

[Chairman: Mr. Kowalski]

[2 p.m.]

MR. CHAIRMAN: Good afternoon, ladies and gentlemen. Welcome on October 17 to another meeting of the Standing Committee on the Alberta Heritage Savings Trust Fund Act.

Members will recall that when we last met, on October 4 and 5, we read into the record some 47 proposed recommendations that were directed to the committee by members of the committee. At that time we agreed to reconvene on Monday, October 17, from two o'clock to five o'clock; if necessary on Tuesday, October 18, from 10 a.m. to noon and from 2 p.m. to five o'clock; and if further necessary to sit during the evening hours of October 18.

Just a couple of items. At the outset, members will recall that I indicated previously that I would maintain a neutral position as chairman of the committee and would not be voting on any of the recommendations save for the necessity of breaking a tie. I think that was generally perceived by all to be the appropriate procedure, and that is the procedure I will be following.

Secondly, we have already read all the proposed recommendations into the record. At this point in time I would make the suggestion that unless there is a modification of a minor type with respect to some wording improvements that particular members advancing the recommendations would want to make, that member just indicate that the motion stands as it was introduced on October 4 and we simply go on to whatever discussion there is with it and proceed to the vote. That might save us a few minutes along the way. Is that generally accepted as a procedure?

MR. MARTIN: I am just checking. It's my understanding that there are some new ones we didn't have read into the record, are there not?

MR. CHAIRMAN: No, they've all been read into the record.

MR. MARTIN: Sorry.

MR. CHAIRMAN: All 47 have been read into the record.

The last point I really wanted to raise this afternoon is for clarification and a decision. It was a question I left with you when we last met. I indicated that when it does come to the vote, would you like to have the chairman declare it won or lost as a result of a show of hands, or do you want to have your names read into the record as to the position you would stand on each of these proposed recommendations? I think your views are very important.

MR. GOGO: The former.

MR. CHAIRMAN: That I would count hands, so to speak, and declare it won or lost?

MR. NOTLEY: Mr. Chairman, the only other point I would make is that that should normally be the course followed unless there is some very strong feeling, in which case we could have a recorded vote.

MR. R. MOORE: I was just going to ask about the precedent. What have they done before?

MR. CHAIRMAN: The approach we've now agreed to, for the most part.

MR. NOTLEY: Mr. Chairman, just a small point on this, and members from past committees may recall this. We did have some discussion as to what would happen if members, for one reason or another, felt they wanted to file with the House — they couldn't table but file with the House — a minority report. In 1977 and '78 there were minority reports, and the general conclusion was that minority reports should be restricted to those items which have been brought before the committee. In other words, they should not be extraneous items. If members lost an issue in committee, fair enough; then there may very well be some addendum or some information they'd like to make available to the House with respect to their views. But those views should relate to issues that, in courtesy, have been brought before the committee.

So anything which we may or may not do as the Official Opposition, in terms of a minority report, would be restricted to those items we have presented to the committee and will not deal with anything outside of those items.

MR. CHAIRMAN: It's my understanding, Mr. Notley, that in the provisions for a select committee — a provision for all select committees, and it certainly was the recollection I had when I chaired the select committee on surface rights — there's no provision for minority reports within the rules per se. There is a provision — I guess an interesting thing — that what an hon. member could choose to do is file a document with the House, which in essence is one and the same. But the wording then permits it to be done that way.

MR. NOTLEY: The point I wanted to make is that the tradition in this committee was that any such document filed by a member would relate to items which, in fairness, have been discussed by our colleagues in the committee.

MR. CHAIRMAN: That being the case, would there be any other procedural or administrative concerns members might want to raise at this time? If not, we will go to Recommendation No. 1, and I guess we already have a decision to make here as to a rule that we'll have to determine. The hon. member who submitted Recommendation No. 1 isn't here.

MR. GOGO: Chairman, I should have raised it earlier. I suggest that those recommendations that have been proposed by members who are not here be deferred either until later or tomorrow. If the member proposed them, you would certainly think the member would want to speak to it. I guess we would have to deal with them if the member doesn't show up, but my suggestion would be that we defer them either until later in the day or tomorrow.

MR. NOTLEY: I agree. Again, I would just say to members of the committee, as I said to you, Mr. Chairman, that I'm going to have to excuse myself shortly before three o'clock. After having told all the members of the committee two or three weeks ago that we could easily vote in the advance poll and therefore carry on with this meeting, I discovered that one of the few municipalities in the province that doesn't have an advance poll is my own. So the net result is that I have to catch a flight. But in terms of those recommendations which we may not have gotten to by the time I have to leave, since I've already spoken on all of them, I think my colleague here could move them. If you people wish to vote on them, go ahead on that basis.

MR. CHAIRMAN: Okay. We'll hold proposed Recommendation No. 1 and go to proposed Recommendation No. 2, Mr. Anderson.

MR. ANDERSON: Mr. Chairman, with respect to this motion, I spoke to it extensively

last meeting and answered some questions. I'd be happy to answer any more if something has arisen between that meeting and this, but I won't take the time to reiterate the arguments made.

MR. CHAIRMAN: Then all those in favor of proposed Recommendation No. 2, kindly signify by the raising of a hand. Opposed? That's passed.

Proposed Recommendation No. 3 is being held.

Mr. Martin, proposed Recommendation No. 4.

MR. MARTIN: Again, I think it's fairly straightforward. We discussed it, and we're trying to follow the precedent of what's happened in the Legislature before. I would just call for the vote on it.

MR. R. MOORE: Mr. Chairman, I would like to vote an amendment to No. 4. I would make the amendment that the words "and should make available such documents and papers as the committee may request" be deleted. The amended recommendation would then read: that the committee request that all Members of the Legislative Assembly who sit on the corporate boards of Syncrude and other such fund-supported joint ventures as government representatives should annually appear as witnesses before the committee.

Mr. Chairman, I have copies for all members of the committee as well as yourself.

MR. CHAIRMAN: Essentially, Mr. Moore, what you are saying is that the last number of words after "committee" are simply deleted from that motion.

MR. R. MOORE: Yes, the last words, "and should make available such documents and papers as the committee may request" are deleted from that motion.

MR. ALEXANDER: Do you need a seconder?

MR. CHAIRMAN: No, we don't need a seconder that I am aware of. But I suspect that we would first of all go to the discussion on the amendment before proceeding to the discussion on the motion.

MR. GOGO: Mr. Chairman, at first blush I would oppose that. I think members of Executive Council are in a uniquely different position. I don't think members of the Assembly should be expected to come before this committee. If they were chairmen of boards, I would have a different view. I would view it as being contrary to the operation of those organizations such as Syncrude, where government has what I would call a minority interest, to have a member of that board appear before this committee, just through the discourtesy of not requesting the chairman to appear, and we certainly can't request that.

MR. ANDERSON: A point for clarification, Mr. Chairman. Could you indicate whether we're discussing at this point the main motion or the amendment?

MR. CHAIRMAN: The amendment.

MR. MARTIN: Mr. Chairman, I oppose the amendment. Obviously we can get into the whole area of confidentiality. To begin with, all we're saying is that we request all members — we are requesting. They would still have the right to make available such documents. If the members did not feel that those documents were appropriate to come before the committee, they could say no. If we accept the amendment, what we are really doing is saying that we can't even request information; we are just requesting that

they appear. So I don't see that there is a need to strike "should make available". Surely one of the things the committee might want to do is request information. Whether we get it or not would be up to the members, which is true in this House altogether. But I don't think we should cut back on what we could ask for right to begin with. I oppose the amendment.

MR. ALEXANDER: Mr. Chairman, as I said when the proposal came up in the first place, the last sentence — which in my view has properly been stricken — simply puts the person who comes here to represent whatever board he happens to sit on in an absolutely untenable position as far as the rest of his directors are concerned, to "make available such documents and papers as the committee may request". It says he makes them available as the committee requests them, which is a little bit different from saying he can come here and turn down the request.

The other things is, what is the nature of information? The member comes and brings with him information; that is one of the things he comes here for. So there needs to be some sharper differentiation between what the member is referring to as information and papers and documents. The person appearing would have to request from the rest of the board members of the corporation he's serving on if he may take before the committee such documents and papers as have been requested. I say that's an untenable procedure as far as any corporate structure is concerned, whether it's a Crown corporation or not. One simply should not expect a member of any board to bring documents and papers of that corporation outside the boardroom of the corporation, which is not the same thing as saying there is no information. As a matter of fact, if the member comes here specifically to answer questions, he can do that and that constitutes information. I think the only tenable version of the proposal is the way it's amended, and I support it.

MR. ANDERSON: Mr. Chairman, my points have been made very well by Mr. Alexander. I would just say that I think generally this is a good motion. And with respect to Mr. Martin's point, deleting a portion does not mean that we preclude the possibility of ever receiving information. What doesn't appear in a motion doesn't limit that motion to other aspects that may be added in the future. But I would hate to set the precedent that this would be interpreted as the committee's right to require any documentation, which is how it seems to read at this point.

I look forward to supporting the main motion with that amendment. But I would make the caveat that that amendment would be very important to me.

MR. NOTLEY: Mr. Chairman, the question really is what the role is in our society for the supremacy of the Legislature. I note that what the motion says is "papers as the committee may request". That's the kind of situation that in our parliamentary system, we may do all kinds of things; as a matter of fact, within our respective jurisdictions, exclusive only of the Charter of Rights, we are supreme. That doesn't mean that there will automatically be all kinds of information demanded. It is "may request".

Having had some slight experience with this committee over the years, I think it's fair to say that the chances of a request for all kinds of information which would normally be commercially confidential being passed by this committee might be just a little better than zero. So what are we worrying about? What this motion is saying is that within the confines of the supremacy of the Legislature argument, we may in fact request information.

It may well be that an argument would have to be presented as to why that information shouldn't be made available; it is in the Legislature. There are times when government ministers don't like to have to stand up in the Legislature and say why information isn't going to be released. Sometimes members have to squirm a bit. That's all part of being in elected life. We sometimes have to take decisions or take stands

which are not very popular. Having frequently been on the 76 or 77 to 1 votes in this House, I know exactly what that means. But that's part of being a legislator.

We are not saying there is going to be a carte blanche right of any single member to say, I want X, Y, and Z, because we don't have that right as individual members. But there is an important distinction between our rights as individual members and our collective right when we make a decision as a committee. When we get into the collective right of a decision made by the committee, we are talking about the supremacy of the Legislature. It seems to me that what we are doing with this amendment is sidestepping that crucial question.

I would just say to members who are worried about this and afraid that it might be just an effort on the part of the opposition to go on endless fishing expeditions: the majority is here; don't worry about it.

MR. THOMPSON: Mr. Chairman, I have trouble both with the recommendation and the amendment. Does the committee at the present time not have the power to request the members on Syncrude and these other boards to appear before it if they're using heritage trust funds?

MR. CHAIRMAN: It's my understanding the committee does.

MR. THOMPSON: So I have trouble with the whole recommendation. I think that at the present time we have . . .

MR. CHAIRMAN: But we're speaking on the amendment now, Mr. Thompson.

MR. THOMPSON: But the amendment's the first part of the thing. I'm confused, frankly. I thought we always had that ability, when it came right down to it, to request these people to appear if we so desire.

MR. ALEXANDER: I just want to add a couple of things as an outgrowth of Mr. Notley's comments. There's a sort of dancing around the topic here, about "as they may request". I respectfully suggest the member isn't reading his own resolution right. He's saying: "and should make available" — which is the operative phrase — "such documents as he may request", which means anything he may request. Therefore the imperative contained in "should make available" is the part that bothers me. So let us not pretend that what he "may request" is important here.

MR. NOTLEY: As a committee.

MR. ALEXANDER: It's what should be made available that I'm trying to get at, in terms of the person who's supposed to be bringing it from the corporation.

The other part about the collective right of the committee to the information escapes me. While we as elected members may have a certain role as elected members, I think what I'm trying to get at is that we have a role as a board member, if we do, as well. It's not clear to me — and I don't believe the case has been made — that one overrides the other. I heard some talk about supremacy of the Legislature. I don't see how the supremacy of the Legislature is at all at stake here, since I tried at the beginning — and perhaps failed — to clarify that the member may well bring information. One of the reasons I support the first half of it is that one of these people coming may well bring some information that we would find useful and, whether we have the power to call them or not, I think they should appear if we have something important we'd like to hear from them.

But there's an implication here also that just the member as a board member coming isn't enough; he isn't going to bring us enough information. What we want is some

documents and some papers like we have been experiencing in Ram Steel, just as an example, and perhaps in others, which to me suggests that while we're getting information from the person who comes, it isn't enough; we want to see documents and papers as well.

There is an implicit lack of trust that I don't care for either, but that's incidental. Regardless of calling such high-sounding phrases as the supremacy of the Legislature to our assistance, I do not see where we change the facts at all. People who come to supply information can do so without bringing documents and papers with them, and the embarrassment of the member having to request those from other members of his board is more than I would be willing to submit him to.

