

Standing Committee on the Alberta Heritage Savings Trust Fund Act

10:02 a.m.

[Chairman: Mr. Dunford]

MR. CHAIRMAN: All right. I'd like to call the meeting to order. We're at 10:02. At this point are there any recommendations to be read? I see Victor Doerksen.

MR. DOERKSEN: Yes, Mr. Chairman. I have two to read in. Do I have to go slow?

MR. CHAIRMAN: No. *Hansard* will pick it up. Do you have them in writing, though, so that you can give them to Diane once you've finished reading them in?

MR. DOERKSEN: If she can read these, yes.

MR. CHAIRMAN: Well, you might have to work with her.

MR. DOERKSEN: Okay.

That the Alberta heritage savings trust fund committee encourage the Minister of Labour to eliminate the amount of grants available from the Alberta occupational health and safety heritage grant program and to fund these worthwhile projects from within the existing department budget.

That's the first one. The second one:

That the Alberta Heritage Foundation for Medical Research include in its annual report a summary outlining the ethical considerations in the research projects it is funding. The summary should include the process used to determine how ethical decisions are reached.

MR. CHAIRMAN: Okay. Thank you.
Mike Percy.

DR. PERCY: Thank you, Mr. Chairman. You have the 22 recommendations inclusive that we have submitted, some of which have been deemed to have been read in; others have been explicitly read in. I just want to make two points about these motions. They reflect sort of two strands. The first is: there is one motion here to the effect that we recommend that the heritage savings trust fund be liquidated. Notwithstanding that, should that motion be defeated -- and who knows? It might be. In our view, if the fund continues to be in place, then we would like to see these alternate recommendations put in place so that there is no inconsistency, that we're just pursuing two tracks on this.

MR. CHAIRMAN: Fair enough. That notwithstanding clause is enshrined in Canada.

MS HALEY: I would like to read in my recommendation that the applied cancer research no longer continue as a separate entity but rather be rolled into the Alberta Heritage Foundation for Medical Research.

MR. CHAIRMAN: Okay. All right; any other recommendations? Now, directing this to Mike Percy: are there any other recommendations from any of your colleagues that you're aware of?

DR. PERCY: No. We have submitted those that we would like to bring forward.

MR. CHAIRMAN: So then with the three that have been read in at this particular point in time, we would appear to have an inclusive list of 25 recommendations.

I would like to spend just a couple of minutes on process, as to how we would deal with these. We have followed the tradition of providing opportunities, then, to debate the recommendations, and then we have provided a date, being February 1, in which to come back and vote on each of them individually. As we proceed to the debate, does anybody have any suggestions as to how we should proceed?

DR. PERCY: Can I just raise an issue? It is my understanding that under the revised parliamentary rules there is a provision for a minority report. That is my understanding from talking to our House leader. I would just like that to be confirmed.

MR. CHAIRMAN: I cannot confirm that. We have been dealing with that in the Parliamentary Reform subcommittee of which I am a member, and I cannot recall off the top of my head what the recommendation was that was made then by that committee, but we'll certainly review that. This committee, of course, would follow those guidelines.

DR. PERCY: Thank you, Mr. Chairman.

MR. DOERKSEN: Are you making the assumption that you're in the minority already? We haven't even begun the debate.

DR. PERCY: Well, unless there's a sudden change of attitude. Heretofore we have seen sort of voting along party lines, and there are more Conservatives than Liberals, so one might make that extrapolation.

MR. CHAIRMAN: Okay. Denis Herard, and then Don Massey.

MR. HERARD: Yeah. With respect to process, Mr. Chairman, I think I can respectfully submit that perhaps 10 minutes be allocated for each position with respect to the recommendations. As long as there continues to be pro and con people who wish to speak, then the debate can proceed until everyone has spoken once. Then I believe it would be appropriate for the mover to close debate on that particular recommendation. If there are no other speakers on the other side, then that would terminate and again the mover of the recommendation would close debate.

MR. CHAIRMAN: Don, are you on this point? Okay. Is there anybody on this point?
Okay. Don.

DR. MASSEY: Just to clarify the process, Mr. Chairman. At least one of the people that appeared before the committee indicated that they hadn't seen or read the recommendations, and I wondered: what is the process? Are they forwarded to the appropriate minister?

MR. CHAIRMAN: Well, as your chairman I was quite disappointed, maybe even disillusioned to hear that answer. Our responsibility will be to table the report of this committee by the 25th of February. Then I felt in my own mind that I would take it upon myself to make sure that where our recommendations seemed appropriate, all departments would be advised perhaps by memo form from your chairman so that we would not face that situation a year from now. That's the way I'd planned to proceed. I hope that's satisfactory.

DR. MASSEY: Yeah. I just think that having gone to all this time and trouble and reading that at least the recommendations would be read, with the courtesy of a response saying, "I've received the recommendations."

MR. CHAIRMAN: I agree. With the report that will be tabled in the House, though, there will be one difference that we'll have to come to grips with at a later date. It's been the normal procedure in the past to have the Treasurer's answers to the recommendations as part of the bound report. The process that I think we're forced into because of the time lines is that we will have to table the report on the 25th of February without those Treasurer's answers. We'll have to deal with this when we all get back as a committee to deal with the report, but likely what we may want to do then is withhold the process of binding the report until perhaps we have the Treasurer's answers. I'll be looking for your guidance at that point in time. With the new Standing Orders we've not been afforded the time like other committees have.

All right. Is there any further general discussion before proceeding? Lance.

MR. WHITE: Yes, I do. Sir, as I recall, at the outset you outlined the voting procedure and how the questions were to go and when recommendations would be made and when they would be dealt with. I have difficulty dealing with the recommendations in that all the ministers that were purported to come have not come, notably Mr. Kowalski. The Deputy Premier has for some reason -- perhaps you know -- not made himself available to our questioning. Now, as I understood it -- and I just happened to look it up -- in the first 10 minutes of our meetings commencing this round of hearings on November 30 on the top of page 1 you outlined the procedure that we would not be discussing it until the last minister, and you said:

Maybe it's the Premier, whomever -- that will be your signal that that will be the last day to get your recommendations forward.

So I would assume that we were to speak to all the ministers or hear from all the ministers prior to making the recommendations. How can we now make and discuss, debate recommendations without hearing from that one member?

10:12

MR. CHAIRMAN: Well, you might recall the discussion that Grant Mitchell and I had yesterday about Minister Kowalski. I again attempted to arrange a meeting, and in my judgment it wasn't possible within the time frame that we have to operate. So I have to report to you now at this point and, I guess, in direct answer to your question that he will not be appearing before us and that the last minister was Pat Black. Pat was the last minister, you know, on the original schedule, so I don't know that I've particularly injured anybody in this, but I have been attempting over time to ensure all ministers. As a matter of fact, I would make a note that you have been one of the more critical people about the schedule that I've attempted to put together, so I've just simply had to say: "Okay. We've got to continue with the schedule. This is the schedule, and we are now following it accordingly."

Mike.

DR. PERCY: Could I just for the record note that Minister Kowalski often during question period said: if you want to ask that question, ask me during the heritage savings trust fund committee meetings. It is really peculiar that he of all the ministers would choose not to appear. The committee appears to have been very flexible in terms of his meeting times, 8 o'clock in the morning, and certainly the Liberal caucus is accommodating because we understand the time constraints. So I just want it on the record that the next time the Deputy Premier stands up and says, "Ask me that

question during the hearings of the heritage savings trust fund," we were not given that opportunity.

MR. CHAIRMAN: Well, as your chairman I want just to make sure, then, that if we're talking about things on the record, he has not made the choice not to come here in that sort of context. I think we've had Minister Kowalski scheduled at three different times, and each time there have been compelling reasons for him not to be here. We accept your point, and it's now, of course, in the record.

MR. WHITE: Further to that, Mr. Chairman, there is one reference. My colleague Dr. Massey was asking questions of the Treasurer, and I'd refer you to page 67 of our *Hansard*. Mr. Dinning said:

I'd welcome a copy of the letter. I'd ask the hon. member to perhaps talk with Mr. Kowalski or Mr. Paszkowski on that.

Both of those ministers were coming to this committee subsequently, so I assume that that's where the questions would come. But Mr. Kowalski didn't come. Now, how are we to make these judgments then?

MR. CHAIRMAN: Let's just dwell on this point one step further. It was clearly the intent of all of the ministers and Vencap, medical research to appear before this committee. That was clearly the intent. There was never a time when we were working on schedules either with the minister directly or with his staff that there was any suggestion they would not be coming to meet with our committee. However, I think what you've seen, Lance, is, in a sense, just where this committee stands in the pecking order in government. We've had to revise our schedule quite often because of other activities that were taking place. All of course were legitimate activities within the scope of either the government or the Legislature. So I have been placed in a situation of trying to do the best I can on your behalf to get people here. You know how difficult it has been. It is certainly a situation now where we are on schedule. I think we ought to proceed, and with any luck at all we may, in fact, be done by the end of the day.

MR. HERARD: Mr. Chairman, on that point I think the important thing is that you have made your best efforts to get all of the witnesses before us, and there are compelling reasons why certain people could not attend. It seems to me that if an hon. member has a particular question that he wants answered, he could certainly put that question in writing to the minister, and perhaps the minister would exercise his prerogative to provide the information to that member. I don't think this process has been jeopardized at all as a result. I think everybody understands that when you are doing things in government, sometimes there are things that happen where you are forced to change your schedule. So I don't really see where we've got a problem here at all.

MR. CHAIRMAN: Okay. Let's proceed then. I'm working from draft 4, dated January 25, 1994, of the '93-94 recommendations. We of course will have to add to this document in a draft 5, I presume, the recommendations that were just read into the record, and that will be done at lunch. In the meantime we will then just simply proceed in numerical order, and this, I believe, is in the manner that they were presented to the record. So we'd ask Michael Percy to begin with number 1.

DR. PERCY: Should I read out the motion, or is it sufficient that it's already part of the record?

MR. CHAIRMAN: Perhaps, so that we don't get confused, if you wouldn't mind reading out the recommendation, and we'll make sure that's not part of your 10 minutes.

