

## Standing Committee on the Alberta Heritage Savings Trust Fund Act

2:00 p.m.

[Chairman: Mr. Dunford]

MR. CHAIRMAN: Okay. Ladies and gentlemen, we're at 2 o'clock. I'd like to reconvene the meeting on recommendations. For the purposes of this afternoon I hope that we'll all be working from draft 5, January 25. That should include the recommendations from this morning, and I see that it does.

Okay. We will start then at number 12. Denis Herard.

## 12. Moved by Mr. Herard:

Be it resolved that all government departments responsible for heritage fund loans of all types consider using commercial lenders as the loan vehicle and strive to get out of the direct loan business.

MR. HERARD: Thank you, Mr. Chairman. Essentially, it seems that our lending institutions over the years have gone away from supporting loans that are not one hundred percent guaranteed by someone's title on their house or car or wife's assets or whatever, and one of the problems is that it's been identified that they don't have long-term capital to invest in projects that would traditionally come before lenders such as the AOC and so on. Quite frankly, I think that the lending institutions do have considerable expertise when it comes to assessing risk, and I don't think that the government should be in a position of picking winners and losers. It should be done based on an industry that is doing that day in and day out in terms of assessing whether or not a loan is a reasonable risk and so on.

For those reasons I move that the government strive as much as possible to get out of the direct loan business and pass it on to the people who are in that business. I look forward to the comments of the hon. members.

MR. CHAIRMAN: Thank you.

Mike Percy.

DR. PERCY: This is a question for clarification. In reading the motion -- and certainly I support the principle -- I wonder how it differs from 4, which deals with the role of private investment managers. Is this directed specifically at the investment committee of the heritage savings trust fund committee and is a recommendation, then, that rather than their evaluating whether or not to purchase these debentures or other types of assets, they in fact have it screened through a third party and a fee is paid to that third party for screening? I just am not clear on the actual mechanics or principle.

MR. HERARD: It was not my intention to direct it in that direction at all. It was essentially my intention to look at reducing the bureaucracy that currently exists when it comes to operating things like the Alberta Opportunity Company, things like the lending organizations that deal with Municipal Affairs and all of those types of things. In other words, if the heritage savings trust fund could provide lending institutions with long-term capital, that the goals of these particular lending institutions that we currently have under the government be preserved but that the risk assessment and the actual loaning of the money be done by the institutions that make it their business of doing that today.

MR. CHAIRMAN: With that clarification do you wish to speak against the motion?

DR. PERCY: Could I just further -- when you say the institutions that do that today: that refers to the AOC or Vencap?

MR. HERARD: All of the institutions that today provide loans.

DR. PERCY: All the government institutions.

MR. HERARD: Yes.

MR. CHAIRMAN: Okay.

Does anyone wish to speak against the motion? Clarification? Okay; go ahead, Lance.

MR. WHITE: A question of clarification through you, Mr. Chairman, to Denis Herard. You have two different thoughts here, and I wonder if perhaps it could be separated. The first one, of course, is using commercial lenders to I think you said pick "winners and losers" or differentiate because they have a great deal of experience in risk assessment. The second one is to get out of the business of direct loans. Would it not be reasonable to separate those two -- they are connected, yes, in the loan business, but to separate those items? I mean, we could easily -- I could support either of them, but combining the two of them makes both of them weaker.

MR. HERARD: I tend to see what you're getting at. I thought that the result of using commercial lenders would in fact help us to get out of the direct loan business. That's how I connected them. If it's unclear and you have some wording suggestions, then I'd be pleased to entertain those.

MR. WHITE: Just the splitting of it. Just put a period at the end of "vehicle" and then a new 12(a) or a 26 or a 28 or whatever you wish, just to bring another one forward that says basically that all departments responsible for the Alberta heritage savings trust fund get out of the business of direct loan.

MR. CHAIRMAN: What about a grammatical change? "Using commercial lenders as the loan vehicle and strive to get out of the direct loan business": does that do it?

MR. HERARD: I was thinking also that it could be said this way: "consider getting out of the direct loan business by using commercial lenders as the loan vehicle." I would be agreeable to that amendment.

MR. CHAIRMAN: Did you get that, Diane? Okay.

All right; we have a revised recommendation. Is there anyone wishing to speak against that recommendation? Okay.

Denis, would you care to close to the debate?

MR. HERARD: Thank you, Mr. Chairman. I don't think I need to make any more arguments.

Thank you.

MR. CHAIRMAN: All right. Thank you.

Now I need the help of the committee members. Number 13: did we deal with that adequately this morning? Can you deal with it again? Let's deal with it again to make sure.

Okay. Number 13: Denis Herard.

## 13. Moved by Mr. Herard:

Be it resolved that the Provincial Treasurer negotiate early repayment by Vencap Equities Alberta Ltd. of its outstanding loans.

MR. HERARD: Thank you, Mr. Chairman. I think I spoke this morning and indicated that essentially I could not support motion 1 because I didn't feel that the committee had or any committee structure would have the legal right to actually go in and negotiate a contract that had been previously signed by a Provincial Treasurer but that certainly the Treasurer himself could negotiate early repayment. That's why I made the motion.

MR. CHAIRMAN: Okay. Does anyone wish to speak against the motion? All right.

Would you like to close debate, sir?

MR. HERARD: Thank you, Mr. Chairman. There's no further discussion needed.

MR. CHAIRMAN: Okay.

Number 14 has been moved by Sine Chadi. Mike Percy, will you speak on behalf of Mr. Chadi?

14. Moved by Dr. Percy on behalf of Mr. Chadi:

Be it resolved that the Standing Committee on the Alberta Heritage Savings Trust Fund Act be designated by the Provincial Treasurer to participate in the public review of the Alberta heritage savings trust fund to ascertain whether the fund's assets are being used in the most effective manner in relation to the province's fiscal objectives.

DR. PERCY: This motion was brought forward by Mr. Chadi not in any positive fashion, and it does not mean or recommend that the entire committee, just that members of it be involved in the review. This committee has spent an awful lot of time assessing retrospectively the performance of certain investments by the fund, has come to a series of recommendations that it will make to the Treasurer. So in light of that experience and in light of the fact that the members of this committee are in touch with their constituents, who give them input as to their views as to the uses and existence of the fund, it would be useful to draw upon that expertise. It's not meant to be exclusive, that it's only members of this committee. It's not meant to be inclusive, that it's all members of the committee, but that some members on an all-party basis participate.

MR. CHAIRMAN: Thank you. Anyone? Bonnie Laing.

MRS. LAING: Just a question to Dr. Percy. Would you be amending that, then, to say "some members of"?