I maintain that the amendment would be okay. But if it isn't okay as amended, it isn't okay, period.

MR. MARTIN: Here we go again. I remind the member that we are still dealing with public money. If a private company doesn't want public money, then of course it's beyond what we're doing here. But what we are to do, one of our roles in this committee and as legislators generally, is protect the investment of public money. Surely that falls within the perusal of what we're doing here, and that's why you need information if you're going to protect public money.

The point I would come back to is that it's not one member that can just go out and waste a bunch of time asking for information that is not important; this committee as a whole has to ask for it. So it would only be important enough, I guess, if everybody on the committee thought it was important enough to bring this information. I can't answer specifically what information it might be, but something could come up that we as a committee might want to take a look at. All we're saying, surely, is that the committee can request this information.

I would even go further, because it is public money. I know the government wouldn't go this far: documents should be brought forward. However, that would be going into two areas. Number one, the committee would have to ask for it, and that would be a majority vote here. Number two, we have the precedent, I think used too often, of confidentiality and all the rest of it that is used. They could still do this and refuse to bring it here, so we're not really adding anything that I think should hurt anybody in terms of this aspect of it.

Another point I would make to Mr. Thompson is that perhaps that's the case, that we can request all Members of the Legislative Assembly. But I think we establish it as a precedent here that we can. That's all we're doing. It's never been done. I'm going back to the Legislature, where the Speaker had to actually make a ruling on it in terms of bringing these types of people to the Legislature. I'm just saying that we are trying to establish the precedent here.

MR. CHAIRMAN: Are there any additional comments from members? If not, Mr. Moore, would you like to close debate on your amendment?

MR. R. MOORE: Yes, Mr. Chairman. I don't see where the question of protection of private money comes into this. I think this amendment is not relevant to it. One thing that bothered me in the wording was the mandatory part of it, "should make available"; that we as a committee go out and recommend that these joint ventures make available any such documents as we request. I feel there is an area of trust in joint ventures in the business world. There is an area of trust between government and the business world when we go into joint ventures, and this should be respected. But if we as a committee come forward and say we can request this and they must make it available — and in the reading of that terminology I would say it is mandatory that they "should make available" if we request anything — it is just not acceptable to my way of thinking. Therefore the amendment.

MR. CHAIRMAN: We'll proceed, then, to a vote on the amendment to the proposed recommendation. All members have a copy of the amendment. Perhaps I'll read it into the record once again, so everybody is quite sure what it is we're doing here now. The amendment to the proposed recommendation is: the committee requests that all Members of the Legislative Assembly who sit on the corporate boards of Syncrude and other such fund-supported joint ventures as government representatives should annually appear as witnesses before the committee.

All those in favor of the amendment to the proposed recommendation? That's passed, then, with eight in support. All those against? The amendment is carried.

I suspect we should then have a vote dealing with the proposed recommendation, to ensure that it's clarified. If you want to carry through with the intended amendment, I guess the intent here is to defeat the proposed recommendation. So we'll now have the vote on proposed Recommendation 4.

All those in favor?

MR. ANDERSON: Mr. Chairman, we're voting on the motion as amended?

MR. CHAIRMAN: Yes, the motion as amended. All those in favor of the motion as amended? That's carried.

Mr. Nelson has now joined us, and it would be my intent to go to 1 and 3 after we've dealt with No. 11 in that first section.

Mr. Notley, would you go with 5, please.

MR. NOTLEY: I think it's fairly straightforward and I discussed it last time, so I have no further comment.

MR. CHAIRMAN: Is there any discussion from committee members on proposed Recommendation No. 5? Then I'll call for a show of hands. All members in favor of proposed Recommendation No. 5 please signify by raising your hand. Three. All those opposed? Six. So it's defeated.

Mr. Notley, proposed Recommendation No. 6.

MR. NOTLEY: I think we have just presented the basic arguments. When we're dealing with public funds, there has to be accountability. It just isn't good enough to sidestep the public's right to know how investments are made. Whatever the normal practices of business may or may not be, in our view when the public dollar is involved we have to look at things in a rather different way. Much of the argumentation occurred last time; I don't think there is really too much that I would want to add. On resolution No. 4, my colleague dealt with many of the basic arguments.

MR. GOGO: I want to ask Mr. Notley if he could quote an example. I have no difficulty with the first part of it. I guess I'm just a little confused over commercial confidentiality.

MR. NOTLEY: Sure. Do you want me to deal with a number of things when I close debate or whatever? I'm quite easygoing.

MR. GOGO: I'd be happy with that.

MR. MARTIN: The only point I would make, if we follow what could happen and we have more and more of what I call the hybrid situation — and this government has moved more and more into that with joint ventures. If we take this to the logical extreme, it could be a way to get around almost anything in the Legislature. We could come back to

commercial confidentiality. It can be a convenient way to hide a lot of money. I'm not suggesting this has been done, but it could set the precedent here. All we're saying at this specific point is that we are legislators, and we're here to protect the rights of the Legislature. I hope all hon. members would see it in that regard.

MR. ALEXANDER: I'll have to beg forgiveness of the member for not seeing it in that light. When the proposal was made at the beginning, I indicated that commercial confidentiality very frequently involves a time dimension in terms of doing things. Whether the corporations are hybrids or whatever they may be, if they're attempting to do commercial operations they either will have to have an element of confidentiality or they won't do the operations. The choice in many cases is as simple as that.

For the most part, I guess I'm not as bothered that there's anything being especially safeguarded here. One thinks of probably a million transactions of various types or other that have gone on in these kinds of circumstances. One or two may have gone wrong in one way or another, in which there's a perceived necessity to safeguard the public purse. It's not clear to me at all that there's any safeguarding going on here by exposing things that are commercially confidential. But certainly to give predominance over the commerciality — I prefer that — of documents in this Legislature or in this investigation process simply may mean that the deals can't be done or won't be done. Therefore the whole purpose ends up being defeated.

I personally feel there are insufficient examples of safeguarding anybody's interest in these kinds of transactions to make it into a policy or principle. Certainly it gets a lot of air time when something goes fishy or goes wrong. We've certainly seen ample examples of that. And I don't think there's anything wrong with that; I think that should be done. I think it's a good process. But to sort of give precedence to the access to documents over commercial confidentiality or commerciality in making investments is just a process which would shut them off, in my view. Therefore I couldn't possibly support it. It doesn't make any sense to me.

MR. CHAIRMAN: Additional comments from committee members? If not, Mr. Notley, would you close the debate?

MR. NOTLEY: Mr. Chairman, I think the question really is how are we going to safeguard public funds. Four and 6 are really related; one could have said "committee requesting". I don't think there is any long-standing tradition that an individual member has the right to go in and demand all kinds of information. That's why we said "as the committee may request" in No. 4. The basic concept would apply here too. If there's any ambiguity or any uncertainty in members' minds, we'd certainly be prepared to see an amendment to that effect.

However, as the committee requests information: I don't think it is an acceptable answer — which we too often get — that we can't deal with this because of commercial confidentiality. There are several major examples in this Legislature. The Loram report in 1975 on the increase in the costs of Syncrude from \$900 million in June 1974 to \$2 billion in February of 1975: that particular report was not made available because of the question of commercial confidentiality, yet it involved a large number of public dollars, both directly and indirectly — directly now, because much of that loan we made available at the time has been converted into an equity ownership.

Some of the questions relating to the Ram Steel question have been shut off on the basis of commercial confidentiality. We've had ministers before this committee say: I'm afraid we can't answer that; can't answer that; can't answer that. We had questions on commercial confidentiality raised in the spring session of the House; then we found out a few weeks later that the information was made available through the newspaper — a very strange way of handling some of these issues, in my view.

What this resolution is saying is that we are now in a position, as my colleague has

pointed out, where we have a whole series of these hybrids, joint ventures. As long as the private sector decides to work with government in a way in which public dollars are invested, the rules have to be different. They have to be different, because we're here to protect those public dollars. We put in the word "pre-eminence", again deliberately, because we think there may be the occasional exception. But if you're talking about a general rule, surely members of this committee are going to recognize that the public's right to know should take pre-eminence over any other factor.

If you're going to argue the case, then you have to have the very best reasons in the world to argue the case as to why the public shouldn't know. The burden has to be put on those who say: no, we don't want to make information available. We increasingly have this just the wrong way around in this province. Increasingly, we presume the public has no right to know because of a glib little phrase, commercial confidentiality. That slams the door shut, and there's no requirement to demonstrate beyond that cute little comment, that quick little cliché.

I think the Member for Edmonton Whitemud, for example, were he a minister, would be able to make some very articulate arguments as to why such and such information shouldn't be made available on this company or that company or another company where we have public investment. But that's surely the responsibility of the minister who reports for that investment or that company. Surely the onus has to be put upon that person to say that notwithstanding the traditional parliamentary role that the public has a right to know, for X, Y, and Z reasons we can't make this information available. In other words, you have to define how commercial confidentiality applies to a particular joint venture, not just simply come up and say: sorry, that's commercially confidential. Bang. Door shut. Book closed. Issue finished. That's not how we should be protecting public funds, and that's basically the reason recommendations 4 and 6 are before the committee.

MR. CHAIRMAN: Would all members who are in favor of proposed Recommendation No. 6 kindly signify by raising a hand. All those opposed, kindly signify. It is defeated.

Mr. Martin, Recommendation No. 7.

MR. MARTIN: Again this is fairly straightforward. We had some debate about it. I know people will say this is hypothetical because it hasn't occurred and they haven't asked for information. But we have had all sorts of things happen in the past, where people will be coming to the heritage trust fund. We want the Calgary Winter Olympics to go well, but all we are saying — it's not yes or no — is that just as a check, if it happens that they want to come to the heritage trust fund for investment from the fund for some of the developments, this committee take a look at it to begin with. In that way we would be hopeful that if there were problems, this committee could deal with them before we lost a lot of money. I hope members will see the value in something like this, because it will act as a protection so that we don't lose a lot of taxpayers' money.

MR. THOMPSON: My problem with this recommendation, Mr. Chairman, is that I feel it changes the basic role of the committee. We are basically, in my mind at least, a review committee. What has been done with the fund — and we have recommendations in a general way as to what should be done with the fund, but this is a very specific recommendation. It ties into the Winter Olympics. I feel very uneasy about changing the role of the fund, in my mind anyway.

MR. R. SPEAKER: Mr. Chairman, in terms of what Mr. Thompson has just said, I think there is quite a bit of precedent where recommendations have been made with regard to proposals; for example, the scholarship fund was made in this committee and later followed up by the government. I think there were other recommendations, too, if we review it. So we have had fairly wide latitude in the committee, and I hope that

continues. We should look at this resolution in light of that.

MR. GOGO: Mr. Chairman, I can't support it in its present form. I tend to lean the way Mr. Thompson spoke. My perception of this committee was not to make decisions prior to any decision by the investment committee. I sort of view us as checking things after the fact. I wouldn't have any hang-up at all if the motion were to read: at the request of the committee, funds spent for . . . be reviewed by . . . I would have some difficulty with its implementation anyway, recognizing that developments for the '88 Olympics obviously have to be handled by the committee responsible. I think it would be a hindrance, ignoring the principle, if we tended to think that the committee would have to bring those things here for a decision prior to their being implemented.

MR. ALEXANDER: If I might just pick up a little bit where Mr. Gogo left off. Extending the logic of No. 7, why confine it to the Winter Olympics? We have a section on the capital projects investment division coming up, nos. 21 to 35, all of which recommend some kind of expenditure of funds. Why shouldn't we request that all such expenditures be brought before this committee for review before the recommendation goes to the investment committee? It inverts the process, doesn't it?

MR. R. SPEAKER: This one's going to be a precedent.

MR. NOTLEY: Mr. Chairman, as Mr. Speaker pointed out, the major part of the debate in our committees over the last number of years has focussed on recommendations, not on what has been but, for the most part, on what should be. Both sides of the House, both government and opposition members, for the most part, have made recommendations as to what we think would be a wise investment or different kinds of investments for the fund. Sometimes the government has taken that advice, and sometimes they haven't.

Our committee has always been more than just an audit after-the-fact committee. That has certainly been a very important part of our role; no question about that. The issue then is whether this committee should have any other role, and whether that role should look at a review of Olympic investments if any are going to be developed by the government. I would simply say to members of the government that no legislative committee has its mandate so finely chiselled in stone that it will be there for the ages. Scholars 1,000 years from now will come back and say: my heavens, resolution No. 7 was wrong because it suggested that we review in the future instead of reviewing in the past. We can make changes.

I say frankly to members of the government that the Olympics can be something that will bring Albertans together or something that will give us the kind of headache Montreal had after the Olympics. Before you get into any kind of investments with respect to the Olympics, it would be very wise indeed that there be some process which is not just a government process or a committee answerable only to government but a legislative process to review. After all, the Olympics should be something that we can all be equally proud of; not one group or another saying that the Olympics is ours if it's a success and somebody else's if it's a deficit. It's ours regardless, hopefully.

