

[Chairman: Mr. Kowalski]

[9 a.m.]

MR. CHAIRMAN: Good morning, ladies and gentlemen. Welcome to another meeting of the Standing Committee on the Alberta Heritage Savings Trust Fund Act. Committee members will recall that we're meeting this morning at 9 o'clock as per the request of the committee members who wanted to get an early start on this particular morning. I can't recall from Hansard or the record if those individuals who advocated a quick, early morning 9 o'clock start are here this morning or if those who said we should start in a more civilized manner at 10 o'clock are here. I want to congratulate and thank the members who are here to begin at 9 o'clock this morning.

When we left the discussion in the committee on September 18, I indicated that when we reconvened today we would go to recommendations 42 and 43 and then go back and have, in essence, our committee study on recommendations 7, 8, and 9, which were tabled. Having concluded this review of these five recommendations — 42, 43, 7, 8, and 9 — I will ask if there are additional recommendations committee members would like to read into the record at this time.

If not, it would be my intent to circulate to you a document which has all 43 recommendations, in order, with a little bit of editorial comment in terms of the wordings, that the Clerk Assistant has worked on the last several days. We would then ask each member to read into the record the recommendation they've brought forward to the committee. We will have one last opportunity for any member to say anything they want on it and then vote on each of these recommendations as they're read into the record.

Prior to going to that, I want to review what the role of the chairman is with respect to all of this. My role will simply be to clarify, if there are any questions from committee members with respect to anything they want me to clarify with respect to any of these recommendations. I will not vote on any of these recommendations except to break a tie. When I do vote to break a tie, I will vote without comment.

I ask members to consider one point as we go through the first five recommendations; that is, the manner in which they would like to have

their votes recorded in Hansard. In the past we've used two styles in this committee. On some occasions in some years committee members have had their names and how they voted read into the record. On other occasions it's simply been by a show of hands, and the chairman has determined who has won and left it at that. Another time the chairman indicated who won and also said what the vote count was. So I'll come back to you to ask about that.

We'll now proceed to the committee stage of recommendation 42. I'll read it into the record again, as we've done before:

That the committee recommend to the Assembly that a special committee be struck and charged with

- (a) investigating all aspects of the relationship between the Canadian Commercial Bank on the one hand, and the provincial Treasury and the Alberta Heritage Savings Trust Fund on the other, with specific reference to the information and circumstances leading to various forms of investment in and with the bank; and
- (b) investigating the reasons for the collapse of the Canadian Commercial Bank.

MR. GURNETT: Mr. Chairman, we've spent a number of hours during the time of this committee talking about matters related to the Canadian Commercial Bank. This recommendation is one more contribution to that concern and discussion. Talking with a great number of people, my observation is that people sense that there is a fair amount of fuzziness and vagueness that relates to the information they have about what happened.

This recommendation was brought because I think it's important for the Treasury Department and the trust fund to be seen as credible and unblemished in the eyes of people in Alberta. Certainly, with a very sensitive issue like this it's not an unreasonable step to look at taking special measures to make sure that that happens through a process of thoroughly looking at everything involved. When we don't have information, I think there's sometimes a human tendency to suspect the worst. If this recommendation went forward and were acted on, it would assure us that the

situation had been looked at thoroughly and comprehensively. I know the Treasurer spent some time with us, but this is a more extensive and careful investigation than is possible on those sort of short-notice visits we had. It would also allow a particular Alberta perspective on the whole situation related to the Canadian Commercial Bank that may or may not be possible within the context of the joint committee that's looking at it at the federal level.

So I hope we can support this recommendation in the interests of having the whole situation looked at as thoroughly as possible by the elected representatives of the people of Alberta.

MR. R. MOORE: Mr. Chairman, I view this recommendation with interest inasmuch as we had the Provincial Treasurer before us three times and we examined it very thoroughly as a committee here. I think we have examined it very thoroughly from Alberta's viewpoint within the mandate of this committee.

I noted that the Member for Spirit River-Fairview said there was a good deal of fuzziness around this situation. If we proceed with this recommendation, I think we would really create fuzziness. We would have a group from Alberta — whoever we appoint as a committee to examine this — running around examining a situation where they have to get all the facts from the federal government, who is in turn investigating it. We would get it secondhand.

I think this is purely within the field of the federal government. It is well in hand. They have the information; we haven't. In due course the citizens of Canada — Albertans are very much part of Canada, and we have a level of government looking after the interests of Albertans very, very well. They have the mandate to do it far more than we have the mandate to go in and start investigating what they're already investigating.

The hon. Member for Spirit River-Fairview will probably come up with another committee to be struck to review this committee. He says here that if the information brought forward by them is still fuzzy — I could go on and on. I think we're completely out of order on this one.

MR. GURNETT: To respond very briefly to a couple of things, one of the reasons I'm asking and recommending that we send forward this

recommendation is that I think the kind of investigation that's called for is beyond the mandate of this committee. When I initially brought the recommendation in, that was part of the reason. So just in response to the comment, I think that is the heart of the matter: it needs a committee that is specially charged to look at it.

I'm concerned when we say we don't need the committee in Alberta because it's a federal matter, in that on the occasions of the Treasurer's visits to us we heard him explain that one of the reasons we became involved in the support package for the bank originally was that supporting an institution like this, with its special contribution to western Canada, was not just a federal matter but was something that Alberta had to be involved in and active in. To say that we should also be involved in our own investigation of what happened in relation to the bank and Alberta's dealings with the bank, which went on over many years and involved a great deal of public money, is an extension of the same rationale by which we became involved in the bailout. So I continue to think that we should send this recommendation forward.

MR. CHAIRMAN: Recommendation 43 reads:

That the committee recommend the establishment of a water resources institute at the University of Lethbridge, and that \$5 million be allocated from the Alberta Heritage Savings Trust Fund to provide an endowment fund for this purpose.

MR. GOGO: Mr. Chairman, I think those, such as yourself, who have an appreciation of the history of this great province of Alberta must note with some degree of interest that without irrigation in southern Alberta, the population today of Alberta's largest city after Calgary and Edmonton would probably be in the neighbourhood of 10,000 or 15,000. Instead, it's a thriving metropolis of some 60,000 citizens, surrounded just west of Bow Island by some 170,000 people. I think that has come about almost primarily as a result of the Canadian Pacific railway and the government of Canada, through PFRA after the second war, providing irrigation into what at one time was known within the Palliser Triangle as a total desert.

I think irrigation has meant a whole new way

of life to the citizens of this province. As you know, the Alberta government has, in its wisdom, transferred the water management and irrigation resources of the Department of the Environment to Lethbridge, recognizing the uniqueness. After the tour in the last couple of days, members are well aware that only 4 percent of the agricultural land in this province contributes to 20 percent of the net agricultural product of the province. So there's no question about the very high degree of commitment of both the government, through the Heritage Savings Trust Fund allocation of resources, and the citizens of southern Alberta to that area.

Looking at the future, Chairman and members of the committee, it is very important to me and very important, I think, to many others that we spend a little time and research on water, which we'll recognize, before the turn of this century, to quote our Premier — frankly, it's not a bad idea to quote him periodically — to be even more valuable than oil and natural gas. For that reason, Chairman, I put forward to the committee the recommendation that the committee recommend the establishment of a water resources institute at the University of Lethbridge.

If I may, I just want to add to why the University of Lethbridge. As you know, we have Athabasca University, the U of A, the University of Calgary, and the University of Lethbridge. But I submit that there's a uniqueness in the ability to have people who utilize the system have access to an institution. So it wouldn't be at all preferable or even acceptable to me to consider this at, for example, the university in Edmonton. I think it should be uniquely related to the area it serves. For that reason I propose this institute with the allocation of \$5 million as a corpus and the earnings from that to be used in the endowment for carrying on studies at a water resources institute.

Chairman, I strongly recommend the passing of this recommendation so that it will be applied to one of the exciting new universities in Alberta, the University of Lethbridge.

MR. CHAIRMAN: Would there be any questions for clarification addressed to Mr. Gogo on this recommendation?