DR. PERCY: Recommendation 1 is

that an all-party committee of the Legislative Assembly, such as the Standing Committee on the Alberta Heritage Savings Trust Fund Act, be designated to enter into negotiations with Vencap Equities Alberta Ltd. relative to concluding an agreement respecting early repayment of the heritage savings trust fund loan.

With regards to this motion, it follows very much on the recommendations of the Financial Review Commission. In there the Financial Review Commission suggested that an all-party committee be set up to review loan guarantees, those that were still outstanding. We have raised this issue of the all-party committee, the recommendation of the Financial Review Commission, in the House, and the Provincial Treasurer has said, for example, that in light of the fact that the government does not intend to make many loans in the future, perhaps it was not a necessity. But in light of the fact that the heritage savings trust fund does have a variety of financial arrangements existing with the private sector, I think this would be an ideal way, then, of implementing one of the recommendations of the Financial Review Commission. This I think is especially important in light of the fact that the government has gone a long way in incorporating the recommendations on financial disclosure. This would then bring these issues into a more open, transparent framework and also perhaps save the government money since we are already paid our salary, we are here, and it would provide a transparent airing of the issues involved. So that is the motion that I move.

MR. CHAIRMAN: Okay. Thank you.
Denis Herard.

MR. HERARD: Thank you, Mr. Chairman. I'm supposed to be speaking against the motion, although I agree with the motion in principle, and that's why I made Recommendation 13, "that the Provincial Treasurer negotiate early repayment by Vencap Equities Alberta Ltd. of its outstanding loans."

The reason that I made that motion which -- in a sense, we cannot modify a mover's motion or recommendation. Therefore, I don't believe that a committee has the legal authority to negotiate on the early termination or any condition of an existing contract that has been signed by the Provincial Treasurer. That responsibility, I believe, lies with the Provincial Treasurer, and that's why I made the motion I did in 13, that he really is the only person who has the authority to negotiate with respect to an existing contract that was signed by a previous Provincial Treasurer. I don't think a committee can or ought to get involved in contracts between parties. I think that we are there to review, but to get actively involved in negotiating and then on the other hand review our participation in that negotiation is a conflict of interest. The Provincial Treasurer has the authority, being the chief financial officer of the province, to enter into negotiations of that type. So I speak against motion 1 for those reasons but believe in the principle and therefore have moved motion 13.

10:22

MR. CHAIRMAN: Okay. Thank you. We're looking for a pro speaker.

DR. MASSEY: I was seeking some clarification, if I could, from the mover. The difference between 1 and 13 is: a committee "such as the Standing Committee." I wonder if Dr. Percy could explain why that designation is necessary.

DR. PERCY: The reason for putting that parenthetical phrase in there was to address some of the issues that have been raised about the actual usefulness of this committee. Giving it a broader mandate or giving it a larger role, I think, would address some of the concerns of committee members that have been raised: that this committee would be made more functional and that taxpayer dollars would be better utilized and the time of the MLAs would be better utilized.

MR. CHAIRMAN: With that clarification are you wanting to speak in favour?

DR. MASSEY: I would speak in favour of the motion. I think there was nodding of heads around the committee as this item was discussed. I think there is consensus that it's a good move, and I'd like to see the recommendation adopted.

MR. CHAIRMAN: Carol Haley.

MS HALEY: Thank you, Mr. Chairman. Not to put too fine a point on it, I did want to clarify that there is not consensus about this. I'm personally not in favour of this motion, and I wanted to just make sure that we don't all assume that everybody in this room thinks it's a great thing to sell it off.

DR. MASSEY: A point of order, Mr. Chairman. I didn't say unanimity; I said consensus.

MS HALEY: Well, consensus. That's splitting hairs there. Do you mind if I clarify . . .

MR. CHAIRMAN: Consensus is a funny word. You'll agree with me, eh.

Not seeing any further speakers, would you like to close?

DR. PERCY: Yes. I'd like to address the principle now. I addressed sort of the function: why the standing committee; why an all-party committee? I had placed that in the context of the report of the Financial Review Commission, which this government has. It has attempted to adopt many of the recommendations. I think this falls in line.

As far as the principle: why in fact liquidate the loan at this time? It's because it gives Vencap as an entity greater degrees of freedom in which to provide venture capital funds to emerging firms, both within here and firms that are outside of Alberta from which there might be significant spin-off benefits to Alberta and Alberta taxpayers. So if this government is committed to getting out of the business of being in business, I think this is an ideal way of starting and cutting loose some of the lines. It has done that with regards to AEC, as the minister this morning had noted. I think this would be a useful way, then, of proceeding to clearly define the role of government and clearly define the role of private-sector financial instruments.

MR. CHAIRMAN: Okay. Thank you.

Before we proceed, I already see a couple of difficulties with the process. The first one is: is there any member here that wishes to modify their recommendation prior to us proceeding?

Jon Havelock.

MR. HAVELOCK: Mr. Chairman, perhaps it would be appropriate that as the recommendations come forward, if any member wishes to move an amendment, including the person who made the recommendation, perhaps that would be the way to go.

MR. CHAIRMAN: Under the rules it's only the person who made the recommendation that can amend it.

MR. HAVELOCK: Can this committee change the rules? No?

MR. CHAIRMAN: I think you see the difficulty it then places us in, and that's of course the discussion we had on 1 versus 13.

The other difficulty I'm having is that when we go on a pro and con basis -- I refuse just to recognize these things on party lines; I mean, we have free votes in this Chamber -- I'm going to need some indication somehow of who's a pro and who's a con.

DR. PERCY: You can guess.

MR. CHAIRMAN: Well, I can proceed to guess, you know, if that's the desire, unless somebody has just a really neat, simple, little solution to this.

MS HALEY: Mr. Chairman, I think there is a very neat, simple solution. The person that moves the motion is obviously speaking in favour of it. Ask the next speaker, before they are allowed to speak, if they're going to speak against it, because if there's nobody speaking against it, there's no discussion.

MR. CHAIRMAN: Right. Okay. Fair enough. Or, conversely, if you have spoken against it, then the next speaker that shows their hand I have to ask if they're speaking in favour of it. Okay. All right. We'll proceed in that manner until someone evolves a better solution.

Dr. Percy, I want to apologize to you, sir. On our draft 4 we're referring to you as Mr. Percy.

DR. PERCY: That's no problem.

MR. CHAIRMAN: We recognize your status. So if you'd like to move to number 2 please.

2. Moved by Dr. Percy:

Be it resolved that the negotiations relative to repayment of the loan ensure to the fullest extent possible that the original mandate of Vencap in diversifying the Alberta economy be respected and maintained.

DR. PERCY: In light of my previous comments that we want to clearly differentiate the business of business and the business of government, what this motion attempts to do, though, is say that we have set up institutions such as Vencap to try and address real holes in our financial markets, areas where they just don't seem to work properly and that this initial investment had been grubstaked by Alberta taxpayers through the heritage savings trust fund and that part of this longer term return, then, is ensuring that the initial mandate is fulfilled. In essence, the mandate is to attempt to diversify the Alberta economy but in a way that's subject to, you know, commercial considerations, bearing in mind the role of a venture capital firm. So if either motion 1 or 13 is recommended by the committee, I would very much like to ensure that we respect the mandate that was initially set up for Vencap.

MR. CHAIRMAN: Jon Havelock, do you wish to speak against this motion?

MR. HAVELOCK: Mr. Chairman, I have a question of clarification. Because Recommendations 1 and 13 are similar -- when it comes time to vote, let's assume number 1 goes down. I'm just

making a hypothetical statement, Dr. Percy. If that were the case, voting on number 2 would be premature unless and until number 13 had been voted on. So how do you intend to handle that?

MR. CHAIRMAN: I think we'll handle it in just the way I think you're advising us silently to do, and that would be that when it comes to voting, we would perhaps vote on number 1 and then on number 13.

MR. HAVELOCK: That being the case, if number 13 were to pass or if number 1 were to pass, regardless, I find I could support number 2 because it's simply emphasizing what I believe is the existing policy.

MR. CHAIRMAN: I don't think we should worry too much about whether there might be little inconsistencies or anything like that. I think we can proceed in a simple way and just view each recommendation as it comes up. I think we'll find that things will take care of themselves at the end of the day.

Now, I've got lots of hands on that. I think I caught Danny out of the corner -- no, I caught Victor first; sorry.

10:32

MR. DOERKSEN: Again just on the process, Mr. Chairman. What I would encourage Dr. Percy to do is to change his motion, because I don't think it's wise to build one motion on another. I think they should be stand-alone motions that aren't predicated on an earlier motion.

MR. CHAIRMAN: I think there's a freedom that we enjoy in this House that I want to defend, and that is that any member is allowed to make any recommendation that they want, and it's just simply going to come down to a matter of debate and then later on a matter of voting.

Now, I saw Danny Dalla-Longa and then Carol Haley. Danny, did you have something?

MR. DALLA-LONGA: Well, just a point of clarification, Mr. Chairman. Vencap -- and when Mr. Slator was in before us here . . .

MR. CHAIRMAN: Just a sec. What is it you're clarifying? We're talking about the process. Are you going to clarify the process?

MR. DALLA-LONGA: No.

MR. CHAIRMAN: Are you wanting to speak in favour of this motion?

MR. DALLA-LONGA: I'll pass. I wanted to make a point with regards to what Mr. Havelock was referring to, but I'll pass.

MR. CHAIRMAN: Okay.
Carol Haley.

MS HALEY: Well, I wanted to speak against it because I don't believe that if you sell something, you have the right to then turn around and tell them how to operate.

MR. CHAIRMAN: Thank you.
Would you like to close debate?

DR. PERCY: Okay. Again, the purpose of this motion is to ensure that the core element under which Vencap was set up, a role of trying to diversify the economy, is maintained and at the same time remove those financial restrictions that inhibited the ability of

Vencap to act as a venture capital firm. So there are sort of two perspectives at work.

With respect to one of the issues raised, with regards to Telus, for example, there are specific requirements of Telus that have been set out in the legislation, so it is possible. As you privatize or as you liquidate, you do insert certain types of requirements. It's not impossible to do that, and it has been done, as the privatization of AGT to Telus demonstrates.

