sufficient funds to warrant that, then nobody on this committee should be concerned that this information be released, and if it is that they are making sufficient funds to warrant a greater rental or lease payment, then everybody on this committee should be concerned that that information is known.

For back-bench members on the government side on this committee to vote against this proposal would infer one of two things: either they know what this information is – it's been disclosed to them and not to us, in which case that would be totally unacceptable because if it can be disclosed to them, then clearly it should be disclosed to any member of this committee – or they don't know, in which case they cannot assume that it's okay, sanction the review of this Heritage Savings Trust Fund management on the basis of that assumption, and not ask this question. So it seems to me there is a logic that drives this recommendation, and I would ask that members of the committee support it.

MR. CHAIRMAN: Thank you.

The Member for Lloydminster.

MR. CHERRY: Thanks, Mr. Chairman. I guess recommendation 35 certainly brings up some points that can be answered. My understanding is that it is in private-sector hands and, in turn, that it would be the responsibility of the private sector. If they wish to divulge those funds to the public, I would think it's a private-sector matter, from what my understanding is. I think as long as it's in the private-sector hands, then I'm sure the government is getting a return there, but I just hesitate to ask a private-sector company to open their books as to what return they have on it.

Thank you.

MR. CHAIRMAN: Other speakers on that recommendation? If not, the Member for Edmonton-Meadowlark to close debate.

MR. MITCHELL: Mr. Chairman, I'm not surprised by that response from the government member. It seems to me that this government's fiscal operations in many cases are premised upon this idea that somehow the private sector is immune from disclosure about how it uses public funds. A strong government, a fiscally responsible government, would throw that particular approach away out of hand; there would be no question. But clearly there is a question in this government's mind, and I think it says a great deal about the manner in which it manages public funds. I'm sorry to hear this response. I hope it isn't indicative of how the member's Conservative colleagues would vote, and once again I ask that they support this resolution.

MR. CHAIRMAN: Okay; thank you.

The Chair recognizes the Member for Edmonton-Meadowlark for recommendation 36.

36. Moved by Mr. Mitchell:

That the Alberta Heritage Foundation for Medical Research be directed to assist the Faculty of Pharmacy and Pharmaceutical Sciences of the University of Alberta with upgrading its research facilities.

MR. MITCHELL: This stems from two observations. One is that the Heritage Foundation for Medical Research has truly first-class facilities, outstanding research facilities, which seem to be limited to use by medical researchers. The second observation is that the faculty of pharmacy at the University of Alberta has extremely poor, outdated, decrepit in some respects, research facilities. At the same time, that faculty serves a very, very important function in the training and educating of pharmacists and, equally important, in the research it undertakes into new drugs and drug applications.

In fact, their success in this latter regard is evident in the two companies that have spun off from that research undertaking. One is Biomira and the other is a company called SynPhar, both of which were founded by professors of the faculty of pharmacy. It seems that this faculty is doing exactly what we would hope funds from the Heritage Savings Trust Fund would promote. It is educating Albertans for the future, and it is also, I emphasize, providing the kind of research and development that has created spin-off companies which are inherently diversification, which are clean environmentally, and which employ a great number of people and promise to employ a great number more. Moreover, these companies have together brought in literally millions of dollars from outside this province to be invested within this province.

The administration of the faculty are extremely frustrated and concerned about the state of their research facilities. It seems to me that what they do is not inconsistent with the efforts of the Heritage Foundation for Medical Research. I would like to focus the foundation's attention on assisting the faculty of pharmacy with research space in their building or with upgrading at least to a level of safety the faculty of pharmacy facilities. This I am asking for in the absence of any apparent initiative elsewhere in government to rectify this problem in the faculty of pharmacy and to assist that faculty to continue in the future to do as well as what it has been able to accomplish in the past.

Thank you.

MR. CHAIRMAN: The Member for Lacombe.

MR. MOORE: Thanks, Mr. Chairman. I think I have no

qualms about the need for research facilities for the faculty of pharmacy. However, I do not think it falls within the parameters we set out for the medical research foundation to go out and provide facilities for other organizations so that they can do research. I think that comes under the funding for U of A. They get for operating around \$250 million, another \$20 million for some of the facilities over there. I haven't got just the exact figures, but they get sufficient funds to provide the facilities they require over there, to keep operating.

I just can't understand why the hon. member would bring forward a resolution that says to direct the medical research people to assist with providing facilities for part of the U of A. That is the responsibility of the University of Alberta, and we have never, to my knowledge, indicated to the medical research foundation that they should go out and build facilities around the province for anything. We have directed them to do research just as they're set up, medical research. As well-deserving as the faculty of pharmacy is to have improved facilities, it does not fall under this foundation, and certainly it doesn't fall within our mandate to direct medical research to take some of their funds out of their medical research and start building buildings.

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MR. CHAIRMAN: The Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Chairman. I've made my point, and I believe that little more needs to be said. I simply ask the committee to support this resolution in spite of what the Member for Lacombe has argued. I can see his unease, because he tends never to like to depart from the status quo or contemplate a creative measure, if you will, that would improve the circumstances of some Albertans if he can possibly hide behind the status quo. It's evident that he's doing that once again.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Meadowlark, recommendation 37.

37. Moved by Mr. Mitchell:

That the Minister of Forestry, Lands and Wildlife provide figures indicating the return in total to grazing leaseholders in Alberta from oil, gas, and seismic related revenues generated from their leases so proper evaluation of funding for the grazing reserves program can be undertaken.

MR. MITCHELL: Mr. Chairman, this recommendation would require that the Minister of Forestry, Lands and Wildlife provide figures indicating the return in total to private grazing leaseholders in Alberta from oil, gas, and seismic related revenues generated from their leases. The relationship between this request and the heritage trust fund's mandate is that the heritage trust fund program funds grazing reserves. Grazing reserves are another variation on grazing leaseholds. They accomplish more or less the same thing. They may be much more community based – and I think they are – and much less restrictive and elitist, if you will. That is to say that they are more community based, and more people have access to grazing reserves.

The problem is that it's very difficult to know whether the heritage trust fund would even have to spend money on the grazing reserves program if instead we could take the windfall profits that grazing leaseholders achieve from oil, gas, and seismic related revenues generated from their leases, which are not properly theirs and which would more properly be the property of all Albertans, and apply that money to the grazing

reserves program. It simply is unacceptable that the literally millions of dollars that come to grazing leaseholders as a matter of windfall profit, found money, quite unrelated to the basic reason why they are allowed to use Crown lands for grazing – it's improper that we shouldn't know how much money it is that those profits total. It's even less proper that the Minister of Forestry, Lands and Wildlife will tell us, on the one hand, that he knows the amount of money isn't \$21 million, as he did in the House last year, and later in this committee last fall tell us he doesn't know what it is. Well, if he doesn't know what it is, how can he know it's not \$21 million, which was the figure I had suggested at that time? I believe it prudent and proper that we and all Albertans should know how much money is going to grazing leaseholders for these oil, gas, and seismic related revenues, in these revenues. One, it's very, very disturbing that the Minister of Forestry, Lands and Wildlife doesn't know and, two, is of a mind not to tell us even if he did. This recommendation would rectify that problem.

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

MR. CARDINAL: Thank you, Mr. Chairman. I would have to speak against this motion for a number of reasons. Number one, I don't see how, with our busy schedules, we even accept motions that do not deal with the heritage trust fund. Under capital projects of the heritage trust fund, under the grazing reserve development program, we have 12 public grazing reserves, and the total expenditure as of March 31, 1990, on that one was \$39 million. This motion is dealing with a completely different issue than that, and I don't see how it gets on the agenda of this particular committee. I think we should look at that in the future and make some major changes. This motion is dealing with the grazing leaseholders, which is a completely different issue. Therefore, I would hope we don't waste any time on it, because it's dealing with issues that are not part of our mandate with this committee, and that should stop.

MR. CHAIRMAN: Thank you.

The Member for Ponoka-Rimbey. No?

MR. JONSON: The point is made.

