

2:31 p.m.

Tuesday, December 18, 1990

[Chairman: Mr. Ady]

MR. CHAIRMAN: I'd like to call this meeting to order and welcome all of the members to our meeting today. This meeting has been called specifically to vote on the recommendations. The Chair was anxious to call this meeting prior to the end of the year as opposed to letting it lag into the new year. I think it's important that we have this meeting and vote on our recommendations. This will allow us to proceed with the preparation of the annual report, which in turn will allow us to have our report completed in time to be tabled, in accordance with Standing Orders, on the first Monday of the new session in the spring.

I appreciate the attendance. Just by way of reiteration, you'll recall that we did pass a motion previously that today our meeting would deal specifically with voting on the recommendations, that our time for debate has passed. I don't know that there will be any other orders of business that will come before the committee today.

Hon. Member for Lacombe.

MR. MOORE: Well, I know you just got ready to start on the voting. We've all got copies of the recommendations, and I move that you call them by number only. There's no need to read them back into the records.

MR. CHAIRMAN: Thank you, hon. member. I believe that *Hansard* will pick up the text of the recommendations anyway, even though I just call them out by number. That was the practice that we followed last year. All members in favour, please signify.

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Any opposed? It will expedite the movement, and I don't believe it serves any purpose to read them off. If there are no other orders of business . . .

MR. TAYLOR: Just on procedure, though. I think it goes with the parliamentary . . . We had a bit of a rhubarb last year. I think anybody on the committee should be able to ask for a recorded vote from time to time.

MR. CHAIRMAN: I don't have a problem with a recorded vote. I think that's part of the procedure.

Okay, the Chair, then, will call a recommendation by number and call for those in favour and those opposed, and the legislative secretary will assist the Chair in assessing the vote, if that's agreeable to all the members.

HON. MEMBERS: Agreed.

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.

MR. CHAIRMAN: All in favour? Those opposed? It's defeated.

MR. TAYLOR: I'd like it recorded.

MR. CHAIRMAN: You'd like that vote recorded?

MR. TAYLOR: Yeah.

[For the motion: Mr. Mitchell, Rev. Roberts, Mr. Taylor]

[Against the motion: Mrs. Black, Mr. Cardinal, Mr. Cherry, Mr. Fischer, Mr. Gesell, Mr. Jonson, Mr. Moore, Mrs. Osterman, Mr. Payne]

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 comprised of 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. CHAIRMAN: All those in favour? All those opposed? It's defeated.

3. Moved by Mr. Jonson:

That priority be placed on directing all available funds in the Heritage Savings Trust Fund towards investments that yield the best possible monetary return until such time as the budget is balanced and the accumulated debt is erased.

MR. CHAIRMAN: All those in favour? All those opposed? It's defeated.

4. Moved by Mr. Payne:

That the Minister of Health direct the Alberta Children's hospital board to reconsider its decision to terminate the mobile team project's outpatient therapy services.

MR. CHAIRMAN: All those in favour? All those opposed? It's defeated.

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. CHAIRMAN: All those in favour? All those opposed? It carries.

6. Moved by Mr. Gesell:

That the Alberta Heritage Savings Trust Fund capital projects division consider investment of research funds to determine the best possible environmental and technical parameters for individual sanitary disposal systems.

MR. CHAIRMAN: All those in favour? All those opposed? It's defeated.

7. Moved by Mr. Moore:

That the current value of the fund be maintained in 1990 real dollars by reducing the interest transferred to the General Revenue Fund by the amount expended on new initiatives and lost to inflation, until such time that oil royalty revenue is again flowing into the fund.

MR. CHAIRMAN: All those in favour? All those opposed? It's defeated.

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. CHAIRMAN: Just one moment, please. In recommendation 8 the "whereas" part gives us some difficulty. We're not able to vote on that part; we can only vote on the last part of the recommendation. The intent is the same, and it's a small point.

