

[Chairman: Mr. Kowalski]

[10 a.m.]

MR. CHAIRMAN: Good morning, ladies and gentlemen, and welcome to another meeting of the Standing Committee on the Alberta Heritage Savings Trust Fund Act. We have appearing before us this morning as a witness the Hon. Bill Payne, Minister without Portfolio. But prior to introducing Mr. Payne, I would like to reaffirm with committee members what we agreed to last week. We'd indicated that at the conclusion of our discussion with Mr. Payne this morning, if it terminates prior to 12 o'clock, we would begin the second viewing of consideration of recommendations and would continue that process this afternoon beginning at 2 o'clock, working towards a time frame of 4 o'clock. In addition to that, we also have to bring to a conclusion dates for a view of irrigation facilities in the southern part of the province of Alberta. We will do that either this morning or this afternoon.

So, Mr. Payne . . .

MR. R. SPEAKER: Mr. Chairman, before we go on to Mr. Payne, I am wondering if I could raise another item that I think is of interest to the members as well. I would like to make a request of the committee that Mr. Hyndman reappear before the committee. My arguments in making that submission would be two basic ones. I'd like to move that Mr. Hyndman reappear before the committee as soon as possible.

The first reason is with regard to the fact that Mr. Hyndman made a request and came on a volunteer basis to the committee. I think that was very commendable, and I'm very supportive of that matter. The short notice of his appearance was within 36 hours, and we as committee members had to prepare on very minimum information and, as well, on that short notice. I found myself in the committee more as a listener and an observer as to what was happening at that time, rather than being able to ferret out some of the information that I felt may be necessary or relevant in terms of public awareness.

Since I received the transcript of those minutes this morning and have had the opportunity of reviewing them, I find some interesting things in the minutes and would like to develop my questions further and feel that

the presence of Mr. Hyndman would be the appropriate thing.

The second reason for raising this request is that since the hearing of September 4 with Mr. Hyndman, some new information has been brought to the attention of the public, and certainly other information to me privately, with regard to the matter. I'd like to raise three examples for the committee's better understanding of my request. First of all, as of today and yesterday we are advised that the six major banks, who were very influential, as Mr. Hyndman indicated in this committee, withdrew deposits over the summer. Indications are that this is part of the reason for the collapse. I would certainly like to know more about the minister's awareness of that and what influence that may have had on some of the decisions the minister may have taken over the summer period since the March decision to invest \$60 million of Alberta taxpayers' money, which at present is under jeopardy and may be lost.

The second matter of new information is with regard to a review of some of the financial statements of the Canadian Commercial Bank. Looking over the past few years, as to what kinds of deals or purchases or investments they made, I note one, as an example, where they made a purchase of a financial institution in the United States and gave an amount of \$18 million toward goodwill. This institution had liabilities much greater than the assets. I raise the question to the Provincial Treasurer: was he aware of those kinds of things? How did that influence his decision? So his presence would be necessary to find out more information as to what he knew about the Canadian Commercial Bank and what he had done in terms of investigating it.

The third reason, and a very significant reason, is an interview that took place on September 9, 1985, between CFCN radio television and Mr. Jack Pierce, presently of Ranger Oil. The interviewer was Mr. Russell Oughtred of CFCN. Mr. Pierce, through his own admission, was a founding director of the Canadian Commercial Bank, I believe for two years, but resigned five or six years ago. Mr. Chairman, I'll make available to the committee the transcript of this interview.

Mr. Oughtred asked Mr. Pierce this question about his leaving: "Did you also indicate to the provincial government why you were leaving?"

In answer, Mr. Pierce: "Well, I didn't but Chip Collins, who was, and I think still is, deputy provincial treasurer, phoned me. He was in a state of shock over it. He said, 'Why did I resign?' So I told him just what I told you."

In the interview Mr. Pierce indicates that he felt there was some very poor management going on, that transactions were going on that shouldn't be done by the bank. In the conclusion of the interview Mr. Oughtred asks again: "At this point what is needed to get to the bottom of Canadian Commercial Bank? Would a criminal investigation serve any purpose?" Mr. Pierce said, "That would be my suggestion."

The indication through that interview is that the matter is very serious and that the government was notified some five or six years ago that the conditions in the Canadian Commercial Bank were unacceptable and should have been investigated. My questions to Mr. Hyndman, as the Provincial Treasurer: were those investigated by him or someone else? What was the sum total of the investigation? Did Mr. Collins, who was Deputy Provincial Treasurer, bring that matter to the attention of the government? If not, why not? That matter, I feel, should be pursued.

Mr. Chairman, I believe that on the basis that Mr. Hyndman asked to air this matter through the Heritage Savings Trust Fund, we as members of this committee should certainly have him back to continue to air the matter, so that we are satisfied and so that the general public has a good hearing in terms of the matter.

MR. CHAIRMAN: Members of the committee, we have a motion proposed by Mr. Speaker. Is there a seconder for this motion?

MR. GOGO: I'll second it so we can discuss it.

MR. CHAIRMAN: Thank you. Now that we have a seconder, we'll proceed to a discussion on the merits of the motion. I have Mr. Thompson, Mrs. Cripps, Mr. Gogo, and Mr. Gurnett.

MR. THOMPSON: Thank you, Mr. Chairman. Before we discuss the motion, I'd like to ask the hon. member a question. What time line is he proposing or does he have in mind for this meeting with the Provincial Treasurer?

MR. R. SPEAKER: In answer to the request, Mr. Chairman, my motion said "as soon as possible". I would think that into next week would be quite appropriate.

MR. THOMPSON: In light of that, Mr. Chairman, I would have to oppose the motion, because I really think this whole thing is just starting to unfold. It seems that every day there's a new page on it, and I really do think that until a lot more facts are made known — the thing has to settle down a little bit. There's an investigation going on, and until the investigation is completed, to some degree at least, we could be having Lou Hyndman in front of this committee every week. So I would oppose the motion on that basis.

MRS. CRIPPS: Mr. Chairman, I was going to raise the same point as Mr. Thompson. Unless we have more information about the activities of the major banks and are able to get that information, any discussion we would have on this issue would probably be premature. As a member of the Legislature and as a member of the public, I'm very concerned that all the information be made available to all Albertans. Under the Bank Act, I don't believe we would have access to the information that Mr. Speaker talked about in his third point, and if we're having a hearing into this matter, I hope we will not do it until we have total access to that information. I don't know how we get it under the present Bank Act, unless we can do it through the federal government.

MR. GOGO: Mr. Chairman, it was good of the Provincial Treasurer to request a meeting with this committee. As it turns out, surely it would be inevitable that this committee would have called Mr. Hyndman, in view of what has happened. I would support Mr. Speaker's motion, except I believe that to save everybody time — and this would go along with what Mr. Thompson has said — perhaps you as chairman could either write to Mr. Hyndman or have whatever pertinent questions Mr. Speaker has in mind. Depending on the answers of Mr. Hyndman, we could then determine whether he should come. I don't want to see him waste his time either, but I do think that the importance of the topic, involving Albertans' money, is sufficient grounds for Mr. Hyndman to consider coming back.

MR. GURNETT: In many ways I agree with the comments that have already been made, Chairman. I certainly think that this motion is a beginning of a process, in view of the anxiety, concern, and lack of information that the public in general senses they have about what's happened. I would, however, repeat something that we as the Official Opposition mentioned on both September 3 and 4 in connection with the whole matter. That is that because of the complexity of the whole affair and the number of parties that are involved, one or two short appearances by Mr. Hyndman before us as a committee is really a very minimal way to deal with the whole problem, and the government should be giving serious consideration to convening a select special committee that would specifically investigate, in careful detail, with the opportunity to call a wide range of witnesses and look at the whole thing much more comprehensively. The chance to have successful answers and some assurance that we really do know what took place over that period of time would be far greater.

Whether or not in the end there is a decision to call Mr. Hyndman one more time, I hope we would not see that as finally settling the matter. Something far more significant is needed to really satisfy the people of Alberta that we have answers and that there's been a proper and thorough investigation by the Legislature, on the people's behalf, of what happened in regard to the Canadian Commercial Bank.

