

10:04 a.m.

Tuesday, November 26, 1991

[Chairman: Mr. Ady]

MR. CHAIRMAN: I'd like to call the meeting to order and welcome all the committee members. This meeting was specifically set to consider amendments to the recommendations that have been submitted by committee members. All of you should be working from draft 6 listing the recommendations, and you should show a total of 48 recommendations. The process that we agreed on in our organizational meeting was that amendments to recommendations could only be made by the member who had submitted the recommendation. However, there would be an opportunity to merge recommendations. There would also be an opportunity for a member to make a suggestion for an amendment not his own, but there would be no provision for the mover of the recommendation necessarily accepting anything other than what he or she is comfortable with in their amendment. Just so that we're clear on the process.

It's the intent of the Chair to move through these, beginning with 1 through 48, and give an opportunity for the mover to make an amendment. If he has none to make, we will move on to the next and conclude the process in that manner.

Are there any questions from the committee? If not, recommendation 1, moved by Mr. Gesell.

1. Mr. Gesell recommended that an independent assessment be undertaken of each of the deemed assets of the Alberta Heritage Savings Trust Fund to determine the value and benefits to Albertans resulting from these investments.

MR. CHAIRMAN: Do you have any amendments?

MR. GESELL: No, Mr. Chairman.

MR. CHAIRMAN: Thank you.

Recommendation 2, moved by Mr. Doyle.

2. Mr. Doyle recommended that the investment committee divest the commercial investment division of its investments in companies that participate in the distillation and brewing of alcohol and instead direct its investments toward Canadian and Albertan companies that conduct business in an environmentally sound and healthy fashion.

MR. DOYLE: Yes, Mr. Chairman. I would like to add one word. My amendment would read

that the investment committee divest the commercial investment division of its investments in companies that participate in the distillation and brewing of alcohol . . .

And the next word would be "beverages." I'd like to add the word "beverages."

MR. CHAIRMAN: That would come in prior to the word "and"?

MR. DOYLE: It would be:

. . . brewing of alcohol beverages and instead direct its investments toward Canadian and Albertan companies that conduct business in an environmentally sound and healthy fashion.

MR. CHAIRMAN: Would the member accept the friendly suggestion, "alcoholic beverages"?

MR. DOYLE: Well, I thought about that, Mr. Chairman. The word "alcoholic" would indicate, I think, that only people who

were alcoholics would have that beverage. It's an "alcohol beverage".

MR. CHAIRMAN: I don't think, in fairness, it does put that connotation on it, but it's your choice.

MR. DOYLE: Perhaps they could clear it with me whether it's "alcohol" or "alcoholic." I think "alcoholic" would indicate that . . . I think "alcohol" is clear. [interjections]

MR. CHAIRMAN: Hon. member, if the Chair could just discuss it with you for a moment so that your intent is clear. I believe you are talking about alcoholic beverages, and that's the usual nomenclature used when we're talking about spirits. So it perhaps is a more proper term to use there, but again I just make that as a suggestion.

MR. DOYLE: Whatever the educators say is the right and proper English pronunciation is fine with me.

MR. CHAIRMAN: So the mover, then, is comfortable with "alcoholic beverages"? Okay?

MR. DOYLE: It would have to be. I believe, Mr. Chairman, that any alcoholic beverage could make anyone become an alcoholic, so I would say that that would be fine, as long as it's the proper English.

MR. CHAIRMAN: All right. Thank you.

Recommendation 3, moved by Mr. Moore.

3. Mr. Moore recommended that consideration be given to developing a plan to return to the Alberta Heritage Savings Trust Fund a significant portion of the funds currently invested in Vencap Equities Ltd.

MR. CHAIRMAN: Mr. Moore, no amendments? Thank you.

Recommendation 4, moved by Mr. Moore.

4. Mr. Moore recommended that the fund's interest revenue remain in the Alberta Heritage Savings Trust Fund to offset expenditures in the capital projects division.

MR. MOORE: Yes, Mr. Chairman. I'd like to make an amendment to that so that it will now read

that in subsequent years sufficient interest revenue be retained in the Alberta Heritage Savings Trust Fund to offset expenditures in the capital projects division.

MR. CHAIRMAN: I'm sorry. I'm not clear. Did I hear you say . . .

MR. MOORE: Mr. Chairman:

that in subsequent years sufficient interest revenue be retained in the Alberta Heritage Savings Trust Fund to offset expenditures in the capital projects division.

MR. CHAIRMAN: Okay. I think the Chair is clear on the intent of your amendment.

Is there any other discussion on that amendment? Yes, Three Hills.

MRS. OSTERMAN: Mr. Chairman, again it's the grammar. "That in subsequent years" should, I believe, refer back to

something. I would defer to a number of people in this room that are probably more proficient in the English language, but I do not think that can stand on its own without referring back. Subsequent years to what?

MR. CHAIRMAN: Hon. member, would you entertain the possibility – and hopefully it will still carry the intent of your amendment – that it might read:

that the fund's sufficient interest revenue remain in the Alberta Heritage Savings Trust Fund to offset expenditures in the capital projects division in subsequent years?

MR. MOORE: Let's make it clear then. Let's replace "in subsequent years" with "in the future."

MR. CHAIRMAN: So that we're clear, would you read your amended recommendation one more time? We'll accept whatever you see fit.

MR. MOORE:

that in future years that sufficient fund's interest revenue be retained in the Alberta Heritage Savings Trust Fund to offset expenditures from the capital projects division.

MR. CHAIRMAN: Thank you.
The Member for Three Hills.

MRS. OSTERMAN: Well, I have a suggestion, if the hon. member would like to tie it down a little bit tighter, to say: "That in the fiscal year 1992-93 and in subsequent years that . . ." That would indicate the next year and the years onward.

MR. CHAIRMAN: The Member for Calgary-Foothills.

MRS. BLACK: Mr. Chairman, just a suggestion. Without changing the intent of the motion at all, could it read:

that in future years the fund's interest revenue remain in the Alberta Heritage Savings Trust Fund to sufficiently offset expenditures in the capital projects division?

MR. MOORE: That was the intent, Mr. Chairman. That's fine with me.

MR. CHAIRMAN: Is everyone clear on that or do we need to have it read one more time? Is the mover comfortable with one of those suggestions when it's co-ordinated with his own? Perhaps we could just take a moment while we get the wording on it correct.

MR. MOORE:

that in future years the fund's interest revenue remain in the Alberta Heritage Savings Trust Fund to sufficiently offset expenditures in the capital projects division.

MR. CHAIRMAN: Thank you.
Number 5, moved by Mr. Payne.

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

MR. CHAIRMAN: Is anyone moving anything there on his behalf?

Recommendation 6, moved by Mr. Jonson.

6. Mr. Jonson recommended that consideration be given to periodically scheduling meetings of the Standing Committee on the Alberta Heritage Savings Trust Fund Act at suitable locations throughout the province.

MR. JONSON: Fine.

MR. CHAIRMAN: Thank you.
Number 7, moved by Mr. Jonson.

7. Mr. Jonson recommended that the procedures and materials used in conveying information on the fund to the public be reviewed and that consideration be given to developing an explanatory guidebook and instructive materials in order to better inform the public.

10:14

MR. CHAIRMAN: Number 8, moved by Mr. Cardinal.

8. Mr. Cardinal recommended that a continuation be sought to the municipal recreation/tourism areas grant program to extend the funding for two more years beginning April 1992, utilizing the existing guidelines and policies.

MR. CARDINAL: No changes.

MR. CHAIRMAN: No change.
Number 9, moved by Mr. Cardinal.

9. Mr. Cardinal recommended that funding be provided from the Alberta Heritage Savings Trust Fund to the Department of Forestry, Lands and Wildlife and the Department of Municipal Affairs for the development of a 10-year master plan for detailed land use of all Crown lands bordering our lakes, rivers, and primary and secondary roads in Alberta.

MR. CARDINAL: No changes.

MR. CHAIRMAN: Number 10 by Mr. Cardinal.

10. Mr. Cardinal recommended that funding be provided from the Alberta Heritage Savings Trust Fund to the Department of Recreation and Parks for the development of a park network for the north in order to further diversify the economy and allow a process of co-ordinated development with other users.

MR. CARDINAL: No changes.

MR. CHAIRMAN: Number 11 by Mr. Cardinal.

11. Mr. Cardinal recommended that funding be provided from the Alberta Heritage Savings Trust Fund to the northern development branch for a bursary program for northern Albertans with a target of a minimum of 30 percent native content in that program.

MR. CARDINAL: No changes.

MR. CHAIRMAN: Number 12 by Mrs. Black, Calgary-Foothills.

12. Mrs. Black recommended that the supporting schedules of the Alberta Heritage Savings Trust Fund annual financial report be amended by providing a schedule of deemed assets showing a comparison of book value and current market value. In situations where a definitive market value is not apparent, as in the case of a foundation and/or endowment, the current value of the foundation and/or endowment would be reflected in the schedules within the report.

MRS. BLACK: No change, Mr. Chairman.

MR. CHAIRMAN: Number 13 by Mrs. Black, Calgary-Foothills.

13. Mrs. Black recommended that the Provincial Treasurer undertake to provide the Standing Committee on the Alberta Heritage Savings Trust Fund Act with the annual report of the trust fund five days prior to the commencement of the committee hearings and that the appropriate ministers undertake to ensure that all annual reports of companies and entities whose association is directly related to the fund be made available five working days prior to the appearance of the minister responsible for the company or entity. In the situation where the annual report is not yet available, the appropriate minister should undertake to provide the committee with an interim financial report five working days prior to the appearance of the minister responsible for the company or entity.