DR. PERCY: Yes. In fact, having read this, I would be willing to amend it to "some members", and certainly also in light of the Premier's comments where he appeared somewhat amenable to this.

MR. CHAIRMAN: So how does it read, Mike?

DR. PERCY: "That some members, comprising members from both parties, of the Standing Committee . . ."

MR. CHAIRMAN: Okay. "That some members, comprising members from both parties, of the Standing Committee . . ."

2:10

DR. PERCY: Yeah, and then the rest would just follow throughout. We would certainly accept that as a friendly amendment.

MR. CHAIRMAN: All right; we have a friendly amendment. Does someone wish to be unfriendly and speak against it? Carol Haley.

MS HALEY: I guess my concern with the entire motion including the amendment is that this is almost to the point where it's redundant, as there is going to be a review of the fund and of the committee. If that passes as well, I'm not sure if we were on there and part of the review how we could then come back here in six months to review what we did this year, and we're part of that. I think there's a conflict of interest.

MR. CHAIRMAN: Thank you.

Anyone wishing to speak in favour of the motion? Lance White.

MR. WHITE: Well, I have a great deal of difficulty understanding how anyone can conceive of a committee of the Legislature being in conflict of interest when it's to establish what a public review is about. I mean, after all, who are we if we're not representative of the public? I mean, granted, not the entire committee. A review committee should be made up of members of the Legislature because there's a certain amount of technical expertise in the money markets and in investment portfolios that is required, but that is not to say that an average citizen represented by one of ourselves should not be there, particularly looking from both parties, to give the input from both parties so that you understand that when this particular committee is restructured, or the heritage trust fund has a new mandate, a revisited mandate, then it is an all-party agreement that this is the direction it should and could go. I don't understand any argument that says "conflict of interest." I mean, you cannot technically have a conflict of interest unless you have an interest other than the public interest. In both cases we are interested in the public good. So the argument is just totally destroyed.

MR. CHAIRMAN: Thank you.

Heather Forsyth. Do you wish to speak against this motion?

MRS. FORSYTH: Sir, I do. The Premier stated very clearly when he was here and being questioned that he's looking at setting up a review committee. I don't think it's our place to state that the people on this committee on the standing policy should be appointed to that committee. The Premier is the one responsible, and if he chooses to go about it by putting people from the Alberta heritage on to the committee that's fine, but I don't think it's within our jurisdiction to do that.

MR. CHAIRMAN: Any further pro comments? Okay.

Would you like to close debate?

DR. PERCY: While I respect that the Premier in his comments here was open, the Premier is not, in a sense, omnipotent or God, and a recommendation to the Treasurer and through him to the Premier I don't think in any way is inconsistent with the role of the committee. I would just point out that Mr. Herard has moved in motion 7 "that the scope of the pending public review" -- he suggests in that motion that the mandate of this committee be assessed in the context of the overall review of the heritage savings trust fund. That in itself suggests that there should be members of the committee from both parties there, because they can then suggest to the committee how we would better function or how the role of this committee is linked to assessing the performance of the fund. So in the spirit of motion 7 I think it makes sense to have members from both parties, some members from both parties. I think it's certainly consistent with the candour that the Premier displayed in saying that, yes, it seems like a reasonable suggestion, and for the committee not to follow up on that strikes me as being just inconsistent. He signaled it seemed like a positive idea. We're signaling to the Provincial Treasurer that we

think it's a good idea. So I don't think that it's in any way inconsistent.

MR. CHAIRMAN: All righty. Number 15: Mike Percy, or somebody else.

MR. WHITE: I'll do that one.

15. Moved by Mr. White on behalf of Mr. Chadi:

Be it resolved that the Standing Committee on the Alberta Heritage Savings Trust Fund Act be designated to provide input on any decision undertaken by the investment committee to dispose of Alberta heritage savings trust fund assets prior to the actual disposal of those assets.

MR. WHITE: Speaking to that, Mr. Chairman, you've said it many times yourself: why are we here to filch through the ashes of something that has gone on before? When we're having a debate, sometimes these may have to be in camera, because if there are some kinds of negotiations there where it would not be advantageous for the government's position to be known, that would be fair game. It's within this committee to, in fact, go in camera and not disclose the matters outside these walls, but to have a debate or at least a discussion within these walls to come to some conclusion that, yes, it's in the best interests of Albertans or no, it is not in their best interests and then recommend to the investment committee and from there through to the Treasurer, seems to me very reasonable. It makes review of postdecisions, decisions after the fact, much, much easier. You have all the facts presented; if there are some modifications in the arrangement that was finally come to, then so be it. The outline of the basis of the fact would be presented here, would be presented by the experts, understood by the members of this committee, and therefore could recommend to any member of the House that asked, either in open or private session, to say that, yes, this is a good decision on this basis. Even if an individual member of this committee decided that it wasn't particularly in the best interests, they could easily explain the reasons for the decisions, because there are always pros and cons of every commercial arrangement. We all know that. But displaying them, bringing them here to discuss them prior to, would be advantageous for all concerned.

MR. CHAIRMAN: Thank you.

Anyone wishing to speak against the motion? Are you against?

DR. MASSEY: I would like clarification and some information on it, if I may.

MR. CHAIRMAN: Okay.

DR. MASSEY: I'm not sure of the context of this. Does this mean if the Alberta heritage savings trust fund was being sold off? Is that the context for this motion? As it reads, it sounds like the investment committee would have to report to us before they disposed of any assets. We're talking about all the assets; aren't we? Surely we wouldn't want them coming to us over the disposal of a particular asset.

MR. WHITE: I think you're probably correct. These are substantive assets in the capital fund, not the share structure in short-term holdings or those things. I think perhaps some

amendments would be in order. Perhaps the Act should say something to the effect of "substantive funds," and it would be up to the current chairman to decide whether in fact it would be a substantive sale.

MR. CHAIRMAN: Well, we could do it that way, or we could view it that we have here an ongoing heritage savings trust fund. In other words, perhaps the idea of whether or not we dispose of the fund -- say that that is dealt with in a manner in which we continue the fund. Then this recommendation would seem to me to be a situation where there are assets of the fund to be disposed of for whatever reason -- it might the 11 percent of Syncrude or whatever -- that then there would be input from the standing committee on that particular disposal.

DR. MASSEY: Would you accept a motion to table and receive clarification from Mr. Chadi?

MR. CHAIRMAN: I'm tempted to do that. Let me ask this question: can we get that clarification within the next hour? Because we are in the fortunate position, I believe, of completing, being done today. I'd seek guidance, if there's a way to handle this thing.

2:20

MR. WHITE: Perhaps if I might?

MR. CHAIRMAN: Lance.