MR. CHAIRMAN: It's been covered.

The Member for Edmonton-Meadowlark to close debate.

MR. MITCHELL: Well, I must disagree with the member. In fact, there is a relationship between the grazing leaseholder program and the grazing reserve program. They accomplish, apparently, the same thing in different ways, and clearly there's a trade-off. If we're spending money on one and not making money that we should be making on the other, then we're spending money we shouldn't be spending. In any event, I can see why he and his government would be sensitive about this, and I understand what underlies his position.

MR. CHAIRMAN: Thank you. That concludes recommendation 37.

We'll recognize the Member for Edmonton-Meadowlark with recommendation 38.

38. Moved by Mr. Mitchell:

That the \$200 million funding for the family and drug abuse program be administered by the Alberta Alcohol and Drug

Abuse Commission rather than by a parallel bureaucracy, thereby avoiding costly duplication of bureaucracy.

MR. MITCHELL: This recommendation calls for prudent fiscal management. While there is some very real concern on our part as to whether or not we need to put \$200 million of funding into alcohol and drug abuse – certainly we believe we need some more commitment to that – it is very difficult to understand how any government that's running the kind of deficit this government is running, that purports to be concerned with too much, too big government, too much bureaucracy, too much regulation, could possibly want to set up a parallel structure to the Alberta Alcohol and Drug Abuse Commission to administer new funding for research into families and drug abuse.

It is not enough for the members of this committee, particularly the government members, simply to react in knee-jerk fashion to an offhanded statement that the Premier blurted out one day in the House only because it was on his mind. This committee is here to inhibit that kind of ill-conceived expenditure. Certainly, if ever there was a clear case of duplication of bureaucracy, unnecessary duplication of bureaucracy, it is in the conception of this family and drug abuse foundation. I expect, of course, that the Conservative backbenchers here will implicitly understand what I am saying and accept it without debate and without argument, and I would hope they would do so.

MR. CHAIRMAN: Thank you. The Member for Lloydminster.

MR. CHERRY: I take offence to the term "Conservative backbenchers." [interjection] Look, you keep quiet.

MR. CHAIRMAN: Order. [interjections] Order.

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MR. CHERRY: The Member for Edmonton-Meadowlark puts this recommendation forward with very, very little knowledge and without reading. Mr. Chairman, the report A View to the Future, that a committee that went out across the province was directed to do, yet he cannot figure out what the foundation will do. Well, let me just in a few words tell him what the foundation will do, how it will be structured, what other foundations and how they are structured.

The foundations that we visited out there were structured by very, very few people; as a matter of fact, a very large foundation in the Vancouver area which deals solely with drugs and alcohol has one executive officer with a clerk. Now, if this foundation that we're putting through is not structured under that criteria, then I would agree with him that there is some parallel. But look at the Heritage Foundation for Medical Research, at the way it's structured. This is the problem that so many people have about the family life and drug abuse foundation: they don't understand it. Certainly you could put it into AADAC very easily, but would that be the purpose of the foundation? No. Premier Getty announced this foundation, and he felt very, very positive about it, very positive that it was needed out there. I challenge the member to go out through Alberta and listen to the various people we listened to, that there's no need for this type of a foundation. I think he would certainly change his mind and, Mr. Chairman, I totally, totally do not support this recommendation 38.

Thank you.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Meadowlark, closing debate.

MR. MITCHELL: Mr. Chairman, I hear the member, and I hear the rote response that undoubtedly the Premier has asked him to give in an effort to save face, but I know it's not his own words. I just know that his heart isn't in that. First of all, he claims that it's not a big deal. Whatever bureaucracy we need to run this foundation will only be maybe one or two people – which is different than his colleagues have been telling me, because they said three people – like the foundation in Vancouver. Well, if it only takes one or two people to run it, then why bother having those one or two people set up to do it? Why not have AADAC run it? They can certainly find room probably within their own structure now.

So, quite the contrary, that is not an argument for setting it up and for minimizing its impact. It is an argument for saying that it wouldn't be an immense burden on AADAC to have them run it, or it is an argument for saying that if it can be run by one or two people only, maybe it's not necessary. I believe that in his heart of hearts he knows. You set up one or two people; they become three or four people. You've got to pay rent; you've got to pay per diem; you have to pay salaries; you have to pay benefits; you have to buy word processors and xerox machines and laser printers. Before you know it, much less money is going to the objective of that program than should be.

We haven't seen any analysis of the need for this program. We haven't seen beyond, as I say, a statement blurted by the Premier one day as he rose in the House; it was on his mind and he had to get it out. It simply runs contrary to everything that this government claims to be: efficiency minded, concerned about too much bureaucracy, wanting to streamline. It is, Mr. Chairman, as though that member is living in a dreamworld. He does not understand that this government has, in fact, a \$14 billion debt, has a \$9 billion unfunded pension liability, has a deficit that has ballooned from its \$800 million estimate last year to, we are told, \$2.4 billion. Almost 22 percent of everything they spent, they borrowed last year. It is a member who lives in a dreamworld, the Member for Lloydminster, if he believes for a minute that we need to add bureaucracy in a clear-cut case where we have an organization that has distinguished itself and that is more than capable of administering additional funding for family and drug abuse research, or whatever it is that the Premier has in mind for that particular program.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Meadowlark, recommendation 39.

39. Moved by Mr. Mitchell:

Whereas the earnings of the Alberta Heritage Savings Trust Fund are improperly inflated by the receipt of interest on debentures from Crown corporations receiving General Revenue Fund subsidies, that the Provincial Treasurer permit the Alberta Mortgage and Housing Corporation, the Alberta Opportunity Company, and the Alberta Agricultural Development Corporation to pay interest on their Alberta Heritage Savings Trust Fund debentures only in years in which these companies are profitable without subsidies from the General Revenue Fund.

MR. MITCHELL: This recommendation concerns my dispute with the manner in which the heritage trust fund makes a good portion of its interest earnings. I've said it many times and I won't belabour it here, Mr. Chairman, except to say that the Treasurer, the Premier, and the government claim that the heritage trust fund is a remarkable investment, that it supplements the General Revenue Fund and reduces Albertans' taxes.

That is fundamentally misleading. It only does that because the government subsidizes generally three Crown corporations which pay a huge portion of the "earnings" of the heritage trust fund. It's wrong that that shouldn't be acknowledged. It is wrong that this is allowed to continue. It is misleading; it obscures the reality of those investments and the reality of what those Crown corporations do. They are not investments. By and large, they have become supporters of social programs or of programs with a broader societal impact. Not to say that those are not important; they are in many cases. But it is improper for this government to attempt on the one hand to have its cake and on the other to eat it too. It can't say these are social programs to justify the subsidy, and then on the other hand, when it comes to collecting the income, say they are investments. They can't be both.

So to put that situation right, I am recommending that the Alberta Mortgage and Housing Corporation, the Alberta Opportunity Company, and the Alberta Agricultural Development Corporation pay interest on their debentures with the Heritage Savings Trust Fund only in years in which these companies are profitable without subsidies from the General Revenue Fund. It is straightforward and common sense. I know it must gall even the Conservative whatever-bench members of this committee to see their Treasurer jam this kind of misinformation down the throats of the people of Alberta and, certainly, try to put that past these quick-witted Conservative MLAs each and every year as they sit on this committee. I would ask that they support this and send a very clear message to this Treasurer who, I know, frustrates each and everyone of them on a daily basis.

MR. CHAIRMAN: The Member for Ponoka-Rimbey.

MR. JONSON: Pass.

MR. CHAIRMAN: The Member for Edmonton-Centre.

REV. ROBERTS: We agree with the Member for Edmonton-Meadowlark.

MR. CHAIRMAN: The Member for Lacombe.

MR. MOORE: Well, I just have one comment to make on it. The Member for Edmonton-Meadowlark is again a little out when he says the fund is improperly inflated. His argument may sound good on the surface, but let's take a look at it.