All those in favour? All those opposed? The motion is defeated.

9. Moved by Mr. Payne:

That the commercial investment division policy be consistent with the Alberta Heritage Savings Trust Fund's objective of strengthening and diversifying the economy of Alberta and that investment priority be given to those companies whose operations achieve that objective.

MR. CHAIRMAN: All those in favour? All those opposed? It's defeated.

10. Moved by Mr. Moore:

Whereas the Alberta Heritage Savings Trust Fund scholarships are awarded on achievement and not on need or potential productivity, whereas it is commendable that Alberta Heritage Savings Trust Fund scholarships are a recognition of past performances and not a financial reward or remuneration, and whereas recognition of achievements is the primary purpose of the awards, that Alberta Heritage Savings Trust Fund scholarship financial awards be reviewed and the dollar amounts be ascertained to reflect the need and potential productivity to society of the qualifying recipients.

MR. CHAIRMAN: The "whereas" part again has to be struck from the record, so we will vote on the last part.

All those in favour of recommendation 10? All those opposed? It's defeated.

11. Moved by Mrs. Black:

That the endowment be set up for the establishment of the family life and drug abuse foundation for the fiscal year 1991 provided that

- a) a co-ordinated approach exists between government departments - AADAC - and the private sector in order to avoid duplication and
- b) the foundation not function on an ongoing operational basis.

MR. CHAIRMAN: All those in favour? All those opposed? It's defeated.

12. Moved by Mr. Moore:

That before any consideration be given in the future to renewing the occupational health and safety heritage grant program, all past approved projects be reviewed as to the true beneficial impact on individuals and society at large so as to gauge the actual productive value to taxpayers.

MR. CHAIRMAN: All those in favour? All those opposed? The motion carries.

MR. TAYLOR: I'm sorry; could we record it?

[For the motion: Mrs. Black, Mr. Cardinal, Mr. Cherry, Mr. Fischer, Mr. Gesell, Mr. Jonson, Mr. Moore, Mrs. Osterman, Mr. Payne]

[Against the motion: Mr. Mitchell, Rev. Roberts, Mr. Taylor]

13. Moved by Mr. Hawkesworth:

That financial investments of the Alberta Heritage Savings Trust Fund be made or retained in those companies which follow or practise sound environmental policies and activities.

MR. CHAIRMAN: Those in favour? Those opposed? It's defeated.

REV. ROBERTS: Can we have a recorded vote on that one, too, and see who's against the environment here?

[For the motion: Mr. Mitchell, Rev. Roberts, Mr. Taylor]

[Against the motion: Mrs. Black, Mr. Cardinal, Mr. Cherry, Mr. Fischer, Mr. Gesell, Mr. Jonson, Mr. Moore, Mrs. Osterman, Mr. Payne]

14. Moved by Mr. Hawkesworth:

That proposed investments of the Alberta Heritage Savings Trust Fund in individual projects be made after those projects have received approval from a full and public environmental impact assessment process.

MR. CHAIRMAN: Those in favour? Those opposed? It's defeated.

REV. ROBERTS: Can we have a recorded vote on that one as well?

[For the motion: Mr. Mitchell, Rev. Roberts]

[Against the motion: Mrs. Black, Mr. Cardinal, Mr. Cherry, Mr. Fischer, Mr. Gesell, Mr. Jonson, Mr. Moore, Mrs. Osterman, Mr. Payne]

MR. CARDINAL: Mr. Chairman, could we also indicate if the original presenter is here or not? Is that possible? I think it's important.

SOME HON. MEMBERS: That's out of order.

MR. CHAIRMAN: I don't believe that we'll deal with that.

15. Moved by Mr. Hawkesworth:

That all proposals for developments in Kananaskis Country be submitted to environmental impact assessments, including a requirement for public hearings.

MR. CHAIRMAN: Those in favour? Okay; thank you. Those opposed? It's defeated.