MR. WHITE: Under standard rules of procedure what we could do is refer this matter to the public review that is referred to by the Premier -- it's not going to be decided by us in any event, but it is something, and it does speak to the whole *raison d'être* of this committee -- for a relook at it. That would be one way of handling it.

MR. CHAIRMAN: So if I'm interpreting correctly what you're saying, it's that because we are unable to deal with it under the debated recommendations, as your chairman I would send a note, I guess, once the committee to review the heritage savings trust fund has been established, send them this recommendation, having received Sine Chadi's clarification by that point.

MR. WHITE: The mechanism would be that it would be a formal move here to refer the matter, and then it would be just left to your management to get it to them whenever they do. That's all.

MR. CHAIRMAN: Okay. I'm still seeking advice then. I like the idea.  
Bonnie?

MRS. LAING: I was wondering: would it be possible that Mr. Chadi could give us a written explanation of it within the next day or two? Would he be around? [interjections] Oh, he's away. Okay. Sorry. I thought he just couldn't be here today or tomorrow.

MR. CHAIRMAN: So, Bonnie, that's probably not possible.

What about Lance's suggestion then? Let's have that motion, then, so that we can deal with this.

MR. WHITE: Well, it's problematic, then, because normally one would not be able to refer one's own motion, but then we have the rules here where one makes amendments to one's motions. So depending on how you want to deal with that . . .

MR. CHAIRMAN: Why don't I just exert some . . . I see a shaking of heads back there.

Victor, do you have some advice for me?

MR. DOERKSEN: Well, Mr. Chairman, we're trying to deal with these motions in order and get them done today to save the taxpayers money, so we don't have to come back tomorrow. To defer it or delay it -- everybody knew what the schedule of these meetings was.

MR. CHAIRMAN: No, that's not what's being suggested. What's being suggested -- we simply have a motion to take Recommendation 15 off the recommendations that we will be dealing with on February 1 and that I as chairman then will submit this recommendation directly to the review committee once it's been set up to review the heritage savings trust fund.

DR. PERCY: So it's not part of our formal recommendations to the Treasurer.

MR. DOERKSEN: Well, Mr. Chadi can send any recommendation he likes to that committee at that time. Are we asking for the blessing of this committee that that happen?

MR. CHAIRMAN: No. It's just a simple procedural manner in which to get this off the docket so we can hopefully be finished today.

MR. DOERKSEN: I have no problem with that. He can send whatever recommendation he likes to the committee.

MR. CHAIRMAN: We will not be voting on this recommendation on February 1. It will just go ahead as a recommendation from Sine Chadi.

DR. PERCY: I'll move that motion.

MR. CHAIRMAN: Okay.  
Denis Herard.

MR. HERARD: Just on a point of clarification on this last thing that I just heard over the speaker. Should we in fact as a committee vote that Recommendation 15 be handled that way just so that the record is clear that we agree?

MR. CHAIRMAN: Oh, all right. Fair enough. All in favour of the motion? Opposed? Carried.

Okay. Number 16, Lance White.

MR. WHITE: Mr. Chairman, I do not move number 16 and ask permission to withdraw it because number 4 and number 5 adequately cover the recommendation for the review benchmarks, and that would be part of it.

MR. CHAIRMAN: Okay; accepted.  
Number 17, Lance White.

17. Moved by Mr. White:

Be it resolved that the Standing Committee on the Alberta Heritage Savings Trust Fund Act be designated to assess whether investment managers have achieved performance targets and benchmarks set out in the three-year business plan by requiring that investment managers appear before the committee to account for fund performance.

MR. WHITE: Speaking to that, Mr. Chairman, really all we're asking is not that the investment managers, the bureaucrats that Mr. Herard was referring to -- we don't know who they are. We don't have any mechanism at least at present to measure how they have performed. Surely that behooves us as public representatives to call them before us and ask those simple questions as to how they are managing and what element of risk they're looking for and which quartile they see investment opportunities and the like simply to have another check and balance on their management. In that review I suspect that as most money managers would do, they will provide an independent assessment of their management, showing how they stack up in the hierarchy of management of government funds. There are to my knowledge in western Canada five such review agencies that are totally independent that report to owners on a regular basis, usually on a quarterly basis, as to how the management of the fund is. Those fundamental decisions can be reviewed as to how safe is safe and have we been too heavily in the equity markets or have we been too heavily in the bond markets and low risk or have we too much cash, those kinds of explanations that are on the public record.

There's no danger in being on the public record, because this is a review after all, and just setting goals and objectives for a next period of time is an exercise that does more than one thing. It allays the public fears that there's someone off in the distance that's investing money for some private gain, which we all know is not the case, but the public perception is that. The other advantage is that it also gives the members of this Legislature and the House the confidence to know that the management of the funds is in good hands because there is this review and it's on record. I submit to you that it is not meddling, because it certainly would not be my intent or anyone's intent to tell a professional money manager how to do the job, but merely reviewing the job, as testing one's confidence, whether it be in swimming, engineering, or money management, is always a good thing. I suspect that perhaps not a quarterly basis but a semi-annual basis might be reasonable for this committee, sir.

MR. CHAIRMAN: Just as a point of clarification. [interjection] Now I'm doing it. Would the investment managers then come before us in the same stature as Sandy Slator from Vencap and Dr. Spence? Is that what you're getting at?

MR. WHITE: I would suspect they would come but with the Provincial Treasurer because the Provincial Treasurer actually manages them. So the Provincial Treasurer should have and I'm sure does have a handle on what's going on. You do need a minister here in order to make sure the lines of communication are proper.

MR. CHAIRMAN: Fair enough.

Okay. Having heard the clarification, are you speaking against the motion, sir?

MR. HERARD: Just on a point of clarification. While this is not part of the motion, you have made mention that perhaps it would be semi-annual or quarterly or whatever, and I would just remind us that this committee only meets once a year and after the House is in session, so I don't see how we could do it more often than yearly. On the point of the investment managers themselves, would it be your intention that they be represented by the person responsible for the actual investment managers, or would it be your intention to have the investment managers themselves appear?

2:30

MR. WHITE: Mr. Chairman, through you, I would expect that one would have to leave that to the Treasurer. Different personalities are

good at different things. They may be great money managers but at presentations they're not all that good. So I'd leave that to the Treasurer, how he dealt with that matter.

MR. CHAIRMAN: Okay.  
Denis Herard.

MR. HERARD: Then speaking against the motion as it's currently written, I would make a friendly amendment with respect to taking . . .

MR. CHAIRMAN: You'd suggest an amendment.

MR. HERARD: I'd suggest an amendment. The words "investment managers" may not be appropriate here, because that still says that it should be the investment managers themselves, but perhaps requiring that "the person responsible for the" investment managers appear before the committee.