When this heritage trust fund was set up, there was a hue and cry from across Canada that we were building a huge fund at the expense of Canada. So we went out, and it was invested in other parts of Canada. Then there was a huge cry from the party represented by the Member for Edmonton-Meadowlark and the socialists: you serve Albertans; you don't serve the rest of Canada. The people listened to that, and they expressed concern too, so we stopped lending in the rest of Canada. Then came the demand that municipalities and government agencies were borrowing money to keep operating, borrowing it in New York or wherever they could, and that interest was leaving Alberta. "We can't have that interest leave Alberta. Why isn't the heritage trust fund providing us money? That interest could stay within Alberta." That made sense, so we stopped doing that. We took the heritage trust fund, and in these organizations we provided that.

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Now, if you take a look at those various organizations, if the heritage trust fund didn't provide the funding, the backing for them, and they owed the money to New York, they'd be paying that interest whether they made a profit or didn't make a profit, so we're going to lose it. That is why it is there. "If they have years that they don't make money," he says, "don't charge them any interest." They owe that money, they have an obligation to the heritage trust fund, and they'll pay that interest. Now, he calls that subsidization. It isn't. It's providing the funds for those organizations. If it wasn't done here, that interest you're talking about wouldn't be in the heritage trust fund; it'd be down in New York, completely lost. So that is why we're in that area of financing.

MR. CHAIRMAN: The Member for Edmonton-Meadowlark.

MR. MITCHELL: Well, while the Member for Lacombe makes an interesting argument, it doesn't defeat the point of this at all. I'm not saying they should borrow money from New York. I'm saying they can use the money that the heritage trust fund gave them but the government should just stop trying to construe that as providing an investment return. Let them borrow the money from the heritage trust fund, but let them borrow it at the rate that they're able to pay it instead of having the Treasurer then construe that this is a brilliant investment providing above-market returns, and isn't he a genius, and isn't this government a genius. I agree; of course they couldn't borrow the money from New York because New York would know they couldn't pay it. But I wouldn't want whatever interest they could pay to be paid to some financier in New York or some investor in the United States or in Britain or elsewhere, although the government has no qualms about borrowing money to fund its deficit from London and New York, of course. So that's inconsistent as well in the member's argument.

But that's not what this says. What this says is: let them keep the money, but let them stop telling us that they're paying interest that they can't afford to pay, period. Let's just have them stop misleading us about the quality of that fund. It has very, very detrimental effects on many levels if that's allowed to continue.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you.

Recommendation 40. I recognize the Member for Edmonton-Meadowlark.

40. Moved by Mr. Mitchell:

That the Alberta Heritage Savings Trust Fund provide a \$100 million grant to establish a foundation for environmental research and life-style education, which would use the earning on this grant to do the following:

- (a) research and develop technologies related to environmental protection and cleanup,
- (b) transfer these technologies to commercially viable enterprise, and
- (c) design and implement programs to educate Albertans in ways of reducing demands on the environment.

MR. MITCHELL: Mr. Chairman, this is a proposal that is not inconsistent with an earlier proposal by the Member for Clover

Bar. It emphasizes the need to do what he felt should be done as well, and that is to focus heritage trust funds on environmental research and life-style education. It would essentially have three components. One would be research and development of technologies related to environmental protection and cleanup; the second one would be to support the transfer of these technologies to commercially viable enterprise; and finally, it would work on designing and implementing programs to educate and encourage Albertans in ways of reducing demands on the environment.

Not enough of this is being done. The environmental concerns are reaching proportions which need dramatic and aggressive action. This proposal is modest against the concerns and against the problems that this province and the rest of the world face with respect to the environmental damage and on the other hand is quite significant and substantial compared to what this government has undertaken to do to this point.

Given its importance, given the importance that something substantive be done for the environment, and given how appropriate it is within the context of the mandate of the heritage trust fund to undertake to do it, I would ask that the members of this committee support this resolution.

MR. CHAIRMAN: The Member for Edmonton-Centre.

REV. ROBERTS: Thank you, Mr. Chairman. I was listening carefully to the member outlining his proposal for this foundation, and I have to agree that it would make a lot of sense. Certainly environmental issues and concerns are taking their rightful place as being front and centre in our consciousness as public policy people and as inhabitants on this fragile Earth with an increasing number of environmental threats and damages hitting from all sides. So to set up a foundation of this nature for both environmental research and life-style education following along as the member has outlined it I think makes a lot of sense.

But, Mr. Chairman, members of this committee, I really have to wonder where we're going to get this money from. I'm hearing that we need to take another hundred million dollars from the trust fund and a grant to establish the foundation, and though I appreciate the sincerity and the forthrightness with which the member's brought this forth, as one who wants to be concerned with fiscal accountability and the rest, he has to tell us where this money is going to come from. I know there is a new day in the Liberal Party, a new announced day, that there's going to be free votes from that caucus in terms of different positions on different matters, but it does grate me, as someone who thinks we need to come in here with some concerted, comprehensive, and co-ordinated plans that we come together, that the caucus is not . . . To hear the member saying, "We're going to set up this foundation with a hundred million dollars from the trust fund," and then to hear that his leader in a speech to a dinner here in Edmonton tonight is going to announce that the Liberal Party would, in fact, sell off the entire heritage trust fund to pay down the provincial debt: it makes one wonder how, on the one hand, the Liberal Party at a fund-raising dinner can say that their plan is to sell the Heritage Savings Trust Fund and then, on the other hand, say, "Well, by the way, we're still going to keep a hundred million of that to set up an environmental research and life-style education foundation." There's not going to be a hundred million to do that if the leader of the Liberal Party gets away with what he said he wants to do, which is sell the entire trust fund.

So I would like to throw it back to the member. What part of the fence are they coming down on here? It really strains credibility to think that with any sincere, well-thought-out caucus position, on the one hand the member can with good conscience come and ask us to set up a hundred million but then to have his leader, as I say, issue a news release - if folks want to take a look at this - even to say a balanced budget based on conservative revenue estimates but including the sale of the heritage trust fund. Now, I'm sure there are going to be some ways to say, "Well, we don't mean the sale of the whole thing." But it does say here: includes the sale of the heritage trust fund. Unqualified. So, Mr. Chairman, I hate to burst the bubble today, but here we are. The goods are down, and he's got to either have some fast talking with his leader to get him on side or maybe he might want to come into our caucus where, in fact, we have a position of retaining the trust fund and doing research and development in a very strong way for the long-term benefit of the province and not have this foolishness of selling off the fund. So the invitation's open, Grant. You're free to come on over anytime.

MR. CHAIRMAN: The Member for Calgary-Fish Creek.

MR. PAYNE: Thank you, Mr. Chairman. I don't know whether it's been by design or by chance, but it appears that most of the recommendations developed by the Member for Edmonton-Meadowlark have been lumped pretty well together towards the end of our deliberation, so it's given us a good opportunity to add to our understanding of his approach to the kinds of matters that are addressed by this committee. I think by and large he's displayed a fair amount of innovation and some interesting approaches to some matters, but I regret I cannot characterize this recommendation 40 in that language.

I guess I'm struck by two inconsistencies. First, there's the inconsistency with the thrust of his recommendation 38 where in his opening remarks as well as concluding remarks he dumped over the government members and others, alleging that there would be a parallel bureaucracy, and in his recommendation 38 he uses the language "thereby avoiding costly duplication of bureaucracy." Well, how inconsistent can that be given the implicit duplication of bureaucracy that would inevitably result if the government were to respond positively to recommendation 40? That's the first inconsistency.

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Of course, the second inconsistency has already been quite properly addressed by the Member for Edmonton-Centre, and that is the inconsistency between trying to find another hundred million dollars for endowment purposes while at the same time the leadership of the Liberal caucus is publicly contemplating getting rid of the heritage fund.