The minister has indicated that there are no investments yet. He certainly did not close the door. I suspect that before 1988 finishes, there will be money in the Olympics from the trust fund. That being the case, it seems to me that it would be prudent — politically prudent and prudent in terms of general administration — to have some kind of committee that could be perceived to be representative of the different factions in Alberta, as a legislative committee can be, reviewing these estimates.

MR. CHAIRMAN: Mr. Martin, would you like to close the debate on this?

MR. MARTIN: Well, I have a little difficulty. John and I went through this before. I said at the time, and I will say it again: it's like closing the barn door after the horse leaves. What is wrong with taking a look? Surely it would make this committee much more viable and give individual members much more responsibility if we look at investments ahead. We could follow the argument that a lot of things should be done far ahead. I would perhaps even look at that. But here is a specific thing. We have an example already, the Saddledome, where there seem to be some problems and nobody has a handle on them. We have enough examples, with big projects and the Olympics, of what can happen. Surely one of the most important roles in a time of restraint — when we're taking about restraint and cutting back on all sorts of things, and that's the line coming from the government — would be to have this committee and individual members look at what we're getting into ahead of time.

To say that this committee is just a review process — maybe that's where we could have restraint. If all we're doing is reviewing investments after we've wasted them, what's the point of bringing this committee in and spending a lot of money? Surely it would make it a much more viable committee if, in this case, we acted as a watchdog on taxpayers' money. The last thing we need is the example of the Saddledome. If that's going to occur throughout the Olympics, we're all going to be paying for this for a long time. I suggest to you that this committee could play a very valuable role in keeping some sort of handle on this. I am amazed that people would not want to do this. Frankly, Mr. Chairman, it flabbergasts me that we would not want to take a look at this as legislators.

MR. CHAIRMAN: Would all committee members in favor of Recommendation No. 7 kindly signify by raising a hand. Four. All members who are opposed to Recommendation No. 7, kindly signify by raising your hand. Nine. It's defeated.

Mr. Hyland, Recommendation No. 8.

MR. HYLAND: Thank you, Mr. Chairman. I think Recommendation No. 8 was pretty well covered when we had the previous meetings. The only change is they got my name spelled wrong, but that's okay.

MR. CHAIRMAN: I'm sorry. The only change is . . . ?

MR. HYLAND: My name is spelled wrong at the top of it. It should be A-l-a-n.

MR. CHAIRMAN: Please recognize that the chairman apologizes profusely for that and that this is just a draft document. The written record takes precedence over the piece of paper that you have in front of you.

Are there other comments from committee members? Then all committee members in favor of Recommendation No. 8, kindly signify . . . I'm sorry, Mr. Speaker.

MR. R. SPEAKER: I just wanted to say this, and this is maybe different from what was said the other day: in interviewing the Premier here, we had the Premier very concerned about the public not recognizing the circumstances around the Heritage Savings Trust Fund, and the discussion seemed to go towards support of this kind of resolution. But the fact of the matter is that if we continue — and I'm speaking now partly in support of resolution 47 — to say there are more things that can be done by the Heritage Savings Trust Fund and that we've got to publicize the Heritage Savings Trust Fund with more taxpayers' money supporting some publicity agent, and admit its capability has been lost, I think we're just doing a continued disservice to the public.

I only want to make that comment that I am not voting for this communications budget, because I think that if we put a lid on the Heritage Savings Trust Fund and say we can no longer divert any more of the oil and gas revenue to it — its own earnings will

be its expansion — we have then done the public a favor and, as well, have clearly said to the public that the limitations on the fund are there. I think that would be the best way of communicating our present position of the fund, rather than throwing out more tax dollars on various communications gimmicks.

MR. MARTIN: I asked this before, and I'm still not sure. Perhaps when closing debate, Mr. Hyland will explain to me what "simplified public communication" is. If it means jingles and mood music — and that in a time of restraint — then I can't support it. If he's talking about factual information in terms that people can understand, then I could support it. I do not know what "simplified" means at this point. My fear is that it's more gold and blue and jingles and telling us how well we are in the province, and that's not appropriate. Again if the Progressive Conservative Party wants to pay for that, fine. But this is what I want to know: what do we mean by "simplified public communication"? Perhaps Mr. Hyland would tell us in his conclusion.

MR. NELSON: Mr. Chairman, I think it's about time I stopped sitting here and got into this. I have some difficulty with the previous speaker's comments. Certainly I think the information generally supplied is factual to a great degree. It's certainly nice to have the probability of a little bit of upbeat and positive atmosphere when you tell the public positively what is happening with the heritage fund. You know, there's too much negative reporting through the, in many cases, negative remarks from the opposition members, and the press gets filled with that. Occasionally the public likes to hear something a little positive, and certainly the Heritage Savings Trust Fund is positive.

MR. R. SPEAKER: Propaganda is not positive.

MR. NELSON: Mr. Chairman, when you develop a fund that has been developed and it is not clearly understood by the public as to where the moneys may have gone or may have been invested, because of the wide variety of investments it's difficult to advertise the total fact of where it is and where it isn't. But certainly there are methods and manners by which we can probably do this in a manner that is clearly factual and also simple for the public to take a grasp of. I get sick and tired of listening to negative things all the time, and I think the public does too. If we had a positive atmosphere from the leaders of our community, who are members of this House and other levels of government, we might detract from some of the difficulties we're experiencing at the present time and give some people a positive atmosphere to deal with their lives, and also some of the positive things that are happening in the government.

I guess the other thing is that we tend to listen to much of the negative material that is put into the print media or the live media, and unfortunately a lot of negative things happen through that. I won't deal with that and get into it right now; it would take a while. But at the same time, I think we certainly need to have simplified communication to the public. We certainly need to communicate to that same public what the heritage fund is doing, not only for the province but for individuals as people in the province. I agree that maybe, in a following motion, there's too much mood music and what have you. Possibly there is. But at the same time, it needs to be kept in an upbeat situation, whereby we can put some positive atmosphere in the community rather than keeping the negative in there all the time.

Thank you.

MR. ALEXANDER: Mr. Chairman, maybe I missed it while I was out, but I'm afraid I almost agree with my friend from Norwood here, in that I'm not sure what "simplified" is either. Perhaps Mr. Hyland could, for my benefit, pick up from that when he summarizes his position. If he means like what he said, for example, in item 9, I think that makes it clear. I think that's very good. I think that would be simplified; also simplified in the

sense of clarifying. So perhaps the proposer could expand just a bit in terms of specifics as to what he does mean by "simplified", and I too would feel more comfortable with the resolution.

MR. CHAIRMAN: Mr. Hyland, would you close the discussion on this motion.

MR. HYLAND: Mr. Chairman, I guess if I knew exactly what simplified advertising and simplified public communication are and how to communicate it, I would be better in the advertising business, making considerably more than what we make in this Legislature. I think what I mean is — Mr. Nelson touched on some of it, and Mr. Alexander touched on it relating to the second motion — communication that people can understand and that tells them how it affects them; not maybe as much in the mood type of advertising but more the effect it has on them in simpler terms.

One of the previous members related to his concerns on the fund and how it should be advertised. We should keep out there what it has done for people in the past. What it is continuing to do for them is something that I think is often forgotten and not transmitted in many cases all that well. I just think these sorts of things should be done in a simpler manner.

MR. CHAIRMAN: Would all members in favor of Recommendation No. 8 kindly signify by raising a hand. Six. All those opposed, kindly signify by raising their hand. It's carried six to four, so it's approved.

Mr. Hyland, Recommendation No. 9.

MR. HYLAND: I think Recommendation No. 9 is self-explanatory.

MR. MARTIN: I understand this. I went through it before. But in itself it does not make much sense. Are we really going to go to an advertising campaign to tell everybody what it does not do or where it does not come from? There are two specific examples. If we're going to add, I would like to put down that it does not come from the Conservative Party; it does not come from the federal Liberals; it does not come from all sorts of places. To pick two out and say that . . . It seems to me to be sort of a funny type of advertising, if we're going to pay a lot of money, to tell them where the heritage trust fund does not come from. Unless we're going to expand the list considerably, I cannot vote for this, because I think it's a very dangerous precedent.

MR. GOGO: Mr. Chairman, I'm not so sure what the word "secure" means in the recommendation. But with regard to the last word, I've been listening to the oil industry for some nine years, and they tell me it's the biggest gamble there is. I equate lotteries with gambling. If they're about to tell me that there's no risk involved in drilling for oil, then boy, someone has sure done a con job on me. I thought that was the biggest lottery in the country. So I guess I'd have some trouble with the terminology. After the budget we'll worry about the tax on the gas question, I guess.

MR. CHAIRMAN: Mr. Hyland, would you like to close the debate on Recommendation No. 9?

MR. HYLAND: Somebody behind me said that they can't understand what the hon. member was saying. I was having somewhat the same problem.

MR. GOGO: It's pretty damned clear. Just listen.

MR. HYLAND: The reason I picked tax on gasoline and lotteries is that that's the question I'm asked more often, in that it is suggested to me that that's where part of the

money comes from. Also on the public report that was done, that was one of the highest percentages of where people thought the income from the fund came from, between the two. That's why I suggested that. I don't mean to say that it has to be a separate campaign, but it should be part of the ongoing campaign that exists with the trust fund communications.

MR. CHAIRMAN: All committee members in favor of Recommendation No. 9, would you kindly signify by raising a hand. All those opposed, kindly signify by raising a hand. It's four to four, and the chairman will vote in favor of the recommendation. It's approved.

Recommendation 10. Mr. Notley indicated to me at the beginning of the meeting that he had to depart, and of course he has now shared that with all committee members. But he also indicated to me that Mr. Martin might wish to advance the motion.

MR. MARTIN: I have an idea of how they're going to go anyhow. So there's no use . . .

MR. CHAIRMAN: We can hold it until tomorrow.

MR. MARTIN: Yes, sure. Let's get at it.

MR. CHAIRMAN: You want to go with it?

MR. MARTIN: I think No. 10 is straightforward. I have already had a few comments about mood advertising, so if there are some comments people would like me to make in closing the debate, I'll be glad to, Mr. Chairman.

MR. ANDERSON: Mr. Chairman, Mr. Martin seems to have already presumed how I'll vote on this one, and I suspect he's correct on this one. I could agree with the general theme of it. I personally think we should be as factual as possible, but I don't know how you define mood versus general advertising. I know from some experience in the industry that there are situations where too much information will just not put across the point; in other words, it will be totally invalid advertising. So I don't know if "few words" means mood or if descriptive phrases would fit into that.

Regardless of that, the motion is couched in a number of statements such as "not be designed to further partisan political goals". If you say the heritage fund is going to provide service to so many people, I'm not sure if that isn't furthering political goals under certain individuals' interpretations. So I personally can't support the wording of it, though I have no problem with the general intent, at least as I interpret it.

MR. MARTIN: Take a chance and vote for it.

MR. ALEXANDER: Mr. Chairman, I agree with Mr. Anderson. The resolution contains the seeds of its own defeat. It unfortunately has three or four holes in it — a bit Swiss-cheesey, if you like. The cost of distribution to Alberta households is a sizable factor and, while the resolution laments that \$867,000 was spent for mood advertising, one might wonder if mood advertising means simplified. We just dealt with that. I don't understand what it means either. And it's perfectly clear to any rational person that we would obviously not use the fund for partisan political goals; therefore the outcome has to be obvious.

MR. MARTIN: Do you believe in Santa Claus too?

MR. GOGO: Mr. Chairman, I lean the way Mr. Anderson spoke, except that in line three I would make the suggestion that the "m" in mood be changed to a "g" and the word

"instead" be deleted. I can certainly support that.

MR. R. SPEAKER: Mr. Chairman, I'm glad I came today, certainly with the good humor of the hon. Member for Edmonton Whitemud. I appreciate that.

I'm speaking both to 10 and 11. I know that's out of order, but I'll make the same comments. I think we have to set some higher priorities on the things we recommend from the fund in terms of the pressure on revenue for general revenue expenditure in this province. I don't think either one of those fit into the high priority expenditure item. When we had a lot of funds a few years ago, we had those kinds of luxuries. I think at this time we must say: look, either we really want to do it or we don't. If we intend to give some direction to cabinet or government or whoever is going to make final decisions in these areas, I think we as a committee must really indicate whether we understand that there is restraint and that people in Alberta have to generally "lower their expectations" with regard to the future of the fund. Items like this are little, maybe, but we should determine right now whether or not that's the kind of thing we want to support. I can't support that at the moment.