MR. TAYLOR: I request that we record that.

[For the motion: Mr. Mitchell, Rev. Roberts, Mr. Taylor]

[Against the motion: Mrs. Black, Mr. Cardinal, Mr. Cherry, Mr. Fischer, Mr. Gesell, Mr. Jonson, Mr. Moore, Mrs. Osterman, Mr. Payne]

MR. CHERRY: Mr. Chairman, if they want a recorded vote, maybe it would be easier to ask for it when the vote's being taken, and then the recorder can do it that much easier. That probably would make it a lot easier.

MR. CHAIRMAN: I think the member makes a good point. And perhaps the Chair could slow down a little.

MR. TAYLOR: The only reason is that if some go through unanimously, well, why would you ask to record it? You only ask for a recorded vote when you . . .

MR. CHAIRMAN: Perhaps we could establish a process here. Would it be acceptable, when anyone wants a recorded vote, to ask for it ahead of time? If it's unanimous, naturally there will not be a recorded vote. Okay?

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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.

REV. ROBERTS: A recorded vote, please.

MR. CHAIRMAN: Those in favour?

[For the motion: Mr. Mitchell, Rev. Roberts]

MR. CHAIRMAN: Those opposed?

[Against the motion: Mrs. Black, Mr. Cardinal, Mr. Cherry, Mr. Fischer, Mr. Gesell, Mr. Jonson, Mr. Moore, Mrs. Osterman, Mr. Payne]

MR. CHAIRMAN: It's defeated.

Could the Chair remind hon. members that according to Standing Orders, if you're in the Assembly in a committee and there's a vote, it's required that you vote. There are no abstentions.

17. Moved by Mr. Hawkesworth:

That the Alberta government seek to recover as soon as possible the early repayment of the Alberta Heritage Savings Trust Fund loan to Vencap Equities Alberta Ltd.

MR. CHAIRMAN: All those in favour? Those opposed? It's defeated.

18. Moved by Mr. Payne:

That the Alberta Heritage Savings Trust Fund establish an independent advisory board comprising a cross section of qualified Albertans with relevant expertise to periodically advise the investment committee on heritage fund investment performance and policy.

MR. CHAIRMAN: Those in favour? Those opposed? It's defeated.

MR. PAYNE: That looked close to me.

MR. CHAIRMAN: Our count was correct, hon. member.

19. Moved by Rev. Roberts:

That the Alberta Heritage Savings Trust Fund be restructured as follows:

- (a) the current various divisions of the fund be consolidated into two divisions, being
 - (i) the securities and investment division, which would hold the assets currently held in the commercial investment division, the Canada investment division, and cash and marketable securities and would earn market rates of return for the purpose of revenue transfers to the General Revenue Fund, and
 - (ii) the Alberta research and development division, which would hold the assets currently held in the Alberta investment division and in the various research funds of the capital projects division and would be directed to long-term research and development programs in human and natural resources as an investment to benefit future generations of Albertans;

- (b) no further expenditures be made through the capital projects division, that division be phased out, no longer reported as deemed assets of the Heritage Savings Trust Fund, and outstanding commitments for future budget years be made through the General Revenue Fund and the Capital Fund;
- (c) annually the Provincial Treasurer present to the Legislative Assembly for its approval the policy directions and objectives and the budget for the fund's two divisions;
- (d) the overall investment strategy be socially and environmentally responsible and meet ethical standards similar to those of ethical growth funds;
- (e) a legislative office be created called the trustee general, whose office would have trust and fiduciary responsibilities for the management of all financial assets of the fund to ensure all investments were managed in accordance with the policies provided by the Legislature, with this office to be responsible to the Legislature through the Standing Committee on the Alberta Heritage Savings Trust Fund Act and responsible to table an annual report with the Legislature;
- (f) the Standing Committee on the Alberta Heritage Savings Trust Fund Act would hold annual hearings with the Provincial Treasurer, the trustee general, and the Auditor General to ensure the fund benefited the people of the province of Alberta, and the committee would be empowered to call all such witnesses as it wished to appear at these hearings; and
- (g) a broad series of meetings and public hearings be held to receive further input on this proposal to increase the effectiveness and accountability of the fund.