MR. CHAIRMAN: Okay.

Dr. Percy, number 3.

3. Moved by Dr. Percy:

Be it resolved that the negotiations relative to repayment of the loan require that Vencap Equities Alberta Ltd. retain its head office in Alberta.

DR. PERCY: Number 3 is simply the requirement that as Vencap becomes even further successful as a venture capitalist in the North American market, it be required to retain its head office in Alberta. This motion does not require it to remain in Edmonton or Calgary, just in Alberta. Again, this is part of the potential payoff to Alberta of having a successful venture capital firm. In the future, given the attraction of larger financial markets such as New York or Toronto, there might be sort of an incentive on the part of an unhindered Vencap to consider moving, but given the original investment by Albertans in this firm, I think it would be a recommendation that its head office be required to remain here, because that's part of the payoff to Alberta.

MR. CHAIRMAN: Speaking against? Jon Havelock.

MR. HAVELOCK: I'm sorry. Am I not allowed to speak whatever way I want, or are you going to presuppose how I'm going to speak?

MR. CHAIRMAN: As a matter of fact, that's right. If you were a pro speaker you would have to wait until there was a con speaker, and once there are no more con speakers or once there are no more pro speakers, it goes back to the mover.

MR. HAVELOCK: So then I was out of order last time.

MR. CHAIRMAN: Well, no. It was clarification, Jon.

MR. HAVELOCK: Well, then, I guess I'll clarify.

MR. CHAIRMAN: You need something clarified?

MR. HAVELOCK: Well, when do we raise suggested amendments to the mover?

MR. CHAIRMAN: You can't amend the motion.

MR. HAVELOCK: But he can.

DR. PERCY: In the context of clarification, though, the mover might in fact pick up signals that would lead him or her to undertake amendments.

MR. CHAIRMAN: Then what I would suggest is that we members -- we certainly should be familiar with the manner in which to go to a con mike to be positive.

MR. HAVELOCK: Then I'll wait for another con.

MR. HERARD: Mr. Chairman, I think it's perfectly in order. If you are going to make a suggestion to amend the motion, then obviously you're speaking against the motion. So I think it's perfectly in order to make that recommendation, and if the mover of the motion thinks better of that, then he can make an amendment himself.

MR. CHAIRMAN: I think there's a way to do this without sort of harming the basic nature of the recommendation; that is simply, "I'm against this recommendation; however, I would suggest that it be done this way." Then of course that provides the mover with the opportunity to do that. What we can't get involved in here is amendments and voting on that. Okay? Now, I've got two people frustrated.

Jon Havelock.

MR. HAVELOCK: Well, can I somehow pick up on Mr. Herard's rather eloquent debate? I think he solved the problem. I'll speak against the recommendation as presently drafted and perhaps suggest to the mover that to give some flexibility you should be removing the word "require" and instead putting in "to the fullest extent possible," much like you've done under number 2, because that gives the negotiator some flexibility in attempting to resolve the repayment of the loan.

MR. CHAIRMAN: Thank you.

Okay. Not seeing a pro speaker, it's Dr. Percy.

DR. PERCY: In light of the debate thus far, I would accept that as a friendly amendment. I would recommend that this recommendation be modified such that it read:

that the negotiations relative to repayment of the loan require that Vencap Equities Alberta Ltd. to the fullest extent possible retain its head office in Alberta.

That would provide the negotiators with the flexibility that would help in the negotiations.

MR. CHAIRMAN: Okay. Any further speakers?

MRS. LAING: A question: would the amendments have to be made instantaneously, or would the mover have a chance to think about it and come back to the next meeting? You know, perhaps there are ramifications that you can't anticipate right on the spur of the moment type of thing.

MR. CHAIRMAN: Okay. Looking for advice, then, from any member of the committee on that point. Denis Herard, and then Lance White.

MR. HERARD: I think that the person who made the recommendation in the first place has all of the rationale within his mind as to why that motion is the way it is, and if an amendment, friendly or otherwise, makes sense to that person, I think it's perfectly appropriate to make that at that point. If we don't, what will happen is that we will have certain motions here that we really haven't debated because we don't know how they're finally going to be worded, and it might necessitate another further meeting just to deal with one or two of these newly worded recommendations. So I think that we need to stand or fail on our own abilities to make these motions and amend these motions on the spot. I don't think we need to have further time.

MR. WHITE: Getting back to where Mr. Havelock was coming from, the rules of operation here are contra to *Bourinot's* and *Robert's Rules of Order* and any parliamentary procedure book. In

fact, any one of those rules specifically prohibits a mover from amending their own motion. Why? Because once the motion is made, it is then the property of the governing body in governing itself. I don't understand why we couldn't follow Mr. Havelock's suggestion of doing it as we go through it.

Now, he's quite correct in saying that anything that has to do with the heritage savings trust fund, Denis' motion, should be brought forward and debated at the same time. The committee then can make the best judgment as to which motion and which subsequent other related motions can be dealt with. An amendment from the floor is always in order. I mean, the object of the exercise is to put forward, as I understand it, the best possible recommendation from this committee to the House in general. That's what is to be done. Now, if municipal councils throughout this entire land can deal with matters brought before them and understand what the amendments are, Mr. Havelock's amendment to this present motion could be understood and understood by every one of us right here and now. Should that not happen, a tabling motion or a reference motion to the chairman to find out something or to question a minister or something like that -- it's all in order. It's simply a matter of following the rules of order of any one of the authorities presented. Now, I don't understand where this -- I must have missed something, but I don't remember ever hearing the rules of order or any reference material presented that was going to guide you in how to manage this.

10:42

MR. CHAIRMAN: Well, if you'll recall, at our organizational meeting we discussed this. Certainly, I'm not trying to inhibit anything. In fact, you know, if anything, I've been overly flexible. So I'm simply looking for a way here in which we can proceed to get the job done based on the sort of institutional constraints, if that's a proper word, I guess, of our mandate and how we are to proceed with this. I find it unusual that we would have dates for debating recommendations and then not vote. You know, we have a February 1 date set up to vote, where we'll come in here and we're going to just run chronologically through the list and there'll be yeas and nays and then we'll be done.

So I think that within the context, Lance, if you're feeling frustrated that you're not getting your points forward, then I'll certainly work with you on that. As sloppy as it's looking right now, I think there's going to be an opportunity here to get through all of these motions, and whatever refinements people want to make to them will be made.

MR. WHITE: My problem is that I don't understand -- and I certainly didn't hear it at the November 3 meeting, and I have the minutes in the form of *Hansard* before me. I don't remember reading it, and I just reread it in the break. There wasn't any reference to how the amendments would come forward and how recommendations would come forward. There's a set standard for doing this. I mean, it's been tried and true for centuries in the writing of these rules. They're really very specific and very simple, and they work to the best advantage of the committee as a whole. That's what the rules are there for, and the way it's being done now is . . .

MR. CHAIRMAN: Well, how are you feeling inhibited? I'm not following you.

MR. WHITE: Well, it's just: get on with the business. Surely Mr. Havelock's position that number 13 should have been brought forward -- it would have behooved him or Denis, the mover of the motion, to say, "Look, I move that item number 13 in the agenda be

brought forward and dealt with and debated at the same time as number 1." So you'd bring forward number 1. You'd stay voting on that particular matter pending the discussion of the second one, then vote on one and then the other. Any amendments thereto are dealt with in that order. One amendment, two subamendments, and then you have to vote on them. I mean, it's really quite simple.

MR. CHAIRMAN: I'm missing your point entirely, because we've already dealt with that, and we've passed beyond that. What is it that's frustrating you at this point? I want to be helpful. We've already decided, Lance, how we're going to handle 1 and 13.

MR. WHITE: I'm talking about the process for the remaining 22 and subsequent amendments.

MR. CHAIRMAN: All right.
Denis.

MR. HERARD: Mr. Chairman, while I certainly can't quote the rules that Mr. White is referring to -- and I would certainly defer to his knowledge of those rules before my own knowledge of those rules -- I think we have a tradition in this particular committee that that's the way it's been done. To allow only the mover of the recommendation to make amendments would be to prevent the type of thing that we've found in this particular Chamber that lasted some 24 or 25 hours, and that was that, you know, if we go with the traditional way that Mr. White is suggesting, we can go on forever making slight modifications to these things and never get anywhere. I think the process that's been used in this committee over the years has been well established, and we should just get on with it.

MR. CHAIRMAN: Jon Havelock.

MR. HAVELOCK: Thank you, Mr. Chairman. I guess for my own clarification, then, could you please explain to me how we will in the future take into account amendments? Will it be that if someone is speaking against because they would like to somehow have the recommendation amended, they speak against it, clarify what the amendment might be, then it's up to the mover to incorporate that amendment? Is that how the process will work?

MR. CHAIRMAN: Yes. I think that what you just did a few moments ago was a classic example: I'm against this motion, and here's what it would take to be in favour of it.

MR. HAVELOCK: Well, it's nice to be a classic example.

I guess the question I would have, then, is: if the mover incorporates an amendment, does that then open up the floor for further discussion on the recommendation as amended?

MR. CHAIRMAN: It does. I looked, and I didn't see a speaker, so I asked Mike to go on.

MR. HAVELOCK: But we can't address the amendment until he incorporates it and then you reopen it. Now, did you reopen it?

MR. CHAIRMAN: Well, what happened was that he incorporated your amendment, and then he stopped talking. I scanned the members: no hands. So then I asked Dr. Percy to close the debate.

MR. HAVELOCK: Oh, I see.

MR. CHAIRMAN: So you're right. You again classically have shown us the way to go. So now let's just do it.

Now, motion 4.

4. Moved by Dr. Percy:

Be it resolved that the Alberta heritage savings trust fund investment committee give consideration to the greater utilization of private investment managers located in Alberta to administer and manage the assets of the Alberta heritage savings trust fund.

DR. PERCY: Looking over the other motions, it appears to be somewhat similar to 12, and I guess I'd address that issue later: how it differs.