MR. MARTIN: I think it is fairly straightforward, contrary to what the members are talking about. It's clear that there is such a thing as mood advertising. Despite people feigning ignorance about this, I know they are well aware of what we are talking about. I can give you a couple of examples from previous heritage trust fund hearings: it did not have a phone number, did not have any information; it was just happy faces. It was clearly meant in a partisan nature. I think if we're all honest, the government members would agree with that. They're not the only ones that do it. The federal Liberals are masters at it. We see happy ducks or geese or whatever they are flying across and these sorts of things. It has no information whatsoever. I am not against communication for factual information. I would disagree with Mr. Speaker; I think sometimes we need factual information, because government is very complex for people. When I talked to Mr. Hyland about simplified information, I was trying to break down what he meant. It should be information that is given to people.

I know we could quibble over what mood advertising is, but I think all the hon. members know exactly why that \$867,000 was spent. I don't think it was a waste of money from the Progressive Conservative point of view, but it was in terms of the taxpayers. And in a time of restraint, I don't think it's appropriate for any government. I can suggest that if the tables were turned and some other government were doing that, I expect the hon. Member for Edmonton Whitemud would be the first one raising hell about it. I think we should be honest here, in times of restraint, and recognize that this is inappropriate — probably inappropriate at any time but certainly, as the Member for Little Bow points out, in a time of restraint.

MR. CHAIRMAN: All committee members in favor of Recommendation No. 10, would you kindly signify that support by raising a hand. One. All committee members opposed to Recommendation No. 10, would you kindly signify by raising a hand. It's defeated.

Mr. Martin, Recommendation No. 11.

MR. MARTIN: Is there one here that anybody is for? I'm getting lonely.

Public communications. All right, let's go back to this. In terms of wanting people to understand what the heritage trust fund is doing, there is no better way than members of this committee dealing with the public in terms of getting new ideas. As I mentioned last time, not all ideas emanate from this wonderful institution; the public often has many better ideas than we do, and we can learn a lot. There is also a two-way dialogue in public hearings, in terms of the public's factual understanding of what the heritage trust fund can do and what it can't do.

Certainly there is an expense involved, but I suggest that this expense would be well

worth it and a better bang for the buck, if you like, than advertising on television, if we went out. The point with this is that I believe it is seven years — I think that's correct — since the heritage trust fund was created. We are in very different economic times now, and perhaps it is time to go out to the public and, as I said, have a two-way dialogue about it. I hope members will see the need for doing it.

MR. THOMPSON: Mr. Chairman, I doubt if I can support the recommendation as it's worded, but I believe it's a function of this committee to zero in on specific targets to see how they're going. For instance, we could have hearings on irrigation or areas like that. I believe that may possibly be part of our mandate, to hold hearings in some areas. But I wouldn't like to have them quite as structured as I seem to feel this recommendation puts forward. I think there are possibly areas that we could, on our own volition, have hearings. I don't know if many people in Peace River would be interested in having a public hearing on irrigation, but possibly I'm wrong on that.

MR. R. MOORE: Mr. Chairman, I am basically of the same idea. I am in favor of public hearings. Public hearings to get the input of the public are very worth while. I could see us looking at specific projects across the province. But a general conduct of hearings on the heritage trust fund, I can't see what we would gain from that. I certainly support the idea of public hearings but, because of the generality of it, I cannot support this motion as it is worded.

MR. ALEXANDER: Mr. Chairman, I can't support it either. I don't know about other members, but I am getting a constant and continuous expression of views from people about how the fund should be expended and how it is being expended. If you like, those are public hearings in that I am here, people are talking about it, and I will reflect that back. But we are constantly getting feedback from people about how the fund is being spent and how it should be spent.

If someone were to stage meetings with the express purpose of having people express their views — again — and raising public awareness regarding the fund, and it was known that you were going to spend funds for such hearings, I personally would be infuriated at that kind of expenditure of the fund. The dialogue about this fund has been probably the highest profile dialogue in the whole political arena. I fail to see any merit in formalizing a process that's — another way to put it would be to spend money on a process; it's an ongoing one, an open dialogue between our constituents and us on the fund. Any attempt to raise public awareness by the expenditure of funds on public hearings would be a waste which verges on being a disgrace.

MR. ANDERSON: Mr. Chairman, I think the points made thus far with respect to specific hearings have been quite excellent. I appreciate Mr. Alexander's points regarding the expense of public hearings, although I think that expense is fairly minimal compared to other ways of gaining public expression or of indeed advertising the fund. I personally think this motion has some merit. I don't think it would hurt this committee to obtain public opinion in a direct sense over 1984, and I therefore plan to support this motion.

MR. GOGO: Mr. Chairman, we're sitting in the centre of 30 to 40 per cent of the population of this province. To my knowledge this is a public meeting, and I don't see anybody in the galleries, other than someone maybe getting paid. We have — what? — 2 per cent of the press gallery here. It must be snowing outside or something. If we want to go on another exercise of surface rights in this province and give away the province or whatever we did, fine. But quite frankly, if this is going to be our best winter, I have great difficulty justifying taking this show on the road when this is all we attract right at home.

As an MLA, I don't think it would be justified, and I can only express my views as an MLA. I don't know how many queries I get on the fund, but I get a fair number of them. I frankly don't think anything would be gained. I don't want to be detrimental to the Member for Edmonton Norwood, but I sense that there is a primary motivation for holding public hearings with this committee. How could you have three people, 23, and 83, like the NDP did in Lethbridge, and come to any other conclusion that this fund should be spent instead of invested? I oppose public hearings.

MR. R. SPEAKER: My experience with legislative committees has been that when a committee goes to a community, we raise expectations that the committee is going to do certain things or have the capability of carrying out requests that are made, such as the grand plans that many people have in their minds. In terms of the surface rights committee that was mentioned earlier, certainly there were some very aggressive requests made and recommended in the report.

As I very quickly examine the books, the heritage fund has limitations at this point, and I don't think we can meet many expectations. We had a discussion with the Premier with regard to that. At this point in time, our having a legislative committee going around the province representing the heritage fund would only do that. I think as members, if we are just going out to say, look, the fund can't do anything for you — well, that's a little embarrassing. That wouldn't be our intent. So I can't be in favor of this recommendation at this time.

MR. KROEGER: What I want to say, Mr. Chairman, relates a bit to what Mr. Speaker was making reference to; that is, the differentiation between spending and investing. I think if we were going to launch a spending program of \$1 billion, then public hearings might do something. However, the average person, if you talk to him about investment, goes and hires an investment counsellor. I doubt that public hearings on proper investment would accomplish very much.

MR. CHAIRMAN: Mr. Martin, would you like to close the debate?

MR. MARTIN: I certainly would. Am I really hearing what I'm hearing, that a little bit of knowledge and getting out to the public is too dangerous because it will put pressure on politicians to somehow spend all of the trust fund, that we won't have control over it, and that the people don't have the right to make these suggestions? I didn't know that public hearings were quite so dangerous.

In terms of the expense, I see a number of contradictions here. First of all, we passed 8 and 9. If you want to talk about expenses, we passed those on advertising right away. But we can't afford public hearings. Somehow that's different. In 8 and 9 we're saying — we passed this — we need more simplified public communication; then on one hand, a couple of members are saying we don't need it because, after all, people are lobbying me about the heritage trust fund all the time. You can't have it both ways. Either they understand about the heritage trust fund or they don't.

All I'm saying about public hearings is, surely this is as old as democracy itself. Of course there'll be people with unrealistic expectations; that's part of the two-way dialogue. But there are a lot of good ideas out there. We shouldn't be so frightened that we can't go out and have public hearings. It does not mean that we come back all the time and pass them in the Legislature. That's our role as legislators. And certainly there'll be political pressure on people. That's what our job is as politicians: to take the pressure.

Basically I'm amazed by some of the arguments here, because you follow all the way along the line those arguments for the reason that we're not having public hearings. What we're really saying is that the public is sort of a little immature and will be putting pressure on us, and we have all the wisdom here and don't need to do it. I know it's not

meant that way, but you follow the logic all the way along the line. I'm amazed by that reaction, frankly.

MR. CHAIRMAN: All committee members in favor of Recommendation No. 11, kindly signify by raising a hand. Three. All committee members opposed, kindly signify by raising a hand. Eight. It's defeated.

Mr. Nelson, we'll go back to No. 1.

MR. NELSON: Mr. Chairman, I don't intend to go through the full motion, other than to suggest that I would like to see our committee meet somewhat earlier than it has this time — this being my first time — basically so that we're not in a rush position to put a report before the Legislature, which only sits for a short time in the fall. I think possibly if we could have these meetings earlier in the period and have a report put together that could be done with a little more time, it might be a better report. Not to suggest that this might not be a good report but, at the same time, it may offer committee members a little more opportunity to have a different input, and maybe even better input, into the fund itself.

MR. MUSGREAVE: Mr. Chairman, I don't have any problem with supporting this motion, but I do have a question. This strikes me as an administrative matter that we could resolve ourselves without including it in our report. I just ask the question.

MR. ANDERSON: I too have no problem with the approach, though I'd hate to see us tie ourselves by motion to meeting earlier if for some reason that doesn't become practical next year. I hate to try to second-guess what events will transpire during the next year. I'm wondering if the member might not accept an amendment that would indicate that the chairman would give consideration to calling the first meeting at an earlier date. That way we'd have some discretion in the matter. The way it reads now it's pretty absolute.

MR. CHAIRMAN: Are you proposing an amendment, Mr. Anderson?

MR. ANDERSON: I don't have any copies of an amendment but, yes, Mr. Chairman, I think I will propose an amendment. I move to amend this particular motion by crossing out the words in the second line "be scheduled earlier in the calendar year" and replacing them with "that meetings of the Heritage Savings Trust Fund . . ." — I suppose the word "Act" is inappropriate there in any case; including crossing out the word "Act" — ". . . be scheduled earlier in the calendar year". No, I'm sorry.

How about if we forget that, Mr. Chairman, and start with: that the chairman of the Standing Committee on the Heritage Savings Trust Fund give consideration to scheduling meetings earlier in the calendar year. I believe that would work. So you're just adding to the first part of that motion the words "that the chairman give consideration to scheduling".

Could we pass that in intent, Mr. Chairman, and refine the wording later on? If the member . . .

MR. CHAIRMAN: As I understand, your amendment would read: that the chairman of the standing committee on the Alberta Heritage Savings Trust Fund give consideration to scheduling meetings of the committee earlier in the calendar year.

MR. ANDERSON: Excellent. Yes, that's exactly what I'm moving.

MR. CHAIRMAN: We have an amendment, then. Is there any discussion on the amendment?

MR. NELSON: Mr. Chairman, I have no difficulty with the amendment. It's all chicken soup, because basically it says the same thing. That's why I left the thing open-ended, without a date. It's a motherhood situation, changing it from the committee to the chairman, so I have no problem with that.

MR. CHAIRMAN: All committee members in favor of the amendment to the recommendation, kindly signify by raising your hand. Those opposed? That's been approved. All in favor of the recommendation as amended . . .

MR. NELSON: [Inaudible] closing the debate.

MR. CHAIRMAN: I'm sorry, I thought you had.

MR. NELSON: No. I made a comment on his amendment, which I'm entitled to do under parliamentary rules, Mr. Chairman.

MR. CHAIRMAN: Please proceed, Mr. Nelson.

MR. NELSON: I'd just like to make one further comment. Possibly I could have done it while I was speaking on the amendment, but I would like to suggest here to committee members that it is not suggested that we have additional meetings, but maybe a little earlier and more productive sometimes.

MR. CHAIRMAN: Would all members in favor of the recommendation as amended kindly signify by raising your hand. All those opposed? Carried.

Recommendation No. 3, Mr. Nelson.

MR. NELSON: Mr. Chairman, I think I opened the item previously. I don't want to comment on it further, other than to suggest that it's an informative piece of material only for the benefit of the public and for some factual information.

MR. GOGO: Just a question I need guidance on, Mr. Chairman: "as well as a yearly financial balance sheet." I suppose if this were carried through to its conclusion, we would have the annual report doubled or tripled in size if they all submitted financial balance sheets. That's really a question to Mr. Nelson.

MR. NELSON: Mr. Chairman, if there were some thought of an amendment to the effect of cutting off the area after "Endowment Fund", there probably wouldn't be any difficulty there.

MR. GOGO: No, I'm sorry. Chairman, my concern was that if we did that for them all, would we have to double or triple the report? I guess it was just a question.

MR. CHAIRMAN: You raised a rhetorical question, Mr. Gogo. Mr. Nelson has interpreted that as an amendment, but you don't really have an amendment.

Are there any other members who wish to contribute to this discussion?

MR. THOMPSON: I follow along with Mr. Gogo's point. When you say "expenditures", are you down to the last 15 cents in postage? I would be not against "expenditures", but I would like to see some — what I can't support is there's no limit on where you go. I can understand large expenditures, but I think it would be quite a chore to be able to come up with a detailed sheet of expenditures right down to the last penny. I know that isn't what the member is recommending. But I do think that if you take it literally, that's what

you're going to end up with. Therefore I can't support it.

MR. R. MOORE: Mr. Chairman, is it in order to make an amendment at this time?

MR. CHAIRMAN: Yes, by all means.