REV. ROBERTS: Record it.

MR. CHAIRMAN: Those in favour?

[For the motion: Rev. Roberts]

MR. CHAIRMAN: Those opposed?

[Against the motion: Mrs. Black, Mr. Cardinal, Mr. Cherry, Mr. Fischer, Mr. Gesell, Mr. Jonson, Mr. Mitchell, Mr. Moore, Mrs. Osterman, Mr. Payne, Mr. Taylor]

MR. CHAIRMAN: It's defeated.

20. Moved by Mr. Taylor:

That the Alberta Heritage Savings Trust Fund liquidate its equity position in Syncrude and that the resulting proceeds be used to pay down a portion of our provincial government debt.

MR. CHAIRMAN: Those in favour? Those opposed? It's defeated.

21. Moved by Mr. Taylor:

That a new division be created in the Alberta Heritage Savings Trust Fund, the economic diversification division, and that investments of this division be made in projects designed to expedite the diversification of the economy of Alberta.

MR. CHAIRMAN: Those in favour? Those opposed? It's defeated.

Recommendation 22, moved by Mr. Taylor, was withdrawn.

23. Moved by Mr. Taylor:

That deemed assets as distinguished in the Alberta Heritage Savings Trust Fund 1989-90 annual report be excluded from the balance sheet in the future and described only in a note to the balance sheet.

MR. CHAIRMAN: Those in favour? Those opposed? It's defeated.

24. Moved by Mr. Taylor:

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

MR. CHAIRMAN: Those in favour? Those opposed? It's defeated.

25. Moved by Mr. Taylor:

That the Alberta Heritage Savings Trust Fund investment committee take the necessary steps to effect the return of \$100 million of the \$200 million loaned to Vencap Equities Alberta Ltd.

MR. CHAIRMAN: Those in favour? Those opposed? It's defeated.

26. Moved by Mr. Taylor:

That funds spent on research into improving the yield and variety of dryland crops be increased to the equivalent now spent on irrigation research for yields and varieties.

MR. CHAIRMAN: Those in favour? Those opposed? It's defeated.

27. Moved by Mr. Taylor:

That the Alberta government sell its 994-plus grain hopper cars, 50 per cent to Canadian Pacific and 50 per cent to Canadian National.

MR. CHAIRMAN: Those in favour? Those opposed? It's defeated.

28. Moved by Mr. Taylor:

That a continuation be sought to the municipal recreation/tourism areas grant program by extending the fund for another two years using the equivalent of two-thirds of the funds that were originally allotted to it.

MR. CHAIRMAN: Those in favour? Those opposed? It's defeated.

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. CHAIRMAN: Those in favour? Those opposed? It's defeated.

30. Moved by Mr. Taylor:

That the Minister of Forestry, Lands and Wildlife be instructed to stop all clear-cutting of poplar forests until more research is available as to the effects of clear-cutting on reforesting poplar areas.

MR. CHAIRMAN: Those in favour? Those opposed? It's defeated.

31. Moved by Mr. Taylor:

That the Minister of Advanced Education approach the University of Alberta offering from the Alberta Heritage Savings Trust Fund library funds to pay for 50 per cent of the costs of an extension library if the University of Alberta would re-establish it.

MR. CHAIRMAN: Those in favour? Those opposed? It's defeated.

32. Moved by Mr. Taylor:

That the Standing Committee on the Alberta Heritage Savings Trust Fund Act record in its annual report all resolutions presented, showing which ones were approved and which ones failed.

MR. CHAIRMAN: Those in favour? Those opposed? It's defeated.