Then, ladies and gentlemen, I refer you to recommendations 7, 8, and 9 ... Mr. Thompson?

MR. THOMPSON: I have a recommendation that I would like to put in, Mr. Chairman. Are you allowing that to be done?

MR. CHAIRMAN: Yes. We'll number it recommendation 44. Perhaps you might read it into the record.

MR. THOMPSON:

That the Alberta Heritage Savings Trust Fund support by endowment the Alberta division of the Canadian Paraplegic Association for research in damage to the spinal cord.

Do you want me to speak to that?

MR. CHAIRMAN: Please do.

MR. THOMPSON: Mr. Chairman, over the years through car accidents, skiing accidents, or what have you, we are getting more and more people who have damaged the spinal cord and have basically become wheelchair cases. There is research being done in this area, and apparently if some of these cases can be treated within four hours of the time of the accident, there is a remarkable difference in their recovery and how they recover. So between the research and possibly setting up emergency centres in, say, Calgary and Edmonton — and that probably wouldn't cost much money; you have the medical people there at the present time — I think we could save some of these people who today are in wheelchairs, through no fault of their own or maybe their own fault. I believe this is an area that needs some study, and I move this recommendation.

MR. HYLAND: Mr. Chairman, I'd like to support Mr. Thompson's motion. Being a board member of the Paraplegic Association, I guess I should show my support for it and probably have it noted that I won't be voting on this, so I can't be accused of a conflict of interest in the situation.

Mr. Thompson is right. There is research to show that if certain things can be done quickly, in many of these cases people don't suffer with the problem for many, many years afterwards. Also, there is very limited research going on now, and the possibility of more could be very interesting and prove to be very useful and helpful to paraplegic victims. As Mr. Thompson

said, the numbers are rising more than one would expect, with the number of accidents we're having and as our population rises. I think this would be a unique way of supporting it, because right now the association receives limited funding from government, receives funding from the United Way, and does other things in order to achieve and contact those people who are paraplegics as soon as possible after the accident happens.

MR. CHAIRMAN: Would there be additional questions forthcoming to Mr. Thompson on this recommendation?

MR. NELSON: Mr. Chairman, the only question I have, other than a comment, if I'm misunderstanding the recommendation — we have a considerable amount of money endowed to the medical research foundation, and I'm questioning why we wouldn't pursue research with dollars from that organization, which already has the funding in place and certainly has now capitalized a couple of buildings in Calgary and Edmonton to facilitate their research. That being the case, that certainly could be addressed, rather than putting up a separate fund for additional research.

Secondly, if the intent is to put aside some particular facility within the Calgary-Edmonton area or in other communities, would we not use existing fixtures, such as hospitals, and what is already there? I guess I'm somewhat confused as to whether or not we should be suggesting that the fund is already in place through the endowment of the medical research foundation and using that rather than additional funding.

In the last number of weeks in the committee we've talked about the amounts of money we spend separately on various things. Why should we continue to fragment that rather than putting together one particular policy or one area of spending? This fragmentation costs us considerably more and makes it more inefficient in taking moneys such as the endowment fund for medical research, where you have one avenue, one pile of dollars. If we start fragmenting that and getting into additional areas, then of course we're going to find ourselves doing the same thing with other areas and, as such, by setting up separate bureaucracies and various other areas, we could find ourselves spending more money than is really necessary. Money that could go into

research is actually going into administrative functions of the research. So I would like some clarification on that.

Also, the suggestion is that if it's pure research and development, giving that recommendation through the medical research foundation may possibly be a better avenue to go, as they already have the facility and the administration in place to handle it.

MR. THOMPSON: Mr. Chairman, of course the Member for Calgary McCall makes a very valid point, and I'm not prepared to sit and say it has to be. To me, what vehicle we use is immaterial. The fact remains that this is becoming an increasing problem in Alberta. I think we do very, very little at the present time, and I don't know how you would insist that the people over at the medical research centre would do the research.

I'm as much interested, though, in emergency centres where they get people within four hours and start treating them, because basically that is the critical time. So from my point of view it's a two-pronged recommendation. Certainly, as far as pure research into spinal cord damage is concerned, that could be handled very well over at the Walter C. Mackenzie. However, I think we should at least investigate ways and means of getting these emergency centres set up in at least two places in the province so that we can get patients to the emergency centres as quickly as possible, because obviously time is a big factor in the recovery rate.

MR. CHAIRMAN: Would there be additional comments with respect to recommendation 44? Mr. Thompson, perhaps you might have a copy of it that Miss Conroy might have typed for you so that in a few minutes, when we get back to it again for the final discussion and vote, it could be appropriate.

Committee members, would there be additional recommendations forthcoming? Seemingly not.

Let's go back to recommendations 7, 8, and 9. I'm delighted to see that Mr. Cook is here. These three recommendations were tabled on September 12, pending the arrival of Mr. Cook. We didn't get to them on September 18. It's now September 25. I will read recommendation 7 into the record:

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

consider consolidating all medical research activity funded by the heritage fund into the Alberta Heritage Foundation for Medical Research.

MR. COOK: Thank you, Mr. Chairman.

MR. GOGO: Just on a point of order, Mr. Chairman. I'm a little confused. I know it's raining out, but have you said that this is September 25? You just said that.

MR. CHAIRMAN: I did. It's obvious that it's September 26.

MR. GOGO: We always end up going with your decision, Chairman. I was just curious.

MR. CHAIRMAN: Well, Mr. Gogo, I'm just absolutely delighted that you've brought this matter to my attention. It's extremely important for the history of the province of Alberta that we've corrected it, and I know your constituents will be delighted to know that you're just as sharp as ever and on your toes. You've corrected it, and that is extremely important. I want to compliment you for your initiative in that regard.

MR. COOK: Mr. Chairman, I can see you're obviously feisty on your 40th, so I should watch my words carefully.

The recommendation really refers to page 16 of the annual report that is under consideration. The fund supports applied cancer research and applied heart disease research as well as the Alberta Heritage Foundation for Medical Research. The history is that the applied cancer research and the applied heart disease research programs were started up back in 1972-73, before the Heritage Foundation for Medical Research was endowed in 1980.

There is an overlapping or a layering on of responsibility, and both programs are up for consideration by the government as to future funding. It could be, for example, that all funding would cease. It may make more sense to bring the responsibility for these areas under the purview of the medical research endowment fund, since they already have research teams operating in these areas. Consolidating them probably would reduce the administration and use more of the money available for research rather than trying to administer the program.

So I'd like to recommend to members that

they consider this seriously. I would think, too, that the funding proposal that is adopted in recommendation 8 would provide the funding for these two programs.

MR. CHAIRMAN: Would there be questions with respect to this recommendation?

MR. THOMPSON: Mr. Chairman, I think this is a good recommendation. However, I feel that we as a committee have a certain responsibility to at least review and understand what areas this consolidation is in and in what directions they're going. We meet legally with the board of the Walter C. Mackenzie hospital every three years, and possibly that's often enough, but we get very little specific information as far as specific research areas are concerned. In the annual report we see pictures of somebody with a white coat on looking through microscopes and that type of thing. The committee itself may not be qualified to decide what areas research is being done in, but certainly, if this recommendation goes through, I think we should at least have an opportunity to review the areas it's being done in.

MR. CHAIRMAN: Would there be additional questions from committee members?

Recommendation 8:

That the Standing Committee on the Alberta Heritage Savings Trust Fund Act consider supporting the request of the Alberta Heritage Foundation for Medical Research 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. COOK: Mr. Chairman, we had the president and the chairman of the research fund before us. They testified that they have brought on about 12 research teams, with plans to add, I think, four more. At the level of expenditure they're now starting to see, they will be expending about \$50 million to \$52 million a year.

I think we all agree that the program is a beneficial one for Albertans because of both the superior medical research and treatment available to them and also our economic diversification program. To do other than increase the endowment from the present \$300

million base — with interest income it's around \$450 million — would necessitate telling the foundation that they should now scale back their research so that the teams they are assembling would not be draining the endowment income.