MRS. BLACK: Yes, Mr. Chairman. I'd like to amend that and actually have two sections, the first being paragraph 13(a) and the second being 13(b). Under 13(b) I'd like to change the wording, if I may, to read

that the appropriate ministers give consideration to providing annual reports of companies and entities whose association is directly related to the fund five working days prior to the appearance of the minister responsible for the company or entity. In the situation where the annual report is not yet available, the appropriate minister should give consideration to providing the committee with an interim financial report five working days prior to the appearance of the minister responsible for the company or entity.

MR. CHAIRMAN: Thank you.

Number 14 – I'm sorry.

MR. HAWKESWORTH: Just, if I may, to ask the Member for Calgary-Foothills. In 13(a), on the second line where "the annual report of the trust fund five . . ." appears, did she mean to insert the word "working" before "days" in order that there be some consistency?

MRS. BLACK: Yes, thank you very much. It should be "five working days."

MR. CHAIRMAN: Okay. There we have a successful, friendly suggestion.

Number 14, moved by Mr. Fischer, the Member for Wainwright.

14. Mr. Fischer recommended that the net profits from Syncrude be exempt from section 4(2) of the Alberta Heritage Savings Trust Fund Act, which states, "The net income of the Trust Fund shall be transferred from the Trust Fund to the General Revenue Fund." This would allow Syncrude's net profits to be returned to the Alberta Heritage Savings Trust Fund.

MR. FISCHER: No change.

MR. CHAIRMAN: Number 15, moved by Mr. Hawkesworth, Calgary-Mountain View.

15. Mr. Hawkesworth recommended that the segmented information attached as a note to the audited financial statements be expanded to include a breakdown of income earned on each investment of the Alberta investment division of the Alberta Heritage Savings Trust Fund.

MR. HAWKESWORTH: No changes, Mr. Chairman.

MR. CHAIRMAN: Number 16, moved by Calgary-Mountain View.

16. Mr. Hawkesworth recommended 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. HAWKESWORTH: Yes, Mr. Chairman. This is a new experience for me, to see if I can come close to a meeting of minds with the hon. Member for Lacombe. So in keeping with the idea that perhaps the same point of view is coming from two different members, I would like to make an amendment to motion 16, Mr. Chairman, to remove the words "seek to recover as soon as possible" and to replace with the words "consider developing a strategy for." The motion would then read "that the Alberta government consider developing a strategy for the early repayment of . . ." et cetera.

MR. CHAIRMAN: Okay. Are all members clear? Thank you. Number 17, moved by Mr. Payne, Calgary-Fish Creek.

17. Mr. Payne recommended that the Alberta Heritage Foundation for Medical Research be requested to conduct systematic, ongoing research into the Alberta health care system with the objective of enhancing the system's effectiveness and efficiency.

MR. CHAIRMAN: No one is moving any on his behalf? Number 18, moved by Mr. Payne, Calgary-Fish Creek.

18. Mr. Payne recommended that the Alberta Heritage Foundation for Medical Research convene a provincial symposium to explore the legal, moral, and ethical aspects of physician-assisted suicide with the objective of providing the Alberta government with policy advice and related research data.

MR. CHAIRMAN: The Member for Ponoka-Rimbey.

MR. JONSON: Mr. Chairman, on behalf of the Member for Calgary-Fish Creek and according to his request, I move that recommendation 18 be withdrawn.

MR. CHAIRMAN: Thank you. The Chair is assuming that you've received the direction as you've indicated from the hon. Member for Calgary-Fish Creek, and we'll accept the withdrawal of recommendation 18.

MRS. OSTERMAN: The case of 17: is it necessary to move on the member's behalf when a member is absent?

MR. CHAIRMAN: Well, the Chair assumes that the member was aware of this meeting and that he has contacted someone to do any

amendments he wanted made on his behalf. We can't do any amendments to his recommendation in his absence without his authorization, so inasmuch as the Chair didn't see anyone who indicated they had authorization from him to move on recommendation 17, it's not possible to do so.

MR. DOYLE: Mr. Chairman, is it removed from the recommendations?

MR. CHAIRMAN: Number 18 would be removed now.

MRS. OSTERMAN: No, I meant 17. I was concerned about 17 standing in the member's name and holding its place. It will?

MR. CHAIRMAN: Number 17 will. That's correct.

MRS. OSTERMAN: Yes, thank you. That's what I wanted to know.

MR. CHAIRMAN: Number 18 will be removed from the list.

MR. MITCHELL: Why is that, Mr. Chairman?

MR. CHAIRMAN: He had requested the hon. Member for Ponoka-Rimbey to do that on his behalf, and he moved that.

Are we all clear on that?

The hon. Member for West Yellowhead.

MR. DOYLE: Mr. Chairman, on 18. Is it parliamentarily correct that we can remove somebody's recommendation on the advice of another member, or could we wait until this comes up when the member is present to remove it?

MR. CHAIRMAN: Well, this is the meeting that was set aside to do that. The hon. member has received authorization and a request from the Member for Calgary-Fish Creek to do that on his behalf, so it would seem proper to the Chair to accept that.

The hon. Member for Ponoka-Rimbey.

MR. JONSON: Mr. Chairman, normally in a situation like this, I think the wishes of the member are accepted. I can give the rationale for it, but I didn't think that was necessary. It was conveyed as a straightforward request to have it withdrawn.

MRS. OSTERMAN: Agreed.

MR. CHAIRMAN: Agreed. I can't see a problem with the process that we've followed.

Number 19, moved by Mr. Jonson, Ponoka-Rimbey.

19. Mr. Jonson recommended that a review of the performance and mandate of Vencap Equities Ltd. be undertaken by Alberta Treasury.

MR. JONSON: Yes, Mr. Chairman, I'd like to make an amendment, and the amendment would be to place a period after "undertaken" in recommendation 19, thereby dropping "by Alberta Treasury."

MR. CHAIRMAN: Okay. Thank you.

Recommendation 20: Mr. Doyle, West Yellowhead.

20. Mr. Doyle recommended that all proposals for development in Kananaskis Country be submitted to environmental impact assessments, including a requirement for public hearings.

MR. DOYLE: Mr. Chairman, my recommendation stands.

MR. CHAIRMAN: Recommendation 21, moved by Mr. Doyle, West Yellowhead.

21. Mr. Doyle recommended that the government of Alberta stop using the Alberta Heritage Savings Trust Fund to provide subsidized loans to foreign-owned companies such as the Alberta-Pacific joint venture, thereby seriously harming the fund's future investment income.

MR. DOYLE: My recommendation will remain as it stands in my name, Mr. Chairman.

MR. CHAIRMAN: Thank you.

MR. CHAIRMAN: Number 22, moved by Mr. Ewasiuk, Edmonton-Beverly.

22. Mr. Ewasiuk recommended that the proposed investments of the Alberta Heritage Savings Trust Fund individual projects be subject to approval from a full and public environmental impact assessment process.

MR. EWASIUK: No changes, Mr. Chairman.

MR. CHAIRMAN: Number 23, moved by Mr. Ewasiuk, Edmonton-Beverly.

23. Mr. Ewasiuk recommended 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. EWASIUK: No changes here either, Mr. Chairman.

MR. CHAIRMAN: Number 24, moved by Mr. Gesell, Clover Bar.

24. Mr. Gesell recommended 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 sewage disposal systems.

MR. GESELL: The motion as recorded in draft 6 is appropriate. Thank you.

MR. CHAIRMAN: Number 25, moved by the same member.

25. Mr. Gesell recommended that the Alberta Heritage Savings Trust Fund investments for the individual line service be recovered from future sales of fund-held Telus shares.

MR. GESELL: No amendment.

MR. CHAIRMAN: Number 26, moved by that member.

26. Mr. Gesell recommended that the Alberta Heritage Savings Trust Fund capital projects division invest in a comprehensive resource recovery project for the Edmonton metropolitan area as part of a co-ordinated and complete waste management strategy.

MR. GESELL: The motion as shown in draft 6 is appropriate.

MR. CHAIRMAN: Number 27 by the same member.

27. Mr. Gesell recommended that the Alberta Heritage Savings Trust Fund capital projects division establish a program to grant assistance for agricultural diversification by supporting the growing equine industry.

MR. GESELL: The same for that one, Mr. Chairman.

MR. CHAIRMAN: Thank you.
Number 28, moved by the same member.

28. Mr. Gesell recommended 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 Albertans through the enhancement of our environment and through reduction of pollution.

MR. GESELL: No amendment.

MR. CHAIRMAN: Number 29, moved by Mr. Mitchell, Edmonton-Meadowlark.

29. Mr. Mitchell recommended that the Alberta Heritage Savings Trust Fund implement a staged liquidation of its investments and that the proceeds be used to pay down the provincial government's debt.

MR. MITCHELL: No amendment.

MR. CHAIRMAN: Number 30, moved by Mr. Taylor. Is anyone moving on his behalf?

30. Mr. Taylor recommended that the occupational health and safety heritage grant program co-ordinate with AADAC and the Alberta Family Life and Drug Abuse Foundation research into the use of alcohol and drugs in the workplace.

MR. CHAIRMAN: Number 31, moved by Mr. Mitchell.