MR. ZIP: Mr. Chairman, while I certainly subscribe to the concern and the trauma of this situation, I have to oppose the motion from the standpoint that most of the jurisdiction is beyond the scope and power of the provincial government, it being almost entirely in the hands of the federal jurisdiction. All we have to do is look historically at the moves made by Aberhart back in the 1930s to control banks and get involved in federal jurisdiction, which were subsequently disallowed in the courts. It should be a signal to us that we really have a limited scope of action in this particular area. Looking at the complexity of the affair and the time it will take to unravel all the angles involved in it, it's simply not an appropriate place to bring Mr. Hyndman. Mr. Hyndman is not the key player in this whole affair.

MRS. CRIPPS: Mr. Chairman, in view of the lack of information we've got and the ever-changing and widening scope of problem, and in view of the fact that because of the wide concern of Albertans, Mr. Hyndman may even wish to come back, I move we table this motion.

MR. R. SPEAKER: Mr. Chairman, before you decide on that, I wouldn't mind a comment.

MR. CHAIRMAN: By all means, Mr. Speaker.

MR. R. SPEAKER: First of all, Mr. Chairman, for clarification in terms of my presentation to the committee, everything I used in argument was related to Mr. Hyndman's capability and responsibility. In my arguments I didn't bring in anything that asked about investigations by the chartered banks or the federal government. It was in terms of information that Mr. Hyndman would have or could possibly have at his fingertips. So I think Mr. Zip should reconsider the arguments that were placed at that time.

This is a serious matter, Mr. Chairman. We all recognize it to be a serious one, and I think Mr. Hyndman would be most open to come to the committee as soon as possible. I think he wants to come, and an invitation at this time would certainly — if he doesn't come to the committee, and I think government members should recognize this, the general public is going to think that the Provincial Treasurer or the government has something to hide, that they know something the rest of us don't know. That isn't the impression the government wants to give. So to be open as a government, as we started out in 1971, to lay it all out on the table — that's what Mr. Hyndman did on September 4. He said: I'm open to answer all the questions. Well, let's proceed with that kind of action. Bringing him back to the committee now, at our request, is very, very proper. The matter of time: one or two weeks I can live with, but we should do it as soon as possible.

In terms of the third point I made today, the matter in that interview between CFCN and Mr. Pierce, Mr. Pierce is saying that a criminal investigation should take place. That's a former director saying that. When he says that through the public media, I think we as members of the Legislature should be concerned and pursue this matter as quickly as possible. If it takes more than one meeting with Mr. Hyndman, then it takes more than one meeting with Mr.

Hyndman.

In terms of Mr. Hyndman's agenda, I would say that the loss of \$60 million and the future of not only the Northland Bank but the dispersal of the Canadian Commercial Bank are at the top of Mr. Hyndman's agenda. That is his major item of concern at the present time. I don't think we should be worried about how we use his time, because I'm sure he will want to deal with this issue. I'd certainly urge the members to support my motion, request the chairman to bring the Provincial Treasurer to the committee as soon as possible. I leave the definition of "as soon as possible" to the chairman's discretion.

MR. CHAIRMAN: The manner in which the chairman of this committee has always dealt with the rules is to be rather flexible. However, we have a situation now where we have a motion before the committee, which has been duly seconded, and we've had a debate on it. We also have another motion, put forward by Mrs. Cripps, that we table this matter, which I believe supersedes the first motion. My understanding of the rules of parliamentary conduct is that motions for tabling are nondebatable. So it would appear that we have to deal with the motion put forward by Mrs. Cripps to table this, before we can proceed with the motion put to the committee by Mr. Speaker and duly seconded by Mr. Gogo.

I want to be absolutely clear, Mrs. Cripps, that we do have a motion from you, asking for tabling of this matter.

MRS. CRIPPS: Yes.

MR. CHAIRMAN: That's what the intent of your motion was?

MRS. CRIPPS: Yes.

MR. CHAIRMAN: Then, committee members, I see no alternative but the fact that we have to deal with that. So those in favour of tabling ...

MR. HYLAND: Does she need a seconder for tabling?

MR. CHAIRMAN: I don't think you need a seconder in terms of a motion for tabling.

All committee members in favour of tabling the motion put forward by Mr. Speaker and

seconded by Mr. Gogo kindly signify by raising a hand. One, two, three, four, five. Those opposed to tabling? One, two, three. So the tabling motion is approved.

I take it, then, that the tabling motion would hold water only for this morning's meeting, according to the schedule we have. At the next appropriate opportunity, which would be 2 o'clock this afternoon, Mr. Speaker could make the motion again.

MR. R. SPEAKER: Are we meeting this afternoon?

MR. CHAIRMAN: Yes. Last week the committee agreed that, if necessary, we were going to move to consideration of recommendations at 2 o'clock.

MR. R. SPEAKER: It wasn't on my schedule.

MR. CHAIRMAN: Because of the need for consideration and discussion of recommendations, last week the committee agreed that, if necessary, we'd be going to 2 o'clock this afternoon. So the next appropriate time would be 2 o'clock this afternoon, and we have two scheduled meetings tomorrow, one at 10 o'clock and one at 2 o'clock.

Mr. Payne, welcome this morning. I would draw to all committee members an identification statement contained on page 36 in the annual report of the Provincial Treasurer for the 1984-85 trust fund reporting year which indicates that

administrative expenses include an amount of \$419,000 expended to communicate the role and activities of the Fund.

That was for the fiscal year 1984-85. That's a comparative figure to the previous year, '83-84, of \$466,000.

Mr. Payne, if you have an overview statement, would you kindly proceed to such. Committee members will then proceed to questions.

MR. PAYNE: Thank you, Mr. Chairman. Since I last appeared before the committee about a year ago, heritage fund communications have basically occurred as we discussed with the committee at that time. When we met last September, as I recall, we reviewed the 1983 public opinion survey on the fund, which showed a very clear desire on the part of Albertans for

more information about the heritage fund. One way to provide that kind of information would have been to conduct a major advertising campaign, with large advertisements, tabloid-type inserts, providing extensive information about the fund.

Instead of going this route, we decided to produce about 12 pamphlets, such as I'm holding in my hand, and conduct an advertising campaign that simply let Albertans know that the pamphlets were available in government buildings throughout the province. I believe this was a responsible approach, because it made a good deal of information available in a reasonably straightforward manner without spending massive amounts of money. The pamphlets, and I have samples here, dealt with such areas as health care, education, agriculture, environment, housing, and specific financial information about the fund itself.

Our budget in the last fiscal year, that is to say the 1984-85 fiscal year, as the chairman has already noted, was \$419,000. Out of this budget we spent better than half, \$233,000, to advertise the brochure availability. If we had actually tried to convey all the brochure information through advertising solely, it would have cost many times this amount.

We originally shipped out about 350,000 pamphlets to 325 locations in Alberta. Since then we have sent out another 64,000 to supplement depleted inventories. As well, I estimate that perhaps as many as 10,000 brochures have been sent from Edmonton in request to coupons clipped from our daily and weekly newspaper ads.

In the current fiscal year, '85-86, we have spent a total of \$210,000 in heritage fund communications. Most of this, about \$200,000, was spent on radio and newspaper advertising, again letting the people of Alberta know about the availability of these information pamphlets around the province.

Members of the committee may be interested to know that we have also developed a single-page document that will be called Heritage Fund Update, which has been placed in the same locations as the pamphlets; that is, the pamphlet racks around the province. We are developing a mailing list for this modest publication as well. I brought a sample with me. To date 15,000 of these have been distributed. I checked earlier today and discovered that members of this committee and

Members of the Legislative Assembly were not on the initial mailing of this first publication, the August issue, and I've asked Public Affairs officials to ensure that that oversight is corrected.

An obvious question for us in Public Affairs and for members of the committee to consider is what form our heritage fund communications will take in the future. There's no doubt in my mind that we should continue to apportion a small part of the fund to tell Albertans about the fund, for obvious reasons, notably that the fund has such critical implications for the province.