This recommendation follows the very specific request that the committee heard from the Heritage Foundation for Medical Research, and I ask members to consider supporting it.

MR. MUSGREAVE: Mr. Chairman, we put \$300 million into the foundation, which was a substantial investment. We gave it a fairly generous mandate to go out and do what they thought was best in the area of medical research. We suggested to them at the time that the money generated from the \$300 million was to be spent on research programs, fellowships at the universities, and things of this nature. It was not to be spent on capital projects.

Unfortunately for the foundation, they found out after much discussion with the university community that they didn't have the facilities in the province in spite of our multibillion dollar hospital construction program. They did not have the facility in the province to carry out some of the sophisticated research. As a result of that, in order to carry out the programs, they were locked into the necessity of building \$30 million institutes at Calgary and Edmonton on the university campuses or nearby to carry out the research work.

What I'm suggesting in one of my motions — and that's why I can't support this one — is that we reimburse them for the amount of the capital expenditure that they were required to make, which we, when we first passed the Act, did not anticipate them making, and that we wait until the 10-year program is complete and do the international review and assess the program.

The fact that they are embarking on programs that require more money is not relevant to the discussion. They've got a mandate to spend the revenue generated by \$300 million. They don't have the mandate to come back and ask for \$200 million or \$300 million and more. Any institute can justify more research. Any institute can go to universities and say, "We've got to have 14 chairs instead of 10 chairs." I suggest that we don't seem to appreciate the fact that world oil

prices are going down, not up, that we still have a large unemployment problem, and that our farmers in Alberta aren't exactly sitting on top of the world in terms of revenue. I don't know where all these moneys are coming from. I suggest caution and that we stick to our original mandate and reimburse them for capital expenditures but not put any more money into that foundation until the 10-year review is completed.

MR. GOGO: Mr. Chairman, I tend to agree with Mr. Musgreave. I have some difficulty with this, because my understanding of that statute was that \$300 million would be provided, the corpus would be retained, and they would spend the earnings on that. If they can invest those funds at 15 per cent, they get \$45 million; invest them at 10 per cent, they get \$30 million, and so on.

I have great difficulty with this, because I think it's done backward. I'm sympathetic to the foundation's arguments before this committee. I guess that's why Mr. Musgreave has proposed that we give them a one-shot deal to pay for facilities. But I have great difficulty, because what's next? How could we justify turning away people who come before this committee or even before the government? In many ways it's the same source saying, "We know we got this, but we spent this much; therefore, would you do something to see we have this much more annually," which is 80 or 85 per cent more than was originally intended. I, frankly, don't think that's right. I can think of many instances, even in my own community, where people must live within their means. I think we as a government have gone to a great extent to say to hospitals in this province, that now consume 25 cents of every dollar, "If you want more money, you go and raise it, you go and charge it, and you go and this."

So I have difficulty in supporting this motion — not taking away at all the ability of the foundation to do exciting things in medical research; I just think it's done wrong. If this House sits again under a new Premier, there can be an amendment to that statute increasing that foundation from \$300 million to whatever, but I don't think I can support it in its present form.

MR. GURNETT: Mr. Chairman, I can

understand and appreciate the case Mr. Cook makes in the resolution. The heart of it is, of course, how important medical research is and the payoffs it can have in the future. In addition to the comments that have just been made by the two members who spoke before me, I'd also like to emphasize that in not being able to support this recommendation, another reason has to be the need to not obscure priorities. At this time I think there is such a high priority on sending forward a recommendation establishing a foundation that's endowed to do agricultural research that it's important to avoid the appearance that we're simply pouring money into a whole range of projects, including one that already has reasonable funding.

Therefore, I think that while this idea may come back in the future and could easily be reasonable at some point in the future, certainly at this point we should proceed with the recommendation on supporting a new area of research adequately before we look at a major extension of medical research.

MR. CHAIRMAN: Would there be additional questions forthcoming before we ask Mr. Cook to close the discussion?

MR. COOK: Mr. Chairman, I've got a copy of the statute setting up the foundation before me. The Act does not specify the amount of money the foundation shall have. The argument that they were given a set sum that might have to be changed by statute doesn't really hold.

Secondly, there is no prohibition or suggestion that they should not acquire real property. In fact, the foundation was equipped in the powers to do just that. My learned colleague who is chairman of the Research Council is correct when he says that at the time of the creation of the foundation there wasn't the prospect of building lab space. But I think it's also fair to say that we were not in a position to know what kinds of requirements they would have. Frankly, we're going from something like an agrarian society to a more technological society, and infrastructure was not in place to accomplish that.

I think it's worth supporting. Agricultural research is important as well, and I don't think we necessarily have to choose one or the other. Both are important. In fact, the wording of the agricultural research proposal suggests

that the funding of agriculture should be tied to the funding of research in energy and medicine. So this would have the effect of, in fact, making the political argument for agricultural research even that more potent.

If I can just conclude, we've had one triennial report. The foundation has come before us. I think the members of the committee have been just as impressed as I have been. I've had the opportunity to sit down with both the president and the chairman of the foundation and review what they're doing. My colleague from Cardston makes an excellent suggestion, though — I think it was with reference to the previous motion but equally applicable to this one — that this committee ought to go over and have the opportunity to see some of the medical research being done both in this area and in the cancer and heart disease area and become more acquainted with just what is happening.

I think that having done that, members will support this proposal that we guarantee to the foundation sufficient funds to maintain the research program they've established over the medium term. That is what is being proposed.

MR. CHAIRMAN: Recommendation 9:

That the Standing Committee on the Alberta Heritage Savings Trust Fund Act consider developing 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. COOK: Mr. Chairman, I indicated that I'd be happy living with recommendation 25 if both could be combined. I'm not particularly concerned about the location. I think it's fair to say that recommendations 25 and 9 are basically the same. It would make no sense, from my view, that we put another recreation park in south-central Alberta in addition to the Kananaskis park. The population base wouldn't support it. The population base that might support a second park, I think, is in the east slope of the Rockies, to the west of Edmonton. It would probably also serve central Alberta, that area from Red Deer north. I think that's where the population is that would be served by something like this.

I'd like to suggest that both resolutions 25 and 9 be considered largely the same concept.

MR. CHAIRMAN: I appreciate that, Mr. Cook,

but the limit the Chair has is that recommendation 9 is there, and it's in your name. We will be voting on recommendation 9 before we get to recommendation 25. Your advice as to how the committee might deal with this would be very much appreciated.

The way I see it, we have several alternatives. Either we deal with recommendation 9 as it is, you withdraw recommendation 9 and support recommendation 25, or we amend or change recommendation 9 and, by doing so, make recommendation 25 redundant. The dilemma I have right now is that we cannot deal with the statement you've just made unless you come forward with a suggestion. You have several choices, and I'm sure I and the committee would be geared by whichever — it's your recommendation.

MR. COOK: I'll leave recommendation 9 as it stands.

MR. CHAIRMAN: Okay. Any additional comments or questions?

MR. THOMPSON: Mr. Chairman, I've got no problem with the intent of the recommendation. My only position is that Kananaskis Country has barely gotten into production, so to speak, at the present time; it's certainly not being overutilized. I think it's a matter for the future. Once Kananaskis Country has been developed and used to its greatest potential, I can see our going into something in northern Alberta, too, with adequate lead time. But the paint isn't really dry yet on Kananaskis Country, from one point of view. So I would have trouble at this time supporting the recommendation.

MR. GURNETT: Mr. Chairman, while I agree with Mr. Cook that both recommendations 9 and 25 are more or less talking about the same thing, they both in some way involve a geographical location, and that seems to be the main area of sensitivity about them.

My concern is that in recommendation 9, by identifying this second park as being on the east slope of the Rockies, in a sense we're restricting the possibilities for that park development more than we are in recommendation 25, where we simply indicate it'll be in the northern area of the province.