31. Mr. Mitchell recommended that deemed assets as distinguished in the 1990-91 Alberta Heritage Savings Trust Fund annual report be excluded from the balance sheet in the future and be described only in a note to the balance sheet.

MR. MITCHELL: Mr. Chairman, number 30 stands, or not?

MR. CHAIRMAN: Yes, by all means.

MR. MITCHELL: Number 31: no amendment.

MR. CHAIRMAN: Yes.

10:24

MR. CHAIRMAN: Number 32, moved by Mr. Mitchell.

32. Mr. Mitchell recommended that the mandate of the Auditor General be expanded to include the evaluation of the effectiveness and efficiency of Alberta Heritage Savings Trust Fund investments and expenditures.

MR. MITCHELL: No amendment.

MR. CHAIRMAN: Number 33.

33. Mr. Taylor recommended 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: Is anyone moving on his behalf?
Number 34.

34. Mr. Taylor recommended that the Agricultural Development Corporation be liquidated and the government instead supplement private capital loans by way of sliding scale guarantees and interest subsidization, disposing of all commercial assets at competitive pricing as was done by Alberta Mortgage and Housing Corporation.

MR. CHAIRMAN: Number 35.

35. Mr. Taylor recommended 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 post-secondary institution in the province for two years after high school graduation.

MR. CHAIRMAN: Number 36, moved by Mr. Mitchell.

36. Mr. Mitchell recommended that the Alberta Heritage Foundation for Medical Research consider a program of research into sudden infant death syndrome.

MR. MITCHELL: No.

MR. CHAIRMAN: Or 37?

37. Mr. Mitchell recommended that all recommendations proposed by standing committee members whether passed or not be published in the annual report of the Standing Committee on the Alberta Heritage Savings Trust Fund Act.

MR. MITCHELL: No amendments.

MR. CHAIRMAN: Number 38, moved by Mr. Taylor.

38. Mr. Taylor recommended that moneys be made available from the Alberta Heritage Savings Trust Fund to pay every farmer in Alberta wishing to utilize it \$20 per acre for up to 10 percent of each quarter section that the farmer returns to its natural native state.

MR. MITCHELL: No amendments.

MR. CHAIRMAN: Number 39.

39. Mr. Taylor recommended that the Alberta Heritage Foundation for Medical Research set aside funds to pay tuition and a portion of living allowance to those students in the medical faculty who would be willing to serve in remote, rural, and native settings for five years after graduation.

MR. MITCHELL: No amendments.

MR. CHAIRMAN: Number 40.

40. Mr. Taylor recommended that the Alberta Heritage Savings Trust Fund appropriate funds for the telecommunications department to file a report with the standing committee showing unused capacities in the telecommunications system throughout Alberta.

MR. MITCHELL: No amendment.

MR. CHAIRMAN: Number 41 by Mr. Mitchell.

41. Mr. Mitchell recommended that the Provincial Treasurer release to members of the standing committee the following information about the subordinated debentures of up to \$275 million that the Alberta Heritage Savings Trust Fund has issued to Crestbrook Forest Industries Ltd., MC Forest Investment Inc., and Kanzaki Paper Canada Inc., the joint venturers of the Alberta-Pacific pulp mill project:

- (a) the order of creditors to which the Alberta Heritage Savings Trust Fund claim against this debenture is subordinated,
- (b) a definition of the clause "subject to certain conditions" appearing in note (j) on page 52 of the 1990-91 annual report of the Alberta Heritage Savings Trust Fund, and
- (c) the manner in which the "extent of the available cash flow" referred to in note (j) on page 52 of the 1990-91 annual report of the Alberta Heritage Savings Trust Fund will be defined and determined.

MR. MITCHELL: I have one amendment, Mr. Chairman. In 41(b) I would like to delete the words "a definition of" and insert the words "a delineation of the conditions referred to in" so that the motion would now read:

- (b) a delineation of the conditions referred to in the clause "subject to certain conditions" . . .

And so on.

MR. CHAIRMAN: Thank you. Is everyone in the committee comfortable that the intent of the motion is then maintained?

If so, recommendation 42, moved by Mr. Doyle, West Yellowhead.

42. Mr. Doyle recommended that in future annual reports the government state not only the original cost of Alberta Heritage Savings Trust Fund investments but also their current market value. In the case of non publicly traded investments, including debentures, the market value will be determined by the province's Auditor General.

MR. DOYLE: My recommendation remains the same, Mr. Chairman.

MR. CHAIRMAN: Number 43, moved by Mr. Hawkesworth, Calgary-Mountain View.

43. Mr. Hawkesworth recommended that the Alberta Heritage Savings Trust Fund be restructured as follows:
- (1) the current divisions of the fund be consolidated into two divisions, being
 - (a) the securities and investment division, which would hold the assets currently held in the com-

mercial 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

- (b) 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;
- (2) 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;
- (3) 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, and this office would be responsible to the Legislature through the Standing Committee on the Alberta Heritage Savings Trust Fund Act and would be responsible to table an annual report with the Legislature;
- (4) 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 was benefiting 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;
- (5) 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.

MR. HAWKESWORTH: It's fine. No amendments, Mr. Chairman.

MR. CHAIRMAN: Number 44, moved by Mr. Ewasiuk, Edmonton-Beverly.

44. Mr. Ewasiuk recommended that the overall investment strategy be socially and environmentally responsible and meet ethical standards similar to those of ethical growth funds.

MR. EWASIUK: I'd suggest an amendment here, Mr. Chairman, by adding after the word "strategy": "of the Alberta Heritage Savings Trust Fund." It now would read

that the overall investment strategy of the Alberta Heritage Savings Trust Fund be socially and environmentally responsible . . .

And so on.

MR. CHAIRMAN: Thank you.

Recommendation 45, moved by Mr. Ewasiuk, Edmonton-Beverly.

45. Mr. Ewasiuk recommended that no further expenditures be made through the capital projects division, that that division be phased out, no longer reported as deemed assets of the Alberta Heritage Savings Trust Fund, and that outstanding commitments for future budget years be made through the General Revenue Fund and the Capital Fund.

MR. EWASIUK: No amendments here, Mr. Chairman.

MR. CHAIRMAN: Number 46 by Mr. Doyle, West Yellowhead.

46. Mr. Doyle recommended that the Standing Committee on the Alberta Heritage Savings Trust Fund Act urge the government to fund the following project via the Alberta occupational health and safety heritage grant program: development of a comprehensive yet cost-effective method of ensuring that fuel sold in Alberta for use in motor vehicles is free of toxic contaminants in order to prevent the recurrence of public safety hazards such as the Hinton tainted diesel fuel incident and to enable the source of any such contamination to be quickly and easily determined.

MR. DOYLE: Mr. Chairman, this recommendation was sent in since the last time we sat. It's been read into the necessary documents.

MR. CHAIRMAN: It's picked up by the Clerk and recorded in *Hansard*, so it is a part of our recommendations list. All three of those that were sent in after the last two ministers met with us have been included.

MR. DOYLE: Thank you, Mr. Chairman. My recommendation remains as printed.

MR. CHAIRMAN: Thank you.
Number 47, moved by Mr. Taylor.

47. Mr. Taylor recommended that the Alberta Heritage Savings Trust Fund scholarship committee, in reviewing its mandate for the future, study the possibility of and give an estimate for the cost of awarding every student from a family whose income is beneath the poverty line free tuition in postsecondary institutions for which they have qualified, the purpose being that it is as big an achievement to graduate from secondary schools if one comes from poverty as it is to achieve high scholastic marks if one comes from a family above the poverty line.

MR. CHAIRMAN: And number 48, moved by Mr. Taylor.

48. Mr. Taylor recommended that all research being presently done by the department of Occupational Health and Safety with heritage trust funds be transferred to AADAC and that the minister request Executive Council to also transfer drug and substance abuse research to AADAC council.

MR. CHAIRMAN: That concludes the process of evaluating the recommendations for amendments or merging of similar recommendations.

The Chair is in the hands of the committee as to the process for the balance of this meeting. If I could hold any motions for just a moment, I believe the question we really have to decide is whether we should proceed with debate on the motions or if we should wait until tomorrow afternoon in order to give members an opportunity to prepare for the debate on the amended motions, bearing in mind that some have indicated they did not prepare because they felt that it would be preliminary in view that there might be amendments that would change the thrust of their debate. However, having said that, the Chair is in the hands of the committee as to the process for the balance of this meeting time. I guess I would welcome some discussion on the matter prior to a motion for adjournment, because a motion for adjournment is not debatable.

The Member for Lloydminster.

MR. CHERRY: It would be my opinion, Mr. Chairman, that we go and look these amendments and that over and meet here again tomorrow afternoon at 2.

MR. CHAIRMAN: The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Mr. Chairman, we're ready and prepared to debate our own motions. It seems to me we came here to start at 10, and the meeting time has been scheduled for two hours. It costs just as much to bring us here for half an hour as it costs to bring us here for two hours. It seems to me that if other members are not prepared to begin defending or outlining the reasons for their particular motions, that's fine, but certainly we're prepared to speak to our motions on the floor and would be quite prepared to proceed with them if that's acceptable. We certainly would be prepared to make our arguments for our recommendations.

MR. CHAIRMAN: Could the Chair get an indication from members of the committee by a vote on who would prefer to stay and proceed with debate on the motions? I believe in fairness we should debate only those that have not been amended, and the others could come back on the list if we get them later on, like tomorrow afternoon. Would it be acceptable that if the vote carries we stay and continue with the process?