The purpose of this motion has, I think, two considerations. First, we want to try and stimulate the growth and emergence of capital markets, capital fund managers within the Alberta economy. We want to do so in a way that we get competition into that market and also set performance benchmarks for the investment committee should the savings trust fund remain intact subsequent to the recommendations of this committee and the committee that's going to be struck by the Provincial Treasurer. So I think it provides competition. It provides greater breadth for the emergence of financial markets and managers within the province, and I think it then, as I say, provides the competitive benchmark necessary to stimulate governing managers of the fund.

That is the purpose of moving this motion.

MR. CHAIRMAN: Okay. Would you like to close debate?

DR. PERCY: Yes. I would just again note that the purpose of the motion is to try and ensure greater competition in the financial markets of Alberta and a stimulus for the emergence of more and broader based capital markets in the province.

MR. CHAIRMAN: Okay.
Number 5.

5. Moved by Dr. Percy:

Be it resolved that the Alberta heritage savings trust fund annual report provide comparative information regarding the rate of performance of those assets managed by government investment managers versus those assets that are managed on behalf of the government by private-sector investment managers.

DR. PERCY: This motion does, as Mr. Doerksen suggests, draw on 4. The purpose of this motion, then, is to in a sense ensure transparency in government and to provide, then, competitive benchmarks by which the performance of government managers can be assessed. It's consistent, then, with the emergence of the business plans, and it's certainly consistent with the type of transparency that was recommended by the Financial Review Commission.

MR. DOERKSEN: Well, I disagree with how the motion is presented, Mr. Chairman. I have no problem with providing comparative information regarding the rate of performance of government investment managers to private-sector investment managers, no problem with that at all, because you have to make sure that the people you hire to manage your investments are producing a return similar to those in the private sector. To provide that information is important; okay. The part that I have a problem with -- and perhaps this goes back to the previous motion more than it does to this one -- is: if we are hiring the best investment managers, why send our money somewhere else to be managed by

someone else? The reason for providing the benchmarks is so you can make sure you've got the best people doing the best job on your investments. You don't have to send it to a private investment company. If your guy or your lady is not producing a return that is similar to other similar type managed investments, then you find somebody else to do it better.

10:52

MR. CHAIRMAN: Grant Mitchell, are you speaking in favour of this motion?

MR. MITCHELL: I certainly am, and I'd like to respond in part to the comments by Victor, Mr. Chairman. First of all, Victor's comments were really applicable to his opposition to motion 4, not motion 5. In fact, he agreed with motion 5, that we should simply have comparative figures and that those figures would give us a chance to rate the performance of our managers. I would like to say, however, that I am quite shocked to hear Mr. Doerksen say that he thinks that you hire the best and it can be done as well in the public sector as in the private sector. If that were the case, then why would he have supported the privatization of ALCB? Clearly, the prices were even better than they are now. Witness the Premier's concern with rising prices and the market forces that seemed to have driven those prices up. It's quite unique that he would flip-flop in that way.

My point is that I guess I'd like to thank Victor for supporting motion 5. What he supported, what he said, was exactly what motion 5 does, and we'll be watching how he votes. We hope that he will vote in favour of it. It simply says: let's measure these people. All the more need to measure them because they're out of the competitive atmosphere and context that would be provided them by the private sector, so measurement is every bit that much more important. Why would the government be afraid of measurement? These are assets that must be managed as well as they can possibly be managed. If you can't measure it, you can't manage it.

MR. CHAIRMAN: Thank you.

Jon Havelock, are you speaking against this motion?

MR. HAVELOCK: Mr. Chairman, I guess a question for clarification. Do we have a concise record of those assets which are managed on behalf of the government versus private-sector investment managers? If so, perhaps Dr. Percy could fill me in on what some of those are.

DR. PERCY: I do know there are some funds that are managed by the private sector, but we are not given a breakdown on the performance of those managers relative to the government managers. This recommendation, then, requires that to occur.

MR. HAVELOCK: I just thought you might have had some information, but okay.

MR. CHAIRMAN: Would you care to close debate?

MR. WHITE: Well, that's another pro.

MR. CHAIRMAN: No.

MR. WHITE: No pros? Well, wait a minute.

MR. CHAIRMAN: He just asked the question for clarification.

MR. WHITE: Well, a matter for clarification then. [interjection] Well, this process is so bogus I can't believe it.

MR. CHAIRMAN: All right. I'll tell you what. Ask your point of clarification, but just remember that you were here to agree to the rules.

MR. WHITE: No, it wasn't -- I mean, it's so bogus. As a matter of clarification of the procedure could you check with any counsel as to the legality of the rules and the procedures that are being followed presently? I'm not going to challenge it in law right now because in fact it would disrupt and we have people here to do legitimate debate. That's the object of the exercise: to get on with it. The procedure that you're following now in any other parliament is definitely not -- in any other land it would be disallowed. I mean, it's just not acceptable.

MR. CHAIRMAN: I don't particularly disagree with that. What we're doing here today, Lance, is we are fellow travelers in this journey of getting through the heritage savings trust fund. In order to do that, we have come up with a process which we have all agreed we're going to use. That's simply what we're doing. Certainly this manner in which we're proceeding we would not use at a municipal council or, you know, maybe all kinds of other forums, but for the purposes of today we have a process that's designed and can achieve what we want. We can get through these recommendations.

MR. WHITE: It could in fact be challenged subsequent to it.

MR. CHAIRMAN: By whom?

MR. WHITE: By any one of those present or anyone in the Legislature. By the rules of order that we're proceeding with we're not in keeping with the rules of order of the House, and we are a committee of the House.

MR. CHAIRMAN: I asked you earlier, and I think you agreed with me that in no way are you being inhibited from making the comments that you want.

MR. WHITE: Well, yes. You just did.

MR. CHAIRMAN: How did I do that?

MR. WHITE: You just said that I couldn't speak unless asking a question of clarification. It's inhibitive right there and by design.

MR. CHAIRMAN: Well, okay. That's right. If you go beyond the rules that you yourself have been part of agreeing to, then yes, it's my job to limit you.

MR. WHITE: I didn't agree to them. Was the consent in vote or anything? There wasn't any. I mean, it's just bogus. That's all there is to it.

MR. CHAIRMAN: Hey, I love this back and forth. I mean, I can sit here all day with you, Lance, and do that. I love this kind of stuff, but the point is that we're trying to get through these recommendations. There's been an agreement that once there's no longer a con speaker, there won't be any more pros, or once there are no more pros, there won't be any cons and we will simply then close the debate on that motion, and that's the way we're proceeding. If you wish to use the Havelock technique of asking for a point of clarification, I was about to allow you to do that. You said that you got frustrated, and you said that that's bogus.

MR. WHITE: Precisely. That's what I don't want to do. I don't want to try to circumvent the procedures in order to get my oar in.

That's not the way to do it. There are procedures tried and true for centuries, and it's beyond me to think that somebody can reinvent the simplest of all tools to get on with things. It's ludicrous. Period. Finished.

DR. PERCY: Am I the last speaker?

MR. CHAIRMAN: Yes, you're to close.

DR. PERCY: In light of the . . .

MR. CHAIRMAN: Oh, I'm sorry. Just a sec. Denis, you did have your hand up.

MR. HERARD: It was just simply to say, Mr. Chairman, that we've heard this objection twice now, and it seems to me that if there's a point of order, our esteemed colleague could either challenge the chair or leave it alone so we can proceed with the business. The fact that he doesn't like what we're doing, I think we all understand that. The rules are there, and if he wants to challenge them, that's his prerogative, but to continually hear his frustration with the process, I think we know that now, and we should just proceed and get the work done.

MR. CHAIRMAN: Thank you.

MR. WHITE: A point of clarification. Where are the rules? Where are they written? Where can one find said rules?

MR. CHAIRMAN: Well, they aren't written. We just determined them here at approximately 5 minutes after 10.
Okay.

DR. PERCY: In light of the issue raised by Mr. Doerksen, one interpretation that one could put to it also would lead me to amend my motion 5. I would amend it in the following manner: on the fourth line where it says "private-sector . . . managers," I would add: "and also compared to the performance of funds of similar assets managed by the private sector."

What this amendment does is not only, in light of 4, require that the performance of private-sector managers of fund assets -- that that information be published. It would also require that the performance of those private-sector managers and the fund managers be compared to the performance of those funds managed completely by the private sector with similar asset bases. So it provides two different types of benchmarks by which to compare the performance of government-sector managers.

MR. CHAIRMAN: Did you get that, Diane?

MRS. SHUMYLA: I have "and also compared to the funds of similar . . ."

DR. PERCY: ". . . to the performance of funds of similar assets managed by the private sector."

MR. CHAIRMAN: Okay. We have an amended recommendation in front of us.

AN HON. MEMBER: Now pro?

MR. CHAIRMAN: No, that's the pro. Why is this so difficult? We're trying to keep this simple.

Are you speaking against the amended motion, Victor Doerksen?

MR. DOERKSEN: Yeah, and again just for clarification. The point that I had: this motion builds on the previous motion, and the previous motion suggests that we use a "greater utilization of private investment managers." That implication carries on in his first statement where he says "provide comparative information regarding the rate of performance of those assets managed by government investment managers" -- good to that point -- "versus those assets that are managed on behalf of the government by private-sector investment managers." If that is happening, no problem; okay? But I'm not supporting that we encourage more of it. Do you understand? And then "compared to performance of [existing]," no problem with that either.

11:02

MR. CHAIRMAN: Okay.
Lance White.

MR. WHITE: If that was a point of clarification, then a pro cannot speak now. So I cannot speak.

MR. CHAIRMAN: That's right. Unless you could speak contrary.

MR. MITCHELL: But a con could speak, because he was in favour of it.

MR. CHAIRMAN: A con can speak; that's right.
I see no cons, so would you like to close debate?

DR. PERCY: Again, the purpose of this amendment is, first, as in 4, to provide a greater role for the private sector in the management of assets held by the government, to stimulate the emergence of a strong capital market in the province but in so doing set out benchmarks by which we can assess their performance and as well assess the performance of government investment managers, because I would think you never put all your eggs in one basket and you would probably want to maintain some funds still managed by the government.