Both of them certainly have the same

understanding behind them. The intent is to make something within a reasonable distance available to a lot of people who are a long drive from Kananaskis. By supporting recommendation 25, I think we make it more likely to do that. Maybe it's regrettable that there hadn't been a greater effort to create one recommendation rather than having the two stand, but I think recommendation 9 builds in more restriction on the park than recommendation 25 would.

MR. R. MOORE: I look at Mr. Cook's recommendation. I'd like to make an amendment to that recommendation, if I may, Mr. Chairman. I would like to amend that motion by changing some of the wording, and I think it's best to read the way I would read it:

That the Standing Committee on the Alberta Heritage Savings Trust Fund Act consider developing a second major recreation park to promote and even further tourism in Alberta.

MR. CHAIRMAN: Mr. Moore, if I understand that, you've basically taken the words in recommendation 9, eliminated some of the words, and it now reads — and please correct me:

That the Standing Committee on the Alberta Heritage Savings Trust Fund Act consider developing a second major recreation park to promote even further tourism in the province of Alberta.

In essence, what you've done with recommendation 9 as it reads is cross out the words "on the east slope of the Rockies" and "as another base industry." Is that correct, sir?

MR. R. MOORE: That's right. Mr. Chairman, I feel that we can't be specific in indicating where it's to go. I think we should support tourism, and a second major park is one of them. It could go anywhere in Alberta. The need and the area it will service — all these things should come into consideration rather than make a narrow recommendation where we dictate a particular site and where it's to go.

MR. COOK: Mr. Chairman, if my colleague would just tighten up the wording a little, I'll consider that a friendly motion. I think the word "enhance" would be a preferable word.

MR. CHAIRMAN: You have to tell us where "enhance" is going to be, Mr. Cook.

MR. COOK: I think my friend has got the words "promote even further." All those words could be replaced by the word "enhance", which says the same thing. I'll then consider this a friendly motion.

MR. CHAIRMAN: Are you making an amendment to an amendment now?

MR. COOK: Yes, Mr. Chairman. If my colleague would agree to it, I think it could be his amendment.

MR. CHAIRMAN: We're in the very unique situation here, Mr. Moore, of drafting this as we're going along. Did you wish to say "to promote even further" or "to enhance"? What was your intent?

MR. R. MOORE: Mr. Chairman, I would put the word "enhance", because I certainly want my colleague Rollie Cook to be onside with me. He has never been offside in the past, and I would like to keep him in that position.

MR. GOGO: Speaking to the amendment to the amendment, we have a great department of tourism that's actively promoting tourism, so I presume we can now influence the minister to actively "enhance" tourism. Is that thrust of the amendment to the amendment?

MR. R. MOORE: Mr. Chairman, we're playing on words right now.

MR. GOGO: Exactly.

MR. R. MOORE: I could even make my motion "to enhance and promote" if it would at least satisfy everybody, and we'd get on with the business of making recommendations rather than playing on words.

AN HON. MEMBER: Hear, hear.

MR. CHAIRMAN: Sir, we're now having a discussion on your amendment, and in a very formal sense you're going to have come up with that.

MR. R. MOORE: All right. I will make my

motion read "to enhance and promote tourism in Alberta."

MR. CHAIRMAN: Mr. Bubba, were you able to get that wording down for us so we can distribute it?

MR. BUBBA: Yes.

MR. CHAIRMAN: As best as I understand, then, we have motion 9 now amended to read:

That the committee consider developing a second major recreation park to enhance and promote tourism in the province of Alberta.

That would be correct?

MR. R. MOORE: That's correct, Chairman.

MR. CHAIRMAN: We'll have to have two votes now. If we agree to the amendment, number 9 is now amended. Number 9 is agreed, so it would be redundant; it goes without saying. To in fact get this on the record the way we want it, to allow you to come back later to vote on it, I'm going to ask two questions. First of all, is there any further debate with respect to this amendment?

MR. GURNETT: Mr. Chairman, I'd suggest that by approving the amendment, we've really diluted recommendation 9 to the point where it has so little content that I don't think it's a useful recommendation to send forward. As earlier discussion on recommendations 9 and 25 indicated, the idea behind both of those recommendations was to make clear that there needed to be a park that was accessible to the other major bloc of population, for whom Kananaskis was a long drive away. So really the amendment more than amends that idea; it now changes it. We're simply saying to the government that we think another park is a nice idea. I can assure you that that's less than the intent at least of recommendation 25, and as I understood from earlier discussion, that's less than the intent of the original recommendation 9.

I realize we don't want a recommendation that is too specific and detailed, but on the other hand I think it's only useful to send recommendations that have enough content that they say something about a direction we as a committee are recommending things go.

MR. CHAIRMAN: Mr. Moore, we're now on the discussion with respect to the amendment.

MR. R. MOORE: May I wind up discussion?

MR. CHAIRMAN: Yes. Unless there are additional comments forthcoming from the committee members, Mr. Moore, you certainly have the right.

MR. R. MOORE: Mr. Chairman, I view with interest the words of the Member for Spirit River-Fairview. If my memory serves me right, he was arguing before that motion 25 had more flexibility than motion 9, and when we add flexibility to number 9, he's arguing against it. He's again being like I've always said about one party in the province: they're very consistent in being inconsistent. I think I'm leaning over backwards, as you know I always do, for the Member for Spirit River-Fairview in trying to make recommendation 9 more flexible. I don't know what else I can do. I was making it as flexible as possible for him as well as the citizens of Alberta.

MR. CHAIRMAN: We'll now go to the question with respect to the amendment. There's a motion to amend number 9 to read:

That the committee consider developing a second major recreation park to enhance and promote tourism in the province of Alberta.

All members in favour of the amendment kindly signify by raising a hand. Four. All those opposed? The amendment is carried. We now have a new motion 9, that we'll deal with later in principle and final approval.

Members of the committee, would there be additional recommendations forthcoming to the committee?

MR. MUSGREAVE: I have one. Unfortunately, I can't give it to you yet, but I intend to give it to you today, hopefully right after lunch.

MR. CHAIRMAN: We are now in the process that leads us to a final review of recommendations 1 to 44. Mr. Bubba has a document here that he has looked at for the last several days, just looking at the reading. Perhaps we'll circulate that now, take a break for about five minutes, and then come right back and go to recommendations 1 through 44.

Perhaps there are more.

Once again, to outline my understanding of the manner in which we will take it and deal with it, the members will read into the record the recommendation under their name. There will still be an opportunity for questions. Immediately following that final discussion, we will vote on that particular recommendation before moving on to the second recommendation. When we come back in five minutes, I will ask you to give me your decision on one question. Do you want your name listed with yea or nay behind each of these votes, or do you simply want to vote by hand?

MR. GOGO: Mr. Chairman, I wonder if when you come back you could advise the committee. I'd understood that a committee of the House will operate by the rules of the House. I need the assistance of Mr. Cook in this regard. It seems to me that the only way you would record names of anybody, consistent with the policy of the House, is if people demand that by having three members stand. It seems to me — and I would defer to you, Chairman — that we should operate under the existing rules of the House.

MR. CHAIRMAN: The history and the precedence with reference to this committee, going back to 1976, show that prior to my assuming the position of chairman of this committee, previous committees had in fact voted by way of identification of names. Since I've been in the Chair in this particular committee, we've not followed that practice. We've simply voted by show of hands, and it has not been recorded as to who voted in favour of this or who voted against that. It has never come up that three members have stood to say that they wanted a recorded vote.

MR. GOGO: With respect, Chairman, whatever people have done before us doesn't mean we should do it that way. I think we should operate by the House. Each member has the opportunity, if Hansard is working, of saying, "Mr. Chairman, please record my vote as being such and such."

MR. CHAIRMAN: Let's break for a brief five minutes, and then we'll return. Miss Conroy will circulate those documents.

[The committee recessed from 9:55 a.m. to 10:03 a.m.]

MR. CHAIRMAN: Committee members, I think we've extended the five minutes to about eight minutes.

Following through, the question I wanted clarification of is one that Mr. Gogo raised with me prior to, that the tradition in the House is and always has been that, in essence, votes are by show of hands. Should three members wish to have a recorded vote, they might stand and ask for such, and we would then go through it. Would that be the general acceptance of the manner in which we should deal with the voting? Okay.