MR. WHITE: I have no difficulty with that. That's the intent, certainly.

MR. CHAIRMAN: All right. Anyone wish to speak in favour of the motion? Anyone wish to speak against the motion as it's now amended? Okay; seeing none, would you care to close the debate?

MR. WHITE: There's no need to close.

MR. CHAIRMAN: Okay. Thank you.  
Now, number 18, Mike Percy.

18. Moved by Dr. Percy on behalf of Mr. Dalla-Longa:  
Be it resolved that the Provincial Treasurer undertake to provide the Standing Committee on the Alberta Heritage Savings Trust Fund Act, five days prior to his appearance before the committee, a comprehensive breakdown of holdings in the Alberta heritage savings trust fund commercial investment division, detailing number of shares held in each investment, the price per share, the book value of each investment, and the accrued interest earned.

DR. PERCY: This motion arises because in point of fact the previous Provincial Treasurer, Dick Johnston -- actually this is an instance where he provided more information than the current Treasurer, which is a rarity. I think it would be useful to go back to that to get a handle on the actual commercial investments by the fund. It is information that they have readily available. It's just basically a table, and it just provides additional information. Again, it's consistent with the recommendations of the Alberta Financial Review Commission.

MR. CHAIRMAN: All right. Anyone wish to speak against the motion? Close debate?

DR. PERCY: No need to, Mr. Chairman.

MR. CHAIRMAN: All right. Number 19, Lance White.

19. Moved by Mr. White on behalf of Mr. Mitchell:  
Be it resolved that the annual report of the Alberta heritage savings trust fund provide a detailed explanation of the assumptions underlying the determination of market values for provincial Crown corporations -- the Alberta Agricultural Development Corporation, the Alberta Mortgage and Housing

Corporation, the Alberta Municipal Financing Corporation, and the Alberta Opportunity Company -- found within the Alberta investment division.

MR. WHITE: Speaking to the matter, sir, this simply is a brief listing of how these market values were determined, because in some cases it's difficult to understand how one comes to this lump sum, and as the Auditor General has said time and time again, the details of the transactions cannot be followed to ensure that public moneys are spent well unless you have some kind of benchmark to establish how these values are come by.

Now, certainly the Alberta Opportunity Company has an ongoing, minute-by-minute, very accurate account of their assets and the value of their assets and do a write-down on them and a write-off regularly so they don't end up being caught short. As for experience, the Alberta Mortgage and Housing Corporation does not and has not done that, and I would have expected that's an area that they would have. At least, they have not reported that to anyone, and I would expect that watching the public purse would be a reasonable move. I'm sorry; I don't know about the Alberta Agricultural Development Corporation. The Alberta Municipal Financing Corporation, they have it down to the penny, day by day by day. You can call upon them at any moment, and they're able to provide it. Really it is to a varying and lesser extent for these various agencies; some of them have it readily available for publication here, and others do not.

Granted again, there may be some areas that are commercial arrangements with the direct lender and now may be in an equity position in various loans and arrangements that may not be able to be disclosed openly here in this meeting, and we may have to go in camera to consider them if someone wishes to make those arguments. Barring those kinds of arrangements, everything should in fact be on the public record for two reasons: one, the public perception that something is being hidden when in fact there isn't anything hidden; and, two, the scrutiny of this committee heightens the interest of those that manage these, such that they could potentially do a little better job in managing if they were under scrutiny.

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

MR. DOERKSEN: Yes, I do, Mr. Chairman. Some of my comments will apply to other motions that have been presented as well. That has to do with the whole idea that we have an Auditor General who was given an independent mandate. He was not hired by a partisan group, by this party or that party. He has an objective, independent viewpoint of the books and statements that are presented by the Alberta government. That includes the Alberta heritage savings trust fund; that includes the Alberta Opportunity Company; that includes the Agricultural Development Corporation. So we rely on his expertise, and he's under a professional mandate to review and to do the detailed evaluation and then to make his report. It is not the purpose of this committee to have to redo everything the Auditor General does or to say that he's not doing his job. He has that mandate, and I think that he . . . I'm at a loss for words, Mr. Chairman. I think it's a bit redundant to ask for some of this information.

MR. CHAIRMAN: Thank you.  
Mike Percy.

DR. PERCY: Well, I'm not at a loss for words on this particular motion, because I think one of the issues that came up during the discussions was this whole issue of circular accounting with funds

coming from the general revenue fund going into some of these Crown corporations to generate the revenue under which they could then pay the debentures. Under those circumstances, when the Auditor General looks at the performance and tries to value these assets, he cannot take into account that circular accounting and say, "Well, if they were stand-alone entities, this would be their value."

In essence what this is asking is: let's have an idea of what the stand-alone value of these entities is. This fund has been referred to time and time again as a rainy-day fund. The Financial Review Commission was very clear on this. It said it provided a false sense of security for Albertans about the true worth of the assets held by the fund. This is the classic case, where the market value of these assets are well below the value that is carried on the books. They're below precisely because of this circular accounting mechanism. So in a sense what we're asking for is: "Let's just take the once and for all hit so we know exactly where we stand financially," because the province does have a very serious deficit problem. It has a debt problem. As we've gone through a number of write-downs across the board, let's just clear off the books, get a good estimate of what the market value is of these assets. I think that all that we're asking for here, then, is: just lay the cards on the table and tell us what the real market value is of these assets. There are certainly competing views out there. You'll find them expressed in the Financial Review Commission. You'll find them put forward by a number of commentators on the performance of the heritage savings trust fund and the value of its assets. So this is just saying: let's look at the assumptions; let's see what the true market value is.

MR. CHAIRMAN: Okay.

Victor Doerksen.

2:40

MR. DOERKSEN: Mr. Chairman, it's quite clear in the financial statements of the Alberta heritage savings and trust that they are debentures that have been used to raise money to invest in a number of these companies; okay? The actual value of the debenture has no relation to where that money has been lent to, because you can take those debentures on the open market -- they have a stated interest rate -- and you can sell them because the provincial government guarantees them. That is how the market value of the debentures are taken into place.

Now, there's no question that the government also subsidizes, then, the money that's been invested into AOC, ADC, and a number of other ones are subsidized by the general revenue fund. That is also very clear if you look at the statements of AOC and ADC. It does not take a rocket scientist to figure that out. Maybe a little bit of financial genius might be required, but it is clear what is happening.

So, again, I think what we're asking for here is redundant and not required. It's clear in my mind that the Auditor General has that responsibility.

MR. CHAIRMAN: Okay. Any other pro comments?

Do you care to close debate?