But putting those two inconsistencies aside, I should point out for the benefit of the committee and certainly for the benefit of the Member for Edmonton-Meadowlark that all three components, (a), (b), and (c), of his recommendation 40 are already under way. Part (a) advocates the researching and development of "technologies related to environmental protection." That's taking place right now at the Vegreville research centre. To a lesser extent it's also being undertaken at the Alberta Research Council and by AOSTRA and by the environmental trust. So on a number of fronts 40(a) is already being addressed by the government. Part (c), "design and implement programs to educate Albertans in ways of reducing demands on the

environment," also is being undertaken now and has been for some time, programs emanating from the Department of Energy, the Department of the Environment, and from other departmental agencies as well.

So for those two inherent inconsistencies, for the fact that these recommendations in effect already have been implemented, and finally the quite proper question asked by Edmonton-Centre – and that is, "Where is the hundred million dollars going to come from" – in toto, Mr. Chairman, I simply cannot support recommendation 40.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Meadowlark. [interjection] Oh, I'm sorry. Calgary-Mountain View was on the list. My error.

MR. HAWKESWORTH: No, it wasn't your error, Mr. Chairman. I just thought I'd maybe get in on this discussion, because we've been listening to a number of these recommendations, now this today from the Liberal caucus. I thought I'd like to make just a couple of observations at some point about the general direction and thrust that the Liberals seem to be wanting to take the fund.

Just picking out some words here, Mr. Chairman, recommendation 26, "that funds spent . . . be increased"; recommendation 28, "extending the fund": again, more money. Recommendation 31, offer more funds "to pay for 50 per cent of the costs" of libraries; then recommendation 38, "\$200 million": that sounds, the way it's worded, as if the Liberal caucus is assuming that this is going ahead and endorsing that. Now a hundred-million-dollar additional grant for a foundation in recommendation 40; recommendation 41, "renegotiate the agreement" to provide "sufficient funding to complete" a park system; recommendation 44, "additional endowment funding."

In going through all of these recommendations – and I will be fair. To sell some rail hopper cars, get some money back from Vencap, and so on: there are some proposals to get some of this money back. But what I see on the balance sheet, Mr. Chairman, is to dip into the fund to spend a lot more money in the area of the capital projects division type of spending of the trust fund. I'm getting lots of mixed signals here on just which direction the Liberals really want to go with the Heritage Savings Trust Fund. The members who are the spokesmen for their party in this committee are talking a lot about additional funding, and their own leader has said that his plans will involve sacrifices on the government spending side, which gives me all kinds of mixed signals.

So I just think it would be interesting to find out from the Liberals what happens when the leader of their party makes major announcements and with the loose party discipline that they envision, they end up voting him down. That would indicate to me some direction that is perhaps more in circles than straight ahead or maybe going all directions at the same time. [interjection] Well, with all due respect, the leader of the Liberal Party has previously said that the trust fund ought to be liquidated and used to pay down the provincial debt. That's not new. What I don't understand is why there isn't a motion from the Liberal caucus saying just that very thing so at least we would know which people speak for the Liberal Party in terms of what the future direction of the Heritage Savings Trust Fund ought to be.

MR. CHAIRMAN: The Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Chairman. I'm glad I made it back in time because it's obvious by the clamour of the little voices here that they wanted to get some bits of wisdom, or the gospel according to St. Nick. I am now going to promptly unload on them.

The first thing I wanted to do is to file a news release. As a matter of fact, it was November 14, yesterday. It says: "Decore proposes relaxation of party discipline, major overhaul to make government open, honest, efficient." So if I may, with your permission, file this in the hearings – I could read it word by word, but from the complaints and the arguments I hear coming from my fellow members of the committee, they have approached this problem with all the single-mindedness of a CBC reporter. As a matter of fact, they could have had a job, I'm sure.

The point of the matter is that we would gladly withdraw all our recommendations if they would agree to move that we dissolve the heritage trust fund and pay down our debt. But knowing that you cannot build a castle from the top down, as our NDP friends have often tried to do – they hook on to a cloud, and then they start laying the bricks – we're going to try to build from the bottom up. Consequently, Mr. Chairman, we have moved a motion here and a motion there, hoping, like two beavers gnawing at a gigantic poplar – it may be rotten inside but gnawing away at it – to bring it down with just a few little points. Any help the NDP could have by leaning their tails up against the tree and pushing, we would appreciate.

MRS. OSTERMAN: Nick, you're such a cute beaver.

MR. CHAIRMAN: Is the hon. member . . .

MR. TAYLOR: So, Mr. Chairman, the only reason I mention it was just as a guide to try to illustrate to them the lay of the land. I find I often get the same type of questions in CBC interviews, so I'm quite equipped to handle the backbenchers here.

Thank you.

MR. CHAIRMAN: Is the hon. member finished? Thank you. The Chair is not quite sure what pertinence this had to what we're about, but there must have been some, so we'll recognize the Member for Edmonton-Meadowlark to try and sum up.

MR. MITCHELL: Well, I am certainly strengthened in my conviction as a result of the comments just previous by the Member for Westlock-Sturgeon, if ever there was any doubt.

I was listening to the New Democrat Member for Edmonton-Centre. As I listened to that analysis, as wrong as it was, concerning apparent contradictions or reversals of position, I was reminded of the frenzy with which the New Democrats have been attempting to reverse their position on Senate reform and remain consistent somehow with the views of Albertans, as correct as those views are, that we do in fact need a Senate and how convenient it's been that the New Democrats have forgotten the history of their position on Senate reform.

MR. CHAIRMAN: Hon. member, I'm not sure this is pertinent to the recommendation we're dealing with.

3:21

MR. MITCHELL: I think that's about as pertinent as their talking about ethereal issues such as party discipline and those

kinds of things.

There is not, I would argue, inconsistency in this position. It is premised upon a very important value in governance, and that is that while you cut costs sometimes, and many times aggressively at times like these, one, you can never lose sight of the importance of investing in the future. Even in tough times you should invest in the future to prepare for good times, to establish the possibility of better times. Two, you set priorities. Unless the New Democrats are saying they don't think the environment's a priority, which obviously one has to question, it is a given that the environment is extremely important, that environmentally sound technologies can be viewed as an investment in the future, and that the Liberal Party, while wanting to dissolve the heritage trust fund, is going to assess and consider priorities within that initiative. It is very consistent that we would place above all else a priority upon investment in environmental research and life-style education because it is so important. That is not inconsistent with selling off much of the heritage trust fund in order to reduce debt. These are subtle values and principles upon which you would govern Alberta, obviously too subtle for these New Democrats to fully understand, which raises concerns amongst many of us and amongst most Albertans, I'm sure.

The inconsistencies pointed out by the Member for Calgary-Fish Creek - I have always had the greatest respect for his input, and generally it is extremely well thought out, and it is this time - that it might be a duplicate bureaucracy that we would be establishing, I would argue not at all. I would be happy to consider his input, because it's not addressed explicitly in this recommendation. I would be happy to consider his input. To have the foundation, the pool of funds, in fact administered by the Department of the Environment: there is nothing inconsistent with that idea and this recommendation. That would reduce the potential for duplicate bureaucracy, avoid duplicate bureaucracy. In fact, what it argues very clearly is that.

His conviction and sincerity on this point would drive him, of course, to support my recommendation 38, which does request exactly that there not be a duplicate bureaucracy. I'm willing to say that we will establish this foundation and its administration in a way that would not duplicate bureaucracy, and he should accept, because it is his point, that clearly AADAC should not be duplicated in the establishment of the family life and drug abuse foundation.

Finally, where do we get the hundred million dollars in the heritage trust fund? Somehow there's an inconsistency. I say we take it from this \$200 million that the government is going to spend one way or another, and it's probably not as important to spend it on that, the family life and drug abuse program, as it is to spend it on the environment research.

In fact, I would like to mention that I am concerned with the efforts of Calgary-Mountain View to shade the truth - I would have thought better of him - in saying that somehow I must be endorsing the \$200 million expenditure for the family life and drug abuse foundation. Of course, he knows that's not the case. This resolution 38 is a resolution of despair. It's going to be spent. There's nothing we can do about that. The Premier's got this bee in his bonnet, so let's not make it worse than it needs to be. Recommendation 38 says don't duplicate bureaucracy.