We'll go to recommendation 1.

MR. R. MOORE: Mr. Chairman, at this time I'd like to withdraw recommendation . . .

MR. CHAIRMAN: Excuse me. Mr. Bubba, has this document been circulated?

MR. BUBBA: No.

MR. CHAIRMAN: Oh, it's being circulated now. Okay.

MR. R. MOORE: Mr. Chairman, at this time I would like to withdraw recommendation 1. It's very similar to other recommendations we'll be considering today. Rather than having three or four on the same points, I withdraw this one at this time.

MR. CHAIRMAN: Recommendation 1 has been withdrawn.

Recommendation 2, Mr. Thompson.

MR. GOGO: Chairman, can I take 10 seconds and phone his office?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Agreed. Mr. Cook, recommendation 4.

MR. COOK: Mr. Chairman, it was withdrawn.

MR. CHAIRMAN: Withdrawn. Okay. That covers that one.

Recommendation 5.

MR. MUSGREAVE: Mr. Chairman, it's kind of interesting. I think this motion was once presented by members of the New Democratic Party. When you serve on this committee for almost a decade, like I have, it's interesting that some of the motions put forward by the opposition suddenly become ours and ours become theirs. I recall proposing in the early years that a study be made of the rationalization of power in the province, and the only person who supported me was the late Grant Notley. All the other members of the committee voted against it. So I've been in this unique position before.

As you well know, Mr. Chairman, when you were chairing our surface rights committee — and some members of this committee were on that committee — it was a very educational experience for those of us on the committee. More important, it was an opportunity for the people of the province of Alberta to sit down and talk to those people who are their governors. In the last two days I've had the good fortune to be in southern Alberta to meet with farmers and farm representatives and get a better feeling for the problems and difficulties that face those people involved in the field of irrigation.

Regrettably there's a lot of misunderstanding about the fund out there. We all know that we recently did a survey through the province and found that most people thought the revenues accruing to the fund came from a tax on the sale of gasoline at the pumps, when all of us know there is no such tax in existence. The other problem I see with the fund is that a lot of people think there's a huge amount of cash or assets that can be turned quickly into cash that's available. If you examine the fund closely, you know that is not the situation at all. So the reason for this is that I think it's time that the legislators became more available to the people, that they meet with important committees such as ours.

I point out to members that the reason this committee was established was that it was a very significant change from the way a parliamentary government runs the affairs of its people. We don't spend the money and then come to the Legislative Assembly and say, "Approve what we have done." Historically, ever since the days that power was wrested from the kings of England, it's the other way around. Approval has to be obtained before you

spend the money.

In order to offset some of the concern about the way we were structuring the heritage fund, this committee was established. If this committee does not want to go out and be exposed to the public, the news media, and whatever the members of the opposition might want to do to embarrass the government and government members of the committee, if we're not prepared to go out and meet the people, I think we should be concerned about our political future and, more importantly, the political viability and continuing existence of the fund.

MR. CHAIRMAN: Mr. Musgreave, I think it would be helpful to us if you were to read your recommendation into the record.

MR. MUSGREAVE:

That hearings be held throughout the province to determine the support by the people for the concept and the direction legislators should take with regard to the management of the Alberta Heritage Savings Trust Fund.

MR. CHAIRMAN: Two members, Mr. Gogo and Mr. Zip, have indicated they want to raise a question.

MR. GOGO: Mr. Chairman, Mr. Musgreave's recollection of history and the kings of England is reasonably accurate. Historically, the only way anybody could spend money was through taxation. We're in a new era now, and this one says that royalty revenue is taxation. That probably doesn't hold as true as it did then.

I am very encouraged that a man of Mr. Musgreave's integrity and service of this House has been prompted to put this. I need advice on the question I have, Chairman. Constant reference is made by Mr. Musgreave to either "people" or "public", yet the word "public" is left out -- I don't know whether inadvertently or deliberately -- as a second word in the proposal. Is it Mr. Musgreave's intention that they be termed "public hearings" as opposed to "hearings"? If it's only going to be with newspaper editors, I frankly think it would not be worthy. I ask Mr. Musgreave to comment on that.

MR. ZIP: Mr. Chairman, after being on the

irrigation tour and having firsthand contact with various people in southern Alberta on the very important activity and upgrading taking place at the present time and the spending of Alberta heritage trust funds on this worthy activity, I am convinced that there is a need for heritage trust fund committee members to be circulating in the province and getting feedback from the various communities across the province. I certainly have found it very useful. Some of the people we met gave us some excellent input and extended our horizons with respect to what the fund is doing and should be doing.

I certainly feel that this is a very worthwhile motion by Mr. Musgreave. It certainly reflects his long experience and service with this committee, and I am prepared to support this motion.

MR. CHAIRMAN: Would there be additional comments before we ask Mr. Musgreave to conclude the debate?

MR. MUSGREAVE: Mr. Chairman, if the hon. Member for Lethbridge West would like the words "public hearings", if that was his concern, I'd be happy to make that change. I have no further comment.

MR. CHAIRMAN: So what you're basically saying is the intent of your motion is that the definition of "hearings" is public hearings?

MR. MUSGREAVE: That's right.

MR. CHAIRMAN: Well, I think it's the intent that's important here.

We'll now go to the vote on recommendation 5. All committee members in favour of recommendation 5, kindly signify by raising a hand. All members opposed? It's carried by a vote of 5 to 4.

Recommendation 6.

MR. MUSGREAVE: Mr. Chairman, I think I made my remarks on this previously, but if you wish, I can very briefly say that the intent of the motion -- I'll read the motion first:

That the capital funding of the Alberta Heritage Foundation for Medical Research be reimbursed for the capital construction projects costing approximately \$60 million being planned for Calgary and Edmonton.

Mr. Chairman, the purpose of this motion is to, in effect, reimburse the fund for those moneys that they are expending. While provision may have been allowed in the original Act for them to do this spending, if you look very carefully at the Premier's address when he introduced this very important Bill, the intent was that they would not be spending money on capital projects.

What I'm suggesting is that we reinforce the integrity of the fund and allow them to take this money and the revenues generated from it and use it for the expansion of their research programs, for which they've already told us they're concerned about future funding.

MR. GOGO: Mr. Chairman, I have a concern with recommendation 6, as I spoke to earlier. If they've gone ahead and done this, I suppose in many ways the easy way out is to approve it. But what is to prevent this happening again? We have several recommendations dealing with the foundation. I have not heard from the Minister of Advanced Education about all the facilities that were built in this province through the university sector. I'm fearful that by passing this, our successors, whoever they may be, will sit down here and go through the same thing.

So I'm reluctant to approve it without some very sincere indication from these people that they've done this, they're in difficulties, and it won't happen again. Without that assurance, frankly, I have some difficulty supporting it.

MR. NELSON: Mr. Chairman, just briefly. I've spoken briefly to this once before. I question the comment about whether they're going to interfere with the integrity of the fund, because as I understand it, there's presently some \$450 million in this endowment fund, of which \$300 million was set up as seed, as the endowment. Certainly a motion further down the line here, which we'll deal with later, is one that would concern me: that in keeping the integrity of the fund we have to invest more in the endowment area to ensure that research and development is pursued.

I'm a little annoyed and a little concerned about some of these agencies that just go out and want to capitalize a building, or whatever they feel is necessary in that respect, to the tune of \$60 million. I think they should have put their cards on the table and made a request

to the government for additional funding if they felt it was necessary for those buildings. Certainly, we need places to house people who are going to do research and development; there's no question about that at all. But I also think that if the fund was set up basically for research and development and if they're going to use those funds for other means, that has to be given an address to the government, to the cabinet, so that funding can be set aside if it's deemed necessary. I think that to use this fund as such is out of the ballpark of their mandate.

However, saying that, I think we should send them a message that although we may support their venture, they should go to the government and request the \$60 million in the proper and appropriate manner rather than utilizing the funds that are provided for research and development.