MR. WHITE: Yes, sir. The hon. member seems to believe that the Auditor General and this committee's work would be redundant if in fact this information was presented. It is in fact the Auditor General's findings that have said that he cannot determine how these assets are valued, and that's what he's asking. He does not have -- he's independent -- other than through the public, the right to ask for any more information than was provided unless he finds some criminal actions. Well, this is certainly not criminal. There is just different views on it.

In order to get a full and complete view -- the Financial Review Commission pointed out very plainly that the fundamental problem with the Alberta heritage savings and trust fund was that the general public could not and did not have any confidence in the valuation. The government says it's worth this amount; other experts say -- it may be some political motivation; I mean, who knows? -- that this is the valuation. All we're asking is bring them together, publish it so that it narrows the arguments of those opposing views a great deal, because the assumptions are now there. They are there for all to review. You can differ minutely with each individual assumption and then build up a case, but the case for an interpretation of one versus another would be very much limited.

The member also needed a rocket scientist to do something or other. Well, the actual expression is rocket surgeon, if you'd check Don Cherry's record and his quotes. Borrowing is not the difficulty here. We're not speaking of the borrowings. Yes, there are all kinds of borrowings, and you can determine the rates. These are the lendings. These are the expenditures. These are expenditures that are way back in history. Alberta Mortgage and Housing Corporation and its predecessors have a great number of dollars out there that have a book value which never has been close to that valued at present.

Now, how does one say that this fund is for all Albertans without Albertans having the confidence in the assumption to build up what the value of it is? There are literally millions and millions and millions -- no, there are billions of dollars in this recommendation that go unchallenged. The Auditor General has in his first -- I believe it's not his first. My colleague Michael might help me out as to which recommendation it is, but it's always on the front end that we have difficulty understanding from where these numbers come. That's simply what it is.

As to the redundancy of this work -- no, no, no. An Auditor General does not look at the reasons for acquisition of assets. All he wants to do is to make sure that the assets are listed and it's displayed properly. The reasons for making decisions are other: managers or political decisions. So there are two very, very, very different reasons for being here. The arguments are not quite right.

MR. CHAIRMAN: Thank you, sir.

All right. Moving to 20, Don Massey.

20. Moved by Dr. Massey on behalf of Mr. Dalla-Longa:

Be it resolved that the annual report of the Alberta heritage savings trust fund provide a more detailed schedule of administrative expenses as found within note 4 of the financial statements, specifying the fees, wages, salaries, expenses, or other payments incurred in connection with the administration of the fund.

DR. MASSEY: Thank you, Mr. Chairman. I believe the resolution is simply asking for note 4 to be expanded to give the committee more detail. I think the genesis of the resolution lies in the inconsistency that we heard of as we asked various members who appeared before the committee how administration was handled. Some departments are obviously charging the expenses of administering the fund to their departmental budgets, while others are charging back as they're allowed and maybe even required to do within the Act. They're charging those back to the fund itself. So I think this note would give this explanation. We'd be able to see how those charges are being made.

MR. CHAIRMAN: Thank you. Anyone wish to speak against the recommendation?

Seeing none, do you wish to close debate?

DR. MASSEY: That's fine. Thank you.

MR. CHAIRMAN: Okay.  
Number 21, Don Massey.

21. Moved by Dr. Massey:

Be it resolved that the public review of the Alberta heritage savings trust fund have as one of its terms of reference a comprehensive assessment of the level of administrative costs which are incurred at every level of the fund, including projects and programs undertaken by investment entities held within the fund.

DR. MASSEY: Mr. Chairman, I tried to pursue a persistent line of questioning as people appeared before the committee which would help us get at what I feel might be layering of administrative costs within the program. Coming out of the university setting, I'm aware, for instance, of contract research that's undertaken with the University of Alberta that requires that 40 percent be set aside in proposals for administrative costs. Now, in questioning some of the members on their research contracts -- and I think agriculture was one example -- they indicated that they were able to keep those contract costs between 8 and 15 percent. Now, there's 6 percent that's charged for administrative costs in the fund, and this would just halve that. You, the committee, would flag that there might be a problem. I think it's in everyone's interests that every dollar within the fund can be actually spent on the project and not siphoned off in terms of administration, that those dollars arrive at the destination they were intended for.

Thank you.

MR. CHAIRMAN: Thank you.

Does anyone wish to speak against the recommendation?  
Seeing none, do you wish to close debate?  
Okay. Twenty-two, Mike Percy.

22. Moved by Dr. Percy on behalf of Mr. Mitchell:

Be it resolved that notwithstanding the other recommendations which have been advanced by the Standing Committee on the Alberta Heritage Savings Trust Fund Act the assets of the fund be liquidated in an orderly fashion, with the proceeds received from liquidation of assets to be applied directly against the unmatured debt.

DR. PERCY: For a number of years some have argued that the heritage savings trust fund should be liquidated. In point of fact that theme was implicitly endorsed by the Alberta Financial Review Commission when they noted the false sense of security that this fund had provided Albertans, false in the sense that it obscured the rapidly rising debt that had accumulated throughout the '80s, false in the sense that the real value of the assets held by the fund might in some instances be overestimated.

When you look at the current operation of the fund now with 5 and a half billion dollars in the short end of the market paying, as the Provincial Treasurer said, about 5 percent whereas I think the average interest on our unmatured debt must be in the neighbourhood of 9 percent, 10 percent, somewhere in there, there's a significant wedge. I think in this time of financial stringency it would make sense to liquidate the fund. It is true that it will make no change in our net debt position, that as the fund is liquidated the interest income from that will disappear from general revenues, but there will be a compensating fall, then, on the debt servicing that we're paying. So it will in a sense be offsetting, but clearly we'll still

have a debt servicing charge in place because our debts certainly outweigh our assets.

2:50

So I think it makes a lot of sense in this period, particularly given the investment strategy that has currently been pursued, because having that amount of money in the short end of the market now, at these levels of interest rates, strikes me as perverse given what we're paying on carrying our existing debt, much of which was incurred in the '80s though a portion of it's in the short end of the market now.

So I would like, as I say within the motion, to recommend that the fund be liquidated in an orderly fashion. In those instances and again within a motion such as this it's not possible to get all the nuances, but I think it is implicit in here that in the case of those assets held by the fund, the loans, for example, to Quebec, et cetera, which pay well above market rates in return, one would hold on to that. But that cash in the bank should just be applied to the debt, and any asset that's earning less than we're paying on our debt should be liquidated and applied to the debt.

MR. CHAIRMAN: Denis Herard, do you wish to speak against this motion?