My own personal view as to the question of future heritage fund communications would be the continuation of an informational-style approach. This would certainly include the use of pamphlets, the annual report, quarterly reports, and the Update that we produced in the past year. It would also include continued use of advertising to supplement the availability of this material.

But I'm sure members of the committee would agree, Mr. Chairman, that any communications approach can lose its effectiveness if it's used too long. Obviously, we will need to examine other means of conveying heritage fund information to Albertans. One medium of communication that I've given some preliminary consideration to but have not thought through or certainly have not designed or pretested in any way would be the use of displays, possibly in shopping centres or shopping malls or country fairs, with information staff who could answer inquiries about the fund. Another avenue, which was raised last year when I met with this committee, is through MLA offices, and that certainly merits further discussion.

It goes without saying, Mr. Chairman, that I welcome comments and/or questions from members of the committee.

MR. CHAIRMAN: Okay. Mr. Hyland.

MR. HYLAND: Thank you, Mr. Chairman. My first question to the minister is related to a TV tape, I guess, that I've never seen but have heard others talk about. Apparently it is done very well. I understand it was done by ACCESS on the opening of Rupert and some of the history and the effect Rupert has on the agricultural industry in Alberta.

I'm wondering if the minister has seen that clip and if there is any thought that that kind of tape would be available for — I suppose one thing I can think of would be school classes, because most schools have audiovisual equipment, where they could use it in a Social class, or maybe senior citizens' lodges, where they would watch it instead of reading a pamphlet, and these kinds of things. Is there any thought that we could put together for whatever group, whether we put it out for public bid or what, those kinds of 15- or 20-minute tapes that would correspond with the idea you've just introduced to us on Update and the mailouts you're doing now? I wonder if there's any consideration of anything like that.

MR. PAYNE: I must admit, Mr. Chairman, that I have not seen the ACCESS production that the member has alluded to. I am aware of its availability or the fact that it has been produced. I've heard similar comments that it was very well done. Obviously, as one who is intimately involved with heritage fund communications, I'm very encouraged when outlets outside departments of government take an interest in the heritage fund. I might mention that in the past year, one or two of our major daily newspapers have undertaken major feature stories about the fund, and obviously we try to encourage that.

Moving more directly to the tail end of the member's question — have we considered producing a videotape or film about the fund? — no, we haven't. Members will of course appreciate that production costs would be fairly high. If we were to purchase the time, if it were not acceptable to the television outlets as public service programming, I'm afraid the cost would be prohibitive. But let me accept the question from the member, Mr. Chairman, and I will ask my officials to give some further consideration to that concept or perhaps a variant of it; say, a slide/tape presentation that could be used by members of the Legislature or various speaker bureaus. I'd be more than happy to give to the committee that undertaking for such consideration.

MR. HYLAND: Thank you. Mr. Chairman, I was more interested in the availability of tape, clips, or whatever — not necessarily paid TV time but availability to go into certain places.

My second question is related . . .

MR. PAYNE: Mr. Chairman, may I just interject before we move to the member's second question? Referring specifically now to the ACCESS production, my understanding is that any production out of ACCESS facilities is made available in some form to the schools of the province. I understand that's part of their mandate, so I suspect that possibility already exists.

MR. HYLAND: I understand that was funded through private donations from interested groups involved in it. In the answer, the minister kind of leaned toward that, and I think it's commendable that they were able to do it that way.

The second part of my question is related to the outline the minister gave of the amount of money from the fund that was used for advertising and how it was used. Being from a rural part of Alberta that is served by a fairly large circulation weekly, I don't think weeklies in the province always get the credit they deserve in the amount of stories they put in relating to the trust fund and those kinds of activities. To operate they also have to have paid advertising. I guess the budget is really under the responsibility of the Provincial Treasurer but administered by you. What percentage of that budget is used in advertising in weekly newspapers?

MR. PAYNE: Mr. Chairman, as one who has been involved in the communications industry for better than 20-odd years, I can assure all members of the committee today that I've had a long-standing respect for the weekly newspapers of the province. They have a shelf life — that is, a time of reading — in the rural home that dailies in major urban centres don't enjoy, and are read and respected by members of the rural community. I have recognized that for a long time.

I can't translate that recognition into expenditures by fiscal year, but I have a summary of communications expenditures for the nine-month period of August '84 to April '85. Although I don't have my calculator with me, it appears that about 75 percent of the print advertising expenditure, about \$118,000, for that nine-month period was with the Alberta weeklies.

MR. GURNETT: My first question, Mr.

Chairman, is a very simple one. I wonder if the advertising activities that have been carried out are working and if there is any analysis of what kind of results the programs you've been involved in have had. If there is, I'd be interested in knowing a bit about what you've learned and also how you've gone about sampling or getting a picture of the results.

MR. PAYNE: That's an excellent question, Mr. Chairman. Of course, measuring or quantifying advertising effectiveness is, at best, a very difficult task. There are organizations like Daniel Starch, who starch your ads — that is, they measure their recall — but I've never been persuaded that your ability to recall an ad is necessarily reflective of the quality or impact of the ad.

In this particular campaign we have the added feature of a coupon. When people go to the trouble of filling in a coupon, clipping it, putting it in an envelope, putting a stamp on it, and mailing it, that's a measure of their interest in the subject. As I've indicated in my opening remarks, in the past year I would estimate that we've had requests via coupon of up to 10,000 pamphlets. In addition, we've had to supplement our inventories by about 65,000, which would have been perhaps 20 percent of our initial inventory. Using those two numbers, I think the campaign itself has been modestly successful.

MR. GURNETT: The response details something about distribution. What I'm wondering more about is whether we have any indication of whether — you mention the 1983 indication that people would like more information. Do we have a sense that people feel satisfied that they know the fund better than they did in 1983 because of the content of the pamphlets?

MR. PAYNE: I regret, Mr. Chairman, that I'm not able to answer the question the way the member would like. I'm sure the member would appreciate that it would take another similarly formatted, similarly composed and produced survey, so that we could do a side by side '83 survey versus a current survey comparison. We've not done that, primarily because of the dollar expenditures associated with a scientific sampling. I took the liberty earlier in the year of canvassing all government members with

certain questions about their constituents' perception and understanding, which I found modestly helpful. Of course, that wouldn't be nearly as useful as a scientific survey. I suspect that next year would be the time to undertake another such survey, given that it would be three years since the '83 survey was undertaken.

MR. GURNETT: Good. I'll try to put together an opposition member's constituents' comments too and share them with the minister.

My other question is related to some of the ideas that were being shared about possible new directions for communications related to the fund. In addition to those mentioned, I wonder if there has been any more consideration given to the idea of the trust fund committee meeting in various parts of the province and holding hearings. I know that the crop insurance corporation people held public hearings this summer in the Peace region of the province. I've been quite impressed with how effective that fairly simple little activity has been in making their programs more understood and in getting information about their programs out to people. Attendance was good, and a relatively small action went a long way. I wonder if there's been any thought or investigation of a serious pursuit of that method of communication.

MR. PAYNE: Mr. Chairman, as a former chairman of this standing committee I am, of course, aware of the periodic — indeed, I could say recurring — discussion of that medium of communications by members of the committee. Through that experience and in my present capacity I have really felt that that kind of use of the committee would best be determined by the members of the committee rather than an outsider such as myself. If the committee were to conclude that such field trips or public hearings were appropriate, I, in my capacity as the minister responsible for heritage fund communications, would then simply do what I could to maximize the communications implications of such activities by the committee. But I feel it would be inappropriate for me to recommend such activities to the committee.

MR. CHAIRMAN: I think it should be noted as well that the committee's only boss is, of course, the Legislature and the Legislative

Assembly; it is not the minister responsible for Public Affairs. So the best he would be in a position to do is simply provide a recommendation. Committee members might want to consider that, but that decision would rest solely with the members of the committee.

MR. GURNETT: My question was simply because of that kind of visiting falling under communications of the fund, in part at least. I wondered what consideration the minister had been giving to it — not suggesting that he could direct that it would happen. Thank you.

MR. R. MOORE: Mr. Chairman, to the minister. I wonder about the emphasis on communication. We see you have excellent programs out there, but the effectiveness of them is what I consider — whether it could be better utilized with television or radio and especially more use in the rural areas of weekly newspapers. What is your view on that in the utilization of the dollars? I realize you're limited by the amount of finances you have. I'm looking for better utilization in getting the message out.