MR. R. MOORE: I think what we're saying — and I am fully in agreement with it — is that we amend the motion by deleting the last sentence if you want.

MR. CHAIRMAN: Mr. Moore, there is only one sentence.

MR. R. MOORE: By deleting "and documentation as to expenditures, as well as a yearly financial balance sheet". It wasn't the whole sentence but that portion of it. The motion as amended would read: that the annual report of the Alberta Heritage Savings Trust Fund contain identification of the \$300 million Alberta Heritage Foundation for Medical Research Endowment Fund.

MR. CHAIRMAN: Okay. Any other discussion on the amendment to the recommendation? All members in favor of the amendment to the recommendation, would you kindly signify by raising a hand. All those opposed? The amendment is carried.

All members in favor of the recommendation as amended, kindly signify by raising your hand. Opposed would be nil, so that would be carried. Okay, so No. 3 is approved as amended.

As I understand, we have now completed dealing with recommendations 1 to 11. Mrs. Cripps, Recommendation No. 12.

MRS. CRIPPS: Mr. Chairman, I wasn't going to make any comments, but I thought I heard Mr. Speaker infer, when speaking to motion No. 8, that no more revenues would go into the Heritage Savings Trust Fund. I hope he's not suggesting that all the non-renewable resource revenue be diverted into the General Revenue Fund.

In speaking to the proposal, I think many people make the responsible decision to save as and when they can afford to, and it's simply good business and has become a Canadian tradition. Surely the public would expect the government to act in the same prudent and judicious manner in its handling of the non-renewable resource revenue. So I guess I just want to emphasize that I think there is a savings aspect to the fund and that it's important.

MR. MARTIN: Mr. Chairman, I have to oppose as I did before, because we have a different view of what the trust fund should be doing. I think some of the recommendations from the government members later on are a little bit contradictory. But I would just say that I expect the Premier has already made the decision here, by what he's been saying, and I doubt that the government members are going to go against the Premier on this.

It seems to me that in the future, if we have not diversified the economy and keep having a shortfall in terms of our general revenues, as we did last year — and I recognize that we're tied into the international oil market to a large degree — what happens is that we're not going to have a heritage trust fund unless we have another tax base. To me, frankly, the recommendation should be just the opposite: while we have a chance, we should use this as much as possible to diversify the economy so there is something in the future. I think the greatest heritage we will have in the future is a diversified economy that can provide jobs to our citizens. The savings aspect of it, we won't be able to save 10 or 15 years down the way. If this trust fund is slowly dissipated into general revenues, I suggest quite frankly that 20 years from now there will not be a legacy there.

I believe we still have time to diversify the economy, and I think how to do it is going to take some thought. There's no easy way. We are landlocked. We have a lot of things going against us in terms of diversification. But if we do not find some other industries, then I think this will be academic 20 years from now. So I would have to oppose the recommendation because, philosophically, I believe it's not just a matter of spending the heritage trust fund. I think using it wisely in terms of diversification of the economy is the crucial role of the trust fund at this time.

MR. CHAIRMAN: Mrs. Cripps, would you like to close the debate?

MRS. CRIPPS: I have to agree with the importance Mr. Martin places on the aspect of diversification, but I don't think you just drop the money in as a lump sum and say, how do you use it? I think consideration has to be given to long-term benefits for Albertans. Certainly at the present time savings is an important element in that long-term well-being.

MR. CHAIRMAN: All committee members in favor of Recommendation No. 12, would you kindly signify that approval by raising a hand. All committee members opposed to Recommendation No. 12? One in opposition and the rest in support, as I see it, so that's approved.

Recommendation 13, Mr. Moore.

MR. R. MOORE: Mr. Chairman, when we introduced this recommendation to the record, I agreed to one minor wording change; I would like to read it in at this moment. It added the words "would continue", so the recommendation now would read: that the Provincial Treasurer and the investment committee of the Alberta Heritage Savings Trust Fund would continue to explore innovative ways in which to make the funds from the Alberta Heritage Savings Trust Fund available to assist Albertans in participating in strengthening and diversifying the province's two renewable base industries, agriculture and forestry.

We discussed it at that time, and I have no more comments to make at this moment.

MR. CHAIRMAN: Just for a point of clarification, Mr. Moore, I wouldn't read this as an amendment at all. When you introduced it, you did alert all committee members that you wanted those words written into it.

MR. R. MOORE: Yes, that was so.

MR. MUSGREAVE: Mr. Chairman, I just want to caution the members of the committee. If they approve this motion, when we get into the capital projects division there are going to be some aspects of that that if you support this, you should also support that. I happen to have four motions in there, so I'll leave it to the hon. members to conduct themselves accordingly.

MR. CHAIRMAN: You're lobbying at this point in time.

MR. MUSGREAVE: Agreed.

MR. GOGO: Mr. Chairman, a question to Mr. Moore. In the last line, "the province's two renewable base industries", are those the only two we have?

MR. R. MOORE: They're the two main ones, Mr. Chairman. We have other base industries down the line, but they're the major ones.

MR. CHAIRMAN: Other views by committee members?

MR. MARTIN: I have no great problems with the resolution, but it seems to me we're being slightly contradictory to 12. Now we are talking specifically — you even mention "diversify the economy", which is spending — and we've said that we want the savings and investment objectives. Then we're going to talk about other spending items down the way, so I think as a committee we're being slightly contradictory.

MR. ANDERSON: Mr. Chairman, I support the motion. But just in answer to Mr. Martin's suggestion that they're contradictory, I don't find them so at all. In fact I feel that while saving has to be the major priority rather than spending, indeed if we can add to all those savings aspects a diversification aspect, then we're killing two birds with one stone. Where possible — where we're not going to undermine the basic philosophy of saving — we should indeed attempt to have diversification as a dimension wherever possible. So I don't find them contradictory at all. I find them complementary and, as such, will be supporting the resolution.

MR. THOMPSON: Mr. Chairman, the Member for Calgary Currie made my point.

MR. ALEXANDER: I think the point is a good one, and I want to underline it too. I don't think the proposal specifically speaks of spending. I think the suggestion is clearly investing. I think the point that was attempted to be made in No. 12 was investing as opposed to spending.

MR. MARTIN: This isn't a discussion on 12, Keith.

MR. ALEXANDER: No, this is a discussion of 13. I am reading the words, Mr. Chairman. I tend to read words carefully. I think the investment objectives, while not specifically stated in 13, have to be clearly understood.

I think this is what Mr. Moore is trying to get at when he says "innovative ways in which to make funds . . . available". I take that to mean investing; I don't take it to mean spending. On that basis, and if that's what it means, I don't have that much difficulty with it.

The point about spending, however, is well made. If the hon. member might pick up on that when he summarizes, to be clear that that's what he is talking about, then I could support it.

MR. CHAIRMAN: Mr. Moore, would you like to close the debate on this issue?

MR. R. MOORE: Mr. Chairman, the points were basically brought out. You don't go out and spend in industry; you make investments in industry in such a way that it promotes innovative ideas and growth in those areas. It is clearly a motion made not with the idea of spending but with investing in those two base industries, which is a necessary thing if we look at the long-range plans of Alberta. There will come a time when petroleum is in third place, if we believe all the information that has been coming forth in the last few years. It's a non-renewable resource.

MR. CHAIRMAN: Would those committee members in favor of Recommendation 13 kindly signify their approval by raising a hand. Those opposed, kindly signify by raising a hand. Six in favor, none opposed. That is approved.

Mr. Nelson, Recommendation 14.

MR. NELSON: Mr. Chairman, I won't make any comments on it, thanks.

MR. CHAIRMAN: I'm sorry, sir, I didn't hear you.

MR. NELSON: I won't make any comments on this.

MR. CHAIRMAN: Any further comments?

MR. THOMPSON: Mr. Chairman, this isn't being withdrawn, is it? Are we going to vote on it?

MR. CHAIRMAN: Mr. Nelson said that he wasn't going to make any comments on it.

MR. THOMPSON: I can't support this recommendation, Mr. Chairman, because I really believe it is outside the jurisdiction of the Auditor General to audit a private company. Therefore, on that basis, I would have trouble supporting this recommendation.

MR. GOGO: Along the same line, Mr. Chairman. I don't know, so I have difficulty supporting it. It seems to me that if public funds are lent to anybody, the Auditor General has some jurisdiction. If the \$200 million in Vencap is public funds, I would think somebody must oversee their auditing. If, in the opinion of some, a chartered accountant was adequate and the Auditor General wasn't necessary, fine. But I have that difficulty, if it's in conflict with the Financial Administration Act. I just don't know.

MR. ALEXANDER: Mr. Chairman, Mr. Gogo took some words out of my mouth, but I have others. I don't have any problem with the thrust of this, but I have some problem with the specifics of the wording. I am not sure that the Auditor General can have the audit responsibility for Vencap. It is my understanding that they have appointed a private auditor and, therefore, audit responsibility for the company probably belongs in the hands of the private auditor.

The difficulty with the Financial Administration Act, as I see it, is that the loan to Vencap has been structured as a debenture or a bond, which really qualifies more as an investment and therefore is probably outside the reach of the Financial Administration Act. Perhaps the proposer might address whether the wording doesn't preclude the Auditor General having some review responsibility for the auditor's report on Vencap Equities which, as a result, would bring into the purview of the Auditor General the investment by the heritage fund in the bonds of Vencap Equities.

I think the idea is good, but the way it is worded, I don't know that it can be done. Perhaps you could clarify that.

MR. CHAIRMAN: Mr. Nelson, would you like to close the debate on this issue?

MR. NELSON: Mr. Chairman, there are certain things that the Auditor General may and may not be able to do. It has been suggested that he may be able to examine the debentures to see that they are being dealt with in a proper manner. At the same time, I guess I should comment that it is a \$200 million investment of taxpayers' money and we should be able to have some reasonable expectations. Similarly, I guess, when we have a \$300 million investment into medical and scientific research, even though it is at arm's length, we should get a financial recording.

I accept the fact that we will probably see a financial recording through the company itself, as it will basically be a public company. At the same time, I think at that time we may have to raise questions as to our own investment which may have to be answered even in this House, through this committee, or through Public Accounts. So I leave it to members to decide whether this is an idea to pursue.

MR. CHAIRMAN: Would all committee members in favor of Recommendation 14 kindly

signify their approval by raising a hand. Four. All members opposed to this recommendation, kindly do so by raising a hand. Six. It is defeated.

Mr. Nelson, No. 15.

MR. NELSON: Mr. Chairman, I guess we should ask for this item to be withdrawn. I have subsequently examined it a little closer, and it should probably be dealt with by Public Accounts rather than this committee. I ask that it be withdrawn to that committee.

MR. CHAIRMAN: You wish to withdraw Recommendation 15?

MR. NELSON: Yes.

MR. CHAIRMAN: I'm not sure that we need a vote on that.
Recommendation No. 16, Mr. Musgreave.

MR. MUSGREAVE: Mr. Chairman, I would like to make this recommendation. I appreciate, though, that some members were here when the Premier was here. I would like to refer to some of the comments he made, and I agree with him. One of the difficulties I have in sitting in this committee is that the majority of us, with the exception of my colleague to the left, have more experience in recommending how to spend or invest government money than in whether it's being done wisely.

The purpose of my motion is to try to bring in some outside expertise so that we could get their opinions on how we were doing. I appreciate that the Legislative Assembly has to be responsible, and all the rest of it. But I would like to point out what the Premier said when he was before our committee on October 5. He said that there may be a specific case from time to time where an existing group could be asked or we could have a seminar of people to discuss a particular matter of investment policy. He also went on to say, for example, that there may be a matter where a question would come up about whether we should buy bonds or debentures of other provinces.

He suggested that maybe what we could do in the specific area of investment policy of this nature is refer it to a specified group, which could hold a seminar, say at Government House, where people could come and express their views. These would not be just people from the general public who are concerned about how politicians are spending their money but people who, like my colleague to the left, are responsible for investing huge sums of money and would have some knowledge and be able to express what they felt about how the fund was progressing under our jurisdiction.

I leave that to the members. I would want to change my original motion, but in view of what the Premier said, I leave it to your good judgment.

MR. ALEXANDER: I think the difficulty raised by the motion is that review committees, whether they're national or international in stature, have to have a set of defined parameters by which to make their judgments. As we have gone through the recommendations and the discussions we've had so far, I think we find there's a high political component, if you like, as well as the investment and spending programs. One wonders whether — my friend from Norwood uses the term "hybrid". It's very difficult to set parameters for an international review committee to review the fund as it's been performing so far, or as it might perform in the future, unless you could provide them with a fairly definable set of parameters. As long as those parameters tend to be as much political as they are investment parameters, I think that would be a very difficult job to do. It has been tried. As a matter of fact, I think some members of the opposition hired a group named Belden Daniels to do a review some time back. They ran into that difficulty. I think there's a lot of fuzzy line-drawing here that would make it into an extremely difficult exercise.