MR. HERARD: Yes, I do, Mr. Chairman. I think that when the Premier was here, he made a commitment with respect to the fact that he would make good on his promise to have a review of the heritage savings trust fund. That review, of course, would involve asking Albertans whether or not they truly feel that liquidating the assets of the heritage savings trust fund to retire the debt or portions of the debt is really what they want. I have a real problem with this motion because it seems to preclude the will of the people of Alberta. I think we need to listen to the people of Alberta, at least on this side of the House, with respect to what their wishes are, and therefore I'm against this motion.

MR. CHAIRMAN: Thank you.

Anyone wish to speak in favour? Lance White. [interjection]

MR. WHITE: Yeah, definitely in favour of that; right. I've got my own vote.

The essence of the argument here is -- now, it's good that those who were arguing against it didn't get into the minutia of which asset and which item, because it's clear that this would be the general direction. You wouldn't want to upset the market or devalue an asset by putting it on the market prematurely, and there would have to be a lot of judgments made there. The simple example -- and the Premier would have used it on a television address, I'm sure -- is that when you have a savings account that is full of all kinds of different rare gems and some winners and some losers, you don't have an increasing debt. You balance the two.

To say that you have to go to the people of Alberta to ask them about it: why is it that on one hand the Premier and this government have had explicit direction to reduce the debt and reduce the deficit of this government -- and have all the instructions that God gave them, presumably, because I didn't hear any people giving them -- and then when it comes to a simple transaction of taking and reducing one's savings account and paying off the debt, which reduces the income side or the savings side to the advantage of those that are paying higher on the debt . . . It seems to me so, so simple that I don't see how anybody would ever want to go to the public. I mean, a rocket surgeon could certainly tell what the difference was and would liquidate immediately. Even Don Cherry might do it.

Thank you.

MRS. FORSYTH: I'm speaking against the motion for the reasons my hon. colleague Denis Herard has spoken of. The Premier openly stated here that he was looking at a review. His philosophy is for an open and accountable government and public consultation, so I think it's not something that we can recommend. He's already stated very clearly that he was up for a review.

MR. CHAIRMAN: Well, we can recommend, but we take your point.

Anyone wish to speak in pro?

All right. Would you like to close debate?

DR. PERCY: Yes. I listened with interest to my hon. colleague Mr. Herard talking of listening to the people as I see them appointing school board superintendents, as I see them making a tax grab of \$1.23 billion. Having read the recommendations of the roundtable, having looked at the roundtable discussions, I never saw a single individual pop up there and say: "Please, take this tax base; we don't want it any longer. Please eviscerate our boards of trustees." I didn't see that in there, and I'm curious as to what you were listening to.

MR. HERARD: I believe that when you're closing debate, you have to contain that debate to the recommendation you're speaking on. I think I would really appreciate hearing that part of the speech.

MR. CHAIRMAN: I think he was going to get to it.

DR. PERCY: So in this vein the issue at hand, then, is that when you have an asset of 5 and a half billion dollars in the short end of the market, possibly earning 5 to 5 and a half percent interest income, you have a large and growing debt, some of which is costing you 10 or 11 percent, it makes eminent sense to liquidate those assets that you can and apply it to the debt. As Mr. Herard said, the message that had been received and listened to by both Conservatives and Liberals was that of fiscal responsibility in attempting to balance the books. This strikes us as an eminently sensible way of doing that and reducing our overall debt servicing costs. It's wise financial management.

MR. CHAIRMAN: Thank you.

Okay. Number 23, Victor Doerksen.

23. Moved by Mr. Doerksen:

Be it resolved 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.

MR. DOERKSEN: Thank you, Mr. Chairman. I seem to recall from our discussion with the minister that he indeed had the intention of phasing these grants out over a period of time anyway, and if I recall correctly, it was over a period of about three years. There are a number of great projects, as I look through the paper, that he presented to us in terms of worthwhile projects. I would not wish to suggest that some of these projects are not worth while; they are, but in today's fiscal environment, in the duty that we're trying to do to bring the financial health of this province back in order, I would suggest that he implement this process quicker, and if there are worthwhile projects that should carry on, that he fund these from his existing department budget.

DR. PERCY: On just a point of clarification. I've heard several of my hon. colleagues say in response to questions or queries that the Premier has suggested he's going to undertake a review, and that certainly was sufficient for them. Stockwell Day has suggested that he's going to review this program, but it's not sufficient for them. We see a very clear illustration here of a pecking order, and I wonder if the hon. Mr. Day is aware that he ranks very much lower in the pecking order in terms of his willingness to review these. He was very explicit, as Mr. Doerksen said, in terms of the review that he was going to take and the phasing out. So just a clarification of why we would in a sense differentiate that program here, distinguish that as opposed to what the Premier had said about undertakings. Just a point of clarification.

MR. CHAIRMAN: Sure. I don't know if "pecking order" is the proper term, but most people would agree, of course, that the Premier ascends to the peak and that Stockwell Day would have to be at least a rung below that.

However, Victor, did you wish to . . . [interjections] I can hear my phone ringing off the hook now.

MR. DOERKSEN: Mr. Chairman, I don't think he was asking my clarification. I think he was making a point.

MR. CHAIRMAN: Do we have anyone who wishes to speak against the motion? Grant Mitchell.

MR. MITCHELL: Yeah. I appreciate Mr. Doerksen's motivation in wanting to reduce costs within this context of the demands of fiscal responsibility, but I don't see how transferring this from the heritage trust fund to the department is going to be more fiscally responsible. I mean, either the money's going to be spent or it's not going to be spent. So he can't have his cake and eat it too, unless, of course, he is saying, "Transfer this to the department, and then sell off the assets of the fund to pay down debt," which logically is the only conclusion I can draw. So he must be wanting to support the motion earlier that we sell down the assets of the fund, and I would just congratulate him for having come to that conclusion.

3:00

MR. CHAIRMAN: You, sir, are astute.

Do we have anyone that wishes to speak in favour of the motion?

Okay. Hearing none, Victor, if you wish to close debate.

MR. DOERKSEN: With reference to the remarks by the hon. Mr. Mitchell, the implication there is that when we're looking at priorities, we have to decide what's important and what's not important. There are a number of these projects that likely are very important, and if that is the case, then that should be decided within the parameters of the department's budget. I'm done.

MR. CHAIRMAN: Okay.

Number 24, Victor Doerksen.

24. Moved by Mr. Doerksen:

Be it resolved 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. DOERKSEN: The reason that I am making this recommendation, Mr. Chairman, is that recently we have heard new debate in terms of some ethical considerations for some advances that have



been made in in vitro fertilization that come to us, I believe, from Great Britain, whereby they take the eggs from aborted female babies and use them to implant women who are otherwise unable to become pregnant. Of course, that opens up a whole range of ethical considerations. Included in that debate, much to my chagrin, there was also talk about the use of fetal brain tissue for research in Parkinson's disease, and I believe they are now looking at some other alternative research to use that fetal brain tissue to treat other diseases as well. That opens up a whole other debate, and we've heard it and seen it in the media about fetal harvesting.