MR. PAYNE: Mr. Chairman, that's certainly an objective and interest that I share. Each year as we obtain our appropriation and our planned expenditures are budgeted, we try to do so with maximization of that expenditure in mind. Of course, at any point in time it's debatable as to whether a weekly or daily newspaper, television, or radio are the most effective media for communicating to Albertans about the fund.

As I've outlined, in the current year we determined that the most appropriate route to go was to have informational-type pamphlets available around the province and to use a combination of radio and newspaper advertising to indicate their availability. In retrospect, I think that mix has been appropriate. In my earlier response to the Member for Cypress I did point out that during the nine-month period of August '84 to April '85, a fairly significant portion of that expenditure was in fact via weekly newspapers.

When one contemplates the use of television, for example, that significantly increases the cost in terms of both production and purchase time. Our current view is that it's more appropriate to allocate those dollars to radio —

and we're talking broadcast — and to weekly and daily newspapers. That's not to say that in 1986 or in years thereafter — the pendulum may swing the other way. These are judgments that have to be made on a periodic basis. But for the time being, I think the mix is about right, Mr. Chairman.

MR. CHAIRMAN: Mr. Moore, before you proceed. As we are on the subject of communication this morning, I might acknowledge the number of people who are sitting in both galleries today and take a few seconds to explain what the procedure is.

To all of the people in both galleries, this is a meeting of the standing committee of the Alberta Heritage Savings Trust Fund. The people who are sitting at the desks on both sides of me are elected Members of the Legislative Assembly of the province of Alberta. The gentleman to my left is the Hon. Bill Payne, who is also the MLA for the constituency of Calgary Fish Creek. He is the minister responsible for Public Affairs in the province of Alberta. The individuals to my right are MLAs from various parts of the province of Alberta who are members of the standing committee of the Legislature on the Alberta Heritage Savings Trust Fund.

During the months of August and September it is the responsibility of committee members to do a thorough analysis of the operations of the Alberta Heritage Savings Trust Fund. For the last five weeks we've had before us witnesses, such as Mr. Payne, who are responsible for one apportionment of the Alberta Heritage Savings Trust Fund. It is the duty and responsibility of the members of the committee to ask and investigate as thoroughly as possible, and it is the responsibility of the witness before the committee to respond to the actualities of what he or she may have done with respect to the administration of the apportionment of the fund under their jurisdiction.

Everything that is said in this meeting is recorded in Hansard. There is a public record of it. You will note that behind me, in the corner, there is a gentleman who is using a machine. Every time one of the individuals here in the Legislature wants to speak, a little green light goes on which says that it's "go" and you can now proceed. You'll see that the lights will go from one to the other. If a Member of

the Legislative Assembly has the floor and is speaking and somebody else wants to interject, they may interject but they cannot speak into the mike and it's not recorded to a great degree, so you don't have the mumbo jumbo that is sometimes forthcoming from our more senior parliament in Canada, the Canadian House of Commons. We tend to have a fair level of decorum here this morning.

Mr. Moore, I'm sorry for that, but we were on the question of public communications. I just thought I would communicate that bit of information to the public. Mr. Moore, would you kindly proceed.

MR. R. MOORE: Thank you, Mr. Chairman. Now that my green light is on and I have the floor . . . Mr. Minister, I realize that in your area of communication to the public of what the heritage trust fund is doing in the province, it is a very, very positive communication message you have to get out, because it's a positive program. In your communication, in your estimation, does the public see in the promotion of it that we are wasting money on government propaganda, blowing our own horn? We want to get a positive message out so that people will want to hear where their heritage trust fund money is going. But because of it being a good news communication that you're putting out, there is always a danger that people say, "Oh, that's just government propaganda." We don't want to be spending money in that area if that's the image we're getting out there.

MR. PAYNE: Mr. Chairman, it's very hard to generalize about public reactions to or public perceptions of government advertising. As a rule of thumb, if a member of the public perceives a personal benefit, for example, our 1982 advertisements indicating -- well, let's take our current advertisements indicating to our senior citizens how they apply for senior citizen renters' assistance grants. Those are very well received. Further, those advertisements in which there doesn't appear to be a personal benefit but a benefit to others, such as our racial tolerance campaign "Alberta is for All of Us" -- again, there appears to be widespread support. Where a government ad campaign is perceived solely to be burnishing the government's image, then there's some considerable resistance.

My own assessment of the phone calls or notes I've received about the heritage fund advertising in particular, and the reaction I've gotten from the government members -- reports of their constituents -- is that generally this kind of informational advertising that conveys data and leaves the judgment-making to the readers is also acceptable and reasonably well received. If, however, such advertising, whether it's heritage fund advertising or indeed any other government advertising, were to make the conclusion, "Aren't we doing a good thing?" I think there would be widespread resistance, and I'd be sympathetic to that resistance.

As long as I'm the minister responsible, I will endeavour to provide the kind of information that is appropriate to the needs and interests of the people who are paying for it.

MRS. CRIPPS: Mr. Chairman, I note in talking to constituents throughout the province that Albertans have pride and confidence in the heritage fund. In fact, I also notice a fierce proprietary interest in maintaining the integrity of the fund. Do you have a feel for how Albertans regard the fund, given the time lapse from the extensive survey that you mentioned to Mr. Gurnett?

MR. PAYNE: Mr. Chairman, I regret I can't answer that in any arithmetic or scientific way. As I explained earlier in response to a question from Mr. Gurnett, we haven't any recent professionally or scientifically conducted surveys to compare. But I have spoken to a large number of the members of the Assembly. I have corresponded with a fair number of Albertans. I have spoken on the subject frequently. As a matter of fact, I'm speaking to the Rotary Club in Calgary Thursday on the subject. In my question and answer sessions following those kinds of activities, I have the impression that Albertans continue to support the concept of the fund just as vigorously as they did when we undertook our survey in 1983.

MRS. CRIPPS: The two areas, I suppose, that are the most prominent would be the scholarship endowment and maybe, given people's concern for health, the medical research endowment. In your questions and answers, do you get a lot of questions regarding that, or do you find that Albertans seem to

know a lot about it?

MR. PAYNE: Again, it's difficult for me to respond in any detailed way, but commenting on the use of the heritage fund for education scholarships: because those scholarships are awarded to students throughout the province and because they are often presented by members of the Assembly at school assemblies to which have been invited hundreds if not thousands of parents, I presume there's a fairly widespread awareness of the heritage fund for that particular program and that there's widespread support of that program as well.

As far as the medical research foundation, I suspect that because the direct recipients of the benefits of that work are more limited, there would not be as great an awareness nor as wide an appreciation of the medical research foundation compared to the scholarships. But that's just an intuitive judgment.

MRS. CRIPPS: Thank you.

MR. CHAIRMAN: Would there be additional questions forthcoming from committee members to Mr. Payne? Thank you very much, Mr. Payne, for being present with us this morning. Best wishes in your endeavours in the upcoming year.

MR. PAYNE: Mr. Chairman, I thank you once again for this opportunity. To coin a phrase, it seems like old times.

MR. CHAIRMAN: Committee members, on Tuesday, August 27, we had a first review of consideration of recommendations. I trust that all committee members have a copy of that Hansard with them. It's transcript 85-11, and in it some 14 suggestions were put forward to the committee by members. I've repeated about half a dozen times that I thought it would be most appropriate that when we reconvened today to look at this, there be an actual tightening up in terms of the wording of these recommendations so that as we now proceed to, in essence, almost a second reading of these recommendations, we have a bona fide statement that can be put on the record and that would allow all committee members to proceed on that basis.

So perhaps it would be most appropriate this morning to begin with a review of the statements that were made on August 27, 1985. If several members here do not have a copy of the Hansard for that day, we might adjourn for about five minutes to allow you to get that and come back. We'll reconvene at 11 o'clock sharp. We'll begin then with the first one I've identified, from Mr. Moore.

[The committee adjourned from 10:55 a.m. to 11 a.m.]