MR. DOYLE: Mr. Chairman, I would assure that I stand behind the Member for Calgary-Mountain View in that we do have lots of time left this morning to get into these recommendations. But I would ask the committee's indulgence that my resolution 2 be allowed – there's not much of a change; it's just a matter of having the proper English in the paragraph – due to the fact that I have another commitment tomorrow.

MR. CHAIRMAN: I think that's a reasonable request on the part of the member. The intent has not been changed at all in your motion. With the concurrence of the committee, the Chair would allow that to move forward in the normal rotation.

MR. DOYLE: I appreciate that, Mr. Chairman. The fact is that you did indicate at one time that we couldn't add any more recommendations at one point because members would need time to have proper investigations done before getting to these recommendations. We've had a week now, so I hope we could go ahead with them this morning.

MR. CHAIRMAN: Okay. All those in favour of proceeding to debate the recommendations for the balance of the time left to the committee this morning, please signify with a vote. Did the member . . . Three Hills, I thought I saw you vote in favour. You did not. Those opposed? Does the chairman have to break the tie? The Chair finds that we had an abstention. That's not acceptable in the House rules; members present in a committee necessarily must vote when a vote's called. However, in fairness this was not a properly put question. The Chair called for a straw vote, in a sense. So based on that, the Chair finds himself in the hands of the committee again in the process, which I suppose brings us to the point of asking for a motion from the committee.

MR. DOYLE: Mr. Chairman, I move that we continue with the debate on the recommendations before us this morning.

MR. CHAIRMAN: Discussion on the motion?

MRS. OSTERMAN: Mr. Chairman, I don't believe that motion's quite proper either, because he said "continue with the debate." We didn't have that scheduled as business for the morning. So I think we have to have a motion that indicates we wish to do other business in the time left to the committee. That other business would now be debating the motions.

10:34

MR. CHAIRMAN: I believe the Member for Three Hills is correct, but the Chair will make one observation. During the last meeting when we were more or less putting the process for this meeting in place, the question of whether this could be done was brought forward by the Member for Calgary-Mountain View. The indication given to the Member for Calgary-Mountain View was that it could be considered. That brings us to this point. So if the member or a member wishes to put forward perhaps a more concise motion that would clarify the concerns of the Member for Three Hills, the Chair would entertain the motion.

MR. DOYLE: Mr. Chairman, I would make the motion that we consider other business be done at this committee meeting this morning, that being that we discuss and debate the recommendations before us.

MR. CHAIRMAN: Thank you. Is everyone comfortable with the motion? Any further discussion on it?

MR. FISCHER: Mr. Chairman, if I may. In view of the fact that it wasn't scheduled and also that there are a number of recommendations and some of these motions may be very similar, maybe there should be some time to put those thoughts together before we get into debating them.

MR. CHAIRMAN: The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Mr. Chairman, just as a request, I guess, or a thought here: if you wish to identify the recommendations by number to ensure the committee understands that we're proposing that if they wish to continue, we would be happy to proceed with the recommendations we've brought forward, those being specifically recommendation 2, Mr. Doyle, and recommendation 15, Mr. Hawkesworth, but not recommendation 16 because that's been amended in some regards. Recommendations 20, 21, 22, 23, 42, 43, 44, 45, and 46 we'd be prepared to proceed with. That would make sure that those members who aren't comfortable proceeding with their recommendations would not be required to do so at this meeting. We could then start at number 1 tomorrow afternoon. It's just a way of facilitating things, to suggest that members would be prepared to discuss this morning specifically those put forward by the New Democrat caucus.

MR. CHAIRMAN: Thank you. The Chair is clear on your position. I suppose the point at issue is that other members who may want to discuss another member's motion be given adequate time for preparation. That's the only question that comes out of this whole thing. However, we now have a motion on the floor. A question or further discussion, the Member for Clover Bar.

MR. GESELL: Just for discussion, Mr. Chairman, with the intention of providing some natural justice for some of the members who are not here today and may want to actually participate in the debate on motions. According to the agenda,

we're dealing only with amendments. Some of the Liberal members are not here. They may want to actually participate. If we start with number 1, and I'm prepared to proceed . . .

MR. CHAIRMAN: Hon. member, you do need to be careful about mentioning members that are not present.

MR. GESELL: I haven't mentioned any particular member, Mr. Chairman.

MR. CHAIRMAN: I understand that. I'd just caution you.

MR. GESELL: Yes; thank you. Those members may want to participate in the discussion. For instance, I'm prepared to proceed with number 1, to debate it, but I really value the input I get from other members in the debate, and maybe we're precluding that by moving ahead. I'm not sure. But I'm prepared to go ahead.

MR. MITCHELL: Well, what's your point? Should we or shouldn't we?

MR. CHAIRMAN: He's merely discussing the motion, hon. member.

MR. GESELL: I'm just raising the point, Mr. Chairman: would it be fair to some of the members that may want to participate?

MR. MITCHELL: Mr. Chairman, then why would he have voted against this proposal in the first place? Has he changed his mind?

MR. CHAIRMAN: Hon. member, in fairness, the hon. member did not vote against it. He didn't participate in the straw vote, and that's fair.

MR. MITCHELL: He abstained?

MR. CHAIRMAN: When proper House rules are followed, I'm sure the member would vote.

Now, any other questions or discussion on the motion? All those in favour of proceeding to debate the recommendations for the balance of the time left for our regular meeting, please signify. The motion carries.

The Member for Wainwright.

MR. FISCHER: Maybe I'll pass.

MR. CHAIRMAN: Thank you.

All right, in accordance with the wishes of the committee, we'll move forward to begin the debate. We'll begin with recommendation 1, moved by the Member for Clover Bar, Mr. Gesell.

1. Mr. Gesell recommended that an independent assessment be undertaken of each of the deemed assets of the Alberta Heritage Savings Trust Fund to determine the value and benefits to Albertans resulting from these investments.

MR. GESELL: Thank you, Mr. Chairman. I've chosen my words carefully in this recommendation, and I want to deal with the particular words I have used and explain those. The first important one is "independent." Now, in this House and in this committee we've had considerable discussion about these deemed assets. It's a recurring discussion: whether schedule 6 on page 55 of the

annual report should be there, whether it should be in a footnote, or whatever.

My point really is that perhaps we are biased on either side with respect to those deemed assets, and I would prefer to see an independent accountant, organization, whatever, whoever this committee or the government may select, do an independent evaluation of all these deemed assets that now total some \$3.2 billion. I'm proposing that it be independent so it's nonpartisan and the actual assessment, the valuation, for these particular items can be accepted by all the members of this committee and by Albertans generally. Mr. Chairman, I have some difficulty myself with certain items. Certain ones are quite clear and straightforward for me in that I see the value; with others it's not quite as black and white and there are some gray areas.

Now, we've got quite a large number of deemed assets, and they seem to be growing. Let me deal with the deemed assets situation as well, Mr. Chairman, because it's an important aspect. When we talk to the Auditor General about those deemed assets, we generally get the response that there are some guidelines that are being followed. But in response to questions that were raised to the Auditor General about that particular aspect by my colleague to the right of me here, far to the right, the Auditor General clearly indicated that there was not total agreement amongst the auditors across the country as to those specific guidelines. To me there's a gray area there as well about whether deemed assets are properly shown or should be shown in a different way in the annual report.

Let me go on, Mr. Chairman, to "the value and benefits to Albertans." I think that is really the critical point. We need to clarify in discussions with Albertans some of the strengths and future implications of this Heritage Savings Trust Fund not just as a short-term measure of benefit to Albertans but in the long term, the ongoing benefits that accrue to Albertans for some of these investments. Now, I'm calling them investments, Mr. Chairman, because I see them as investments rather than deemed assets.

10:44

The other consideration that has been debated at length in this House is when we compare government to the private sector. When you have assets in a private company, a vehicle or whatever, yes, they depreciate over time – and perhaps some of these deemed assets depreciate; some of them appreciate as well, and I'm going to give you some examples – but they are listed in the balance sheet of that private corporation. So to me, as long as there is value there, they need to be shown. Whether you call them deemed assets or investments, it doesn't really matter to me. As long as there is value there, it needs to be recognized.

Mr. Chairman, I raised this particular issue when the Premier was before us in this committee, and I've asked – specifically the Premier – about whether this type of evaluation would be something suitable. I believe the Premier's response, and I'm going from memory, was that it was an interesting idea. I believe that in some previous motions in this committee and even this go around – and I don't want to jump ahead – we've talked about public involvement and public understanding about what the Heritage Savings Trust Fund does for Albertans. Well, to me such an evaluation, such an independent assessment would clearly provide the public with information to allow them to make the evaluation: has this money been well invested? The accountability of this government for making these investments, having these deemed assets would be there, and there would be a clearer definition, I think, of what should be included and what may not be included amongst members here as well. Certainly one could ask the Provincial Treasurer to make that assessment of book value and market value, but I believe that may not have the

same impact as an independent evaluation. There may be some questions even at that, even though I believe the Treasurer would be fair and unbiased in his evaluation.

Mr. Chairman, when we talk about the value in benefits, that would involve some determination of money value in certain instances, but in others it may involve a subjective evaluation of benefits. They may be less tangible, and one may not be able to put a dollar value on certain investments. Nevertheless, I think it's necessary to define, perhaps in subjective terms, what benefits might accrue or are accruing from these investments.