I appreciate the input. I am no less committed to this recommendation, and I am no less vehement in my request that the members of this committee support this recommendation, Mr. Chairman.

Thank you.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Meadowlark, recommendation 41.

41. Moved by Mr. Mitchell:

That the Alberta Heritage Savings Trust Fund immediately renegotiate the agreement under the Capital City recreation park program with the city of Edmonton to ensure sufficient funding to complete the Capital City recreation park system by the year 2000.

MR. MITCHELL: Mr. Chairman, I raise this recommendation because the Capital City recreation park program is such a significant and important quality of life contribution to Edmonton. It is only about half finished, and the government's commitment to completing it is inadequate. The commitment that they've made to this point is very vague in any event, even the money that they have presented. It's an expansion of the Capital City recreation park program that would benefit the west end of Edmonton.

The west end of Edmonton is growing extremely rapidly, and it is without much of the developed parks that are enjoyed, for example, by the Member for Edmonton-Centre, who is so quick to say that this is an unnecessary expenditure of money when his constituency contains some of the most elaborate and beautiful parks in this city. The fact is that there are strong economic benefits because it would enhance the quality of life in Alberta which would attract and hold head offices, make it even a more appealing place than it already is for families to move to, for companies to move families to.

Mr. Chairman, there are elaborate, well-funded, beautiful parks around this province that have been supported by this fund, parks such as the one that we visited in your own riding, many of which are in a position to benefit the residents in their area through easy access. That cannot be said about the Capital City recreation park program as it affects the west end of Edmonton. There are untapped recreational resources in the river valley that lend themselves so well to the completion of this park. There are also environmental benefits. We can preserve those areas. We can provide more easily accessible bicycle trails for people who would determine that it's important for them to commute to work for environmental and health reasons.

Mr. Chairman, I would ask that committee members support this initiative.

MR. CHAIRMAN: Thank you.

The Member for Ponoka-Rimbey.

MR. JONSON: Well, Mr. Chairman, I'm not familiar with the details of the actual agreement, but I do notice that the agreement is obviously being acted upon to some degree. There's \$8 million in the past year's expenditures from the fund for this purpose, and the total is somewhere in the neighbourhood of \$44 million.

I think I'm consistent with my previous remarks on other recommendations in that I think this is a time to restrain our expenditures and maximize the return from the fund. Although the recommendation says "renegotiate," I think really that is not the appropriate word. Extend, expand, add to, allocate additional funds would have been more accurate in terms of what is intended.

In terms of the distribution of the park or the way the park is developed in Edmonton, well, that's a decision that was made. It can't be too difficult to walk or ride or drive to the east end

of Edmonton to take in the benefits of the park that currently exists. I fully support the idea of developing urban parks. I note that the provincial government's commitment to this point is quite significant. I think it would roughly work out to about \$60 per capita, which is at least equal to, if not in excess of, what's being spent in other parts of the province.

Therefore, Mr. Chairman, I cannot support this recommendation.

MR. CHAIRMAN: The Member for Edmonton-Centre.

3:31

REV. ROBERTS: Thank you, Mr. Chairman. I'm a great lover and user of the Capital City park. It's one of the jewels in our crown of the capital city and I think a great asset that the fund has supported over the years. When the Minister of Public Works, Supply and Services has been in here, we've discussed with him a number of times about how it can be expanded and developed further, as well as how it can be better publicized and used so the people, in fact, can get on their bikes and their cross-country skis and their jogging shorts and the rest and get out and use it more, because I think it is an underutilized feature of our capital city.

I would like to see it extended to the west. Whether it's the Member for Edmonton-Meadowlark or the Member for Edmonton-Jasper Place, I know they both want to get it out there to serve constituent needs and to show that they've brought the wonders of the Capital City park - even though it is a river valley kind of park, it's going to be hard, but I'm sure with some skill it can be brought - out to the west end there.

MR. MITCHELL: Is the river valley in the west end?

REV. ROBERTS: Well, it still cuts through Edmonton-Whitemud, I think.

But come on, Mr. Chairman, we have to get some clarity here from the member. He didn't say how much; he says "sufficient funding." Now, I'm sure he's researched this to know what that sufficient funding is, that dollar amount, whether it's the \$44 million that's already been expended or another \$10 million or \$20 million. We in the committee need to know that amount, and we need to know, further, where it's going to come from after the Heritage Savings Trust Fund has been liquidated by his leader. We said yesterday that some projects need to compete eyeball-to-eyeball with other projects out of the General Revenue Fund, and certainly we could have better revenues flow into the General Revenue Fund to support those kinds of projects. But, no, it seems that tonight at 8 o'clock, after we've had our committee hearings and these resolutions have all been presented, the Liberal leader is going to get up and announce no money for AIDS research, no money for environmental research and life-style, no money for expanding the Capital City parks, because there's not going to be any more Heritage Savings Trust Fund. We're going to pay down the debt and help to support the pension liabilities. We're not going to have a healthy future for our children in this province. We're going to sell off the investment, the endowment, the RRSPs of our children in order to pay down these debts, and in fact there's just not going to be any money for these things.

I would like to know from the member, and I know he has some concluding remarks, if he in fact agrees with his leader in terms of that kind of liquidation, because he does seem to be very creative and imaginative and responsible in the kinds of projects that the trust fund could and should legitimately support

in a kind of framework that we outlined yesterday, which they'll be able to continue to some degree. And you're right, hon. member; it is far too subtle for me to figure out how you can this afternoon ask for these moneys and then tonight your leader can say that there is not going to be a trust fund from which these moneys can be drawn. That is too subtle for me. I just would like to know more clearly this afternoon whether you in fact support that position in order to put these other nasty rumours, these embargoed things to rest: that in fact there will be a trust fund and that projects like the Capital City park will be able to be expanded out of trust fund moneys. What's it going to be?

MR. CHAIRMAN: Thank you.

Is the Member for Edmonton-Clover Bar . . .

MR. GESELL: Sure. But I'm not Edmonton-Clover Bar.

MR. CHAIRMAN: I'm sorry; Clover Bar.

MR. GESELL: I don't appreciate those derogatory remarks.

Mr. Chairman, I wanted to make a few comments. The last speaker here just made some excellent points that I think are valid. I feel that the Capital City recreation park is a tremendous facility and it's a tremendous investment. It's of tremendous benefit not only to Edmontonians but to the metropolitan area. People from the metropolitan area and the municipalities surrounding the city of Edmonton derive some benefit from it.

But the point made by the Member for Edmonton-Centre is that it is underutilized at this point in time, and that's correct. I think the Member for Edmonton-Meadowlark would agree that the utilization of the Capital City recreation park is not even at 50 percent; that would be my estimate. It is less than that. So on the basis of usage of the park, it's very difficult to then establish a need for an expansion or renegotiation of the existing agreement. It's particularly true since I believe the remaining \$15 million that has been allocated has not been accessed in any way or fashion at all by the city of Edmonton. Apparently, there's some time delay in preparing the plans. There doesn't seem to be a need as far as utilization is concerned; there doesn't seem to be a need as far as acquisition of the funding that's been approved by the city of Edmonton. So I have some difficulty where the urgency of the request arises, because need or utilization of approved funds is not there. I believe that when the minister was here, he indicated to us that that \$15 million that was allocated had not been accessed at all.

I also want to make a point about conservation and protection, Mr. Chairman. The Member for Edmonton-Meadowlark indicated that there are certain areas in that river valley in the city of Edmonton and associated areas - and they are integrated within that Capital City park - that are untapped. Well, I think they should remain in that state to some degree, because there needs to be a balance of areas that are actively developed for park use and there are certain areas that should remain in conservation, environmental protection areas within that river valley so that there is a balance of the environment: recreational utilization, conservation and protection as well. I have some difficulty with the concept that there is still some additional land that could be developed so therefore we should. I don't accept that argument at all. I think that some of these areas should be retained in their natural environment and their natural fashion.