MR. CHAIRMAN: Fellow committee members, perhaps we could reconvene now. I want to have very absolute, clear clarification on the procedure we're going to be following, so I'll perhaps take just a minute or two to outline it again.

What we are doing now is essentially looking at the second cut of those recommendations that have been read into the record. The procedure we've always followed is that at any time up to the adjournment of the committee hearings for the year 1985, members are in a position to make recommendations. While we follow that, administratively it causes me a few little conniptions. If we're having the last meeting and at the last moment, after all the agreements have been made on all the recommendations, a gentleman or lady decides to put forward another recommendation, of course it continues it.

My understanding from last week was that we had agreed that at the conclusion of discussion with Mr. Payne this morning, we would go back to the discussion of recommendations. If necessary, we would reconvene this afternoon at 2 o'clock and continue through to 4 o'clock. That's the clear understanding of everybody?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: We would then reconvene again tomorrow, with a scheduled meeting beginning at 10 o'clock with Mr. Adair. If we still have not concluded the discussion of the recommendations we have this morning, at the conclusion of the discussions with Mr. Adair, if it was not the 12 o'clock time frame, we would come back to discussion of recommendations. We would follow that same procedure in the afternoon of Thursday, September 12, going

through the 4 o'clock time frame. At that point in time, if we still have not finished with the discussion of recommendations, we would have to schedule additional meetings of this committee. Is that the understanding? Okay.

MRS. CRIPPS: Mr. Chairman, just for clarification. In the initial instance there was usually a preamble to the motion.

MR. CHAIRMAN: Yes.

MRS. CRIPPS: Today you do not want any preamble, just the motion. We'll read them in that way.

MR. CHAIRMAN: I think we would have the motion and, once the motion has been put, if the individual putting forward the motion wants to discuss it, by all means go ahead. If there are questions and answers, we have the questions and answers, but no voting today. When we've gone through the whole cut of all of them, we would come back at that last meeting and go back to the motion again. The individual would then read the motion into the record again and we would, in essence, have a brief discussion and the voting at that time. But no voting today at this point in time.

So, Mr. Moore, we're going to give you recommendation 1 and ask that you read it into the record.

MR. R. MOORE: Thanks, Mr. Chairman. My recommendation will read:

That there be a section in the Alberta heritage trust fund annual report, separate from the balance sheet, that will list all assets acquired with fund moneys but shown on the assets as assets on other government agencies' balance sheets.

MR. CHAIRMAN: Okay. In essence, the recommendation is:

That there be a section in the Alberta heritage trust fund annual report, separate from the balance sheet, that lists all the assets acquired with fund moneys but shown as assets on other government agencies' balance sheets.

MR. R. MOORE: That's correct.

MR. CHAIRMAN: Okay. That would be

recommendation 1. Mr. Moore, would you like to add something further at this time?

MR. R. MOORE: Nothing further than what I added the other day. It was the same explanation. There were a lot of heritage trust funds spent that ended up on the balance sheets of other government agencies, and people looking at our heritage trust fund statement do not realize that this money expended is there. If we were to show it on our balance sheet of the heritage trust fund as well as its showing up on the balance sheets of other government agencies, that's a double listing of that one asset. So on a separate sheet it would give full credit to the heritage trust fund of what assets it has acquired on behalf of the citizens of Alberta.

MR. CHAIRMAN: Would there be any comments from committee members with respect to recommendation 1?

I would ask one more thing, that Miss Conroy be given the words you're using in your recommendation. If all goes well, she will have all these words typed on a piece of paper when we return by 2 o'clock this afternoon. Then, if we're in the process of going to final discussion of them, all members would have them.

We'll proceed to Mr. Thompson.

MR. THOMPSON: Thank you, Mr. Chairman. We do not have to make a motion on this? We just read it into the record?

MR. CHAIRMAN: That's correct.

MR. THOMPSON: Okay. My first recommendation would be:

That the deemed assets of the Heritage Savings Trust Fund not be included in the financial statement but listed separately.

My second recommendation . . .

MR. CHAIRMAN: Mr. Thompson, perhaps if you want to say something further about it at this point in time, you might.

MR. THOMPSON: I'll wait until we go to the formal vote on it.

MR. CHAIRMAN: Okay. Are there any questions of Mr. Thompson with respect to recommendation 2? We've given you a number.

Mr. Thompson, would you proceed to the next.

MR. THOMPSON: Recommendation 3:

That the Alberta Heritage Foundation for Medical Research be encouraged to investigate the upcoming increase in industrial disease with the object of doing research in that area.

MR. CHAIRMAN: Would you like to make additional comments at this time?

MR. THOMPSON: No.

MR. CHAIRMAN: Do committee members have any questions they'd like to raise with Mr. Thompson? We now have recommendation 3 read into the record. Mr. Cook.

MR. COOK: Mr. Chairman, I'd like to recommend to the committee:

That the Heritage Savings Trust Fund committee consider funding a research foundation modelled on the medical research foundation to promote pure and applied research in engineering, agriculture, and the base sciences.

MR. CHAIRMAN: We now have recommendation 4, from Mr. Cook, with respect to a research foundation. Mr. Cook, would you like to add further comments with respect to it?

MR. COOK: I think I'll follow Mr. Thompson's model and reserve comment till later.

MR. CHAIRMAN: Any questions or comments from committee members with respect to recommendation 4?

Mr. Nelson, because of the difficulty you had in arriving here this morning because of the fogged-in situation, are you in a position to go with the recommendation you listed on August 27, or do you want to deal with that later today?

MR. NELSON: Mr. Chairman, I'll deal with that this afternoon, if you don't mind. I didn't stop at my office.

MR. CHAIRMAN: Okay. The next one in the Hansard of August 27 was from Mr. Speaker,

who is not here.

Mr. Musgreave, in the Hansard of August 27 you have a statement recommending that we have a debate on the philosophy of the fund, and then you go further. Perhaps at this point we might move to what your recommendation or recommendations are. The first one we'll talk about would be numbered recommendation 5.

MR. MUSGREAVE: Mr. Chairman, I recommend:

That a broad review of the philosophy, the success, the future size, investments, and the method of handling the fund should be subject to public review.

As part of this recommendation, I suggest:

That hearings be held throughout the province to determine the support of the citizens for the concept and direction legislators should take with regard to management of the fund.

MR. CHAIRMAN: There's a recommendation from Mr. Musgreave on a broad review of the Alberta Heritage Savings Trust Fund. Any further comments, sir, that you'd like to make with respect to this recommendation at this point in time? Mr. Gogo.

MR. GOGO: Chairman, to Mr. Musgreave. Are the operative words I heard from Mr. Musgreave that there be public hearings throughout Alberta?

MR. MUSGREAVE: Yes, Mr. Chairman. I recommend that there be public hearings held throughout the province of Alberta.

MR. CHAIRMAN: Any further clarification required? Mr. Musgreave, you were next in the Hansard with respect to capital funding of some areas. Perhaps you might proceed with that one.

MR. MUSGREAVE: Mr. Chairman, I recommend:

That we contribute to the Alberta medical heritage foundation sums equal to the capital investment of their two current projects of clinical laboratories in Edmonton and Calgary.

MR. CHAIRMAN: Anything further you'd like to add to that one? Any comments?

MR. MUSGREAVE: I might just say that the reason for that suggestion is that in the initial funding of that foundation it was not anticipated that it would be making capital contributions such as the ones they've been forced to incur in order to carry out their programs. So in order to keep the fund up to the level it should be or to keep the moneys generated by the fund, I am suggesting that we reimburse this capital expenditure.

MR. CHAIRMAN: Additional comments? We would identify that as recommendation 6. Mr. Cook.

MR. COOK: Mr. Chairman, I'd like to recommend to the committee:

That the Heritage Savings Trust Fund committee consider consolidating all medical research activity funded by the heritage fund into the heritage medical research foundation.

Again, I'll reserve comment until later.

MR. CHAIRMAN: Any comments or questions for clarification? That will be identified as recommendation 7. Gentlemen, as you're writing these down, would you convey a written copy to Miss Conroy? While Hansard will print all this out in a matter of days, it will also be important to try to get this prepared for 2 o'clock today. Mr. Cook.