So I have a little trouble with the ability to define the parameters of the job for someone we might be asking to do the job. Therefore I feel kind of uncomfortable with making this as a recommendation to have an outside review committee, since we've already established at great length that that's what we're doing here. We are responsible for it. To hire a consultant to do the job is one thing, with which I wouldn't have a great deal of difficulty if I thought we could draw some parameters. But I don't believe we can, so I have a bit of difficulty.

MR. ANDERSON: Mr. Chairman, I guess my comments on the motion would be identical to those of Mr. Alexander, but I am somewhat confused after the initial comments of the mover of the motion. He said if it was to proceed, he would want to change parts of it. Is the member withdrawing the motion, amending it, or suggesting we vote one way or another on what exists?

MR. CHAIRMAN: It's my interpretation that it's the latter: that it come to this committee for decision.

Mr. Musgreave, would you like to close the debate on the discussion?

MR. MUSGREAVE: I have nothing further to say, Mr. Chairman.

MR. CHAIRMAN: Okay. Then will all committee members in favor of Recommendation 16 kindly signify approval by raising a hand. Two. All those opposed? It's rather dramatically defeated.

Mr. Martin, No. 17.

MR. MARTIN: Here we go again. I think this one is fairly straightforward. We did have discussion on it. Rather than bore people with two speeches, I'll only bore them with one at the end. So we can go ahead.

MR. CHAIRMAN: You can also close the debate, then, Mr. Martin.

MR. MARTIN: Thank you. You can't take a shot at me.

I think it's straightforward. Mr. Alexander, this is of international — there would be some problems dealing with this, but I think there is room for an in-house group that could help us with investment decisions and diversification decisions. This is certainly not a new idea. It's done in most parts of the world: Japan and western Europe, even Ontario. I hesitate to mention Ontario but, after all, it is a Conservative government, so I guess there's something.

The purpose and the idea I have here — and obviously it would take some refining — is to try to get the best minds possible, if you like, to act as staff representatives. Obviously they'd have to pay them well, but hopefully these would be people from the private sector who know what they're doing.

The other part of it — as following others, because there are different components, if you like, of the economy in Alberta — is that we're suggesting we bring in business, organized farm groups, native people, labor: all the different components that make up our economy in Alberta. They would meet periodically. Obviously they would not have the final decision, but they'd come back with reports and present them to the government, as they do in other places. It would then be up to the government to decide whether they agreed with what the economic council was saying. Hopefully out of this would be some very good ideas for the economy of Alberta in the future.

As I said, Mr. Chairman, it's not a new idea. It's done in most industrialized parts of our western economies and, from the information we've been able to gather, it's working rather well. I use Japan as perhaps the best example.

MR. CHAIRMAN: Would those in favor of Recommendation No. 17 kindly indicate their support by raising a hand. One. All committee members who are opposed to Recommendation 17, kindly indicate their disapproval by raising a hand. That's defeated.

Mr. Martin, No. 18.

MR. MARTIN: Well, I'll try again. I think this one is straightforward. I will close debate on it if there is some comment.

MR. ALEXANDER: There's nothing wrong with it except that it's impossible. I'm not sure that calling to one's aid the imprimatur of the Heritage Fund of Saskatchewan is enough, in that I'm not sure it works this way. Prior legislative appropriation — is that what's meant? I assume that appropriation of the funds from the heritage trust fund is what it means.

But to bring investment decisions before the Legislature through the legislative process, as long and as difficult as it has sometimes been, is just impractical, unless one says at the same time that you're going to limit yourself to the kinds of investment decisions that can be made by that kind of process. That in fact is what happens in Saskatchewan. And I think that what in fact happens in other jurisdictions is that if you're requiring all your decisions to be made that way, then you are narrowly confining the types of decisions that can be made.

I think that's not the kind of suggestion I could endorse, simply because it limits the kinds of things that we can do to far too few. Therefore the strategy of the heritage fund investment people as it has been implemented so far, which in my view is a good one — and I think it's been measured as such by people who talk about these sorts of things in the industry — is the best strategy, and simply doesn't lend itself to legislative review or appropriation beforehand. So I think this would have a far too sharply limiting effect on the fund and its management, if it had to have the appropriations before any investment decision was implemented.

MR. MARTIN: Maybe to save time, I accept what the member is saying. I hadn't noticed it before. Where it says "any investment decision", it would not make sense. Rather than get this defeated now, I accept the member's criticism of the resolution, because I had not looked into it. It would not work properly when we say "any investment decision". He is correct; that's not the intent of the Saskatchewan legislation. Those three words throw it out of kilter. So I would withdraw it rather than have it be defeated, because maybe the member would support it the next time I brought it back.

MR. CHAIRMAN: Mr. Gogo, is there need for you to add comments now that . . .

MR. GOGO: Just one comment. I was just going to comment that the statute provides for that now.

MR. CHAIRMAN: So it's withdrawn, Mr. Martin? Eighteen is withdrawn.

Mr. Martin, perhaps you can advise as to how we might deal with No. 19. We did deal with an earlier one presented by your caucus fellow. Would your advice be to hold that over till Mr. Notley returns tomorrow or to proceed with it now?

MR. MARTIN: No. Let me put it this way. We have enough to go on. We will deal with it today if there's time. If that's okay, we'll go through it with the members that are here. I would not hold up waiting for him, if we could come back that way. If we don't finish, then he will be here. If we finish ahead, then we'll proceed with it.

MR. CHAIRMAN: Okay, we'll put No. 19 on hold.
No. 20, Mr. Martin.

MR. MARTIN: This is the one we talked about. It's straightforward: a publicly owned and operated hazardous waste disposal facility. I'd throw it out and, if need be, close debate on it then.

MR. CHAIRMAN: You don't mean you want to throw out Recommendation 20?

MR. MARTIN: I want to open it up for discussion.

MR. GOGO: Just terminology. I guess the question to Mr. Martin, has the word "hazardous" now been replaced by the words "special waste"? I didn't know we had that term anywhere. The other question is that I thought that was being handled adequately out of general revenue.

MR. ALEXANDER: I just wonder if the member might clarify whether this facility, when it's established — if, as, and when — would be a user-pay facility.

MR. MARTIN: We do not have it right now, of course. This has been ongoing across the province. As we're aware, some people seem to want a hazardous waste and other people don't. I'm basically going by the Environment Council of Alberta, which recommended this. For your information, what they are suggesting is that it be under a Crown corporation. They suggest it should have a relationship with health and environmental regulatory agencies similar to that existing between those agencies and private industry. Then they make the point that it must have an arm's length relationship to avoid conflicts of self-regulation and to maintain public credibility.

You asked if the users would be paying for it. Frankly, on the hazardous wastes I could be convinced either way because we'll all end up paying regardless. I think the key thing we want is a hazardous waste disposal facility, and the longer we wait the more expensive it's going to be.

The reason, believe it or not, that we want it as a Crown corporation is following from the recommendations when they did the study, the key thing being safety. That's the key point they make about a Crown corporation. I respect that the private sector certainly has a very important role to play but, as they point out, the key thing here is safety. That's why we want the Crown corporation, not for an ideological reason. As far as users pay, that's one area where I might be quite prepared to look at the user paying. I guess that's something we could look into, putting the i's and t's to it, but we would like this recommended because we think we're into a very serious problem if we don't get into it very quickly.

MR. CHAIRMAN: All committee members in favor of Recommendation 20, kindly signify their support by raising a hand. Two. All committee members who are opposed to Recommendation 20, kindly signify their disapproval by raising a hand. Six. It's defeated.

Mr. Hyland, Recommendation 21.

MR. THOMPSON: Mr. Chairman, I would like to make a suggestion. I would like to make a motion, in fact. We all realize that the Heritage Savings Trust Fund has less money now than it had in the past. We've been cut back from 30 per cent to 15 per cent of non-renewable revenue. I would like to make a motion that we do not recommend that any new capital projects be initiated. So in effect what that would do is delete everything but those that deal with Farming for the Future. From my point of view at least, it has something to do with the credibility of the committee. We're sitting here, and if we already know that the heritage trust fund won't be able to initiate any new projects — I think many of these projects we have before us are admirable; I could support them

generally. But in effect I think that if we face the facts, we know we aren't going to. I really think that at this point in time we should just forget any new capital projects. Therefore I make the motion that we do not recommend any new capital projects.

MR. ANDERSON: Twenty-one to 35?

MR. THOMPSON: Twenty-one to 35, excluding 22 and 23. There may be one in there.

MR. CHAIRMAN: Mrs. Davidson, do you have the wording of that, then?

MRS. DAVIDSON: I have two wordings. One, you had that you move that we do not initiate any new capital projects.

MR. THOMPSON: Not including Farming for the Future recommendations.

MRS. DAVIDSON: Recommendation 33.

MR. CHAIRMAN: No, 22 and 23.

MR. GOGO: Could that read then that we not consider recommendations 21 to 35, except 22 and 23. Is that the same thing?

MR. CHAIRMAN: Mr. Alexander and then Mr. Martin. We are now talking on this motion of Mr. Thompson's.

MR. ALEXANDER: Mr. Chairman, I'd like to support Mr. Thompson's motion for many of the same reasons and perhaps one or two others. Not only are we into a situation where there is a large transfer of revenue to general revenue, and therefore the fund does not have the capacity to go on spending money; in some cases, unless there are some transfers or some switches made, even in much further investment. So I agree with the speaker in terms of the credibility of the committee sitting here examining many recommendations in detail, because they don't meet adequate investment goals or parameters. That's one of the reasons I asked the question in item No. 20. I'm not in favor of spending money on a hazardous waste disposal facility if it's just spending, whether the member perceives it's for safety's sake or for something else. Crown corporations have no greater record of safety that I know of than any other corporations. But never mind that.

The point is that we can't continue to spend money, which is what most of the recommendations from 21 to 35 do, and I say "most" because I want to differentiate those that don't. So if we're going to continue talking as though we are an investment committee, purporting to measure the merits of investments, looking for information to protect the public purse, and all that sort of thing, the items that we suggest ought to at least have the merit of being good investments which will yield a return to the fund, which is what it needs at the moment and probably will need in the near future. Since items 21 to 35 essentially involve spending, I think it would be a great saving of time, absolutely no loss to the general public of Alberta, and certainly consistent with much of what has been said in the committee so far, to simply say that as a category the capital projects investment division things be passed for the time being and no further recommendations for spending be made. Since most of them, as I say, don't have an investment element attached to them, I support Mr. Thompson and strongly recommend that other members do so as well.

MR. MARTIN: Again, I think we have to come back to what we're talking about in terms of spending and investments. I would suggest that we had it all screwed up. We were

building like crazy at the time the private sector was active in this province. Of course, that's why we had a lot of overruns. Now is the cheapest time to get on with some of the needed things. I would agree that I wouldn't support some of these things in here because I do not think we need them. But in terms of investments, if I can put that word, I think we can look at some things we're going to need in the future. Now is the cheapest time to do it, and I remind members that there are able bodies out there. We have high unemployment. A lot of small companies that are possibly going bankrupt are ready to get on with the work. I don't think now is the time to revert to R. B. Bennett economics. It did not work in the 30s; it's not going to here.

Let's look at things as an investment, if we like. Let's go through them and look at the things that could be considered investments that we're going to need in the future. I agree that we can afford to postpone some of them at this point. But there are things that we're going to need in the future, it's clear. Probably now it would be a good investment, because in the future they'll be a lot more expensive. I suggest to members that many of these things we would not want to do. If the private sector comes back into the province when things are, if not booming, at least on that side of the ledger, then these things are going to be much more expensive. That's not the time when we need a lot of public investment. We did it ass-backwards when we were in boom times, and it cost us a lot of public dollars.

Let's look at each project in terms of, would it be an investment for the future or would it be spending? I think we could go through and look at each one of these individually.

MR. R. SPEAKER: Mr. Chairman, I am speaking in favor of the motion as put. When we review the capital projects division and look at the various projects, there are the millions of dollars that have been committed on an ongoing basis to either complete those capital projects or to continue a program until, at some point in time, a political decision is made to stop certain capital works, such as irrigation rehabilitation, and there are others. So we have ongoing commitments that require new funds from the heritage fund.

When we look at 1983-84 at the present time, our resource transfer of 15 per cent into the budget is around \$.75 billion; we look at the heritage investment income of \$1.5 billion; and we look at last year's budget deficit of some \$800 million and a special warrant of \$200 million: we can recognize that there would have been a deficit of over \$3 billion in our 1983-84 general revenue budget. It may go up or down. I don't know what the end result will be. But the demand was on the Heritage Savings Trust Fund. It was necessary to allocate funds in that direction to meet that 1983-84 deficit.

Our next budget that we will pass in this Legislature, for 1984-85, will need all the oil and gas resources revenue in this province to meet the deficit, because the deficit, with the continued expenditure pattern that we now have, will be at least \$3 billion. It may be more, because earnings on oil and gas could be down. The earnings of the Heritage Savings Trust Fund could be down. As I say, the result is the deficit will be up. A lot of this is determined by what kind of government cutbacks will be made in the spring Legislature. I haven't had any indication of that at the present time.