MR. CHAIRMAN: Would there be additional comments before Mr. Musgreave concludes the debate?

MR. MUSGREAVE: I have nothing further, Mr. Chairman, except to point out that I agree wholeheartedly with the remarks Mr. Nelson made. Unfortunately, in order to continue their programs, they had to build these \$30 million facilities in each of the two cities.

MR. CHAIRMAN: We'll go to the question on recommendation 6. Would all committee members in favour of recommendation 6 kindly signify by raising a hand. Would all those members opposed kindly signify by raising a hand. The motion is defeated. It is my understanding that the motion was defeated by a vote of 6 to 1 with two abstentions.

Recommendation 7.

MR. COOK: Mr. Chairman, both the applied cancer research foundation and the applied heart research foundation are coming to the end of a five-year period of review. There is no assurance that funding will be available for these two programs unless they are rolled into a larger body, the endowment fund for medical research. I ask members to consider doing that with recommendation 7.

MR. CHAIRMAN: Would you kindly read it into the record so we're absolutely sure that this is your intent?

MR. COOK: Mr. Chairman, the motion reads:

That the committee consider consolidating all medical research activity funded by the Alberta Heritage Savings Trust Fund into the Alberta Heritage Foundation for Medical Research.

MR. CHAIRMAN: Would there be additional comments or questions from committee members with respect to recommendation 7? We'll go to the question. All committee members in favour of recommendation 7, kindly signify by raising a hand. It's unanimous. It's carried.

Mr. Cook, recommendation 8.

MR. COOK: The medical research foundation has embarked on an ambitious program, Mr. Chairman, following on the mandate of the Premier when he put the Bill before the House in 1980. The motion reads:

That the committee consider supporting the request of the Alberta Heritage Foundation for Medical Research to increase its endowment to generate sufficient funds over the longer term to maintain its program at roughly a \$51 million or \$52 million annual expenditure level.

This motion is an attempt to give the fund stability so that it can continue planning and recruiting high-calibre people from across the world to come to Alberta — precisely the objective we had before.

I might add that it would meet the concerns of my learned colleague the chairman of the Alberta Research Council by, in effect, compensating them for the construction of the two buildings he referred to. This would do that plus ensure that the level of expenditure would be sustained.

MR. NELSON: The last comment of Mr. Cook concerns me greatly, Mr. Chairman, in that the suggestion is to increase the funding and also to assist them in funding the capital development of their project that was discussed a few moments ago. This is similar to a recommendation I made last year. I have no difficulty supporting an increased amount of money in the endowment fund as long as it is to be used for applied research and development. However, if we're going to increase this fund to bail out this research foundation because of

their capital investment, I say no.

I would put a caveat on this, and I may even make an amendment, that if any moneys are offered to the medical research foundation to increase their endowment, those moneys only be used for the purpose of research and development and not for the capital expense of their buildings or other developments of that nature.

I will wait for other people to speak, and then I may bring forward an amendment to that motion.

MR. GOGO: Mr. Chairman, if the interest rate on long-term investment was 3 percent — I hope committee members are aware of the amount of capital that's going to be required to be put in here. I have very great difficulty with this because there is no figure on the commitment by Albertans. What are we talking about? A billion dollars? It's pretty easy to say that we've been through 20-odd percent interest rates and they're now hovering at 10 percent, et cetera, et cetera. I think it's the wrong approach. If Mr. Cook or anybody else wants to say, "Let's make that fund \$400 million or \$500 million," let's do it in the appropriate manner. I don't think the appropriate manner is being dealt with here.

To say to people that we will increase whatever so you have \$50 million income, recognizing that you must maintain the corpus of the fund, what are we talking about? I don't see how committee members can support that. What's the figure? If we're accustomed to anything around here, surely it is putting a figure on something before we vote on it. So I can't support that.

MR. MUSGREAVE: Mr. Chairman, I was just going to make the comment that I think this is similar, in a way, to the motion I made. It's to revitalize the fund. But as my motion wasn't defeated unanimously, I guess I have to support Mr. Cook, and it will have to go down in flames.

MR. CHAIRMAN: Would additional comments be forthcoming from committee members before Mr. Cook moves to close debate on this matter?

MR. COOK: Mr. Chairman, this motion does recognize the suggestion from Mr. Nelson last year that the integrity of the fund should be

maintained. Indirectly, I suppose, it does relate to my colleague's resolution 6, but more specifically what it does is recognize that the foundation came before us and told us for the first time what they think a realistic level of expenditure is, based on the number and quality of research teams being assembled. Right now the foundation is expending about \$30 million in pure and applied research, and with the commitments they've made to researchers, they expect this will be coming up to the \$51 million to \$52 million range shortly. The objective of resolution 8 is simply to give them some planning ability over the medium term and to sustain the level of research activity at their projected levels.

I think the foundation has done us a favour, Mr. Chairman, in the sense that they have told us for the first time what they think the research foundation will require. Up until now we've been going by guess and by golly as to the amount of funding required. So my colleague from Lethbridge West will be glad to know exactly what will be required to sustain the research program. This, in effect, puts a cap on it, and the cap is the number suggested by the foundation.

Mr. Chairman, I ask hon. members to consider voting for this, because it does maintain the integrity of the research foundation.

MR. CHAIRMAN: Mr. Nelson, we've now had the conclusion of the discussion by Mr. Cook. The process we follow -- I asked the question, "Did any committee members have additional comments?" before Mr. Cook concluded the debate. You did not catch my attention. Mr. Cook was into his discussion. If we don't follow some basic procedure, we'll be going on and on.

I ask committee members who are in favour of recommendation 8 to signify their support by raising a hand. All committee members opposed to recommendation 8 kindly signify by raising a hand. It's defeated by a count of 8 to 2.

Mr. Cook, recommendation 9.

MR. COOK: We just discussed resolution 9, Mr. Chairman, so I won't say very much other than observe that we've changed the wording. Mr. Bubba has done that for us. Resolution 9 is a general resolution which allows a second major recreation park to be sited where the greatest

need is in the province, regardless of any one of our parochial concerns.

AN HON. MEMBER: Question.

MR. CHAIRMAN: Question called. All committee members in favour of recommendation 9, kindly signify.

MR. HYLAND: Could you read it first?

MR. R. MOORE: As amended.

MR. CHAIRMAN: Absolutely. Mr. Cook, would you read into the record the amended motion.

MR. COOK: Mr. Chairman, the resolution reads:

That the committee consider developing a second major recreation park to enhance and promote tourism in the province of Alberta.

MR. CHAIRMAN: Okay. The question has been called. All committee members in favour of recommendation 9, kindly signify your support by raising a hand. All committee members opposed, kindly signify by raising a hand. I see 5 to 3 in favour. Carried.

Recommendation 10, Mr. Zip. Mr. Thompson?

MR. THOMPSON: Mr. Chairman, I guess it isn't a point of order, but I wonder if you could defer my recommendations till this afternoon. I'm sitting with Leg. Offices going over the Auditor General's budget this morning.

MR. CHAIRMAN: Mr. Thompson, I don't know if we'll be here this afternoon. Can we deal with them now? We are now at recommendation 10. It may very well be that we'll finish this whole process by 11 o'clock.

MR. GOGO: Can we deal with them now?

MR. CHAIRMAN: If the intent is to go back to recommendations 2 and 3, that would be a decision of the committee. Would it be appropriate, then, for us to return to recommendations 2 and 3 now?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: All those in favour of going back to recommendation 2, signify by raising a hand. That's carried. We're back to recommendation 2, Mr. Thompson.

MR. THOMPSON:

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

Basically, I don't believe this is a fundamental change in the reporting of the Heritage Savings Trust Fund, but it has been recommended at least twice by the Auditor General himself that there is some difficulty. Basically, I am interested in seeing that the financial statement is more accurate than it appears to me at the present time. This has nothing to do with money or the fact that the heritage trust fund isn't being reported accurately; it's just the fact that to my way of thinking the deemed assets should be listed separately and not on the financial statement.