So the background I'm giving is that there are a lot of ethical considerations taken into account as we advance in technology, and I think it should be a requirement of the institutions involved in this research to let the public know the ethical considerations that are coming upon us at the time they come, rather than after the fact and then we're led to debate whether the research that was done was appropriate. When we questioned the doctor who heads up this particular research institute, he did say there was a process that they use to debate these issues and to reach some conclusions. I think these things should be documented, and they should be available to the public.

MR. CHAIRMAN: Would anyone like to speak against that recommendation? Don Massey.

DR. MASSEY: I think what Mr. Doerksen wants to get at is extremely valuable. My own experience with research is that when you're working with humans, there had to be an ethics review that the proposer satisfied. I'm not really sure I'm in opposition to it. I think the information he asks for should be public. I question whether the annual report is the appropriate vehicle for that kind of information to be disseminated.

MR. CHAIRMAN: Does anyone wish to speak in favour of the motion?

Okay. Would you like to close debate, sir?

MR. DOERKSEN: Let me just change the motion, then, to read that the Alberta Heritage Foundation for Medical Research include in its annual report "or other suitable vehicle" a summary . . .

MR. CHAIRMAN: Okay. Does the amended recommendation cause anyone to speak against the recommendation?

All right. You can close debate, sir.

MR. DOERKSEN: I've said what I had to say. Thank you.

MR. CHAIRMAN: All right. Thank you.

Number 25, Carol Haley.

MS HALEY: Thank you, Mr. Chairman. When I was introducing my motion this morning I neglected to add a sentence. With your discretion I would like to read my motion inclusive of the last sentence . . .

MR. CHAIRMAN: Okay.

MS HALEY: . . . to read

that the applied cancer research no longer continue as a separate entity but rather be rolled into the Alberta Heritage Foundation for Medical Research and that funding required for applied cancer research come from the Alberta Heritage Foundation for Medical Research.

MR. CHAIRMAN: Okay. Now, if you want to speak to your motion.

MS HALEY: Yes. Thank you. My motion is not intended to put down applied cancer research, only to try and encourage that research not come under separate headings throughout on a medical basis. We have one major fund, which we have, which has \$625 million in it that can be utilized for medical research of all types, including asthma or cancer or anything else as needs be, and is in fact being done by the medical research foundation. Now there is cancer research going on. I think there's a natural tie between the two, and rather than having two streams of money going into the same type of situation, we have everything under the one head.

MR. CHAIRMAN: Thank you.

Mike Percy.

DR. PERCY: Just a question of clarification to Carol. It's the intent, then, of this motion, though, that the funding that currently goes to applied cancer research be rolled in. It's really a savings of the administrative cost, or it's a shutting down of the . . .

MS HALEY: My preference, Dr. Percy, would be that this particular funding stream cease to exist and that in fact applied cancer research that needs to be done can be carried out by the medical research foundation.

MR. CHAIRMAN: Okay. Now with that clarification, is that fine?

MR. MITCHELL: I need another clarification. I'm not sure that we're not proposing -- and no proposal is presented -- to invest more money in applied cancer research. The funding has been in the past. I mean, it's not like there's any more research funds to be administered. If there were, this might have some relevance.

It's also problematic to me to the extent that, you know, applied cancer research is done all over the province, in many different venues and different hospitals and through the faculties of medicine and so on, and I don't know then: is the member saying that the medical research foundation would administer all of that? I just don't quite follow it.

MS HALEY: Well, in response to your comments, we have to this point expended \$49,176,000 on applied cancer research, and that's irrespective of the money that's being spent under the medical foundation. My preference would be to have the research foundation handle the cancer research.

Now, what goes on inside individual institutions -- there's no reason in the world that they can't go to the foundation and discuss their own research objectives.

MR. CHAIRMAN: Do we just need a slight little clarification here then? Like, you're talking about the applied cancer research as funded by the Alberta heritage savings trust fund. Is that what we're . . .

MS HALEY: Yes.

MR. CHAIRMAN: So that's what we're talking about here, and now you want that rolled in.

MS HALEY: On this page where we've just spent \$2.8 million.

MR. MITCHELL: A point of clarification. If the member is saying that any cancer research that is to be funded by the heritage fund

should be done through the medical research foundation, that's one thing, but to say that all applied cancer research should be funded through the Heritage Foundation for Medical Research is quite another, and either could be assumed under this proposal. The fact is that, you know, if we accept the latter interpretation, then the Alberta Cancer Board wouldn't be able to fund cancer research; the University of Alberta wouldn't be able to fund cancer research.

MR. CHAIRMAN: Well, I think we have her clarification that she was not saying that.

3:10

MS HALEY: What we're here to discuss is the money inside the Alberta heritage savings trust fund that we're funding through applied cancer research out of that fund. I'm sorry if I wasn't specific enough. I'm not saying that nobody should do cancer research anywhere; I'm just saying that perhaps we could have it coming out of one fund instead of two here.

MR. CHAIRMAN: Okay. So if I'm hearing you correctly then, the '94-95 report, when we have a section about ongoing projects, instead of having two sections -- and looking desperately for them and only seeing one.

MS HALEY: There's one in here.

MR. CHAIRMAN: Okay.

MS HALEY: Then there's another fund. So I guess what I'm saying is that I would like to see the applied cancer research be written up inclusive with the medical research annual report.

MR. CHAIRMAN: All right. That would seem, then, to take applied cancer research from an ongoing project into a so-called completed project, because the funding for the medical research centre has already been put in place, and then they're just working off of that. Now, is that hitting what you want done with your recommendation?

MS HALEY: Possibly. I'm not sure that I understood everything you said. I'm sorry, Clint.

MR. CHAIRMAN: Well, I'm trying to draw this back to, you know, the report that we're working from.

MS HALEY: Right.

MR. CHAIRMAN: What we have under the section of ongoing projects is applied cancer research, and in 1992-93 there was \$3 million expended raising a total to March 31, 1993, of \$49 million. Okay? Then under the completed projects under economic development we have the Alberta Heritage Foundation for Medical Research, and of course what happened there was that it got \$300 million, and that was it. So it is technically, then, a completed project. So if I understand your recommendation then, we would take the applied cancer research from an ongoing, say, now that the medical research folks were responsible for that in their mandate.

MS HALEY: That would be my first choice.

MR. CHAIRMAN: Okay. That being the recommendation, do we have anyone who wishes to speak against that recommendation? Lance White.