I will not be supporting this recommendation. I don't think there's a need or an urgency for that type of renegotiation at this point in time.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Meadowlark to close debate.

MR. MITCHELL: Thank you, Mr. Chairman. I think it's interesting to note that the two members who spoke against this resolution have no direct commitment to the city of Edmonton, because one of them, of course, is a member who is outside the city of Edmonton and undoubtedly is surrounded by parkland and the other represents a constituency with some of the best urban parkland in the city, not to mention the country. So I'm disturbed with the Member for Edmonton-Centre in particular, that he would demonstrate that kind of smug arrogance and say: well, we've got ours; let's not allow anybody else to have it.

But I'm also concerned that each of these people would argue that these parks are underutilized. I can't imagine that they haven't been to Heritage Days, for example, when Hawrelak park is certainly not underutilized, that they haven't been to symphonies and other concerts in that park, that they haven't taken walks or bike rides through the bike trails, that they haven't run from the Kinsmen field house through those trails at a lunchtime exercise session, that they have no idea how important, what an integral part of the city this park represents for many, many Edmontonians. They do not understand the demographics of the west end of Edmonton, where the city has expanded rapidly in the late '80s, early '90s too, where there are many, many young families who would benefit tremendously from a developed park of this nature because, in fact, in the west end there is very little in the way of developed, natural parkland area, which the Capital City recreation park program would accomplish.

3-41

MR. CHAIRMAN: Thank you.

I recognize the Member for Edmonton-Meadowlark with recommendation 42.

42. Moved by Mr. Mitchell:

That the Department of Recreation and Parks provide a report to the committee indicating how many of Alberta's 17 natural regions are currently represented by Alberta's 11 designated ecological reserves, outlining the timetable by which all 17 natural regions will be represented, and indicating what Alberta Heritage Savings Trust Fund support would assist in completing this process.

MR. MITCHELL: This one, Mr. Chairman, will probably gain support even by the New Democrats, because this addresses an extremely important feature of environment policy in this province that we need to embrace wholeheartedly, not pay lip service to: the World Wildlife Fund program to designate a natural area or ecological reserve for each of the distinct ecological areas of this province. To this point we have 12 designated ecological reserves – and I would make an amendment to the 11 there, as I'm allowed to do, Mr. Chairman – but they reflect only nine of the ecological regions of this province and, in fact, do not reflect those adequately because many of them are not of adequate size.

We are saying in this recommendation that if the Department of Recreation and Parks has insufficient resources to complete this process – and we can only assume that they must, because they are certainly remiss to do it as quickly as it could be done – then the Heritage Savings Trust Fund should offer its support to assist in completing the process. It need not be expensive; in fact, quite the contrary. It is an investment in the future, but it

is essential. Our focus on environmental policy, so much to the extent that it's focused on law by this government, is on pollution. That's extremely important. But there's another side to a balanced environmental policy, and that is conservation: conservation of ecological systems, promotion of ecological diversity in this province as part of a worldwide initiative. Alberta should be embarrassed that it has not taken hold and completed its part in this initiative. I am proposing this recommendation to encourage the Minister of Recreation and Parks to accomplish this quickly and properly.

MR. CHAIRMAN: Members wishing to speak to that motion? Does the member have closing remarks?

MR. MITCHELL: No, that's fine, Mr. Chairman.

MR. CHAIRMAN: Thank you.

I recognize the member with recommendation 43.

[Mr. Jonson in the Chair]

43. Moved by Mr. Mitchell:

That the irrigation headworks and main irrigation systems program of the Alberta Heritage Savings Trust Fund be transferred from the Department of the Environment to the Department of Public Works, Supply and Services.

MR. MITCHELL: Mr. Chairman, this recommendation is designed to correct an inherent contradiction in this government's administrative policy. The Minister of the Environment several years ago made a great deal of the importance of shifting the building of dams and that kind of function from the Department of the Environment to the department of public works in order to resolve an inherent conflict of interest. The Department of the Environment should not have an interest in building and planning dams and irrigation projects, because it cannot be objective in its mandate to review the environmental implications of those projects. In response to that criticism the government shifted, it says, the responsibility for dams to the department of public works. Of course, one could argue whether or not it did that, but it's on the record as saying that it did that.

If that's the case, then how is it that this vestige of the old administrative structure – that is, the Environment department's responsibility for irrigation headworks and that kind of thing – is held over in the Heritage Savings Trust Fund? It should just simply be a given that if you transferred that kind of function between departments, Environment and public works, for ongoing operational program functions, then that principle should be applied to the administration of heritage trust fund funds. Clearly, Environment shouldn't have responsibility for irrigation headworks and main irrigation systems, at least the building of them and the maintaining of them – they should have responsibility for reviewing them as to their environmental acceptability – and public works should have that responsibility.

So, in fact, Mr. Chairman, I am simply proposing this as really an administrative matter to create and sustain consistency within this government itself.

MR. DEPUTY CHAIRMAN: The Member for Cardston.

MR. ADY: Thank you, Mr. Chairman. Since I believe I'm the only member on this committee who lives in an irrigation

district, it's probably appropriate that I respond to this recommendation.

Dealing with the position that the hon. Member for Edmonton-Meadowlark took pertaining to the function of the Department of Public Works, Supply and Services, let's be clear that that department is the builder and administrative department within the government. Consequently, it was given responsibility to build the Oldman dam. After the Department of the Environment had assumed all of the responsibility from an environmental perspective, then it was turned over to the Public Works, Supply and Services department to build it. I don't think there's anything difficult in following that rationale.

When we speak to the recommendation, though, having to do with moving the irrigation headworks and the main irrigation system to the Department of Public Works, Supply and Services, I've seen a similar recommendation put forward that it be turned over to the Department of Agriculture. Well, I don't think that either of those departments has the responsibility for the well-being of our rivers and the regulation of the flow that's taken from them for irrigation. I believe that rightly belongs with the Department of the Environment. They have that responsibility: to protect our rivers and to protect the amount of water taken from them that may flow through to the irrigation systems. It's only logical that that responsibility should remain with them so they can police that very closely. That's the rationale for it staying where it's at. The Department of Public Works, Supply and Services would only become objective builders of headworks and main canals.

I don't believe that the Department of the Environment is quite finished with its responsibility at that point. They have a responsibility to protect those rivers, to protect those irrigation systems, because as the member knows from his visit to the south and the tour of the irrigation systems, those irrigation canals are quite substantial and they have an environmental impact as they travel throughout the 13 irrigation districts in the south. I think it's very appropriate that the Department of the Environment maintain their control over the irrigation headworks and the main irrigation system within the irrigation districts.

Thank you.

MR. DEPUTY CHAIRMAN: The hon. Member for Edmonton-Meadowlark to close.

MR. MITCHELL: Mr. Chairman, I certainly appreciate the sensitivity of the Member for Cardston with respect to irrigation systems. They are a very critical feature of the economy of his riding and the well-being of its residents.

[Mr. Ady in the Chair]

However, he misses the point. This would not, presumably, affect the manner in which irrigation headworks and the main irrigation system would be built and maintained unless he feels that the Department of Public Works, Supply and Services is incompetent to do it. For him to say that the only way the Department of the Environment can exercise its control over the potential environmental harm of an irrigation system is to build and maintain the irrigation systems is for him to then argue that they must take over Daishowa, they must take over Procter & Gamble, they'd better take over Weldwood, and they'd better take over the refineries east of the city, because how else could they ensure that they're not polluted. No. Clearly, that would

be absurd. The logical conclusion of the member's argument is absurd.

3:57

The fact is that the Minister of the Environment regulates, or should and hopefully he does, all kinds of environmental encroachment, not by running the project or running the company but by establishing monitoring systems and by issuing control and variance orders and licences in which regulated standards are established. The Minister of the Environment could do exactly that if irrigation headworks and main irrigation systems under the heritage trust fund were the purview of the Department of Public Works, Supply and Services. In fact, I would argue that they could do it properly because they wouldn't have an inherent conflict of interest.