MR. GOGO: Mr. Chairman, could I ask the Chair what the recommendation of the Provincial Treasurer was?

MR. CHAIRMAN: The recommendation of the Provincial Treasurer? There was a motion with respect to this by the committee last year. My recollection was that it was defeated.

MR. NELSON: Mr. Chairman, can I help? As close as I can recollect, the Treasurer's comment was the fact that they were already separated in the report in that they were listed separately. And, of course, in the area of the report where there's identification of the assets as they've accumulated over the years, they are separated.

But I think what Mr. Thompson is suggesting is something somewhat separate, where they would be reported totally separately rather than as they are at the present time, with the other assets of the fund.

But as I recollect, as I've indicated, I think the Treasurer said they are already separated.

MR. MUSGREAVE: Mr. Chairman, what it would mean is that instead of having \$14.4 billion under the assets, you'd have \$12.2 billion. Likewise, your liabilities would be reduced by a similar amount. Frankly, from a

financial point of view I think it's an excellent suggestion by the hon. member. I say that for this reason. So many Albertans and Canadians say there's \$14 billion in the heritage fund. Sure, the fund has made \$14 billion of investment, but \$14 billion is not available to the citizens of Alberta or Canada. For example, we are using hundreds of millions of dollars in the irrigation system and hundreds of millions of dollars in Kananaskis Country, to name two. They're excellent investments, and they'll be there forever. But there's no way in this country that you can sell those assets.

In the interests of making sure that the citizens of Alberta realize what their fund is all about, I think these should be excluded. If you're going to develop this rational argument, we should be putting a price on this building. It's an asset. Granted, it didn't come out of the heritage fund, but the taxpayers of Alberta paid for it. If you want to make an inventory of all the assets, just think of the tremendous investment you've got here.

MR. CHAIRMAN: It's quite a liability.

MR. MUSGREAVE: On that note I'll close.

MR. CHAIRMAN: Would there be additional discussion or comments with respect to recommendation 2?

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: No concluding remarks, Mr. Thompson? All committee members in favour of recommendation 2, kindly signify by raising a hand. Those opposed, kindly signify. It is carried by a vote of 8 to 3.

Mr. Thompson, recommendation 3.

MR. THOMPSON:

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, last year I was a member of the workers' compensation committee that toured Canada. In several jurisdictions it was brought to our attention that there are about 2,000 new chemicals coming on the market every year that are being used in industry, and no one really knows the kind of aftereffects of the use

of these chemicals in relation with other chemicals. I honestly believe that as time goes by and more and more of these chemicals come out, they are going to find that there are some severe effects from some of these in the workplace.

Just because we do some research in the area, I don't think that that's going to completely neutralize the problem. But I think we should pay attention to what we can see coming up in the future. It will take 10 to 15 years to start to see the aftereffects of the things that are happening today with farm chemicals and industrial chemicals. Therefore, I think the foundation should at least be aware and maybe in a mild way start setting up some kind of vehicle to look at this type of activity.

MR. R. SPEAKER: Mr. Chairman, I'd like to speak in support of Mr. Thompson's suggestion. I recall raising my concern in the Legislature when we as a Legislature approved the program for grasshopper spraying in southern Alberta. During the summer farmers sprayed thousands of acres of land with grasshopper spray, a very deadly chemical. Supposedly, the residue dissipates after a period of time. I don't know if it does or not, but I'm sure it had some side effects. Everybody said, "Oh, no, it's all right." But good research would certainly answer that question. On that basis I'd like to support Mr. Thompson.

MR. GOGO: Mr. Chairman, I support the motion of Mr. Thompson. I have some difficulty with the word "upcoming", because I think the increase is here now. I wouldn't like to see the medical foundation say, "Oh, yes, we'll consider it when it 'upcomes'."

AN HON. MEMBER: Question.

MR. CHAIRMAN: Mr. Thompson, there's a call for the question. Would you like to conclude the debate?

MR. THOMPSON: Not at the present time.

MR. CHAIRMAN: Okay. All committee members in favour of recommendation 3, kindly signify by raising a hand. All committee members opposed to recommendation 3, kindly signify by raising a hand. As best I can read, it was seven in favour, one against, and three

abstentions. Carried.

Recommendation 10.

MR. ZIP: Mr. Chairman, the recommendation reads as follows:

That the committee recommend that a biennial appraisal be made of the market value of the assets of the Alberta Heritage Savings Trust Fund and that a statement of such an appraisal be prepared and attached to the annual report of the fund for that year.

Mr. Chairman, my basic reason for introducing this recommendation is that the original concept and philosophy behind the fund was that it be a nest egg for the future security and well-being of the people of the province of Alberta. A very important part of that was to have a fund that would continue to generate income for the people of Alberta when the time arrives that the nonrenewable resources of this province decline in productivity and market value and when the income from these nonrenewable resources is diminished to such a degree that without a supplement that would come from the nest egg nature of the heritage fund, it would seriously impair the ability of the province to continue to deliver services to the people of Alberta at present levels.

What has happened is that some of the moneys from the fund have been diverted to those types of investments that do not have a readily marketable value. Though their value as far as the infrastructure or the economy of the province is very great and worth while -- as we've experienced as a committee, those of us who went out to view the irrigation works presently being improved and extended in the province, making a massive contribution to agriculture in southern Alberta and the entire province -- these assets are not marketable. While they are included in the overall assets of the fund, they create a misconception on the part of the public at large as to the marketable value and income-generating capacity of the fund.

The purpose of this appraisal would be to focus on that part of the fund that would be disposable and marketable and would generate income so that people have a more realistic picture of the nest egg portion of the fund and its capacity to maintain income for the government of Alberta in the future.

MR. CHAIRMAN: Would there be additional comments forthcoming from committee members on this recommendation?

MR. R. SPEAKER: Mr. Chairman, I think there is a lot of merit in the intent of the motion. The concern I have is what we're asking for. I think in terms of debenture loans to the various corporations; for example, the Mortgage and Housing Corporation. I raised that the other day. What we have from the Heritage Savings Trust Fund is a debenture loan to the corporation which in turn pays interest to the fund and which in turn is guaranteed, I understand, by the general revenue so we in the heritage fund would not lose the value of that debenture. What has been done with the debenture money in terms of purchases of land, purchases of homes, and various activities by the Alberta Home Mortgage company? I know there are lots of losses; they have something like \$3.3 billion. With the equity value of land and homes in the province of Alberta, I'm sure they've lost -- the equity value there has gone down a billion dollars out of that \$3.3 billion. That's certainly of concern.

I'm not sure that our motion here wants to or can go that deep as the Heritage Savings Trust Fund. Are we asking for a review of the activities of each one of those corporate entities or Crown corporations that are using debenture moneys? That's not quite clear to me. If it is, we're asking for a major auditing job to be done.

I know the Auditor General does specific reports on each one of these Crown corporations listed as debenture borrowers under the Alberta investment division; for example, AGT, the Alberta Mortgage and Housing Corporation, the Alberta Municipal Financing Corporation, and the Alberta Opportunity Company. Maybe with more clarification in closing debate it would be better understood. But in the broad, general sense that we're asking right now, I think that's a little difficult.

MR. CHAIRMAN: Would there be additional questions forthcoming from committee members before we ask Mr. Zip to close the discussion and debate?

MR. ZIP: Mr. Chairman, the concern regarding the various debentures and various examples

that Mr. Speaker raised is certainly a very valid point. That's the type of concern I had when I was considering making this recommendation. Certainly, outside opinions, outside the Auditor General as well, would be very helpful to focus on these areas and give an expert opinion so that we would have better direction as to where we're actually going in maintaining the overall integrity, solvency, and income producibility of the fund. That type of concern strengthens my sense of need for this type of recommendation to be accepted and passed on to the government.

MR. CHAIRMAN: We'll now move to the vote with respect to recommendation 10. Would all committee members in favour of recommendation 10 kindly signify their support by raising a hand. Would all committee members opposed kindly signify their opposition by raising a hand. The way I see it, it's 6 to 4 opposed, so it's defeated.