Now, Mr. Chairman, certain items in this list are straightforward. For instance, when we have railway hopper cars under Economic Development and Trade, there's value there. There's value in those cars. It may have depreciated, but I'm not really sure. The total investment of some \$53 million is still rolling; it's on the tracks there somewhere. It is conceivable that one might turn around and sell those cars and get a return on that investment and put it back into the Heritage Savings Trust Fund. Some of the other ones in here may be a little more difficult. The Pine Ridge reforestation nursery enhancement, for instance, may be a bit more subjective, but I believe it would be a valuable exercise to determine in the long term what benefits might accrue from that investment of Heritage Savings Trust Fund dollars for Albertans overall, particularly with the concern raised by Albertans about reforestation in Alberta.

Mr. Chairman, basically what I'm attempting to do here is provide valuable information for Albertans so they can decide for themselves and also overcome some of the discussion that occurs in this House, the differences of opinion that exist amongst members in this committee and in the House overall. I believe that if an independent assessment were undertaken, that could serve as a basis for understanding and agreement amongst members about some of the values there. So I would encourage all members at the appropriate time to vote for this particular recommendation.

Thank you.

MR. CHAIRMAN: The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thanks, Mr. Chairman. Just a couple of points. I believe the member was correct that when it was first raised, it was described as an interesting question to assess the deemed assets of the fund. I guess I'm wondering whether it's the best question. The deemed assets keep rising as a controversy as an accounting issue more than any other issue. The Auditor General continues to assert that appearing in the financial statements the way they do is not in keeping with generally accepted accounting principles, and he makes a point that in essence these deemed assets are moneys that have been spent – that is, money that has gone into something and is gone – or if it's a capital asset of some form or another, it belongs to another entity, it no longer belongs to the fund, and therefore it really isn't a good accounting practice to keep referring to these assets as assets of the fund.

Now, I'm sure there is some value and there have been benefits accruing to Albertans as a result of these expenditures. The question of now assessing those assets to see what that value and those benefits might be is an interesting question, but is it the best question? Would it not be more appropriate perhaps to review the financial assets of the Heritage Savings Trust Fund? Wouldn't that be a more pertinent or higher priority than assessing the deemed assets? I ask that question, and perhaps the member could address it if he closes debate on this recommendation. Why did

he focus on the deemed assets as opposed to calling for an independent assessment of the financial assets of the fund?

He did make some reference to perhaps recovering some income or realizing a return in a financial sense by disposing of some of these assets, and that certainly is something I would support. I'd like to at least see if that's possible, and if so, what would be the implications of that? It's not explicitly stated in the recommendation, but if that's one of his objectives, there might be some merit to that.

I guess the final question that also ought to be discussed or considered is a comparative analysis; that is, what's the difference in spending money for the Walter C. Mackenzie Health Sciences Centre through the trust fund and through the General Revenue Fund? Presumably there's value there regardless of where the funding came from. The same could be said of any of the deemed assets whether it be applied cancer research, urban parks development, or individual line service. There's a value and a benefit there, but surely that would have occurred regardless of where the funding was from, whether it was from the heritage trust fund or the General Revenue Fund. So I would think the question might more properly be a comparative analysis as to could this more effectively have been done some other way as opposed to is there simply a value and a benefit there, so that we start to get at some of the value-for-money questions perhaps.

So those are all things that aren't specifically or explicitly discussed in the motion, and I'll just put them on the record. Perhaps the member's been making notes and could address them in closing this debate.

10:54

MR. CHAIRMAN: Thank you.

Just prior to recognizing the next speaker, the Chair would like to recognize two school groups that have come into the galleries, one in each gallery. We'd just advise them that they're watching the proceedings of the Alberta Heritage Savings Trust Fund select committee, and we're presently debating recommendations that have been put forward by committee members. We welcome you to the Legislature and hope that you will have an enjoyable time. Perhaps the committee would like to give them, although a small welcome, the best we can do with the numbers we have here. Please stand.

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

MR. JONSON: Yes, Mr. Chairman. This particular recommendation may have merit, but I would like to make the following comments, and perhaps the mover may wish to respond to them when it comes time to close debate.

First of all, Mr. Chairman, I see this as being a rather massive undertaking. It's one thing, of course, to state what these particular assets cost, but the values are so varied and so many in number that it is going to be very difficult to capture them all in a report that isn't very lengthy, very expensive: a major undertaking.

Really, Mr. Chairman, I'm perhaps a little bit more optimistic and positive about the deemed assets than some in that I think Albertans want to know what was spent on these properties and buildings and equipment and so forth. They want to be assured that the money was spent correctly, and they very much appreciate the benefits in their day-to-day lives of these assets existing in Alberta and having been financed by the Heritage Savings Trust Fund. Each Albertan, I'm sure, has a particular asset of the Heritage Savings Trust Fund that is most valued to them.

We have the Capital City park in Edmonton, which shows their Heritage Savings Trust Fund money at work and is available to

them in the form of enjoyment and opportunities for exercise and a multitude of other things in the Edmonton area. We have the municipal recreation/tourism areas, which are enjoyed by urban and rural residents alike as well as many, many visitors from outside of the province.

It's perhaps a little bit more difficult to make the connection sometimes, but I think people very much appreciate the importance of research, and specifically medical research, to the health of Albertans and also to the economy of the province in terms of being a high-tech area of development.

Therefore, Mr. Chairman, as interesting and possibly valuable as such an assessment could be to go onto the shelves of government libraries and university libraries and so on, as valuable as this study might be, I'm really questioning as to whether it is necessary. I certainly commend the Member for Clover Bar on what I understand to be his intent, and that is to try and lay to rest this continual debate that goes on as to whether or not there's anything out there that it's been worth building. I think the answer to that is already yes. We've accounted for the money that's been spent. It's there to be utilized by all Albertans and all visitors to this province, and I think that's appreciated as it stands now.

However, Mr. Chairman, I do stand or sit - whichever it is - willing to listen and to make a judgment on this prior to the vote.

MR. CHAIRMAN: Thank you.

The Member for Edmonton-Meadowlark.

MR. MITCHELL: Thanks, Mr. Chairman. I can't support this recommendation, and I'll tell you why. It seems to me that this is an attempt, however superficial, to justify the manner in which this government handles and defines deemed assets. If the member is serious in his commitment to an "independent assessment" of the value of these assets, then I can only ask the question: why does he not accept the Auditor General's independent evaluation of these assets? The Auditor General is clearly independent, and the Auditor General is clearly sending this government a message. These assets are not to be accounted for in the way that this Treasurer continues to account for them. It leaves us to conclude that the reason this member doesn't want to accept that independent assessment is because that independent assessment hasn't given him and his government the answer and the support they want for what they are doing in spite of the fact that it is clearly wrong.

One can only question what it is that is in fact driving this particular request, and I think the answer, as I have implied, is very clear: you don't like what you're getting from an independent assessment, so let's find another independent assessment. If the member is truly concerned about valuing things that need to be assessed, then why is it that he isn't suggesting in the Legislature that we value the Buffalo Lake project, that we value the Al-Pac loan that's been provided by the heritage trust fund to Alberta-Pacific, that we value the loans to Gainers which we have lost, that we value the investment in General Systems Research?

MR. CHAIRMAN: Hon. member, I really believe you've digressed onto projects that have no impact at all on the Heritage Savings Trust Fund. Would you please contain it.

MR. MITCHELL: My point is, Mr. Chairman, that this is little more than a facile attempt to justify something that is clearly not justifiable. I believe that the member should consider that there is a great deal of cynicism in the public about what politicians do and that he is merely enhancing that cynicism by not addressing the issue at the level at which it should be addressed. Accept the

Auditor General's independent assessment. Get these deemed assets out of the accounting for the Heritage Savings Trust Fund. Simply accept the reality with which we have been presented, and stop trying to avoid it with this kind of silly skirting of an obvious issue.

MR. CHAIRMAN: Thank you.

Others wishing to speak on this recommendation? If not, Member for Clover Bar, would you like to close debate?

MR. GESELL: Yes, thank you very much, Mr. Chairman. I've been invited by at least two members that have spoken to address some of the questions that have been raised in debate, and I'd like to take that opportunity.

The Member for Calgary-Mountain View indicated that in his first point he was relating to the GAAP, or general accounting principles and practices, and the last speaker has referred to that as well. I need to clarify here from the information that has been given to this committee in debate with and questions asked of the Auditor General. There are no generally accepted accounting practices that all the auditors general across this nation agree to, and that's been stated by the Auditor General here in these Chambers. So I have some difficulty, Mr. Chairman, when members suggest that what is proposed by the Auditor General is in line with what is done across this country. That is just not so. There is no agreement amongst the auditors general from all the provinces and territories with respect to general accounting practices and principles for these types of funds. I think that needs to be very clear. It's a suggestion that was made by the Auditor General, that there be a different process of disclosing information, but there are no overall – and I keep emphasizing that – general accounting practices, as there are in private industry, with respect to this. It's important to keep that in mind.

11:04

Now, the Member for Calgary-Mountain View also indicated: why do I zero in on deemed assets; why not the financial assets? It's a valid question. The Member for Ponoka-Rimbey has already indicated that even this is a massive undertaking. If the Member for Calgary-Mountain View wishes to evaluate, on whatever basis, the financial assets, then I would encourage him to raise a recommendation that we can debate in this committee to that effect. I'm concentrating on deemed assets because I sense, and I know from the reading of the debates and listening to the debate here in this House, that there's controversy. There's not agreement of Albertans about the value or the benefits of these investments that have been made.