So I appreciate the member's concern. I believe that this recommendation in no way raises that concern, and I would ask that he change his mind and convince his caucus members to vote for this recommendation. It only makes good sense.

MR. CHAIRMAN: Thank you.

The Member for Calgary-Fish Creek, recommendation 44.

44. Moved by Mr. Payne:

That additional endowment funding be provided to the Alberta Heritage Foundation for Medical Research to conduct systematic, ongoing research into the Alberta health care system with the objective of enhancing the system's effectiveness and efficiency.

MR. PAYNE: Mr. Chairman, I'd like to begin my discussion by reminding the members of the committee of the time we spent in this Chamber with Mr. Libin and Dr. Spence. During the course of Mr. Libin's opening remarks to the committee he drew to our attention that both the Rainbow Report and the Department of Health's report of the Advisory Committee on the Utilization of Medical Services attached a high priority to expanding research into our health care system as the only way to deal with the spiraling costs of health care in our province. Mr. Libin quite properly indicated to the committee that the Alberta Heritage Foundation for Medical Research has the previous experience and expertise and some of the programs necessary to support the development and maintenance of this type of research.

My recommendation, of course, deals directly with those remarks of Mr. Libin, wherein I recommend that additional endowment funding be provided to the . . . foundation . . . to conduct systematic, ongoing research into the Alberta health care system with the objective of enhancing the system's effectiveness and efficiency.

Now, Mr. Chairman, in anticipation of possibly opposition and certainly government members' questions regarding the source of the money – I can hear the question coming now: where's the money going to come from? – I'd like to point out that the proposed additional endowment funding is not unlike the heritage fund investment in Syncrude or OSLO, wherein there is an actual return on the investment. Well, so also would it be with the proposed endowment funding increase here. There's no question in my mind that if the foundation were able to harness its proven, demonstrated research skills into the broad research area of determining efficiencies and effectiveness in our system, over time there would be a diminished or restrained demand on the general revenue account. Over time I feel it would not be an expense but rather an investment with a very demonstrable return.

In anticipation of that return on the investment and in anticipation of the obvious need to find new efficiencies in our health care system to get more bang, as it were, out of our health care buck, I would hope that the members of the committee would feel disposed to support this recommendation 44.

MR. CHAIRMAN: The Member for Westlock-Sturgeon, followed by the Member for Edmonton-Centre.

MR. TAYLOR: Thank you, Mr. Chairman. Usually, the Member for Calgary-Fish Creek is well-thought-out and very reasonable, even though I cannot agree sometimes with the point he's driving at. I have a great deal of difficulty with this one, though, in that he is asking a group of people who are medical researchers – in other words, into the bacteria and the body and all the things that go into medicine – to look at what is essentially a management and political problem. Although I agree with them that the problem is there, personally, mind you, I don't think it's as bad as everybody likes to say, because health care, unlike many other things that the government spends money on, is just substituting government money for private money. You would have to pay for the X ray; you would have to pay for the hospital bed; you would have to pay for the dentures and the eyeglasses and everything anyhow. So the idea that you're saving money if the government is not paying is wrong. It's not as if the government is building a highway or building a set of canals or putting in an airline. Those things we may well do without. In medical care it is not the question, really, of whether we are saving medical expenses to the taxpayer; it's who's paying for it: the government or the individual. Actually, our system of government payment seems to be better than the private, out-of-pocket payment, because in the U.S., if you take the total cost of medical care, they spend nearly 30 percent more than we do in Canada for a product that everybody agrees is not nearly as good. Consequently, the spending of money is highly overrated in our whole cost of medicine.

Nevertheless, it doesn't matter what system we have; we can always stand investigation and research and a chance for improvement. Although I agree with the thrust of the hon. member's wish to find more information, I do not think the foundation for medical research is the one that can answer the problem on enhancing the system's effectiveness and efficiency, which is essentially a political and management problem.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Centre.

REV. ROBERTS: Mr. Chairman, Westlock-Sturgeon makes a good point. Clearly over the past number of years when we've had people from the Heritage Foundation for Medical Research in here, they've really wanted to emphasize the fact that they are medical, biochemically-oriented scientists who like to work in laboratories with some of the hard bench work of biomedical research, and the area being talked about here is really more of research into management, administration, and the rest.

However, I am convinced of the quality of the work done by the Heritage Foundation for Medical Research and the fact that they would come in this year and in their annual report say that they in fact are prepared to enter this critically important area of research into the health system itself. If they're prepared to do that, then power to them. They are aware, of course, of having to develop what they would call a critical mass of

researchers to do that. I in fact have been in touch with people in the department of community medicine and health administration at the university. There is an enormous amount of work that's being done in bits and pieces at universities and hospitals in terms of the health system around North America, and to link that together – there are in fact some very exciting proposals in terms of linking and educating and doing research into some areas, epidemiology being one, funding mechanisms being another, and measurement of health status or health outcomes. I mean, there's a lot that can be done, and I think we have the leg up here at the University of Alberta, in the hospital and the university, and could do a lot with the medical research people alongside.

I am therefore disappointed that the member seems to have come with us in this direction, which we've been calling for in the New Democrat caucus for a while, but the resolution is so general and vague. It just says, "additional endowment funding." I don't know. Is that like \$2 million or \$3 million more, \$20 million or \$30 million more, or what? When they were before us, they said that their \$200 million foundation in 1990 dollars really only represents, I thought it was, about \$170 million in terms of purchase . . . [interjection] Well, that's book value, but in terms of the purchasing power of what they can get for that dollar compared to the purchasing power of it in 1980, it's deteriorated quite a bit. It's an interesting point. So I will support it in principle. But I think to give it in the context it should be looked at, there is still some larger issue of how government responds to the whole area of health research, mindful of the fact that there are moneys going through universities, through hospitals that do this already, and we don't want to again talk about duplicate bureaucracies.

4:01

I am eager to hear from the Minister of Health, and I know we'll all be in the Legislature shortly. I'll be eager to hear her report on this tridepartmental committee – between Advanced Education, Technology, Research and Telecommunications, and Health – to know how they will link together a number of different funders of health research in a much more comprehensive and co-ordinated fashion. Perhaps some economy of scale can still be there, some other moneys can be directed to health system research and the rest.

So I'll go along, insofar as it's just a general pat on the back, for the move in this direction. I think, though, it's more critical that this tridepartmental committee make its report and we have a clear sense of how we're going to be moving in a more comprehensive way than just throwing money and expecting them all to do it here.

There are some other points, but we're getting near the end. I'll leave that for now. Thank you.

MR. CHAIRMAN: The Member for Ponoka-Rimbey.

MR. JONSON: Mr. Chairman, just two or three concerns with this particular recommendation, although certainly I'm sure all members of the committee want to pursue the objective of enhancing the medical system's effectiveness and efficiency. Looking at this year's *Hansard* for this committee and having been at past presentations of the medical research foundation, I think we're all impressed with the work they do. But certainly the orientation that comes through is that they are currently expert in and directed toward prevention and treatment and research into the cause and cure of physical disease, and physiological difficulties as well, I guess, to a smaller extent.

Another concern I have is that we've had the Rainbow Report, we've had the Watanabe report, we have the Mirosh report on long-term care – we've had so many different efforts, with one of their main objectives, I assume, being the effectiveness and efficiency of the system, and this would seem to be another direction being taken with respect to this whole matter. What I feel is needed is to bring these sets of recommendations together, come with a co-ordinated approach to tackling these objectives, and not go on before that is done and provide additional money, which will be hard to come by, to the medical research foundation to move off in another major area of responsibility.

MR. CHAIRMAN: Thank you.

The Member for Calgary-Fish Creek.