MR. COOK: Mr. Chairman, my third recommendation is:

That the Heritage Savings Trust Fund committee consider supporting the request of the heritage medical research foundation to increase their endowment, to generate sufficient funds over the longer term to maintain their program at roughly a \$51 million or \$52 million annual expenditure level.

MR. CHAIRMAN: Anything further you'd like to add to that? Any questions? Mr. Gogo.

MR. GOGO: Mr. Cook, are you projecting that, for example, at \$300 million at 10 percent, \$30 million — so you're looking at \$400 million or \$450 million to produce \$50 million? Is that what I'm hearing? You're talking about revenue generated from the fund to allow them to increase annual expenditures to around \$50

million.

MR. COOK: Mr. Chairman, the annual expenditures of the foundation are running at around the \$30 million mark right now. Projections are for a \$51 million or \$52 million annual expenditure, given the teams being brought in place. I understand that there is something like \$450 million in assets in their endowment and that they are drawing down on those reserves faster than interest income is replacing the capital. The president and the chairman of the foundation were here before us and suggested that they needed something like \$150 million. Although the numbers weren't firm, they knew they needed \$51 million or \$52 million in expenditure.

MR. CHAIRMAN: Anything further forthcoming from committee members on this recommendation? Then we'll move to proposed recommendation 9, Mr. Cook.

MR. COOK: Mr. Chairman, I'd like to recommend:

That the Heritage Savings Trust Fund committee consider recommending the development of a second major recreation park on the east slope of the Rockies to promote tourism as another base industry in the province of Alberta.

MR. CHAIRMAN: Anything further, sir?

MR. COOK: There was one more.

MR. CHAIRMAN: On this particular recommendation, which we've numbered recommendation 9. Any clarification required by committee members? Mr. Gogo.

MR. GOGO: Kananaskis is now on the Eastern Slopes of the Rockies. I wonder if Mr. Cook would be more specific. Is he talking northern Alberta, central Alberta, or ...

MR. COOK: Mr. Chairman, I have some parochial interests, I suppose. I would support anything north of Drayton Valley, in the Hinton area. However, I think the central-north part of the province is where the population base that is not being served by Kananaskis lies.

MR. CHAIRMAN: Any additional comments

forthcoming? Questions for clarification? Mr. Zip, recommendation 10.

MR. ZIP: Mr. Chairman, I recommend to the committee:

That a biennial appraisal be made of the market value of the assets of the Alberta heritage trust fund and a statement of such an appraisal be prepared and attached to the annual report of the fund for that year.

MR. CHAIRMAN: Anything further you'd like to add, sir? Questions from committee members? We've identified that as recommendation 10. Mr. Hyland.

MR. HYLAND: Which one is that on?

MR. CHAIRMAN: It's in the Hansard of August 27, 1985.

MR. HYLAND: I'll drop that one, because I think there are a couple of others very similar to it that cover it.

MR. CHAIRMAN: Okay. Mr. Gogo, you're identified in Hansard on page . . .

MR. HYLAND: I have another one. I don't know if it was there or later that I talked about one related to agriculture.

MR. CHAIRMAN: That's correct. It would be later. Mr. Gogo, you've given us identification in Hansard on August 27 that it would be your intent to come forward with a recommendation.

MR. GOGO: Yes, Mr. Chairman. It would be my intent to again recommend to the committee the recommendation last year concerning what essentially started out to be a recommendation recognizing that the medical research foundation does many marvellous things in medical research. Other than an announcement just recently by the federal government regarding pain control and that the use of heroin is now being authorized, to me there's yet to be . . . I wish to bring to the committee, and I'll have it in written form this afternoon, something that identifies research into pain control. I'm well aware that Mr. Musgreave and Mr. Cook assisted last year in the recommendation that this be broadened into

a social sciences area, and we've had response from the Provincial Treasurer. If I could, Chairman, I'd like to bring that forward to the committee this afternoon in written form.

MR. CHAIRMAN: Okay. So at the moment you're just giving notice. There's no recommendation that we're talking about. Mr. Hyland.

MR. HYLAND: Mr. Chairman, I think my wording is a little wrong:

That there be a continuation of the present Farming for the Future research program with specific time intervals for five years beyond 1987-88, with specific guidelines to instruct the agricultural council and its committees to increase the research and farmer or on-farm demonstration as a percentage of the total program.

Essentially it would mean that more practical research . . .

MR. CHAIRMAN: Is that the recommendation? Are you talking about it, now?

MR. HYLAND: Yes, I am.

MR. CHAIRMAN: Okay. Please proceed.

MR. HYLAND: Essentially more practical research, research that can be shown to be useful on farm, and that researchers will have an on-farm demonstration component as part of their proposal.

MR. CHAIRMAN: Okay. Anything further you'd like to add to it, Mr. Hyland?

MR. HYLAND: No.

MR. CHAIRMAN: Committee members, any questions? We'll identify that one as recommendation 11.

In the Hansard of August 27 — I don't believe we've missed anyone. Have we missed anyone?

MR. MUSGREAVE: On page 135, I had one regarding increasing — I can give it to you, if you like.

MR. CHAIRMAN: Would you read it, please.

MR. MUSGREAVE: I recommend:

That commencing in the 1987-88 budget year, 5 percent of the revenues generated by the Heritage Savings Trust Fund be retained in the fund and also that this be increased by 5 percent or more each year until all funds generated by the fund are retained for the use of future generations.

MR. CHAIRMAN: Okay, sir. Would you like to make any additional comments on that?

MR. MUSGREAVE: If we stay in the position we're in now, where all the revenues from the fund are going into general revenues, I think we're defeating the original purpose of the fund. In view of the state of the economy and the affluence that is being experienced by many — and I'm still quite conscious of the high unemployment in our major centres, but I do feel that the original concept of the fund is being endangered. The longer we keep using that extra money, the less likely we are to keep the fund to its original purpose.

MR. CHAIRMAN: Any questions or comments from committee members? We'll identify that as recommendation 12.

Would there be any additional that we may have missed from previous Hansards? I have a sheet from Mr. Gurnett.

MRS. CRIPPS: On August 29 I read a recommendation into the record, and I'll reread it. I recommend:

That the committee endorse the development and creation of an urban parks program for towns and villages in Alberta, under the capital projects division of this fund.

MR. CHAIRMAN: Any additional comments you'd like to make with respect to that?

MRS. CRIPPS: No, Mr. Chairman.

MR. CHAIRMAN: Any comments from committee members? That would be recommendation 13. Mr. Hyland.

MR. HYLAND: Mr. Chairman, mine is not in Hansard; it's a new one from today.

MR. CHAIRMAN: Then we'll come back to

you. Mr. Cook.

MR. COOK: Mr. Chairman, on August 29, on page 186, I proposed a motion that I'd like to read into the record:

That the Heritage Savings Trust Fund committee consider the construction of low-cost research lab space to be made available to the private sector on a contract basis, modelled on the successful North Carolina triangle research park concept.

MR. CHAIRMAN: Any additional comments you'd like to make with respect to that?

MR. COOK: Mr. Chairman, I'll reserve comments for the debate later.

MR. CHAIRMAN: Any questions forthcoming from committee members? That will be identified as recommendation 14.

Mr. Gurnett has provided us with a statement this morning that has a series of recommendations on it. Perhaps you might go to the first of those, Mr. Gurnett, the one you've identified as Legislative Accountability. We'll identify it as recommendation 15, if you would read it into the record.

MR. GURNETT: Thank you, Mr. Chairman. As members will notice as we go through, some of the recommendations are in my name and some are in Mr. Martin's name. Since he's unable to be here, we've identified the originator of the recommendation.

This first one is Mr. Martin's, and it deals with the issue of legislative accountability.

That the committee recommend that the Alberta Heritage Savings Trust Fund Act be amended so as to require prior legislative appropriation before any investment decision concerning any division of the fund is implemented by the investment committee, in the same way that such prior appropriation is required for capital projects division investments or investments of the Saskatchewan Heritage Fund.