So motion 5 as amended, then, provides two sorts of benchmarks. It provides the comprehensive private-sector benchmark for funds totally in the hands of the private sector, a similar asset base. As well, for those assets managed on behalf of the government by the private-sector managers, it gives us a benchmark to monitor and assess the performance of the government component of the fund.
Thank you.

MR. CHAIRMAN: Okay. Motion 6, Dr. Percy.

6. Moved by Dr. Percy:

Be it resolved that the Alberta heritage savings trust fund annual report provide a breakdown of all the income that arises from the use of securities lending operations by investment dealers and that each dealer engaged in such transactions be identified.

DR. PERCY: This motion emerged out of my interest in footnotes. I forget the page numbers of those footnotes, but the sums involved there were very large, and it led one to inquire what exactly was occurring there. In response to my questions the Provincial Treasurer did provide us with material, and they were sort of generic examples of the nature of the transactions. I think we need a higher level of information, because again we're talking of large sums. We're talking again of relationships between the government fund and the private sector, and I think the transparency in government operations, particularly when it comes to the allocations of such

large sums of money, requires complete information just so there's no hint whatsoever of any type of, you know, inside or inappropriate relationships. So this recommendation, the purpose of it, is just to provide us with a further breakdown, and that breakdown, then, would be in the annual report.

MR. CHAIRMAN: All right. Not seeing any con speakers, would you like to close debate?

DR. PERCY: I will just again summarize saying that the purpose of this amendment, then, is to ensure greater information with regards to the operation of the heritage savings trust fund, and it's certainly consistent with the recommendations of the Financial Review Commission regarding transparency in government.

MR. CHAIRMAN: Okay. Now maybe we can get Lance an opportunity. Well, we're going to have a pro from the other side. I feel like I'm stifling you, Lance. We'll have to get something going.
Okay. Denis Herard, number 7.

7. Moved by Mr. Herard:

Be it resolved that the scope of the pending public review of the heritage savings trust fund include a review of the mandate of the Standing Committee on the Alberta Heritage Savings Trust Fund Act.

MR. HERARD: Thank you, Mr. Chairman. We heard, of course, through the testimony of the Premier that there would be a plan and a date of the pending review announced coincidentally with the provincial budget sometime in February. I just feel that what we do in this particular committee could be a lot more useful if in fact we didn't have this committee at all and debated the heritage savings trust fund through the normal budget debate process because then you're dealing with the present and not the past. This is a little bit like looking at last year's, the old Flames playoff game and wishing you could make a difference this time around. I just feel that if a change in how the heritage savings trust fund is used in this province is recommended by that review, then we should also review the mandate of this committee as to whether or not we're in fact doing any good here or if we can improve the mandate of this committee.

MR. CHAIRMAN: Grant Mitchell, are you speaking against this motion?

MR. MITCHELL: A point of clarification which might lead to speaking against it, Mr. Chairman. Would it be the mover's intent, could he conceive therefore that this review might decide to maintain the heritage trust fund but do away with the committee? Is that what he's contemplating?

MR. CHAIRMAN: I would certainly assume so, but I'll let the recommender concur.

MR. HERARD: Anything is possible with respect to a review. If you're reviewing the mandate of a committee, then one of the options that you have is to abolish it. One of the options that you also have is to enhance its functionality by allowing it to delve into other things perhaps. So anything is possible, I suppose, in the context of a review.

MR. MITCHELL: Clearly, we're in favour of a review, and we're certainly in favour of a review of the mandate of the standing committee. We would not be in favour of an outcome which suggested that the fund could exist without the supervision of this

standing committee. Would it be possible for me to move an amendment?

MR. CHAIRMAN: No. You can make a suggestion and hope that the mover of the recommendation will adopt it.

MR. MITCHELL: I would ask, then, that the mover would amend this motion to specify that the heritage trust fund committee is recommending that under no circumstances would the fund be permitted to exist without this committee existing to supervise it.

MR. HERARD: Mr. Chairman, with respect to that amendment, I'm not prepared to make that amendment. I can sort of understand, I think, from the point of view of honourable members who normally sit on the other side of the House that this presents them with an opportunity to further their own purposes, and that's fine.

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

MR. CHAIRMAN: A point of order.

MR. MITCHELL: Mr. Chairman, that statement impugns our motives. We are not here to promote our personal or our political purposes. We're here to supervise the functioning of the heritage savings trust fund. If the member is suggesting otherwise, then he's suggesting that his own Premier Peter Lougheed must have been wanting to serve his own purposes by setting up this committee, because his previous government and certainly every Conservative government since has endorsed the existence of this committee. For him to suggest that somehow our motives are wrong in wanting this committee to exist and theirs were right in wanting this committee to exist is both inappropriate and contrary to the rules of this Legislature.

MR. HERARD: Mr. Chairman, in fact I did not impugn any motives at all, and I apologize if the honourable member heard it in a wrong context. You know, your purposes might very well be to make changes or whatever; I did not say one way or the other.

In the context of this particular motion I'm not prepared to make that amendment.

MR. CHAIRMAN: Ed Stelmach, are you speaking in favour of this motion?

MR. STELMACH: Unfortunately, Mr. Chairman, you asked Denis to speak first. I was going to speak in opposition to the proposed amendment, but I guess we don't have any amendments.

MR. CHAIRMAN: I've got you on the list then.
Any further speakers for the recommendation?

MR. WHITE: For the recommendation?

MR. CHAIRMAN: Yes. We've had the con.

MR. WHITE: No, he asked for a point of information. That's what he asked.

MR. CHAIRMAN: But then he made it a con.

MR. WHITE: Well, you can't make judgments on what he said. He started out asking for a point of information. The record will show it.

MR. CHAIRMAN: Okay. All right; let's go back to the speaker then. Were you speaking against this recommendation, or were you speaking in favour of it?

11:12

MR. MITCHELL: Well, Mr. Stelmach was speaking. Wasn't he sort of a pro? Yes. So we could have another con.

MR. CHAIRMAN: You were simply clarification; right? If I rule it that way, then I can allow Ed to speak against this.

MR. MITCHELL: That would be fine, yeah. For sure.

MR. CHAIRMAN: All right. Ed Stelmach to speak.

MR. MITCHELL: But I think that wasn't his point. His point was that you allowed Denis to speak first in answer to my amendment.

MR. CHAIRMAN: That's right. If you're asking for clarification, it has to come from the mover; right?

MR. WHITE: That's right.

MR. MITCHELL: Okay; that's fine. I mean, I'm happy that that's not a problem.

MR. HERARD: Mr. Chairman, just for further clarification. I understand that Mr. Mitchell raised a point of order.

MR. CHAIRMAN: Which has been dealt with.

MR. HERARD: Right. That was responding to the point of order. It's got nothing to do with motion 7. I think whatever happened before that should take precedence.

MR. CHAIRMAN: Okay. Fair enough. We've had the clarification. You've had an opportunity to refer to that. Is there any further clarification you want to make at this point?

Okay. Now we're to Ed Stelmach.

MR. WHITE: If he's a con, he can speak. But if he's not . . .

MR. CHAIRMAN: If he's a con, he can speak.

MR. WHITE: Against the motion as amended.

MR. CHAIRMAN: That's right.

MR. HAVELOCK: Mr. Chairman, a point of order.

MR. CHAIRMAN: You know, I find this actually interesting and exciting because we seem to find: let's find a way to make this thing difficult so we can sit here longer. If that's your wish, I have no problem with that.

Ed, are you speaking against the motion?

MR. HAVELOCK: If you find this exciting, perhaps we should chat later.

MR. STELMACH: Mr. Chairman, I put my hand up in anticipation of perhaps the mover incorporating part of the point of clarification, but since he didn't, then I won't be speaking against it.

MR. CHAIRMAN: So we're still looking for a con speaker to the motion. All right. Seeing none, would you care to close debate?

MR. HERARD: Thank you, Mr. Chairman. I don't think I need to belabour the point. I think the motion stands as written. Thank you.

MR. CHAIRMAN: Okay; thank you.
Number 8, Grant Mitchell.

MR. MITCHELL: Do I move it, Mr. Chairman?

MR. CHAIRMAN: Yeah. We've been asking you to move it and read it.

8. Moved by Mr. Mitchell:

Be it resolved that the Alberta heritage savings trust fund committee encourage the Health minister to investigate the prevalence of asthma in locations throughout Alberta through the use of funding available for research from the heritage savings trust fund.

MR. MITCHELL: Having really engendered positive and co-operative feelings on the part of the Conservative members of this committee, I would like to ask the members' support for this motion in the context of the tremendous need for a focus on preventative health care at a time when we need to find efficiencies in our health care system.

Asthma is an intense medical problem in Alberta. We have some of the highest rates of asthma in the country in this province and if not the highest almost the highest rate of death in young people from asthma in this province compared with rates across the country. Asthma treatment costs about \$60 million a year in our health care system. There is evidence that asthma can be, if not cured, avoided in some cases if we could identify what environmental characteristics may be related to asthma incidence in various locations across Alberta.

Fundamental to this exercise is a basic prevalence study. Where do people suffering from asthma live? What kind of environmental context is it within which they suffer this condition? It should be noted that there is a disconcerting incidence of asthma arising in rural areas amongst older farmers and farm families which may be related to the dust and various other factors that farmers and their families live and work within and that very, very little attention has been given to this important rural health care need. What this study could do would be to identify the incidence of asthma amongst our rural farm population as it would amongst populations elsewhere in the province. It could lead to cost-effective, easy means of control of this condition. It might lead to an emphasis, which I know this government would support, on better health and safety considerations in the agricultural workplace, rural workplaces in this province. For that reason, among others, I would encourage that members of this committee support this recommendation.

MR. CHAIRMAN: Okay. Thank you.
Victor Doerksen, do you wish to speak against this?

MR. DOERKSEN: On a point of clarification, Mr. Chairman.

MR. CHAIRMAN: Please proceed.

MR. DOERKSEN: Thank you. The suggestion that the hon. member is making is a very valid suggestion, as are the following two. My point of clarification goes back to -- I believe the funds that we're looking for here are from the Alberta Heritage Foundation for

Medical Research. From my understanding in the presentation that was made to us, they have a committee that decides from a whole raft of priorities on research projects to take place, and I'm not sure it's our mandate as a committee to tell them what their priorities should be.