The member encourages me to pursue the idea of disposing of some of these assets, and I agree with him there and I believe he agrees with me. But before you try to sell any goods, you'd better have a good indication of what those goods are worth. I think that's what I'm trying to determine by this particular motion. It would do no good to attempt to sell railway hopper cars, for instance, if you do not realize or at least recoup the money that you have originally put in. Perhaps it may be more beneficial to wait, to delay the sale of that asset until you can recoup the value that you've put in. But how do you determine that, Mr. Chairman? You have to know, first of all, what the market value is, what the benefit of that asset is. We don't know that at this point in time. I can guess at some of these items. I agree with the Member for Ponoka-Rimbey that there's value there, no question about it, but I don't know to what extent.

The other part that I need to address is that it's not just an exercise to appease some of the discussion in here. It's informa-

tion that I believe should be provided to Albertans, an accountability situation of how well that money was invested, whether we have a duty of care, whether we are good stewards of the funds that we have expended, that \$3.2 billion.

Let me deal with some of the points that were raised by the Member for Ponoka-Rimbey. He mentions that this would be a massive undertaking and it would cost a considerable amount of effort and money perhaps. I'm not quite sure that I would agree that it is such a massive undertaking and that the value of undertaking it would be that extreme. We're talking about \$3.2 billion that has been invested. I think it would be appropriate to spend some money to determine what the value of these investments actually is today, five years from now, 10 years from now. I think Albertans need to know that.

Capital City park in Edmonton was raised, and I'm addressing this to the member that has raised the issue, Ponoka-Rimbey, and also to Edmonton-Meadowlark. One of those benefits – and I agree that some of them will be very subjective – might be a determination of utilization of that urban park. But more important may be an awareness of Edmontonians that it is actually there; not just Edmontonians: the total district. I know, living close to Edmonton, that a large number of people in Edmonton are not aware that it is there and do not utilize it. To me this type of evaluation would definitely work to provide that awareness for Albertans, the people of Edmonton, to make them actually beneficiaries of that particular investment that we have made. Now, if the Member for Edmonton-Meadowlark feels that that is inappropriate, then I feel very sorry for the people of Edmonton.

The point was made that maybe this study might end up on the shelves in the library or somewhere in the bowels of this government building. That would really bother me, Mr. Chairman, if that were to occur, because I think we have a responsibility as an open government to provide accountability for any expenditure that we have made. Accountability, to me, is the effectiveness, the economy, the three Es that I'm going to get into about comprehensive auditing right away. The effectiveness, the economy, and the . . . I'm missing the third one right now; I'll get to it.

MR. DOYLE: Environment?

MR. GESELL: No, no. Environment you're going to deal with separately.

Mr. Chairman, that accountability is critical, and it's an accountability that cannot be given to us by the Auditor General. It's a management accountability that we're talking about. It's not an auditing responsibility. The auditing responsibility deals predominantly with the process: have you correctly reported what you have done fiscally? The Auditor General, by his response to us in the House this year and previous years, has clearly indicated that he has no mandate to determine value, to determine effectiveness, to determine how economically we spend moneys. All he can concentrate on is whether the audit, the financial statements, has been prepared properly. The accountability function – we've debated this previously, and the Member for Edmonton-Meadowlark raises it again – is something that I believe we should be doing as a government on any expenditure. The member raised, on a sidetrack, a number of expenditures that have been undertaken by the government. That management accountability applies to any expenditure that this government makes and includes expenditures by the Heritage Savings Trust Fund. I do believe that for the deemed assets we've indicated the book value, the original amount that we've invested, but we have not followed through and indicated what the actual benefits are, what that value is right now that Albertans enjoy.

The member says that it is a facile attempt to deal with an issue. I take exception to that remark, Mr. Chairman, because I generally want Albertans to know unbiased information about these expenditures. Once they have that unbiased information on how much we spent originally and how much that investment is worth right now, I want them to reach a conclusion, to make a decision about: was it an error that we made? Was it a good investment? Albertans, I believe, will do that. I have inherent trust that Albertans will come to the right conclusion provided they're given adequate and accurate information, and that's what we're talking about.

Mr. Chairman, the Member for Edmonton-Meadowlark also raised the question of comprehensive auditing, and he's got a recommendation in these that we're going to get to. He deals with that in 32, I believe it is - let me just locate it - where he's talking about the role of the Auditor General, that it should be expanded. I don't want to take away from the debate on that particular section, but he's talking about the role that should be expanded for the Auditor General to undertake such management accounting practices, sometimes referred to as value-for-money auditing, sometimes referred to as comprehensive program evaluation.

11:14

Now, on the one hand, the member has a motion that he's proposing to put on the table here dealing with expanding the mandate, but in response to my recommendation he says that the Auditor General already has that mandate. He can't have it both ways, Mr. Chairman. If the Auditor General can do these things that I'm asking an independent agency to do here and he hasn't done it, why not? But I submit by Motion 32 that that mandate is not there right now, and I'm trying to cover that area, not through the Auditor General, who is independent - I agree with that - but by another independent body that will make the proper evaluation there.

I think I've dealt with all of the questions that have been raised. If I have not done so, I will review the transcript in *Hansard* and I will provide responses to the questions that I may have missed. Mr. Chairman, I believe this exercise that I'm asking for will not just end up on the shelf. I believe it is important and valuable information that should be provided for Albertans to value and to use in comparing whether investments in some of these areas - the Alberta Heritage Scholarship Fund, the clinical research building, the private irrigation water systems - have been beneficial expenditures for Albertans. I believe Albertans, given accurate information, factual information, will be able to do that, and I would hope that all members would vote for this recommendation.

Thank you.

MR. CHAIRMAN: Thank you.

The Member for West Yellowhead, recommendation 2.

2. Mr. Doyle recommended that the investment committee divest the commercial investment division of its investments in companies that participate in the distillation and brewing of alcoholic beverages and instead direct its investments toward Canadian and Alberta companies that conduct business in an environmentally sound and healthy fashion.

MR. DOYLE: Mr. Chairman, in speaking to my recommendation, I truly agree that one of the objectives of the commercial investment division of the heritage trust fund should be to maximize financial returns for Albertans, but there should be some products which should not be supported through the purchase of shares.

These include shares in companies producing alcohol and tobacco, which are responsible for much suffering in our society.

We have 303,900 shares in Imasco at a cost of some \$5.3 million. Mr. Chairman, Imasco Ltd. is a holding company that produces Player's cigarettes. Labatt's and Molson's are primarily in the beer business and Seagram is a liquor distillery. In Labatt's we have 250,000 shares at a cost of \$1.7 million. Molson's A shares are 132,100 at a cost of \$1.774 million. Molson's B shares: 32,900 shares for \$601,000. Seagram Limited: 126,900 shares for \$3.664 million. Seagram in the last year was increased from \$2,421,000 to \$3,664,000. At the same time, we're putting money into programs for AADAC. AADAC itself was cut by quite a large amount in last year's funding from the fund. At the same time, we put \$6 million into the Alberta Family Life and Substance Abuse Foundation with a half a million cut from AADAC. Both of these generally do the same thing. If we're going to be serious - and I believe the government is serious in taking on the very serious matter of drug and alcohol abuse in this province. Indeed, it is a necessary thing that we must do. If we're doing that, Mr. Chairman, we should not be investing in companies that cause suffering in our society and cause the breakup of homes and marriages and deaths through other violent crimes.

[Mr. Jonson in the Chair]

So, Mr. Chairman, I would hope that the members would stand behind me and ask that we do invest our money in something that's much more friendly towards society. Although it does generate good profits, I believe the shares of all these companies have significantly increased in value beyond their original cost, and by selling them, the heritage trust fund would make a handsome profit, which could then be reinvested in other Canadian- and Alberta-owned companies. I'll make very clear that I'm not a teetotaler myself, but if one is going to invest in alcohol, they should pay out of their own pockets. The taxpayers of Alberta would like to see our society cleaned up and help those who have problems like alcoholism and drug abuse. I'm sure that anybody would stand behind their neighbour or their family to draw them out of alcohol or drug abuse.

I would hope the government would withdraw the investments that they have in companies such as John Labatt's, Molson's, and Seagram. I see in recent years, Mr. Chairman - in 1986 we had investments in Carling-O'Keefe. Now, I'm not quite clear. Perhaps that company has been sold. Also we had investments of some \$3 million in Hiram Walker resources, but I believe that was actually not an alcohol company, but it was a resource company that owned one of the oil companies in Calgary.

Mr. Chairman, there are very many companies that the heritage trust fund has invested in that have paid at least as much as these alcohol and tobacco companies like Imasco and the others, and I think it's necessary that we invest in those companies which generate jobs within Alberta and protect our environment and protect our families much better than the investments we've made in the alcohol and tobacco companies.

MR. DEPUTY CHAIRMAN: Thank you.

The Member for Lacombe.

MR. MOORE: Thanks, Mr. Chairman. I just want to clarify one little point to start with. This motion is a clear example of why I voted in one of our previous motions that we should wait until tomorrow to start debate. I felt that this motion would in all likelihood have been withdrawn by the member or substantially changed. However, that didn't transpire. Therefore, because I

thought that would be a rational move on the part of the member, I didn't even look at this motion and consider it. So I thought maybe we should have had more time. However, it's on the books, and the member has spoken to it.