MR. CHAIRMAN: Anything further you'd like to add to it?

MR. GURNETT: I hope it's straightforward and says what it's intended to say.

MR. CHAIRMAN: Any comments or questions from committee members? Okay, Mr. Gurnett, if you'd proceed to recommendation 16, Economic Development.

MR. GURNETT: This one stands in my name: That the committee recommend that the Alberta Heritage Savings Trust Fund Act be amended so as to make clear that the primary purposes of the fund are to strengthen and diversify Alberta's long-term economic base as well as to assist Albertans to be successful in their chosen enterprises, through the direct provision of adequate capital at reasonable rates of interest.

MR. CHAIRMAN: Once again, anything further you'd like to add to it?

MR. GURNETT: Not at this time.

MR. CHAIRMAN: Comments or questions from committee members?

Recommendation 17, Federal Responsibility.

MR. GURNETT: Recommendation 17 is in Mr. Martin's name:

That the committee recommend, as it did last year, that the Alberta government should increase its efforts to persuade the federal government to significantly increase support for Albertans through such agencies as the Central Mortgage and Housing Corporation and the Farm Credit Corporation, thus reducing pressure on the trust fund and allowing the Alberta government more flexibility to use the fund to assist Albertans to prosper.

MR. CHAIRMAN: Any comments or clarification required by committee members? Recommendation 18, Securing Working Capital.

MR. GURNETT: Recommendation 18 is in my name:

That the committee recommend, as it did last year, that consideration be given to selling debentures currently held by the trust fund in the Alberta Opportunity

Company, the Alberta Agricultural Development Corporation, the Alberta Municipal Financing Corporation, the Alberta Housing and Mortgage Corporation, and the Alberta Government Telephones Commission when and as conditions in the market are such that the investment from the fund represented by the debentures can be recouped at or above cost.

Again, nothing to add.

MR. CHAIRMAN: Further clarification, committee members?

Recommendation 19, Deemed Assets.

MRS. CRIPPS: Could I ask a question, Mr. Chairman? Some of these recommendations we're reading in now and some of the ones other members made are very similar. Is there any possibility of having those put together this afternoon so that we're looking at similar motions in the same context?

MR. CHAIRMAN: It's entirely up to members of the committee. If committee members wish to do that, between now and 2 o'clock this afternoon or at a later date before we come back to this, it's entirely up to your own initiative.

MRS. CRIPPS: Okay.

MR. CHAIRMAN: Recommendation 19, Mr. Gurnett.

MR. GURNETT: Recommendation 19, in Mr. Martin's name, is one that certainly has some similarity to another that has been made. It says:

That the committee recommend that the government propose legislation which would ensure accurate reporting of the assets of the fund. Only assets which are truly owned by the fund or realizable by the fund should be deemed to be assets on the balance sheet of the fund, as has been suggested repeatedly by the Auditor General.

MR. CHAIRMAN: Any additional comments or questions for clarification forthcoming from committee members? If none, Mr. Gurnett, if you'd proceed to recommendation 20, Capping.

MR. GURNETT: Recommendation 20 is in my name and, by way of preamble, is another way to approach the same matter that Mr. Musgreave raised. The recommendation says:

That the committee recommend that a cap be placed on the amount of nonrenewable resource revenue placed in the trust fund and that such money be used instead for the general revenue programs of the government.

To amplify a little, it's a recommendation that I think needs to be discussed by the committee, not one that I would be personally supporting. It deals with that concept of where the fund goes in the future.

MR. CHAIRMAN: No further comments forthcoming from committee members?

We'll proceed to recommendation 21, Protection of Investments.

MR. GURNETT: The next recommendation is also in my name, Protection of Investments:

That the committee recommend that in those instances where significant amounts of trust fund money have been invested in debentures, shares, and other securities of private-sector corporations, the government endeavour to obtain a seat on the board of directors of such corporations so as to ensure that such investments of public dollars are well protected.

MR. CHAIRMAN: Additional comments or questions from committee members? There being none, Mr. Gurnett, would you proceed to recommendation 22, Independent Assessment.

MR. GURNETT: Recommendation 22 is in Mr. Martin's name and has some similarity to a recommendation that the fund be carefully evaluated. This deals not with public hearings to evaluate but with an independent assessment. It says:

That the committee recommend that a private-sector consulting firm be engaged to undertake a thorough review of the management and investment practices applied to the fund, that the terms of reference for the review be drawn up by the trust fund standing committee, and that their report be made public.

MR. CHAIRMAN: Any comments for

clarification coming from committee members? There being none, Mr. Gurnett, recommendation 23, Drainage Improvement.

MR. GURNETT: Recommendation 23 is in my name:

That the committee endorse the suggestion advanced by the northern Alberta Association of Municipal Districts and Counties and recommend that a drainage rehabilitation and expansion program be established similar to the irrigation rehabilitation and expansion program now in place.

MR. CHAIRMAN: There being no comments coming from committee members, Mr. Gurnett, would you proceed with recommendation 24, Agriculture Research Foundation.

MR. GURNETT: Recommendation 24 in my name says:

That the committee recommend that a \$200 million endowment be provided for an agricultural research foundation which would provide a similar commitment to agricultural research and development as has been made to medical research by the Heritage Foundation for Medical Research.

MR. CHAIRMAN: There being no comments forthcoming from committee members, would you kindly proceed to recommendation 25, Major Northern Park.

MR. GURNETT: This recommendation is also in my name, Mr. Chairman, and has some similarity to a preceding one. It says:

That the committee recommend that an investment be made in a major park in the north and west of the province, so that similar recreational opportunities are available to northern Albertans as are available to southern Albertans in Kananaskis Country.

MR. CHAIRMAN: No comments forthcoming from committee members? Mrs. Cripps.

MRS. CRIPPS: Do you have any recommendation on the sand?

MR. GURNETT: That can come later.

MR. CHAIRMAN: I should point out that the chairman of this committee would be very enthusiastic about that recommendation if it specifically mentioned Barrhead.

Recommendation 26, Mr. Gurnett, Occupational Health and Safety Centre.

MR. GURNETT: In Mr. Martin's name, the recommendation says:

That the committee recommend that an occupational health and safety centre be established which would co-ordinate and improve provincial research, treatment, and advice regarding occupational health and safety.

MR. CHAIRMAN: Additional comments forthcoming from committee members? There being none, Mr. Gurnett, recommendation 27, Northern Alberta Children's Hospital.

MR. GURNETT: Recommendation 27 is in Mr. Martin's name.

That the committee recommend that a serious commitment be made to improved pediatric treatment and research for northern Alberta by an immediate investment in a northern Alberta children's hospital.

MR. GOGO: I want to ask Mr. Gurnett if he was talking about Edmonton being that location. I'm sorry; I guess I should be asking Mr. Martin.

MR. GURNETT: Yes, I think that is his intention. I'll confirm that.

MR. GOGO: Then Mr. Martin recommends the closing of the several hundred children's beds now in existing hospitals in Edmonton. I'd like to pursue that. I don't want to embarrass Mr. Gurnett.

MR. GURNETT: I'll get confirmation.

MR. CHAIRMAN: We'll proceed to recommendation 28, Human Resources Council.

MR. GURNETT: Recommendation 28 is in Mr. Martin's name:

That the committee recommend that a human resources council be established and that it receive its financing from the

trust fund. Such a council would be broadly representative of the human services community in the province and would undertake independent assessments of service systems now in place as well as make recommendations regarding unmet or inadequately met needs.

MR. CHAIRMAN: Comments or questions for clarification forthcoming from committee members? If there are none, we'll proceed to recommendation 29, Worker Co-operative Support.

MR. GURNETT: Recommendation 29 in my name says:

That the committee recommend that a worker co-operatives program (similar to the program now in place in Manitoba) be established here which would provide financial and logistical support for the establishment of enterprises owned and controlled by the employees of those enterprises.

MR. CHAIRMAN: There being no comments or questions for clarification forthcoming, Mr. Gurnett, would you kindly proceed to recommendation 30, River Cleanup.