MR. CHAIRMAN: Just a minute now. There's clarification and there's also debate in that statement. Where are you at?

MR. DOERKSEN: Well, I'm trying to find out what the hon. member's sense is from that.

MR. MITCHELL: No. My motion is worded to suggest that this doesn't necessarily have to come from the Heritage Foundation for Medical Research at all. The medical research foundation has established, and properly so, its desire to remain undirected by political or other considerations, and that would be consistent with the classic approach to research.

However, there is evidence, there is precedent within this government certainly in the way in which these heritage trust fund funds have been directed where government specifies certain kinds of research that it wants done for whatever reason. A specific example is the special work that's been done on occupational health and safety under the heritage savings trust fund where that was directed research for a very specific reason. That's what I'm suggesting, that this would be money that could come from the heritage savings trust fund, not from the medical research foundation, and that it would be a worthwhile investment by the heritage savings trust fund.

MR. CHAIRMAN: Mike, did you have a point of clarification?

DR. PERCY: No, I'll wait. I would be a pro.

MR. CHAIRMAN: All right. Having heard the clarification, is there anyone that wishes to speak against this recommendation?
Ed Stelmach.

MR. STELMACH: Mr. Chairman, there's no doubt that the prevalence of asthma in Alberta is quite high, but one point is that it's not only relative to the rural population; we're finding that urban populations are suffering from the disease perhaps at even an accelerated rate of the increase in rural Alberta. Those statistics are available through various agencies. The Alberta Public Health Association has various numbers that they can share with those that are interested.

The problem I have here is that if we're asking, then, for some other body that would administer these funds -- not the medical research group; it would be somebody else -- we would have to then set up some administrative body, and funds would be allocated from the Alberta heritage savings trust fund to that group, and they would then spend that money on asthma research. I can't see why we couldn't send a recommendation or maybe encourage the medical research group to invest the funds or look at asthma. Again, you know, to set some different authority just to concentrate on asthma just increases the bureaucracy I guess is the comment I would have. Maybe the hon. member is suggesting that we encourage the minister so that she can access funds somehow from the fund. I'm a little lost here.

11:22

MR. MITCHELL: On a point of clarification?

MR. CHAIRMAN: Yes.

MR. MITCHELL: I appreciate what the member is saying. However, I think he has quite a misunderstanding of the research initiatives undertaken by this government. To suggest that the only source of medical research undertaken by this government is the Alberta Heritage Foundation for Medical Research is just fundamentally wrong. This government funds research through all kinds of research organizations: through the universities, through colleges, through its own departments. This is not a new precedent, that the heritage trust fund could fund research outside of the Heritage Foundation for Medical Research, because it already has.

MR. STELMACH: Mr. Chairman.

MR. CHAIRMAN: Are you just replying now?

MR. STELMACH: Yeah.

MR. CHAIRMAN: Okay.

MR. STELMACH: There are other vehicles that allow for investment in research, but we're dealing today with the Alberta heritage savings trust fund. That's the vehicle we're dealing with. We're not looking at other research bodies out there.

Again, to just probe in the dark and select asthma and say that it's really a rural disease, that we should really concentrate because it's rural Albertans -- we know what causes the doggone thing. Wear a mask in the dust, and you'll live a lot longer. We already know the problems out there. To concentrate and say that it's rural versus urban, to bring it forward just because of the rural consequence I think is totally unfair.

MR. MITCHELL: Point of order.

MR. STELMACH: If we want to do asthma in general, rural and urban, fine, but we don't use this opportunity to try and, as the hon. member Denis Herard said earlier, use this as a vehicle for political gains.

MR. MITCHELL: Point of order, Mr. Chairman. The member has impugned my motives, and I really am offended by that. The fact is that I didn't propose this just as a rural Alberta initiative. It's generally across Alberta, but I talked about rural and urban incidence.

Secondly, it's very interesting that this member would jump to the conclusion that he knows how you prevent asthma in rural Alberta, because the Asthma Centre, that has a high level of expertise, with whom I just met about 10 days ago -- and maybe the member should himself -- doesn't know. So if he could show us the data, the studies, the empirical evidence so that he can make this judgment on behalf of thousands upon thousands of rural Albertans, we would all be enlightened to see it.

MR. DALLA-LONGA: It would save a lot of money too.

MR. MITCHELL: Yeah, we'd save a lot of money probably.

MR. CHAIRMAN: Okay. Well, we've had a pleasant little exchange on a point of clarification. I think we finally were able to derive that Ed Stelmach is against the recommendation.

We now look for a pro speaker. Mike Percy.

MR. MITCHELL: But I would like an apology. He impugned my motives.

MR. CHAIRMAN: Did you impugn the member's motives, sir?

MR. STELMACH: Is he seeking an apology? Well, have him check *Hansard* and give me a reply on how many times he mentioned rural, kept concentrating on rural time after time. I didn't hear anything urban about it.

MR. MITCHELL: I can't talk about rural in this Legislature?

MR. STELMACH: Sure you can.

MR. MITCHELL: What he said is that I was using this for my own political ends, and I wasn't. I want to do something about asthma in this province for both rural and urban residents, and for him to suggest that I was impugning his motives by talking about rural -- please, Ed, give your head a shake.

MR. CHAIRMAN: All right. There's a point of order on the floor. Ed, do you have any comment at this point?

MR. STELMACH: What point of order?

MR. CHAIRMAN: Well, the member has made a point of order that you have impugned his motives.

MR. STELMACH: I haven't impugned anybody's motives on this particular occasion. I just brought forward some additional information, and unfortunately that additional information may be contrary to the hon. member's beliefs, but that's not my problem.

MR. MITCHELL: He suggested that I was doing this for political reasons. That's impugning my motives. I can talk about rural Alberta for other than political reasons.

MR. CHAIRMAN: Well, the point of order now is getting beyond the point. I want to proceed on this matter.

We now have a pro speaker. That's Mike Percy.

MR. MITCHELL: You have to rule.

MR. CHAIRMAN: There's a comment here that I have to rule on the point of order. That being the case then, I'll take it under advisement and will make the decision at the next session.

Jon Havelock, are you on the point of order?

MR. HAVELOCK: Yes, Mr. Chairman. I don't understand or appreciate it being a point of order in any instance where someone suggests that another member is doing something for political reasons. I mean, quite frankly, we are politicians. Every day we make decisions, and sometimes you take into account political factors. You take into account socioeconomic, et cetera. I don't find it to be an insult if someone is to sit there and suggest I'm doing something for political reasons. I would just suggest to Mr. Mitchell perhaps not to be so sensitive.

MR. CHAIRMAN: Well, thank you for that advice. You see, what happens as we try to get into these clarifications is all it does is has us reverting to our basic political instincts. So now we've been spending 10 or 15 minutes on very little productive effort here.

Mike Percy.

DR. PERCY: I'm speaking in favour of motion 8, and I do so for the following reasons. We have set up, for example in the instance of Vencap and AOC, mechanisms, really, to deal with problems that we see in financial markets within the province in the ability of small firms to get capital or for venture capital to exist in markets. When

you look at this issue here -- I mean, Dr. Spence and Mr. Libin noted that Alberta has a higher incidence of asthma problems than other regions. They also noted very much that we have a much higher incidence, for example, of MS. These are, then, problems that are specific to the province. I read motion 8 as in a sense directing that research be undertaken that deals with medical problems that clearly have a higher prevalence or incidence in the province. Just as I can rationalize the existence of Vencap, I too can rationalize the existence, then, of a motion that recommends directed research that would deal significant gains to Albertans and would be clearly in the line of preventive health care and would be of disproportionate benefit to Albertans. So I strongly support motion 8.

I potentially would go even further and suggest that in other areas there is directed research. The Social Sciences Humanities Research Council, for example, has set up competitions that deal with the implications of aging: the economic, the health care issues, the social issues dealing with an aging population. So I think that directed research when it deals with problems that are specific to the province has a right, and I think it's well within the right of this committee to recommend to the minister and also within the right of the minister to strongly suggest that this is an issue of importance to Albertans. I think asthma is up there. I would go so far as to say, you know, that MS, given that we have a much higher incidence in this province relative to other regions, also is worthy of consideration. So I speak strongly in favour of this motion.

MRS. LAING: Could I ask a question of Mr. Mitchell?

Mr. Mitchell, I was wondering: could you tell us a little bit about the funding of the Asthma Centre? I'm not too clear on it.

MR. MITCHELL: Well, I'm surprised that the member wouldn't be clear about the funding of the Asthma Centre, because she was taking credit . . .

MR. CHAIRMAN: Look, Grant; she's asked a simple question.

MR. MITCHELL: Yeah, I know, but she was pointing out to me yesterday: look; the government does something for asthma.

What I know is that the Asthma Centre is set up largely by private agencies -- the Alberta Lung Association, for example, is one of them -- and that, as Dr. Spence said yesterday, about \$200,000 to \$300,000 came from the medical research foundation to assist in that largely through the appointment of a single researcher who heads up the Asthma Centre. Having met with the Asthma Centre now that they've been established -- they need research funds, so this addresses that need.

11:32

MR. CHAIRMAN: All right. Would you like to close debate, Grant Mitchell?

MR. MITCHELL: Simply to say that I appreciate the intensity of the debate. I certainly would like to say, however, that those people who -- I guess Mr. Stelmach has spoken against it. While I'm certain that he feels strongly about his arguments, I really believe his arguments are faulty. You can't discount this request by saying that all medical research should be done through the Heritage Foundation for Medical Research.

As my colleague Mike Percy has indicated, there is much directed research supported by government in the medical area quite removed from the Heritage Foundation for Medical Research. In fact, there is much directed research that has been funded by the heritage savings trust fund itself outside of the foundation. For example, I look on page 37 of the report. Applied heart disease research: \$29

million has been put into that by the fund itself not through the medical research foundation but in fact directly through hospital-based research. The Tom Baker cancer centre and special services facility has been funded by \$93 million, some of which has gone undoubtedly to research.