One who sees a motion like this should think about the heritage trust fund. What is the purpose of the heritage trust fund? The main purpose is to provide a future for Albertans. If you want to put it in a capsule: a sound economic future for Albertans. I think that we as a committee should address that in all our recommendations, not take away from it, not start making recommendations such as are clearly in this motion. I feel there are many areas that look after the health and welfare of the citizens of Alberta, and I feel there are a lot of companies in Alberta that pay taxes that give us the money so we can look after the health and welfare of our citizens. When we start curbing them through the heritage trust fund, which is not the function of the heritage trust fund, when we say that breweries should not be considered as sound investments in Alberta . . .

11:24

Let's talk about breweries. Let's not go into alcoholism, the negative results of alcohol. That is not our purpose here. We know that alcohol causes a lot of problems and breaks up families and so on. We could talk for a long time on the negative effects of alcohol. That is not our mandate. That is not why we're here. Let's look at the other side of it. Breweries provide jobs. Breweries provide a tax base in Alberta and play a significant role in a lot of good programs through the spin-off benefits that come from those businesses being in Alberta.

We talk about:

. . . instead direct its investments toward Canadian and Albertan companies that conduct business in an environmentally sound and healthy fashion.

One must think of who would decide what is an environmentally sound and healthy fashion. If we listen to the socialists and we look at Al-Pac and we look at the Hinton mill, they'd say, "No; anything that's in the pulp and paper industry is a terrible industry." We heard it. We heard it from the Member for Edmonton-Meadowlark, too, on how terrible these kinds of businesses are. If they made that decision, then we'd never invest anything in the paper and pulp mill business in Alberta, yet they play a significant role. They're here providing jobs. They're part of our corporate sector out there that keeps Alberta economically healthy.

I think that if the mover of this motion thought - well, maybe he does think that we should do away with helping the Hinton pulp mill: "Let's do away with it."

MR. DOYLE: Point of order, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Point of order.

MR. DOYLE: Could we stick to the motion, Mr. Chairman? We're not talking about the pulp and paper industry; we're talking about drug and alcohol abuse and the investment in companies which promote drugs and alcohol.

MR. DEPUTY CHAIRMAN: The point of the Member for West Yellowhead is noted. The Chair, though, does note that the last portion of the motion has quite a bit of scope. However, the Chair will listen very carefully and try to make sure that the comments are within those bounds.

MR. DOYLE: Am I to understand, Mr. Chairman, that you're saying that pulp mills are not environmentally sound or healthy?

Is that my understanding? Why are we discussing pulp mills rather than the motion before us?

MR. DEPUTY CHAIRMAN: The Chair does not intend to debate the motion with the hon. member. The Chair is simply pointing out that the remarks bear upon that particular section of the motion.

I would ask the Member for Lacombe to proceed, and the Chair will take careful note to make sure things are on top.

MR. MOORE: Thank you, Mr. Chairman. Just by way of clarification to the hon. member that raised the previous point here, I'm talking about who arrived at what is environmentally sound and healthy, what business is following that. And I'm saying, going back and using as an example what the socialists said: do they make that decision? We would have a direct impact on all the pulp and paper mills in Alberta, including Hinton, if we went back to that. Who makes that decision? It isn't drawn out here. I used to be righteous and sit up here and say, "We'll do this." It sounds nice till you really look at the far-ranging impact of this.

We all as members of this committee should be careful in what we do in this very, very important committee, because our decisions have a far-reaching effect on every Albertan's future. This is a very important committee, and we should give very careful thought to what we do and say here and think it out, rather than try and make headlines with something that sounds like motherhood without thinking how it impacts right down to the individual citizens of Alberta that we are supposed to be serving. This heritage trust fund is for the future of every Albertan, including the employees of a brewery, including the employees of companies that maybe the socialists think aren't environmentally sound and healthy.

This is what we have to look at, and to pass a motion such as this would send a message out there that we have now become the great moral and health supporting instrument of government. We are not. We are here to look after the heritage trust fund and the spending of that money and to make sure that it makes a return back to the economic future of all Albertans. I say that we should not be picking and selecting companies which we support. That would send the wrong message out there. It would destroy the whole respect the citizens of Alberta have for our process and this committee in particular. I think they would look at a motion like this and say, if we pass it, "What is the purpose of this company?" Are we out there to dictate every business that can come into this province? Should we sit down and say we won't give funding to that because it doesn't meet the criteria of our individual feelings, or are we to say that it's a thing that serves Albertans and makes returns to Albertans?

I feel, Mr. Chairman, that we should all take a look at this thing. Maybe, even when it comes to a vote, if the mover would have read what his researchers wrote up for him here, he may even reconsider and vote against it himself. I ask everyone here to consider the far-reaching impact of such a motion.

MR. DEPUTY CHAIRMAN: Thank you.
The Member for Three Hills.

MRS. OSTERMAN: Thank you, Mr. Chairman. As spoken to by the Member for Lacombe, this is indeed a very interesting motion because it is specific in its reference in the first half of the motion, which speaks to the brewing of alcoholic beverages, and general in the thrust of the latter part of the motion, which I think is

deceptive in some ways in terms of the broad implications of the motion.

[Mr. Ady in the Chair]

I notice that the member spent most of his time proposing the motion in the light of the first half of the motion as opposed to the last half; that is, dealing with alcohol and drug abuse, and brought tobacco into it. I'm not sure why the hon. member has been as broad ranging in that area of the first part of the motion. He indicates that Alberta taxpayers wouldn't want investment in those areas. Well, first of all, Mr. Chairman, I think that the wording is very subjective. As the hon. Member for Lacombe pointed out, how are we to interpret that wording except to go back to comments made in the Legislature by various hon. members about what they mean with respect to "environmentally sound"? I would submit that there are a good many industries who brew, for instance, and they are environmentally sound. They are good corporate citizens in Alberta, owned by Albertans, buying Alberta primary products; i.e., malting barley.

I challenge the hon. member to produce the health studies that would indicate that when taken in moderation by most all citizens – and you will find some people obviously allergic to or having a problem with alcohol, just as they will with supposedly very healthy foods. There are allergies that will cause severe illness, but taken in moderation by most citizens, this is not going to cause a health hazard. So I think that the hon. member while, I'm sure, honest in his intent to address what can be abuses – in almost anything. I could say, for instance, pointing to some illnesses, that we should ban food. There are a good many people that food is almost a poison to them in terms of what happens to their systems because they cannot control their food intake as we wish they could, as I'm sure they wish they could. Alcohol is probably the same situation.

Mr. Chairman, for those reasons I couldn't support this motion because it does two different things, specific in the first instance and general in the second, and I have no idea how the hon. member would speak to "environmentally sound and healthy," using criteria that have to address overindulgence and abuse, because it happens right across the board with all manner of drink and food products. So I would say that while accepting the intent of the motion, I couldn't support it.

11:34

MR. CHAIRMAN: Thank you.

Ponoka-Rimbey, followed by Edmonton-Meadowlark.

MR. JONSON: Yes, Mr. Chairman. I would just like to make two or three comments on this particular motion. First of all, one of the issues that's being debated in this committee quite often is the emphasis or lack of emphasis that is placed or should be placed by those people handling the funds on obtaining the best possible rate of return. Now, many participants in committee debate have referred to the fact that there is not enough commercial, hard-nosed, business direction in terms of maximizing returns to the fund itself. Such things that are certainly as environmentally sound as parks and those sorts of things are sometimes reflected on in a negative way because they don't have that good, identifiable, commercial rate of return.

But we do have within the Heritage Savings Trust Fund a very significant section called the commercial investment division, and it's been my understanding that this is one division of the fund where we are placing money in order to maximize the return. Now, this of course is done with the provision that the companies,

the investment objects involved, have to adhere to the laws of the land, be they environmental or laws which bear upon the use of alcohol or whatever. But, Mr. Chairman, I think that given that that is the purpose of that particular section of the fund, and as I've said before, providing they are adhering to the laws of the land, then I think you have to give the people who are in charge of those investments the latitude to invest where there is the best possible rate of return. Once you start making a list such as would be started by the passage of this particular recommendation, there could be many others added to it, and pretty soon it becomes difficult, really, to sort out what the purpose of the commercial investment division is, whether or not it's really making money, how would you compare it to the performance of other investment funds, and so on. When we have a commercial investment division, I think there has to be that latitude to invest in companies which will have a good rate of return to the fund.

I'd like to make one or two other points. First of all, I can certainly see an individual or an organization within our society wanting to direct their money towards what might be called green funds or ethical funds and so forth, because that's the avenue that's open to them in order to put pressure in a particular direction within our society. Certainly those things should exist, and there should be the freedom for investment to be directed in that particular kind of way. In fact, Mr. Chairman, the committee may at some point in time – and I think there are two recommendations on the list that do refer to this – want to create a division of investments where the purpose is going to be to sort of focus upon or enhance certain companies operating in what might be called a particularly environmentally friendly or constructive way; in other words, they're making money on that particular type of activity. I don't think we should mix that particular purpose with that of a commercial investment division.

The other thing, Mr. Chairman, that I would point out to the hon. member moving this recommendation is that if this is a major concern of him as an individual or of his caucus, the Legislature has the power to change the situation; in other words, introduce legislation, a private member's Bill or whatever, to ban the use of alcohol if that is what's desired. The Legislature, unlike an individual or an organization, can approach this problem directly, or perhaps not ban the use but put some legal restrictions on its use rather than use a rather circuitous route to try and bring pressure through the commercial investment division. It may be something they would consider.