33. Moved by Mr. Taylor:

That one-third of the Alberta Heritage Scholarship Fund be set aside as achievement awards payable to those students whose parents and/or responsible guardians have family incomes at or below the poverty level, such awards to consist of free tuition at any postsecondary institution in the province for two years after high school graduation.

REV. ROBERTS: Can we get this one recorded?

MR. CHAIRMAN: Okay. Those in favour?

[For the motion: Mr. Mitchell, Rev. Roberts, Mr. Taylor]

MR. CHAIRMAN: Those opposed?

[Against the motion: Mrs. Black, Mr. Cardinal, Mr. Cherry, Mr. Fischer, Mr. Gesell, Mr. Jonson, Mr. Moore, Mrs. Osterman, Mr. Payne]

MR. CHAIRMAN: It's defeated.

34. Moved by Mr. Mitchell:

That the Alberta Heritage Foundation for Medical Research consider a program of research into sudden infant death syndrome.

MR. CHAIRMAN: Those in favour? Those opposed? It's defeated.

35. Moved by Mr. Mitchell:

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

MR. CHAIRMAN: Those in favour? Those opposed? It's defeated.

MR. MITCHELL: Can we have that recorded?

[For the motion: Mr. Mitchell, Rev. Roberts, Mr. Taylor]

[Against the motion: Mrs. Black, Mr. Cardinal, Mr. Cherry, Mr. Fischer, Mr. Gesell, Mr. Jonson, Mr. Moore, Mrs. Osterman, Mr. Payne]

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. CHAIRMAN: Those in favour? Those opposed? It's defeated.

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. CHAIRMAN: Those in favour? Thank you. Those opposed? It's defeated.

MR. MITCHELL: I want 38 recorded, please.

38. Moved by Mr. Mitchell:

That the \$200 million funding for the family life 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. CHAIRMAN: Those in favour?

[For the motion: Mr. Mitchell, Mr. Taylor]

MR. CHAIRMAN: Those opposed?

[Against the motion: Mrs. Black, Mr. Cardinal, Mr. Cherry, Mr. Fischer, Mr. Gesell, Mr. Jonson, Mr. Moore, Mrs. Osterman, Mr. Payne, Rev. Roberts]

MR. CHAIRMAN: It's defeated.

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. CHAIRMAN: Those in favour? Those opposed? It's defeated.

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. CHAIRMAN: Those in favour? Those opposed? It's defeated.

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. CHAIRMAN: Those in favour? Those opposed? It's defeated.

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 12 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. CHAIRMAN: Those in favour? Those opposed? It's defeated.

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. CHAIRMAN: Those in favour? Those opposed? It's defeated.

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.

REV. ROBERTS: A recorded vote, please.

MR. CHAIRMAN: Those in favour?

[For the motion: Mr. Fischer, Mr. Mitchell, Mr. Payne, Rev. Roberts, Mr. Taylor]

MR. CHAIRMAN: Those opposed?

[Against the motion: Mrs. Black, Mr. Cardinal, Mr. Cherry, Mr. Gesell, Mr. Jonson, Mr. Moore, Mrs. Osterman]

MR. CHAIRMAN: It's defeated.

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. CHAIRMAN: Those in favour? Those opposed? It's carried.

Members of the committee, thank you very much. We've completed the voting on the recommendations. The Member for Edmonton-Centre has a question.

REV. ROBERTS: I was trying to keep track here. Are there ways to know which ones in fact did get passed?

MR. CHAIRMAN: Yes, the legislative secretary has a record of all of them. You can easily get them from her.

MS SKURA: I'll be sending them around anyway as soon as I get them typed up.

MR. CHAIRMAN: Yes, and this will allow us to move ahead with our annual report, and hopefully we can meet our time requirement on that.

The Chair would entertain a motion for adjournment. The hon. Member for Three-Hills. Thank you. All in favour? Thank you. The meeting is adjourned.

[The committee adjourned at 2:50 p.m.]