MR. GURNETT: Recommendation 30 is Mr. Martin's:

That the committee urge the government to establish a program which would have as its mandate the thorough cleanup of the waters of the North Saskatchewan and Bow rivers as well as other polluted or unsafe Alberta river systems.

MR. CHAIRMAN: There being no comments for clarification forthcoming, Mr. Gurnett, will you proceed to recommendation 31, Coal Blending.

MR. GURNETT: Recommendation 31 is Mr. Martin's:

Inasmuch as foreign importers of Canadian coal presently import coal from various sources and custom-blend that coal, and inasmuch as many Canadian coal users import specific coal types from the U.S. rather than blending from Canadian sources, and inasmuch as present Canadian coal sources including Alberta sources offer a wide variety of coal which could

be blended to meet all Canadian requirements, that the committee urge the government to press the federal government for immediate discussions regarding the possibility of trust fund investment in a joint federal/provincial effort to establish a Canadian coal blending industry.

MR. CHAIRMAN: There being no questions or comments for clarification forthcoming, Mr. Gurnett, would you proceed to recommendation 32, Northern Rail Link.

MR. GURNETT: This recommendation is mine: That the committee urge the government to move immediately to begin completion of a northern rail link to British Columbia using trust fund moneys as necessary. Improved market access and the linkage of northern Alberta by rail with the massive Tumbler Ridge coal development will be especially crucial for northern economic development.

MRS. CRIPPS: On that, whom do you expect to benefit from such a linkage? If it's northern Alberta, how?

MR. GURNETT: There are probably two major areas that northern Alberta would benefit in if they had the rail link. The first would be less expensive transportation for agricultural producers, and the other would be the possibility of potential mineral resources in northwestern Alberta that are now identified but are not economical to develop because of the cost of transportation from that part of the province then being made more reasonable.

MR. CHAIRMAN: There being no additional comments forthcoming, Mr. Gurnett, would you proceed to recommendation 33, High Speed Train.

MR. GURNETT: Recommendation 33 is Mr. Martin's. It says:

That the committee recommend that a trust fund investment be made in the construction of a safe and modern high-speed train system linking Edmonton and Calgary.

MR. CHAIRMAN: Additional comments

forthcoming? Then we will proceed to recommendation 34, Mr. Hyland.

MR. HYLAND: Thank you, Mr. Chairman. I recommend:

That the Public Affairs Bureau be encouraged to consider developing a series of informational films or videotapes on the Alberta Heritage Savings Trust Fund, available to groups who wish to use them, complementing the informational pamphlets that are available at many locations at the present time.

MR. CHAIRMAN: Additional comments? Would there be additional recommendations that committee members would like to read into the record at this time?

MR. GOGO: Mr. Chairman, although I don't have it written out — I was going to do it this afternoon — I want to apprise members that I'll be making a recommendation that under the Heritage Scholarship Fund this committee consider a new scholarship in the name of one E. Peter Loughheed. I want to serve notice that that will be coming this afternoon.

MR. CHAIRMAN: Okay, we're on notice of that. Would there be additional recommendations committee members would like to read into the record at this time?

We have 34 recommendations read into the record. I have been notified by Mr. Nelson that he will be forthcoming with a recommendation. Mr. Gogo notified the committee that he will be coming forward with at least two recommendations, and we have one that Mr. Speaker advised the committee of. I'll have to get clarification of that in a subsequent meeting.

That is more than the Chair had anticipated would be forthcoming, but the Chair of course is overly enthusiastic about the absolute response of committee members, which now leads to a little logistics problem which I think we should have a brief discussion about. I indicated about 40 minutes ago that it was my hope that Miss Conroy would be able to return here at 2 o'clock this afternoon with these 34 printed on a piece of paper. I hope she'll be able to do that. It may very well be that she may not be able to do that. The first order of business at 2 o'clock would be to go to

subsequent recommendations that committee members have advised they want added to the list. We will number them appropriately, beginning with Mr. Nelson, who was the first to advise of such. The 34 will then be there.

If we want to follow in a general way the procedures of the Legislative Assembly, we could view that we have now passed the second reading stage of these first 34 recommendations. What we would be initiating this afternoon is, in essence, committee stage, a review of each of these recommendations. Would that be a considered approach that we should be following this afternoon, so there's no misunderstanding?

MR. THOMPSON: I have a question. It's been my understanding that Mr. Martin is not going to be able to attend any more of the heritage trust fund meetings; maybe that is wrong. But my problem is this. He has submitted several recommendations, and I really feel uneasy if we don't get the explanation from the mover of a recommendation. I don't feel I am qualified to make a decision — yes or no or whatever — without the person making the recommendation here to explain the reasons behind it, et cetera, et cetera. That may not be a problem, but to me, if Mr. Martin is not going to be here, I have problems with his recommendations.

MR. GURNETT: To respond briefly, part of the reason we went ahead and his recommendations appeared in his name was that he had in the past at this committee spoken on behalf of Mr. Notley when he wasn't present for his recommendations. So it may be that as far as possible I'll be able to respond to questions or concerns. Beyond that, I think he'd be satisfied. The recommendations in every case are fairly clear. Whether he's able to defend them or not, the merit of what the recommendation says can certainly be looked at and a decision made by us.

MRS. CRIPPS: Mr. Chairman, I don't know whether you need a motion by the committee to consider together recommendations that are similar, but I hope we can do that this afternoon. Given the number of recommendations and the number of overlaps, I believe that in the essence of effectively dealing with them, we should give that consideration. If it's necessary to make a

motion that we do so, I'll do that.

MR. CHAIRMAN: I don't think a motion is in order. In the past, that's always happened, with the initiative of committee members, who basically said: "My recommendation is similar to your recommendation. Can we blend the two together?"

The only difference is that we're now in the process. Committee members indicated to me several months ago that they wanted the time frame for the hearings this year to be congested. We have done that. That then leads to a little problem, because in the past, with the longer period of time available to the committee to consider its work, committee members also had a longer opportunity to have a copy of all the recommendations that were read into the record. Then they could evaluate and consider them for a period of days. Following the direction given to me as the chairman of the committee to congest the time frame, I've done that. I think it's only fair that I point out that if we want to follow that same kind of procedure, we're not going to have the same kind of luxury of time on our hands.

The committee can at any point in time say that this is too rushed and that we should have more time to consider the 34 recommendations that have been read into the record. If that's the decision of the committee, tomorrow we will have to have a decision to define more time to deal with these recommendations at a later date. But that's entirely the wish of the committee. I'm very flexible on that.

MR. HYLAND: You're doing fine.

MR. CHAIRMAN: All I've done is advance the arguments on both sides.

MR. GOGO: Mr. Chairman, with regard to the Leader of the Official Opposition, Mr. Thompson said that he understood that he couldn't be with us for the balance of the meetings. Could we get an indication from Mr. Gurnett when Mr. Martin could be back? Are we looking at October 3 or 4? Is that a possible date? There might be merit there. I think it's very important that we make every opportunity available to members of the committee who want to justify and defend recommendations.

MR. GURNETT: Yes. It would have to be after

the end of September.

MR. THOMPSON: As far as I was concerned when I brought up the point originally, as far as there's a working agreement between Mr. Martin and Mr. Gurnett and you're willing to be his proxy, so to speak, I have no problem with that. It was just something I brought up. But as long as the committee understands that you will be defending or explaining, or whatever, the recommendations, there's no problem with me, as far as that's concerned, as long as Mr. Martin is happy with that arrangement.

MR. CHAIRMAN: We do have the thought before the committee about the rush factor with respect to the consideration and resolution of these recommendations. There may be some additional comments forthcoming.

MR. HYLAND: Let's see how it goes this afternoon, Mr. Chairman. At the end of this afternoon's meeting we can reassess. We might slip through them pretty good this afternoon. Who knows?

MR. CHAIRMAN: All right. We'll reconvene this afternoon at 2 o'clock. We'll be into consideration of additional recommendations. First we'll have those read into the record. Then we will go back to recommendation 1 for, in essence, committee review. It would not be the intent today to bring these questions back or to ask the question on the resolution of the recommendation. It would be further committee study of each of these recommendations.

Thank you very much for a most fruitful morning.

[The committee adjourned at 11:45 a.m.]