MR. WHITE: I'd like to speak against it, Mr. Chairman. You drew out part of my argument, and one part is that the Alberta Heritage Foundation for Medical Research has, as they told you yesterday, a set fund of originally \$300 million and now on the earnings of their funds have returned the purchasing power to the original state and maintained that or invested, they'll tell you, in short-term research projects and to kick-start research projects that are funded, I think they said, on average about 25 percent from their funds and 75 percent from either existing university funds and/or private-sector funds.

Now, this particular motion would do at least two things. One, it would take these funds that are now there and add to the capital. So they would then have to add money to the capital. Presumably that's what the intent is. If there wasn't any capital added to the management of this fund, then there would have to be some funds drawn off from the other worthy projects so that we would be doing what some other speakers earlier on did not want us to do: start specifically directing the research effort and to where the research should be done.

The second item, speaking against this motion, is that applied research is only funded now in the public sector, save and except for individual donations and fund-raising efforts by the Alberta cancer society. The funds that are there -- I can't recall what the matching number is; the minister could have when she was here, I'm sure -- go together with the funds that are raised in the public sector, if you will, through all manner of fund-raising activities at the Cancer Board and are administered by the Cancer Board, which the minister has said publicly, though I don't know whether she said it here, has administered extremely well and administered very closely with her department. I have a great deal of difficulty with this. Although the intent seemed to be, as best I could tell, to limit the administrative cost for putting out research funds, that in itself would be laudable, but in this method it is absolutely destructive. It is just counterproductive. I would recommend that prior to the passage of this, if the members here intend to do so, that we ask the minister personally before it happens.

MR. CHAIRMAN: Okay. Do we have anyone who wishes to speak for the recommendation?

Seeing none, would you like to close debate, Carol?

MS HALEY: Thank you. I've said enough.

MR. CHAIRMAN: Okay. All right. Well, that gets us to the end of our deliberations.

Yes, sir. Lance White.

MR. WHITE: Yes. I have another motion here that I would like to read to the record.

MR. CHAIRMAN: Sorry; it's too late.

MR. WHITE: How is it too late? With the original recommendation we would hear from absolutely all witnesses and then put forward our -- we haven't done so. We went through that earlier.

MR. CHAIRMAN: Well, we said that you'd have to have them in by the time the last minister spoke, and that was this morning.

MR. WHITE: The last minister didn't show, as much as you tried. I know you tried.

MR. CHAIRMAN: All right, read your recommendation. Is it one? I'm going to allow one.

MR. WHITE: Yes, it's just one. I move that a public review of the Alberta Heritage Savings Trust Fund Act be undertaken under the direction of the Premier. He agreed with it, and that's just so that we have it on the record here. That's all.

MR. CHAIRMAN: All right. Anyone wish to speak against that motion? Ed Stelmach.

MR. STELMACH: Mr. Chairman, I'm not quite sure what Lance said: the hearing would be under the direction of the Premier?

MR. WHITE: In keeping, I suppose, with Denis' earlier, with the Premier's intent. That's all. It's not "under the direction of" because he's going to have to delegate that authority. Perhaps the wording -- how would you think it should be best put then?

MR. CHAIRMAN: What about that the Premier proceed with holding a review of the heritage savings trust fund?

MR. WHITE: Right. No time lines. Yes, that's right. Very good.

MR. CHAIRMAN: Would anyone wish to speak against that motion? Denis Herard.

MR. HERARD: I certainly don't have a problem with the concept. I just find it very redundant, because the Premier has said right here in this Chamber before all who were here or who were perhaps listening and paying attention that we are going to have a review and that the scope, the direction, the timing of that review would be announced along with the budget. I just think this is essentially saying, "Well, we don't really trust you, so we want to make sure that we reinforce this." Personally, I think it's redundant.

MR. CHAIRMAN: Does someone wish to speak in favour of the motion? Grant Mitchell.

MR. MITCHELL: Yeah. I am definitely in favour of the motion. I appreciate what Mr. Herard has said, but what I wouldn't want to have happen is the reverse of Mr. Herard's concern, which would be that the Premier might say: "Well, they didn't make a motion for me to do this. They didn't give me any direction for me to do this study, so maybe they don't want me to." All we're doing is confirming for him that we agree with what he has said, and I would be amazed if Mr. Herard would want to disagree publicly with the Premier.

MR. CHAIRMAN: You just had to say that; didn't you?

MR. MITCHELL: I just had to say that.

MR. CHAIRMAN: Does anyone wish to speak against the motion? Lance, do you want to close debate?

3:20

MR. WHITE: Yes. Clearly there's no ulterior motive here. It's just agreeing with the Premier; that's all. It's on record that this committee agrees that there should be a full and complete review. As a matter of fact, it's Mr. Herard's motion, number 7, "that the scope of the pending . . . review" -- sir, the pending review comes from nowhere. In fact, this motion just says that this is a review, so Mr. Herard's motion reviewing the mandate of this committee can be included. Well, then you have something to attach it to. That's all. That's all there is.

MR. CHAIRMAN: That's right. You were trying to help me as chairman, and I want you to know that I appreciate that.

Okay. Well, we've completed the recommendations. Our next official duty will be February 1, 10 a.m., when we will vote on these recommendations. I do want to make the point at the present time how much I appreciated the co-operation of the members when they were questioning the ministers.

MR. MITCHELL: Point of order.

MR. CHAIRMAN: Sure.

MR. MITCHELL: Mr. Chairman, you know, we have till 4 o'clock. Why don't we vote right now? That would reduce the cost to the committee.

MR. CHAIRMAN: On their schedule they have February 1 for voting. We thought about that earlier today.

MR. WHITE: If you haven't heard the arguments, how can you make any judgments?

MR. CHAIRMAN: Well, there's time for lobbying and that type of thing.

MR. MITCHELL: Lobbying? You mean special interest lobbying? You mean, they're not just going to stand on their own merit?

MR. CHAIRMAN: No, no. There are a couple of yours that we might have to twist some arms on a bit.

I want to finish. I know you weren't listening to the accolades I was giving you, but I want to continue with the accolades and say that even today I appreciate the co-operation of the members. We started out a little tough getting our process in order, but it seemed to have worked much better this afternoon. So thank you, and good luck to all of you.

MR. MITCHELL: I'd just like to state on behalf of myself and I hope on behalf of the members of the committee that I greatly appreciated the efforts of the chairman. He did an excellent job and had a very, very nice manner and dealt with the difficult situations very, very well. Thank you very much.

MR. CHAIRMAN: Aw shucks. Okay. We're adjourned.

[The committee adjourned at 3:23 p.m.]