In any case, Mr. Chairman, I do not think I will be able to support this particular recommendation. I think it is contrary to the purpose and the need for latitude that the commercial investment division should have.

MR. CHAIRMAN: Thank you.

Edmonton-Meadowlark.

MR. MITCHELL: Mr. Chairman, I would require some further clarification of the motion by the member. Certainly each of us can accept that investments should be made in businesses that are environmentally sound and healthy. That's a given.

What I don't understand is why the member seems to limit his restrictions of investment to companies that produce alcoholic beverages. If it is that he is wanting to structure some form of ethical fund, then it seems to me this specific restriction is far too limited. In the absence of knowing why he wouldn't want a much broader ethical approach, we have to ask the question: why is it that he's picking on this particular kind of investment? If you look at other investments in the fund, you could raise similar

concerns about the ethical value of an investment in such a company. I need more clarification.

I would applaud the member if he's considering structuring the heritage trust fund investments as ethical fund investments, but I think his motion would require considerably more thought than the one before us has given this issue.

MR. CHAIRMAN: The Member for Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Chairman. I think that in this motion, without getting into the moral aspect of it, there is an ethical issue. Let me first say that certainly everyone agrees that it's important that the funds be invested for the best returns. No one is arguing against that proposition. When you balance the gains from investing in the breweries and then the relative costs to the province as a result of alcohol consumption and the disruptions caused in our society, when you balance those two, I certainly think the motion we have before us makes sense. On the one hand, we invest in those breweries. On the other hand, we impose taxes on people in this province, heavily tax them with something called the sin tax. We are talking, of course, about liquor and tobacco and some of the other things. Again, a contradiction even to being hypocritical, in my opinion, that we would want to invest in those companies and on the second hand impose some type of tax to perhaps make it more difficult for individuals to purchase or try to discourage them from purchasing those products.

11:44

The costs to us in the health care areas that are relative to alcohol, the social breakdown which the Member for West Yellowhead alluded to, and the carnage that we have in our streets and our highways: now, you have to balance those against the investment issue of it. The money part of it is one thing; I think the human part is another thing. You can't simply argue that we have to invest because it makes good money. Of course it makes money for the fund, but I think it is not the kind of investment that is for the long-term benefit of the citizens of this province. Surely there must be other companies. There are other companies that would be much easier for us to invest in, companies that do not contribute to the things I've talked about, health and social breakdown and so on.

It seems to me that the motion is a good one. It's one I'm certainly prepared to support because I really think we are being hypocritical when we talk about investing in one item and then doing other things. The cause that this investment tends to support I think is something I couldn't deal with. So I want to support this motion, and I would certainly urge other members to support it, because there's more than money involved when you talk about the alcohol issue in this province.

MR. CHAIRMAN: The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thanks, Mr. Chairman. Just a couple of brief comments. The hon. member is not proposing a ban on the use of alcohol or a ban on the distillation or brewing of alcohol or indicating in any way, shape, or form that it's illegal or that there is something against the law in terms of it. There's no implication or suggestion of that whatsoever. All the hon. member is doing is pointing out an inconsistency, an irony, perhaps even an absurdity in that on one hand it's being proposed that the Heritage Savings Trust Fund set aside money to fight and cope with the effects of those people that are being hurt by the consumption of alcohol yet on the other hand is investing money in the very companies that are creating the problem in the first place

for those individuals in our society. So there's an inconsistency where you take money to promote one activity and then from the same fund spend money to repair the damage. I mean, that's just an inconsistency and some might even say an absurdity. That's the only point the member is making. It's government that ends up paying the costs to help repair the damage. So is it proper that government through a trust fund should be putting money into the very activity that causes that problem for some of our citizens in the first place?

I don't know what an analogy might be for an individual, but it might be the question: who insulates their home with asbestos or urea formaldehyde anymore? Nobody does that, because they know there's a cost down the road: you're going to have to remove that stuff. It's just going to depreciate the value of your home, and it makes it an unsafe place. That's maybe not a very good analogy, but it's at least trying to get at the idea that you don't invest in something you're going to take money out to fix the problem from your investment in the first place. What you do is avoid the investment in the first place to presumably not have to cope with some of those damages down the road.

Anyway, there's just an inconsistency in the trust fund: putting money in and taking money out to solve the problem that it's helping to promote in the first place. That's all the member is doing, and I think as a public policy it's one that's quite supportable.

MR. CHAIRMAN: The Member for Edmonton-Meadowlark.

MR. MITCHELL: Mr. Chairman, I'd like to address the comments of the Member for Calgary-Mountain View. Clearly there's an inconsistency determined by the point he makes. That is that on the one hand the heritage trust fund invests in brewery companies; on the other hand they invest in programs to offset the problems that are created by alcohol consumption in our society. It's laudable that the members would identify that inconsistency, but they carefully neglect to point out that a similar inconsistency exists between the involvement of the government of Alberta in the distribution of alcohol through the Alberta Liquor Control Board and its outlets and the millions of dollars the government of Alberta pays to fix up or mitigate or accommodate the problems created more broadly by alcohol consumption in our society. So if the member is suggesting that it is this contradiction that drives, that motivates this motion, is the member therefore suggesting that the government shouldn't be involved, shouldn't be profiting from the sale of alcohol at all, which is clearly a similar contradiction? It's difficult to know, when the member talks about inconsistency, how consistent the member himself is in the assessment of this problem.

MR. CHAIRMAN: If there are no other members wishing to speak on this recommendation, the Chair recognizes the Member for West Yellowhead to close debate.

MR. DOYLE: Thank you, Mr. Chairman. I listened carefully to other members. Some, of course, aren't too concerned about the investment, how it deteriorates our society, at the same time drawing from the very same fund to fight the substance that's created by these companies.

In no way do I have any problem with these companies and the great benefits they have for other investors in the country or the products they use, like the grain which helps the malting barley folk in Alberta. It certainly helps those people to have a secure place in society. It's the end product, the substance that is created by these companies, that we are fighting through the same fund

with a \$6 million grant. As it increases each year, we're not only going to reap worse benefits for society by propping up those companies that produce these substances but we're going to be treading upon those people who are using these substances. At the same time, we say we're trying to help them. I hope to God that this government is really concerned about drug and alcohol abuse, because it is a terrible sight to see, especially in the cities. It's predominant, of course, in rural Alberta but not as much as it is in the cities.

Mr. Chairman, the Member for Three Hills mentioned the products that do affect health. It's my understanding that the product tofu that's used as a substitute for milk, margarine, and cheese, and those types of things, that this government is looking at banning it from this province. I would hope they would rethink that and allow tofu to remain in this province for those people who cannot use milk, cheese, and other dairy products, those who help build good health in communities.

The cost of health care in this province: I read recently what the percentage is. It doesn't come to mind right now what the percentage is of people in hospitals because of drug and alcohol abuse, because of tobacco abuse. Mr. Chairman, one of the biggest things that drains the health care system is those people who have the weakness to consume these substances. It's an awful cost to the taxpayers of Alberta, and here is the government propping up, through the Alberta heritage trust fund, companies that produce these substances.

11:54

I would disagree with the Member for Lacombe. Pulp mills provide lumber, wood, and fibre. That is not necessarily harmful to the environment. It is, perhaps, the way they dump their effluent into the water that's harmful to the environment. I have no problem with the products that come out of those pulp mills or the jobs that are created, but I do have a problem with the way our forests have been protected and the way our water has been protected. Mr. Chairman, I didn't enter the debate in regards to pulp mills. It was the Member for Lacombe that entered into that debate.

In no way would I suggest that we should not accept the profits from the liquor stores, but let somebody else invest in those companies. The liquor stores were set up by the government not only for supplying the substances but to get the profits off the other end. Mr. Chairman, quite often companies supply something and the government does get the profit off the other end, but I don't think it's fair that we invest in these liquor companies and tobacco companies, being another substance other than alcohol. Of course, it's not in my motion, but to clarify for the Member for Three Hills, I recently understood that Imasco is also in the substance end of producing a product that we're also fighting through the heritage trust fund, through the Alberta Family Life and Substance Abuse Foundation.

Mr. Chairman, I would not in any way suggest that we should close down liquor stores or that we should lay off people in those liquor stores or that we should change the policies of the liquor stores handling those products that are produced by these companies, because indeed it has to be regulated. With the increase in crime, breaking into certain liquor outlets, I think it's much safer if the government does have restricted hours of sale for liquor. So in no way am I saying that we should get out of the liquor store business or that we should stop helping those people who have used substances such as alcohol and tobacco.

Mr. Chairman, I hope that members would consider supporting this motion. Indeed, it is our right, I believe, in this committee – if I am wrong, perhaps somebody can tell me – and we are here

to make suggestions to the government as to how these investments should be placed. If anybody wants to say how any one of these investments should be placed, we live in a free society, and we should be able to do that.

So in ending debate, I would say that it's not only these companies. There are other companies that have caused problems to society, and we should look seriously and have some input into how this money is invested. Many of these companies are heading towards bankruptcy. Of course, we here all know, Mr. Chairman, only hearing from three members of the Conservative caucus – I'm surprised that they'll line up like sheep and vote against it. At the same time, if you look down the list, almost every company in here is one of the major contributors to the Conservative Party.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you.

Our time has expired. The Chair would accept a motion for adjournment from the Member for Three Hills.

MRS. OSTERMAN: I move that we adjourn, Mr. Chairman.

[The committee adjourned at 11:57 a.m.]