As I look at this, we are at a point in time when the Heritage Savings Trust Fund — I hope it can live and grow with its own earnings. But in terms of diversion of more revenue from oil and gas, I think that period of time is limited. We might get by the spring session. But within the next one or two fiscal years, there won't be any diversion into that fund. We can talk about quick upturns in the economy or the oil and gas industry, but we can't turn it around that fast. We may hold the position for the next one, two, or three years and then go up, but not as quickly as some people predict.

To me that's the writing on the wall; we have to accept that. Mr. Thompson's motion is well put, and we are responsible legislators, I think it should be accepted. If we want to be partisan and political, and list a number of pet projects that we have and say there

are reasons why we can't do it, we can do that kind of thing. But I don't think it's the time to mislead the general population of Alberta that we can initiate a number of new capital projects from this Legislature via the Heritage Savings Trust Fund.

MR. MUSGREAVE: I have a question, and I want to make a statement. I assume that when the person moved the motion, the reason he wanted 22 and 23 left in was that it is a continuing program rather than a new program.

Mr. Chairman, the reason I made my recommendations is that I agree with what the Member for Little Bow just mentioned. I agree with everything he said; however, the reason I made my recommendations is that I think we have to change direction. We have to put less money into Alberta housing, for example. I mentioned the technology foundation and things of this nature. We have to start doing more of those things. What I am saying in effect is that we are not going to have any more money to spend, and we've got to quit spending the kind of money we have been on some of the things in the past.

MR. ANDERSON: Mr. Chairman, I frankly have gone back and forth since the debate started in terms of which way I'm going to vote on this motion. I agree completely with the analysis that Mr. Speaker made very well and with the reasons that Mr. Thompson gave for initiating the motion.

However, I think the last statement made by Mr. Musgreave is quite convincing: that indeed we should look at any of these in terms of, if we initiated them it would require a cutback in other programs. I would not see any recommendations this year for new programs. That would be impractical. But any suggestions that I would support, I would do so looking at the long term and what could take place down the road if we in fact cut back on investments in areas that Mr. Musgreave and others mentioned, like Alberta housing.

I am going to reluctantly vote against the motion. I believe we have to let the public know, as we all know now, that the fund itself does not have room for further investments at this time. Members have put a fair bit of time into developing motions 21 to 35, and I think we should discuss those in light of future possibilities. But I certainly agree with the intent of the motion and with the statements made in support of it: that we have no funding available for special projects until we look at either readjusting those funds or finding some new source of funding.

MR. MARTIN: Just one other point. I understand and am perfectly willing to concede that there are a lot of things that we don't need. I think we need to look strictly at whether it is investment for the future or just spending. I would be quite prepared to go through it and look at it that way.

What is happening in Alberta right now — I don't know how else we are going to stimulate the economy, frankly, unless OPEC and the price of oil pulls us out somehow. When I look around, I see a lot of businesses going under. I see foreclosures all over the province. I see a growing unemployed. How are we going to deal with that, not only from the human element but economically? How much money are we really wasting if our welfare budget, unemployment insurance, and all the things that are non-productive, go up? That's going to come out of our general revenue, if you like, and general revenue is then going to have to borrow more from the heritage trust fund. So all I'm saying is that we can come at it in two different ways.

The reason I would say, rather than this blanket motion — I cannot support it. Let's look at each thing individually in terms of whether it would be a good investment overall, taking into consideration that if we don't somehow stimulate the economy here, we are going to have fewer and fewer people paying taxes, more and more people on the dole, and more and more small businesses especially going out. That's the alternative we have to look at. That costs you billions of dollars also, and eventually that comes from the

public treasury, too. I would much rather err on the side — especially if it's a practical project that we have to get on with, that we know we're going to need — of keeping businesses going and people working. I think that's why we should look at it individually rather than in a blanket way like this.

MR. CHAIRMAN: Mr. Thompson, before we ask you to close the debate on your motion, Mrs. Davidson and I have been comparing notes. The best interpretation we have for the wording of your motion is that it's our understanding that you're recommending that no new capital projects be initiated except Farming for the Future and that recommendations 21 to 35 be defeated or withdrawn except for recommendations 22 and 23. We're not sure if the motion is defeated or withdrawn at this point.

MR. THOMPSON: Defeated, I guess I should say.

MR. CHAIRMAN: If I reread that again, then, this is what you're saying. The recommendation by Mr. Thompson is that no new capital projects be initiated except Farming for the Future and that recommendations 21 to 35 be defeated except for recommendations 22 and 23. That's what it is.

Mr. Thompson, you can close the debate on that motion.

MR. THOMPSON: Mr. Chairman, Alberta had a deficit of \$2 billion last year, and we're going to be close to \$1 billion this year. The people of Alberta are not used to having their government go down the path of deficit financing. In fact in my constituency I would say that I get more questions and concerns on this issue than I have on anything else. We have gone on an official program of restraint, and I believe it's right. All I say is that for the credibility of this committee, if we sit and say, yes, we're for restraint except for . . . , and we as a committee start approving recommendations to initiate new programs at this time, I feel that at least some of the credibility of this committee will be lost.

MR. CHAIRMAN: Committee members who are in favor of the motion put forward by Mr. Thompson kindly signify your approval by raising a hand. Four. Committee members who are opposed to the motion put forward by Mr. Thompson, kindly signify your disapproval by raising a hand. Five. So it's defeated five to four.

Mr. Hyland: Recommendation 21.

MR. HYLAND: Mr. Chairman, I didn't know when I'd start to talk on Recommendation No. 21; I would have started that.

I think it's self-explanatory in that when I initially moved the motion, I commented that it would become effective at a time when fiscal times were better, in that money was available for it, and that's when I would expect it to take place. I still hold that same view.

MR. CHAIRMAN: I think, Mr. Hyland, you can also close the debate. No other members have indicated their desire to speak further on this recommendation.

MR. HYLAND: It's closed now.

MR. CHAIRMAN: Would all committee members in favor of supporting Recommendation 21 kindly do so by raising a hand. Two. Would all committee members who are opposed to Recommendation 21 kindly do so by raising a hand. Defeated, three to two.

MR. R. MOORE: Mr. Nelson had another commitment he had to go to a few moments ago, and asked me to convey to the committee his wish to withdraw Recommendation No. 22, inasmuch as it is practically the same as 23.

MR. CHAIRMAN: Okay. Recommendation 23: Mr. Musgreave.

MR. MUSGREAVE: Mr. Chairman, I'd like to suggest a couple of minor changes in the last part. Take off the "s" from the "Agriculture Councils", and add the words "and its committees" after the word "Council". So it would read: that there be a continuation of the Farming for the Future research program with specific time intervals and amounts to be established by the Agriculture Council and its committees so programs are effective within reasonable time limits and money limits.

MR. CHAIRMAN: Okay.

MR. MUSGREAVE: I'm sure Mrs. Davidson will look after that.

MR. CHAIRMAN: Would all committee members in favor of supporting Recommendation 23 kindly do so by raising a hand. Five. Would all committee members opposed to Recommendation 23 kindly signify their disapproval by raising a hand. Carried.

Recommendation 24. Mr. Moore, is this a similar procedure? Are you speaking on Mr. Nelson's behalf?

MR. R. MOORE: No, he didn't indicate to me that he was withdrawing this one. He made no indication of his wishes.

MR. HYLAND: On a point of order, I wonder if we can do the same thing with those we did with Mr. Notley's motions, and see what time restraint brings.

MR. CHAIRMAN: We'll hold 24, as we've already held No. 19. Mr. Martin, perhaps you can assist me with Recommendation 25. Would you like that held as well?

MR. MARTIN: Yes. That one I don't want to touch at all.

MR. CHAIRMAN: Mr. Moore: 26.

MR. R. MOORE: I think we went over this one very well when it was introduced into the record. The only thing I would add to it is that this is a long-term involvement. It isn't indicating expenditure in the next year, because I agree wholeheartedly with the people who spoke on Mr. Thompson's motion. The money just isn't there now. But in the long-term view of it, we should be looking at hydro-power development.

MR. CHAIRMAN: I think you also have the privilege, Mr. Moore, of closing the discussion.

MR. R. MOORE: I opened and closed it in the last few comments I made.

MR. CHAIRMAN: Then would committee members in favor of supporting Recommendation 26 kindly signify their approval by raising a hand. One. Committee members opposed to Recommendation 26 kindly do so by raising a hand. It's defeated.

No. 27 is being held as well. No. 28: Mr. Martin.

MR. MARTIN: I have an idea how this might go, but I'll close debate on it.

MR. ANDERSON: Mr. Chairman, I've been quiet on the other ones that I haven't voted for, and I want to make it clear that in not voting for some of these excellent projects it is in fact for the reasons that have been outlined previously by Mr. Speaker and Mr.

Thompson in particular. We don't have the funds. So any that I do support I will be doing so from the vantage point of long-term planning and the priorities that I see in terms of those coming first, and I assume members will do the same.

This one gives me a great deal of difficulty, because a couple of years ago I certainly supported a similar motion for funding of LRT. I strongly support the need for expanded systems in Calgary and Edmonton, though I think the need has been reduced somewhat with the reduction of the influx of individuals into those two cities, particularly in mine. I might have supported the motion had it read "consider in the long term". But since it deals specifically with the here and now, and I don't know where we would get those funds, with great reluctance I would have to oppose it, though again I support the concept of LRT and have for years in this Legislature.

MR. GOGO: Mr. Chairman, I think the recommendation is worded wrong. I think it should read that the committee recommends substantial trust fund investment in addition to the already substantial investment made by the province of Alberta in expansion of

...

I won't support it for the very reasons given, that I don't think we should be undertaking — and I can be very sympathetic with the arguments of Mr. Martin that, hey, if you don't do it when prices are low, it's going to cost your right arm when you do. But I can't support it, based on what the Member for Edmonton Whitemud said earlier.

MR. ALEXANDER: I'd just like to add that too, because my friend from Norwood is fond of bringing this sort of element of clairvoyance to the discussion. I might point out that he's been talking about taking advantage of low costs now for almost nine months, since I've been listening, and costs have been falling steadily.

I think it's anything but clear that costs are now, or will be in the near future, at their base. So it is not at all clear to me that we are in fact taking advantage of lower costs, or else we're not clear as to what that means. It does mean that costs are probably lower than they would have been two years ago or a year ago, but it is not necessarily to say that there's a lost cost advantage if we don't do this right now. There's no question that there's a stimulating effect, in terms of stimulating business and employment as a consequence, if it could be undertaken, but I guess one could say the same about megaprojects and dozens of other things. If the funds were available and the market was there and the demand had not in fact been reduced, as Mr. Anderson so rightly pointed out, then they would make economic sense.

I just wanted to speak to that other element of suggesting that we "take advantage of lower costs". It's not clear to me that costs are at their lowest point and that that's a factor. It's reality we have to face.

MR. CHAIRMAN: Mr. Martin, would you like to close the discussion?

MR. MARTIN: Yes, thank you, Mr. Chairman. I take it that the Member for Edmonton Whitemud is predicting a more severe recession for Alberta, and if it keeps going things will be even cheaper. I'm sure we'll all be interested in that. The point I'm making I have been making for nine months. You don't just immediately pass something and then get into it. The person is well aware of that. If we did something here now, it would probably take a year to realize what you were doing in terms of getting it on board. I guess he might argue that things are going to get worse and it will be cheaper yet. But I expect I'll hear the same argument again — that we can't afford it.

I just say that this is one of the things we need to do. We can look at it in an economic sense. I suggest that these things put people back to work. They put a stimulus to business, as the member recognizes, and it's necessary to do this now. I hope this might help, in a small way admittedly, along with other things, to turn it around somewhat for people in businesses. I recognize that it's not an end-all and be-all, but

again I am talking about the long term.

I recognize that the population isn't going to go up as much as it was in the boom period and the predictions there are wrong. But I think we know what happens, and we use Houston as an example. In the long term, we're going to need this type of movement of people. Again, to speculate that the recession is going to get worse and that it would be cheaper — if the member is saying let's wait until it's even cheaper and then we'll get on to it. I don't think that is what he's saying, but that's the impression you might leave.

I think it's a long-term investment. I do not see the point of public investment when the private sector is going well, when we say we can afford it. Costs skyrocket then, and we know that. It seems to me that the logical time is now. I'm told by people that this is one of the reasons the West Edmonton Mall expanded. He's found that the contractors there are coming in some 30 per cent less than they did a year ago. This is why they're going into the expansion there. I think he's probably a very shrewd businessman. I don't see why we can't be as shrewd; that's all. I see this as an investment, not as spending. We will be doing it at some point; that's clear.

MR. CHAIRMAN: It's not been our tradition, Mr. Alexander, that after an hon. member closes the debate, another member can get into it. I should be guided by the committee members here. You would be the first one to violate that principle.