So this is not precedent setting. It is not a departure from what's been done in the past. It is an extremely important initiative to reduce the incidence of this disease in this province, enhancing the health of many Albertans, and reducing health care costs at the same time.

MR. CHAIRMAN: Okay. Thank you.

Now, Recommendation 9, Grant Mitchell.

9. Moved by Mr. Mitchell:

Be it resolved that the Alberta heritage savings trust fund committee encourage the Minister of Health to investigate the efficacy of chelation therapy as a treatment for atherosclerosis through the use of funding available for medical research from the heritage savings trust fund.

MR. MITCHELL: I think we're all aware of this intense public concern on the part of many people who feel that chelation therapy has enhanced their quality of life significantly. The problem has been that this therapy has not received formal recognition by the College of Physicians and Surgeons, and it is on that basis that the government has excluded it from support through its health care funding system. Given that there is this impasse -- on the one side some health care professionals and certainly the group that could make that decision, on the other side a general concern amongst the public -- I felt that the heritage trust fund might be able to assist in resolving this impasse by funding from an objective point of view a chelation therapy study which would give us the kind of information upon which a decision could be based.

MR. CHAIRMAN: Okay.

Harry Sohal, do you wish to speak against this recommendation?

MR. SOHAL: Yes, sir. As far as I know, there are many studies right now going on all over the world about this controversial treatment which the supporters claim clears their clogged arteries. Since there are so many studies already going on, we should simply wait and see what the results are rather than having another study to find out what the benefits of chelation therapy are.

MR. CHAIRMAN: Okay. Thank you.

Lance White, do you wish to speak in favour of this motion?

MR. WHITE: Yes, sir. Speaking to the matter in the affirmative, if you have an objection to reviewing this matter by reason of a lot of other research going on, then read the recommendation again. It's to "investigate the efficacy." It does not say and does not request of the minister to do anything other than review the matter in the manner that she finds best. In fact, if the member is correct that there are lots of studies, that they're getting to the point where they'll be published, that's what you do. However, if it's not and there's some special reason which I'm not aware of, some special climatic or environmental reasons that Alberta would be different, then that portion should be studied.

The facts are that this is a matter -- I know a lot of my constituents, particularly the elderly, are saying, "Look, this has helped in my particular instance." They're saying to me, "Why doesn't somebody find out?" Well, that's all this simply does. It may cost millions, or it may cost a dollar and a quarter. That is for

the minister and her advisers, and she's well adept at making those decisions. All this is doing is really asking her to look into it and once and for all make some kind of judgment. We know that the doctors don't agree for whatever reason. I don't know. It may be turf protection. It may be anything. Who knows? I am not aware of that. Some independent body has to look at it, and the best independent body that we have at our disposal is through the minister, to access this information from the sources that are available to her. The medical research of this fund could well do that, easily.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Okay.

Jon Havelock, do you wish to speak against this motion?

MR. HAVELOCK: Actually, I was going to speak in favour.

MR. CHAIRMAN: All right. Seeing no more con, Grant Mitchell, if you'd close the debate, please.

MR. MITCHELL: Thank you, Mr. Chairman. I would like to just state for the record in case Mr. Havelock's commitment wasn't in *Hansard* because he didn't get a chance to speak that I appreciate greatly that he would choose to speak in favour of this motion and am certain that he will vote accordingly.

I'd like to say that I appreciate what Dr. Sohal said about the existing research around the world. In answer to that I would suggest several things. First of all, if the existence of existing research were a criterion whether or not the heritage trust fund spent money in research, then it wouldn't spend money in research, because there's not an area that it investigates that isn't being investigated somewhere else in the world. Dr. Spence, for example, talked about diabetic research. Well, lots of people are researching diabetes across the country, across the world. I noted earlier applied heart disease research. Well, it's not as though Alberta was the only place in the world that was investigating heart disease. So I don't accept that the existence of the research would be a reason not to support research here. However, in recognizing and acknowledging his point, which I think has some strength for other reasons, I would like to make an amendment to my motion by adding at the end:

by, among other initiatives, assessing and evaluating existing research in this area.

A second point that I would like to make, though, is that there is again a cost-saving feature potentially in this chelation therapy. If it could be demonstrated that it was effective, then it would reduce the need for surgery. Surgery, of course, is extremely expensive, and in some cases there isn't that much evidence that it actually extends life. So it may well be that we could establish that chelation therapy works and, in doing so, save the health care system money while enhancing the quality of life of many Albertans.

So I appreciate the support that some members of the committee have given this motion, and I would ask that others reconsider their reluctance to support it.

MR. CHAIRMAN: Well, we have an amendment that you've accepted to deal with now. Can you read again that phrase?

MR. MITCHELL:

By, among other initiatives, assessing and evaluating existing research in this area.

MR. CHAIRMAN: Okay. Does anyone wish to speak against the added phrase?

Do you want to close debate?

MR. MITCHELL: I will accept their silence as support, Mr. Chairman.

Thank you.

11:42

MR. HAVELOCK: A point of order, Mr. Chairman. Despite the fact I was not able to speak on the last recommendation because of the process, I think it's inappropriate for members of the committee to be making statements on record that they are assuming support or people against if other members are not entitled nor given the opportunity to speak on the matter. While I certainly understand the political reasons for doing so, nevertheless if people are not given an opportunity to speak, I really don't think it should be assumed which way their support is going.

MR. MITCHELL: I wasn't trying to be political; I was trying to be positive. But I accept his point, and I withdraw my point. Thank you.

MR. CHAIRMAN: All right. Number 10.

MR. MITCHELL: I would like to talk about how he impugned my motives.

MR. CHAIRMAN: Please, please. Some other time.

MR. MITCHELL: All right.

10. Moved by Mr. Mitchell:

Be it resolved that the Alberta heritage savings trust fund committee encourage the Minister of Health to review the effect of mental health programs currently available in reducing the need for hospitalization through the use of funding available for medical research from the Alberta heritage savings trust fund.

MR. MITCHELL: The point again here is a preventative health care measure. It would address measures that could reduce the pressure on acute care facilities. There is considerable evidence, Mr. Chairman, at an anecdotal level that's been compiled by mental health organizations in this province with whom I and I'm sure many members have met that through proper community-based mental health programs the incidence of acute care facility use by people with mental health problems is dramatically reduced. One case that was brought to my attention was this. A chronically mentally ill patient was chronically in an acute care facility in this province at an average cost of about \$500 per day. Through special initiatives and special effort this person was accorded a special program where he was able to move into a community group home with 24-hour supervision to begin with about two years ago. At that time, the maximum price, 24-hour supervision, was \$250 a day, half the price of what it was costing Albertans to house and care for this person in an acute care facility. Today that individual is costing the system about \$30 per day.

Not enough research has been done to convince the government obviously that this in fact works and that it would work to reduce the pressure on acute care facilities at a time when we must reduce that pressure. So I would ask that the members of this committee consider this initiative in the context of both enhancing the health care and health of certain Albertans suffering from the many diseases that fall under mental health concerns and that they consider it also within the context of achieving this end to greater and better health for Albertans while reducing costs to our medical system.

MR. CHAIRMAN: Ed Stelmach, are you speaking against this motion?

MR. STELMACH: Yes. I think there is a substantial amount of evidence available now in the area of mental health that proves that moving an individual from an institution into a community-based program reaps great benefits in that we improve the quality of life for the individual and we also reduce the costs. I think that the time has come now for us to incorporate that into health reform. I don't know whether we have to spend more money on research. I think the evidence is there. It's just a matter of implementing the good things that have been done by various mental health associations and incorporating that into health reform and the health strategy that'll be coming shortly.

MR. WHITE: Mr. Chairman, that's precisely what this does say: to review it. There aren't any published findings that say one way or another that this is the right way to go or that is the right way to go, whether it's all hospitalization or all community based. The facts from the anecdotal information that can be put forward are that each individual case has to be dealt with in that manner, but the method in which that is dealt with is what has to be studied, what kind of hierarchy one sets up and what kind of judgment is set up.

Currently it's in a terrible state of flux and should be studied in one particular document brought forward so that everyone can understand it. Particularly the mental health associations throughout Alberta will tell you that there isn't a document that says that this is how it should be done. Consequently, practitioners in the field do not know the best method of treating their particular clients, or patients if you will, because they don't know what is going to be available in the near future. Particularly a patient that has some stability problems, you don't want to start them down one road for potential solutions and then say: "Oh, oh, oh, sorry. Sorry. Now we have to switch over here because funding has changed." You have to decide the method of evaluation and treatment. That's certainly in a horrible state of flux right now, and it needs some objective study.

Perhaps it could be done in a different manner than I envisage, but certainly the minister will have at her disposal and read very carefully: "review the effect of the mental health programs." That's what the motion says. It doesn't direct: go out and spend millions of dollars. It says "review the effect." It's a strong suggestion from this committee that this is a particular area that requires some more study. That is all.

MR. CHAIRMAN: Okay.

Would you like to close debate, sir?

MR. MITCHELL: That's fine, Mr. Chairman. I appreciate what Lance White said as closing remarks. I think it did the job.

MR. CHAIRMAN: Thank you.

All right. Recommendation 11. Dr. Massey.

11. Moved by Dr. Massey:

Be it resolved that an independent advisory committee be appointed by the Standing Committee on the Alberta Heritage Savings Trust Fund Act to determine how the Alberta heritage savings trust fund could be best used to stimulate job growth in high areas of unemployment in Alberta.

DR. MASSEY: Thank you, Mr. Chairman. I recognize that there are two aspects at least to the motion: one is the process, and the second is the substance. I'm new and not sure that it's even within

the power to appoint an independent committee, so I concede the process may not be the appropriate one. I welcome any suggestions as to a better process, but I would like to be firm and stand firm on the substance of the motion that some action has to be taken to address the whole business of unemployment in the province.

We've been numbed, I think, into believing that if it gets into the 9 percent area, that's acceptable. In Calgary it's close to 10. In Edmonton it's 11 percent. Among 18 to 24 year olds it's even higher. It's a crisis. It's robbing people of their dignity, and it's making their lives impossible. I think they're looking to that fund, which had as one of its first purposes when it was established 17 years ago to save for the future. This is the future, and I think a number of Albertans believe the fund should be used to help with this particular problem. It's a rainy day, and for a lot of people it's pouring.