MR. PAYNE: Mr. Chairman, the Member for Ponoka-Rimbey, the Member for Edmonton-Centre, and the Member for Westlock-Sturgeon all asked the question that I asked of Mr. Libin and Dr. Spence on page 230 of *Hansard*, wherein I pointed out that customarily members of their organization concern themselves with specific medical research projects. Rather than give these three members my answer today, let me give them Dr. Spence's answer, wherein he said, on page 230, and I quote from the *Hansard* record:

The people who are going to do the research . . . or carry out those studies will be the people in our universities, our hospitals, and in our public health operations throughout the province, because this is the natural laboratory. What the foundation will be is the vehicle through which these things will be possible through the sorts of programs that we've been able to use so successfully in the past and through new programs which this type of endeavour will undoubtedly require. I can assure you we would welcome the opportunity to move on this one. I think the time is now, and the sooner the better because this is not a situation that is likely to go away.

Now, the Member for Edmonton-Centre also condemned me somewhat, albeit with diplomatic language, as to the vagueness of the wording of the recommendation and asked the question, "Well, how many endowment dollars are we talking about?" Again the record answers the question. On page 226 Mr. Libin deals with that and advocates an endowment income in the range of \$8 million to \$10 million. The record before us amply answers the questions raised by the members today, and I hope they will be as prepared to accept the responses of Mr. Libin and Dr. Spence as readily as I have and support this recommendation.

MR. CHAIRMAN: Thank you.

We're approaching the recommendation that we've been trying to get to, recommendation 45. We'll recognize the Member for Edmonton-Meadowlark.

45. Moved by Mr. Mitchell:

That the legislation governing the operation of the Alberta Heritage Foundation for Medical Research be amended to allow the foundation to pursue private-sector funding to supplement its research funding initiatives.

MR. MITCHELL: Thank you, Mr. Chairman, and I should note that I have two and a half hours of comments on this particular recommendation.

This recommendation arose as a result of a comment by Mr. Libin in the session we had with him where he pointed out that under the legislation for the Alberta Heritage Foundation for

Medical Research that organization is unable to pursue and accept private-sector funding to supplement its research funding initiatives. One can only imagine that there would be a great deal of interest in joint ventures with the private sector and the Heritage Foundation for Medical Research on the part of the private sector. The ability of the foundation to pursue money outside its Heritage Savings Trust Fund money from the private sector would enhance, expand its ability to pursue the objectives which have been given it. The concern of Mr. Libin at the time I raised this matter with him, "Well, we don't know how we would do it or whether, upon reflection, it would be the right thing to do," is met by this resolution, because this resolution doesn't say they have to do it. This resolution merely says that they would have the power "to pursue private-sector funding" and accept it should they determine they would like to do it. Therefore, it's simply an enabling resolution, not a directive, and I believe there can be no harm in passing it and there may, in fact, be harm or at least lost opportunity in not passing it.

I would ask that the members of the committee accept this resolution really as little more than an administrative change with potentially great benefits and with absolutely no potential for disadvantage.

REV. ROBERTS: Well, Mr. Chairman, I agree with the member in this recommendation. I think, though, it does have wider implications than he's making out. I don't think it's a simple administrative change; in fact, I think it would probably necessitate an amendment to their Act. Didn't we sort that out, Grant?

MR. MITCHELL: Well, it would, but that could be from an administrative . . .

REV. ROBERTS: But I think it makes good sense. For instance, I just heard last week that after Bill C-43, the patent protection Act, passed Parliament, all these brand-name drug companies could have this extended life for the protection of their patent in exchange for moneys coming into the research community. I'm hearing that there's some money now coming back and that even Technology, Research and Telecommunications doesn't quite know what research area that should go into. So to the degree there is some payback here, I don't see why, for instance, given these legislative changes and this recommendation, some moneys from some of these big brand-name pharmaceutical houses can't go into supplementing the endowment of the heritage foundation since it's the biggest bang for our health care research dollar.

4:11

I, though, would hate to have to have Mr. Libin and Dr. Spence spend a lot of their time going out having to fund-raise and make approaches to various potential investors and donors, but I guess in fact portions of their hospitals and the rest are actually going out and raising that kind of money, though I hear it's not very successful and doesn't get a very large percentage of their financial need in that way. But I think it leaves the door open and allows for some development of some otherwise lost moneys and revenues and donations. I think it makes good sense, and I don't think the pipers would start calling the tune, because the biggest piper would still be the trust fund itself. Anyway, to supplement and get some responsible funding paybacks for . . . In fact, I was irritated when I got the impression that the heritage foundation people would do most of the costly high-risk kind of research, and then when it became lower

risk and they began to get some commercial value, the private folks would start pouring money into it. So, you know, again it's public funding for the high-risk stuff to get it going, and then once it becomes sort of marketable and profitable, you have this transfer technology which gets it out to some people who can get it on the open market and make some money off it. Again, I think there are some inequities in that which this might help to alleviate as well.

Hey, we're almost near the end here, so I think that's all I have to say for now.

**MR. CHAIRMAN:** Other members wishing to speak to this motion? Yes, Member for Calgary-Fish Creek.

**MR. PAYNE:** Mr. Chairman, I don't know why the Member for Edmonton-Centre is so spooked by the concept of enabling the private sector to contribute to such a worthwhile foundation. A couple of years ago I chaired a seven-digit fund-raising drive to endow a chair at the University of Alberta, and I found the capacity to go to government and to the private sector made it comparatively easy to achieve an otherwise challenging fund-raising goal. There's no doubt in my mind that potential private-sector contributors to such a worthwhile foundation can be found throughout this city, certainly in Calgary, and throughout the province. So I'm puzzled by the Member for Edmonton-Centre's reluctance to accept it. I think it's a very worthwhile concept.

Mr. Chairman, we've been meeting as a committee off and on for about two months; this is the final day of our deliberations except for the day sometime in the future when we meet to cast our votes. I would like to conclude on a high note, so could you let me indicate to the Member for Edmonton-Meadowlark that I think it's a very fine recommendation and I'm happy to endorse it today.

**MR. MOORE:** Well, Mr. Chairman, I think it's quite a milestone we have hit at this very moment. You might not be aware of it, and just to point out that milestone before we close off today, ever since the Member for Edmonton-Meadowlark joined our ranks here in the Legislature, I have listened intently and meditated over everything he's said, and up to this very moment I haven't found a damned thing I can agree with, but on this one I do agree. So it is a major milestone for me and for the Member for Edmonton-Meadowlark to hear the Member for Lacombe say, "I agree with one thing."

**REV. ROBERTS:** Well, Mr. Chairman, I just want it to be

clear here. I'm not spooked by private funding. In fact, I think I was talking with Mr. Meadowlark here at the time, saying, "Hey, listen; if they're so desperate for funds and there's some of this money being paid back, then we can get some joint moneys going here." I just wanted to probe the mind of Mr. Libin himself, who seemed to indicate that it would have a lot of implications for the board of the foundation. I was speculating on what some of those implications would be, and I think it would have benefit, but it would have some drawbacks as well. So please take my comments in a manner that we're cautiously supportive but I wanted to open the door even at the time.

So on that high note, perhaps this might not be the most appropriate time, but I think that despite all our machinations here the chairman has done an admirable job in the committee and has kept order and good counsel to us all.

Does somebody else want to adjourn?

**MR. CHAIRMAN:** We have to allow the member to close debate.

**MR. MITCHELL:** Mr. Chairman, I will say nothing to upset this very delicate balance that has been structured here over the discussion of this resolution, except to say thank you very much to each member of this committee for their support for this resolution and to then express my thanks and thanks on behalf of my colleague for your efforts in steering this committee, as you have done so well.

**MR. CHAIRMAN:** The Chair would entertain a motion for adjournment, and prior to accepting it, the Chair will get some correspondence out as soon as possible as to a date for perhaps reviewing the budget of the committee and voting.

**MR. CHERRY:** When do we vote?

**MR. CHAIRMAN:** I haven't set the date. I'll try and get a date that's reasonable, and we'll give reasonable lead time so you can have time to . . . [interjections] No.

Member for Wainwright.

**MR. FISCHER:** I move this meeting adjourn.

**MR. CHAIRMAN:** Those in favour? Those opposed? The meeting stands adjourned.

[The committee adjourned at 4:17 p.m.]