Would committee members who are in favor of supporting Recommendation 28 kindly signify their support by raising a hand. Would committee members who are opposed to Recommendation 28 kindly signify their disapproval. It's defeated.

MR. ALEXANDER: Mr. Chairman, I only wanted to raise a point of order.

MR. CHAIRMAN: Oh, I'm sorry.

MR. ALEXANDER: When the hon. member closed by citing me wrongly, I felt it was worth closing the discussion properly. I did not and do not predict a worse recession. I might point out to the member that low interest rates and low inflation rates can both lead to economic recovery and lower costs of doing business at the same time. "Lower" does not mean the recession is going to get worse. Since it's on the record that he said that I thought the recession was going to get worse, I don't want anybody to accuse me of saying the recession is going to get worse and get away with it. So I'm not going to let him get away with it.

MR. CHAIRMAN: Mr. Alexander, I apologize to you for not clarifying that it was a point of order.

MR. MARTIN: I didn't mean to hurt the hon. member's feelings.

MR. CHAIRMAN: Nos. 29 and 30 we will hold. No. 31: Mr. Martin.

MR. MARTIN: I'll close debate on it. I know what the answer is; there's no use wasting a lot of time. Go ahead.

MR. CHAIRMAN: Will all committee members who are in favor of Recommendation 31 kindly signify their support for it by raising a hand. Two. Would committee members who are opposed to Recommendation 31 kindly signify their disapproval of it by raising a hand. Six. It's defeated.

Mr. Musgreave: No. 32.

MR. MUSGREAVE: Mr. Chairman, with the way this committee is moving, I would not be prepared to enter into any debate other than to say that if we did recommend the

spending of this \$100 million, with it we should also be making recommendations of cutting \$100 million from some program, and I'm not aware which program to suggest right now.

MR. ANDERSON: Mr. Chairman, assuming that this is a long-term objective, from Mr. Musgreave's remarks that we first have to find something to cut, I'm going to support this motion, but making it clear that it is with that assumption. For me, a very high priority for the fund should be technological research. I think both this motion and motion 33 are excellent directions to take in that regard. When we have the funding to do that, I support them.

With those caveats, I'm going to support 32.

MR. GOGO: Mr. Chairman, I'm encouraged by the proposal, on the condition that all those funds we now spend on science and technological research at the universities would go into the fund. I would have no trouble with that at all. If the member would care to make that amendment, I'd support him.

MR. ALEXANDER: I'd like him to tell me, perhaps in his wrap-up, what he means by promoting development of science, engineering, and new technology. I'm not sure you need \$100 million to promote it, since that kind of research can and is being done most effectively by the private sector. It sounds to me like he's suggesting that the fund establish a \$100 million organization which will do the research. In that case, I couldn't support it. If he's talking about promoting it so that other people may do that research, which I think is already largely being done or could be enhanced without the \$100 million attached, then I wouldn't have any trouble with it either, because it sure needs to be done.

MR. CHAIRMAN: Mr. Musgreave, would you like to close the debate?

MR. MUSGREAVE: There has been a proposal made, Mr. Chairman, co-authored by the science and engineering faculties of the universities of Calgary and Alberta and also the university in Lethbridge, who have jointly sponsored this suggestion. They had asked, and I hope committee members are listening carefully, for \$300 million to do what I'm suggesting here. What they were after was something similar to the medical research foundation of the heritage fund. Unfortunately, the universities don't have enough money to do all the things, particularly to get science and technology into the market place. They have lots of money — no, they don't have lots of money. Their funds are primarily directed to pure, not applied, research and not taking it into the market place. You hear about Silicon Valley and things of this nature. What's happened in those areas is that private investment has taken the ideas out of the universities and put them into the market place, and proceeded from there.

So what we are really talking about here is an opportunity to take the kinds of people from the university and establish ways and means of developing new technologies that can be used by industry in our province. As I said earlier, unless I could come up with a suggestion — and I don't have one now — of where we could get the money, I would just leave it in the committee's hands.

MR. CHAIRMAN: Mr. Martin, is this on a point of order?

MR. MARTIN: No.

MR. CHAIRMAN: Mr. Musgreave has closed the discussion.

Committee members in favor of supporting Recommendation 32, would you kindly indicate that support by raising a hand. Committee members who are opposed to

Recommendation 32, would you kindly signify that disapproval by raising a hand. It's defeated.

Mr. Musgreave: Recommendation 33.

MR. MUSGREAVE: Mr. Chairman, what I am attempting to do here is — again, it is a problem of getting additional funds. In the heritage fund in the province of Saskatchewan, they have a small portion of the fund that goes directly to certain specific projects, which in effect takes ideas out of their research council and into the market place. What I am suggesting here is that if there was a particular endeavor that would be attractive but was short of a specific amount of money, this would be an opportunity for the fund to make an investment in that particular enterprise. That is, in essence, what I am suggesting.

MR. MARTIN: The reason I voted against 32 is similar to why I am voting against 33. I think there might be some good ideas there, but I feel what we get into is ad hockery, that we don't have an overall plan of where we're going. If there was an overall plan and we said, gee, there might be a need for high tech — many people say we have already lost out on high tech because of Japan, and it's too late — then I would be prepared to support it.

There may be some ideas here, but I do not like ad hockery in terms of: this is a good idea, maybe we should set up this council; this is a good idea, maybe we should set up this council. If we had gone back, if you like, to an economic council and were organizing a plan, as they do in Japan and many other places, this may fit in. Without that, I don't know. I'm not prepared to vote favorably on it for that reason.

MR. R. SPEAKER: If we believe in the market place, if the idea is good, and with the interest rates as they are today, I would think that capital can be raised to put the idea into the market place. I don't see it as a high priority. My earlier arguments still hold with regard to capital expenditures at this time.

MR. MUSGREAVE: A couple of points. I agree with the hon. Member for Edmonton Norwood; we're not going to try to imitate Japan. That would be foolish. But we do have primary industries here — forestry, agriculture, and petroleum exploitation, to name three — and those are our areas of strength. None of those exists in Japan. They have to import all of those, and those are the areas where we should be developing our skills.

I agree with the hon. Member for Little Bow; there is money available in the market place. However, there is no money available in the market place to take ideas or inventions from the pilot stage into the area where you can then apply for venture capital. There is that sort of in-between stage. The venture capital organizations or companies look at what your potential is, what you have in place, and what your earnings might be. But you have to get it out of the lab and into the market place. This is what I was really getting at here.

MR. CHAIRMAN: Would committee members who wish to support Recommendation 33 kindly signify their approval by raising a hand. Three. Committee members who are opposed to Recommendation 33, kindly signify that disapproval. It's defeated.

No. 34: Mrs. Cripps.

MR. HYLAND: It's defeated.

MRS. CRIPPS: Mr. Hyland says it's defeated.

MR. HYLAND: If they can't pass mine, they can't pass yours; it's more expensive.

MRS. CRIPPS: In my opening remarks on October 4, I said that both motions 34 and 35 are long-term motions, and I recognize that there are going to be no immediate new expenditures out of the fund. However, in the long term I would like them to be given consideration for the future.

MR. CHAIRMAN: Would committee members who are in favor of supporting Recommendation 34 kindly signify that approval in the appropriate manner. Committee members who are opposed to Recommendation 34 kindly signify your disapproval. It's defeated.

Mrs. Cripps: 35.

MRS. CRIPPS: My comments on 34 would fit into 35 also.

MR. CHAIRMAN: Will committee members who are in favor of supporting Recommendation 35 kindly signify their support by raising a hand. Three. Committee members who are opposed to Recommendation 35 kindly signify. That's defeated six to three.

We will hold 36. Mr. Anderson: 37.

MR. ANDERSON: Mr. Chairman, I have no initial comments other than those made at the past meeting.

MR. ALEXANDER: Mr. Chairman, at the last meeting I raised a question which I would like to raise again. Is the member suggesting that we endorse the use of moneys from the fund for interest rate shielding programs which have already taken place and have been completed, or are we endorsing the principle of interest rate shielding programs, which would therefore open the door to similar ones in the future? Perhaps he could just clarify that in his remarks.

I could support the resolution if it's an endorsement of the programs that are already in place. But I would have trouble with it if it is suggesting that more non-market rate programs be endorsed by the committee.

MR. MARTIN: I think I know the answer, and I will make a similar point. If the case is that he's not talking about the future — and if I remember Mr. Anderson's answer, it was clear that he wasn't talking about the future — then I say it's redundant. If they want to congratulate each other, the caucus is the appropriate place to do it. Why do we need a resolution to congratulate the government for something they've already had an election on and is over with?

MR. R. SPEAKER: 75 out of 79.

MR. MARTIN: Yes, that's congratulations enough.

If it was in the future — if he has changed his mind and we are looking at something in the future — then I would like to make some more comments. I am going on his word that it was in the past.

MR. ANDERSON: Mr. Chairman, yes, as with the last meeting — and I haven't changed my mind — it deals with previous decisions made regarding the fund. To reiterate, the purpose is not to congratulate but rather to ensure that this committee supports the concept, which it didn't have a chance to deal with a motion on prior to that program taking place.

I think it is evident that it has helped Albertans to a great extent — hundreds of thousands in terms of homes and businesses. Personally I support it. But this motion gives us a chance to accept or reject the concept as a Heritage Savings Trust Fund.

MR. CHAIRMAN: Would committee members who support Recommendation 37 kindly indicate that support by raising a hand. Four. Committee members who are opposed to Recommendation 37 kindly signify that. It's four in favor and four against. The chairman will vote in favor of Recommendation 37.

Recommendation 38 — Mr. Nelson is not here. We'll hold that.

Mr. Martin: Recommendation 39.

MR. MARTIN: It's, again, not spending — if I can use that word — but increasing the allocation of funds to the AOC to \$500 million and getting rid of the policy of a lender of last resort. The purpose is straightforward. We're in difficulties, and I've talked about them already. A lot of smaller businesses are having difficulty. I'm sure all members hear from them all the time. We have the money, and I don't consider this spending. I believe this would stimulate the economy and keep some businesses going. I think that's the main game in town right now: keeping established business going, so we don't have a more severe recession and more and more unemployment. If there is an advantage to having had the good times and the heritage trust fund, surely this should be one of the advantages to people now, to be used in a stimulative aspect.

People asked before about the AOC. If I had my way, I would have totally abolished it and dealt through the treasury branches, but I know that's not going to happen. So I am hoping that we could increase the role, if you like, of AOC so it could act in some stimulative fashion. Again, it's not the end-all and be-all. It's not going to dispense with all our economic problems, but I think at least it would be a step in the right direction.

MR. GOGO: Mr. Chairman, if the proposal were to end halfway through, I'd have no trouble supporting it. If I could believe for one moment that we could get the chartered banks or the line banks to act what I call responsibly in terms of lending policies in other than the major cities, there'd be no need for AOC. But as long as that's not going to happen — and they've been here since Jesus Christ was crucified, and I tend to think they're going to be here a lot longer — I would say that the strength of AOC is as a lender of last resort, and I would vote against the proposal.

MRS. CRIPPS: I have to disagree with Mr. Gogo's remarks, because I don't think the strength of a lender of last resort, lending low-interest money against businesses who are competing in the same environment, is fair in any way, shape, or manner.

MR. MARTIN: I'll be very short. The reason to go to last lender, people have told us, is almost guaranteeing that you're a failure before they'll look at you. The facts are that the banks are not acting responsibly and as legislators we have to use, if you like, the vehicles that are there for us. Surely the heritage trust fund, with AOC, is one thing that we as legislators do have some control over, some way that we can help keep some businesses viable through these tough times and keep people employed.

My suggestion is that we look at it in terms of increasing funds. Because I think it would create some problems as a lender of last resort, because a lot of established businesses probably wouldn't fall into there necessarily, and they need the money — when I talked to some specific businesses I'm dealing with now, they're not doing well at the banks — I would suggest that at least for the time being this lender of last resort be dispensed with and we increase and stimulate the economy through this way.

MR. CHAIRMAN: Will committee members in favor of supporting Recommendation 39 kindly indicate your support by raising a hand. One. Committee members who are opposed to Recommendation 39 kindly indicate your disapproval. It's defeated.

Recommendation 40 will be held, as will Recommendation . . .

MR. HYLAND: Mr. Chairman, on a point of order. It appears that all the way down to 46, the members aren't present any more. So do we deal with 47, or do we adjourn till tomorrow?

MR. CHAIRMAN: I was just going to say that we're going to hold 40, 41, 42, 43, 44, 45, and 46.

Mr. Speaker: 47.

MR. R. SPEAKER: Do you want to hold that until tomorrow? It's a fairly significant one.

MR. CHAIRMAN: Do committee members feel that we should adjourn at this point?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Anybody opposed? Then we'll reconvene tomorrow morning at ten o'clock sharp.

[The committee adjourned at 4:50 p.m.]

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