I would like it to be a nonpartisan committee. I would like politics not to play a part in it. I think the problem has to be addressed, and it's too acute to be toyed with. When the Premier appeared before the committee, he made a number of points that I thought were valuable, that one of the purposes of the fund has been to diversify the economy. I think that's worked to a certain extent, but obviously it hasn't worked to alleviate the problem as much as needs to be done. He also made some specific suggestions in terms of maybe using some of the funds for the infrastructure program that is around. I know from conversations with some public service employees that the scramble to find matching funds for the federal program is really, really very desperate in some departments. So that may be one way. I'm not prejudging, but the Premier did seem to be receptive to the notion.

11:52

MR. CHAIRMAN: Okay.

Denis Herard, do you wish to speak against the recommendation?

MR. HERARD: Yes, Mr. Chairman. While I agree that the unemployment problem is one that is serious and needs to be dealt with, it's serious right across the country. I don't think that you can spend your way back into prosperity. In the past job creation initiatives that have provided money -- throwing money at job creation has essentially been a band-aid solution that doesn't last very long, and then the people are right back in the same position they were before. So if it's the intent of this motion to spend more money to create jobs, then I would be definitely against that because as the hon. member probably knows, there is an effort going on in this province to attract people to come and create jobs in this province by promoting the Alberta advantage. I think we have a lot of advantages. If his motion were to promote the Alberta advantage and not spend heritage tax dollars, then I would be for it, but that's not the case.

DR. PERCY: I speak in favour of this motion. I think that the interpretation given it by Mr. Herard is far too narrow. I think one can interpret this motion as saying: "Look; the heritage savings trust fund has hundreds of millions of dollars tied up in assets. Some of those assets are probably not the best use of those funds." It's spilt milk to talk about Kananaskis and the job creation that emerged from that. It's spilt milk to talk about some of the investments in the Ridley grain terminal in Prince Rupert. One can interpret this motion as basically saying: if we are to allocate funds of the heritage savings trust fund, let's do so in a way that we know there are well-defined benefits for the Alberta economy, that those benefits exceed the costs, and that they be allocated in such a way that we deal with areas of high unemployment in the province. It's not an effort to spend our way out of the position that we're presently

in; it's a way of trying to act smarter in dealing with the problems that we currently face.

So I think that you can interpret this motion as being, in a sense: let's use our money more wisely, and let's deal with some of the employment issues that we currently face. That would then require us to review how these funds have been allocated and if we could allocate them in a far more constructive fashion, bearing in mind the point Mr. Herard said, that you can't spend your way out of it. If you're arguing that the purpose of the fund, then, is to allocate those dollars to yield benefits to Alberta, so long as we meet any reasonable set of benefit/cost criteria, then we could have our cake and it eat too: generate tangible benefits to the Alberta economy while, at the same time, dealing with the unacceptably high levels of unemployment that the province faces.

MR. CHAIRMAN: Bonnie Laing, do you wish to speak against this motion?

MRS. LAING: Yes. I have a concern with "appointed by the Standing Committee." I don't believe that's within our mandate. A committee such as that would have to be appointed either by cabinet or order in council or the Legislature.

MR. CHAIRMAN: So this is just clarification you're providing us; is it?

MRS. LAING: Well, you know, you're looking at the motion, and I don't believe it would be in order.

DR. PERCY: Just a point of clarification that perhaps might address the issue in that one would think, then, that the investment committee would be the particular body that would be directed to deal with this, since in that context dealing with the assessment of benefits relative to costs should be part of their mandate to begin with.

MR. CHAIRMAN: Don, on that clarification?

DR. MASSEY: No. I'd like to repeat that if the member has some suggestions, I'd certainly be open to those.

MR. CHAIRMAN: All right. So I guess, in essence, we have to view you, Bonnie, as having spoken against the motion. Okay? Is there anyone else who wishes to speak in favour of the motion?

MR. MITCHELL: I would like to emphasize the point that clearly the overwhelmingly important issue facing Albertans today -- it's on their minds whenever we speak with them -- is the need to have a job. Statistics recently have shown us that literally 45 percent of Albertans are afraid they are going to lose their job. When we consider the sense of insecurity about the future, the sense of desperation on the part of many people, this is an overwhelmingly important issue. Much of what the heritage trust fund was construed to be was a fund that would assist in the kind of economic development that would create jobs and security for Albertans' future. What Dr. Massey is asking here is quite reasonable, responsible from a fiscal point of view: simply to look at how the fund could be used to stimulate job growth in high areas of unemployment.

For Mrs. Laing to suggest that because he's proposing to set up an advisory committee, this would be out of order -- well, again I say: why doesn't she just look at what the fund has done in the past to see that committee after committee, structure after structure has been established by the heritage trust fund? Otherwise, how would

projects that it undertook ever be administered? The occupational health and safety research and education: well, it wasn't as though that was done by nobody; it must have been done by somebody. I would say that it would probably be a group of people, which it is, which might be construed as a committee or an advisory committee. Certainly it is not inconsistent with what has been done by the heritage trust fund in the past to set up this kind of a study and then have it supervised by an independent group of people.

MR. CHAIRMAN: Ed Stelmach, are you speaking against this recommendation?

MR. STELMACH: Yes. Mr. Chairman, I have a lot of respect for Dr. Massey and of course believe that he is quite concerned about the percentage of unemployed individuals in Alberta. However, we do know that although there is a great fear of loss of jobs, a much higher percentage of individuals in Alberta are concerned about the ever increasing debt and also have really without question expressed the fact that they want the government out of business. This is something that both parties have heard numerous times.

I guess perhaps an explanation would be in order as to what the intent is. Would this be an investment on behalf of the Alberta heritage savings trust fund where we would be buying jobs out there, setting up an industry or whatever and once again threatening the very delicate marketplace right now when government enters the private sector to compete? There's no doubt that high unemployment is a concern to everyone in the House.

MR. WHITE: I'd point out to the members that the Alberta Opportunity Company, Vencap all do that. One of the parameters of their decision-making on where to invest is precisely that: the growth in employment. Well, we all know what the net benefit of having employment is: it's having employment. It's not making a corporation profit, because in fact the corporation will not operate if it's not making its bottom line and the contribution to the public good in the way of tax is very, very little, as we've all seen, to the Treasury. What is important is having people employed, because obviously we know what it reduces. It reduces reliance on the welfare system. It reduces the incidence of mental and physical health, the cost of government. It reduces all of those things.

This is simply saying that you must look at where the generic areas of growth are in the province and where the need is and where the supply of labour is and try and match that, not that you're going to be able to match it. Certainly no one is sitting here in this House today recommending gifts to private enterprise in order to stimulate the economy simply to have temporary growth in the job market. That's far and away from what the intent is here and the intent of this entire House. It doesn't mean to say that you shouldn't find out where the growth areas could be and what the growth industries could be.

12:02

MR. MITCHELL: Mr. Chairman, point of clarification.

MR. CHAIRMAN: Point of clarification?

MR. MITCHELL: I'd just like to ask Ed -- he mentioned that people were very concerned about the debt and implied that therefore we should be focusing on paying down the debt. Of course, if we don't spend this money on determining how the heritage trust fund could work on job growth, the money won't be spent on paying down the debt unless he is suggesting that he's going to support our other initiative, which is to pay off assets to pay down the debt. I wonder if that's what he meant?

MR. CHAIRMAN: Well, it's not Ed's recommendation that we're dealing with here. He's in fact speaking against it, so maybe I'll ask the two of you to put your heads together after this session.

The list of speakers, though . . . [interjection] Bonnie, I have a list. Ed Stelmach.

MR. STELMACH: Just before I move a motion to break for lunch, I would like to echo the words that Lance used. He says: that's precisely what AOC and Vencap are there for. I can see a duplication of committees. If the mandate of the Alberta Opportunity Company and Vencap is to encourage private-sector investment in Alberta, then the bodies are there, the structure is there. We don't have to spend more money setting up another bureaucracy to do the very same thing. Maybe we can come up with a recommendation. Dr. Massey may have some recommendations as to how we can further the goals of AOC and Vencap, but the structure is there, the bodies are there to do exactly what you are talking about.

MR. CHAIRMAN: Mike Percy, are you speaking in favour of the motion?

DR. PERCY: Yes, I am. I would just reiterate the point that this motion doesn't talk about spending money that we're not already allocating. What this motion does is suggest that the moneys that are currently allocated by the heritage savings trust fund be evaluated in a prudent manner to see that if they meet reasonable investment criteria, they're allocated such that we generate additional employment in this province and that when you look over the present division of assets -- you know, the Alberta division, the capital division, et cetera -- that allocation may not now, in light of the high structural unemployment we have, be the best allocation.

So nobody here is arguing that we go out and spend \$1 to create a 60-cent job. The thrust is to try and ensure that we use the funds we are presently spending in a way that provides maximum bang for the buck subject to meeting standard commercial criteria. I would argue that if you look at a range of the investments undertaken by the fund, it does not do that. With the reallocation we could both get higher incomes for the fund and stimulate job growth.

MR. HERARD: Mr. Chairman, in light of the hour I would suggest that we adjourn debate until we return at 2 o'clock.

MR. CHAIRMAN: As long as I have a speakers list, it would seem only prudent to carry on with it rather than to interrupt debate in the middle. Was that the only purpose you had?

MR. HERARD: Yes.

MR. CHAIRMAN: Okay. We have no more cons, so we'll ask Don Massey to close debate on this motion.

DR. MASSEY: Thank you, Mr. Chairman. The point I would like to make and I tried to make before is: what we're doing is good but it isn't obviously enough. It is an advisory committee that we're suggesting; it is to give advice. I would hope that in considering the recommendations, the committee members wouldn't prejudge what those recommendations might be, because I think there's an opportunity for some creative thinking to be brought to bear on the problem of unemployment and how it might be solved. Certainly I don't think any of us would agree to us spending money that doesn't result in some long-term job creation.

MR. CHAIRMAN: Okay. Thank you. We'll recess now until 2 p.m.

[The committee adjourned at 12:07 p.m.]