Mr. Hyland, I understand recommendation 11 has been withdrawn.

MR. HYLAND: Yes, Mr. Chairman. I'll have some comments to make on 24.

MR. CHAIRMAN: Okay. Mr. Musgreave, recommendation 12.

MR. MUSGREAVE: Mr. Chairman:

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

Mr. Chairman, the reason I put this motion forward is that if you read the annual report of our Provincial Treasurer, he ends up by saying:

The Alberta Heritage Savings Trust Fund symbolizes our commitment to an old fashioned "saving for a rainy day" philosophy. It is accelerating and broadening the economic recovery now clearly occurring in Alberta. It signals fiscal responsibility, prudent financial management, stability for investors, and sustained growth over the long term for our province.

If one reads the business section of the newspapers, I think most of us would agree that

economic recovery is on the way in Alberta. It's not as great as some of us would like, but our minister of energy just announced yesterday a multimillion dollar investment by Murphy Oil, which is going to see an extra 10,000 barrels a day of crude oil production in the near future.

There are some that are concerned that if this is passed, there would be a 7 percent sales tax -- and I notice the hon. Treasurer mentions that -- or a doubling of income tax. Frankly, I would support more income tax being paid, for the simple reason that income tax is based on your ability to pay a tax. In other words, it's the rich people or those who have money who pay, whereas the sales tax is a very insidious tax that taxes the poor person down at the bottom end of the scale. I obviously wouldn't support such a thing.

But as a grandparent I'm concerned that we are locking ourselves into the position of spending a resource that took, if you want to look at it on a scale of time, millions of years to put into place. We're spending it right now. If you take the money that came into the fund this year, it was \$737 million, according to the Treasurer. If you take the rate of return on our assets, excluding the deemed assets, it amounts to about a \$1.4 billion increase in the value of the fund. However, if you subtract from that \$1.4 billion the \$737 million that went in from our return this year, you are now down to \$760 million. If you take off a 4 percent inflation rate, you're now down to \$272 million. So I suggest that a fund worth \$12 billion is not growing at a very accelerated rate when you take inflation into concern.

Someone will say, "Well, where's the money coming from?" Again I'm referring to that question. I suppose I could say that the money will come from the same place the money came from for all the other things we've been doing this past year. I could mention the MCR grant program, which has doubled. I could mention the LRT in the cities of Calgary and Edmonton, which has been substantially increased. I could mention aid to agriculture, which has been increased. We've done all these things, yet every time we suggest that we should be saving more money for our future generations, this old bogey of a 7 percent sales tax is raised.

I suggest that if the economy is improving, as our hon. Provincial Treasurer says right here in the report, we should be putting a little bit more of this aside. I'm not necessarily locked

into the 5 percent; I just think we should change our attitude, change our thinking, and be more prudent. In effect, we are spending every nickel we can get our hands on. I think it's time we took a look at this and said, "Let's get back to what the fund was all about in the first place."

MR. CHAIRMAN: Would there be additional comment?

MR. COOK: Mr. Chairman, I understand why my colleague Mr. Musgreave would make this motion. However, I can't support it. I think we're into a very uncertain period of time in our history, when OPEC is meeting on an irregular basis. The oil minister for Saudi Arabia, Sheik Yamani, has suggested that Saudi Arabia might be willing to see the price of oil fall to \$15 a barrel U.S.

I just don't think we should be doing anything that locks us into any kind of savings program when, frankly, we might need the money just to maintain our present level of programming without increases in taxation. Mr. Chairman, I think a vote in favour of this is a guarantee that we'll be faced with increased taxes.

MR. GOGO: Mr. Chairman, if it means an increase in taxes, so be it. There are five U.S. states remaining of the 50 that don't have a sales tax, and Montana is now in the process of instituting one. I'm not at all opposed to a sales tax, as I've said to this committee before. It's a matter of how it's applied.

It's interesting to note that a visitor to Alberta just last week had been to several stores in Winnipeg, wrote down the prices, and came to the Lethbridge community in Alberta. The prices in Lethbridge were higher than in Manitoba, even with their sales tax. So I don't accept the arguments against sales tax at all.

Speaking directly to Mr. Musgreave's recommendation, as I understand it, it would take 20 years to get us back to where we were, which in many people's view is almost a generation. I think that's the original intent of the fund, and my view is that in 1975 the public of Alberta solidly endorsed that fund. Our Premier was before this committee several weeks ago and said that any fundamental change to take place should be made by the people in a provincial election.

I support the intent of this. The arguments

I've heard regarding what OPEC may or may not do — they're going to do whatever they're going to do. I don't think this would tie our hands. I think it would indicate to the people of Alberta that there are certain people within the government represented by this committee that strongly endorse that we return to the principles that were set up when we established the fund. Therefore, I support it.

MR. ZIP: Mr. Chairman, I always felt that there was a strong need for the government to have a certain flexibility in its ability to meet exigencies that occur from time to time in the world economy, and since we're so heavily dependent on the world economy — particularly with the degree to which our total revenues and economic activity in this province are dependent upon world circumstances as currently reflected by the conditions of the world oil market and the large degree of uncertainties that are very real and have a very real impact on this province — I fear the rigidity that this type of motion will introduce into the ability of our Provincial Treasurer to meet situations as they occur. We'd be tying his hands needlessly. As a result, I cannot support this motion.

MR. COOK: Question.

MR. CHAIRMAN: Would there be additional comments or questions forthcoming from committee members with respect to recommendation 12? There being none, the question has been called. All committee members in favour of recommendation 12, kindly signify their support by raising a hand. All committee members opposed, kindly signify their opposition by raising a hand. It's 4 to 4 with one abstention.

MRS. CRIPPS: Mr. Chairman, would you cast your vote, please.

MR. CHAIRMAN: With a 4 to 4 with one abstention.

MR. R. MOORE: Mr. Chairman, I think you have the deciding vote.

MR. CHAIRMAN: The chairman will vote against it. The motion is defeated.

Mrs. Cripps, recommendation 13.

MRS. CRIPPS: Thank you, Mr. Chairman.

MR. MUSGREAVE: Mr. Chairman, for our information, if you're not finished here now, do we come back at one or two?

MR. CHAIRMAN: The other day the committee determined we would be reconvening at 1 o'clock if we're not concluded by noon.

MR. MUSGREAVE: I sent a note to the chairman earlier suggesting that I would have to leave at ten to eleven.

MR. CHAIRMAN: That's correct.

Mrs. Cripps, recommendation 13.

MRS. CRIPPS: Mr. Chairman, I move:

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 the fund.

This is the final year of the urban parks program. I believe that the urban parks program has been well worth while and certainly well received. I believe that this recommendation would ensure fairness in the development of parks throughout the province. I believe it's a lasting investment which will benefit smaller communities throughout the province, and urge members to support it.

MR. COOK: Question.

MR. CHAIRMAN: The question has been called. Do you want to conclude the debate, Mrs. Cripps?

MRS. CRIPPS: I'm finished, sir.

MR. CHAIRMAN: All committee members in favour of recommendation 13, kindly signify your support by raising a hand. All committee members opposed, kindly signify your opposition by raising a hand. The way I read it, it's 6 to 0 in favour with two abstentions. Carried.

Mr. Cook, recommendation 14.

MR. COOK: Mr. Chairman, North Carolina is rapidly emerging as one of the major research centres in North America. It was able to do that largely on the basis of a task force developed by several governors of the state.

One key recommendation was that research space be built at low cost and contracted out to the private sector. The best example is probably Northern Telecom and General Electric, which were attracted to the Triangle research park, which is centred on three universities. As a result of that, those key players were able to encourage smaller companies to locate in the area. They had a magnetizing effect on the economy.

Mr. Chairman, I'd like to suggest that unless we want to be beaten — I might add that this model has been adopted by many other U.S. states and Canadian provinces. We're being out hustled as we attempt to diversify the Alberta economy. I'd like to suggest that we have to keep pace with our competition. This is one key element in an industrial strategy that ought to be considered strongly.

MR. CHAIRMAN: Would there be additional comments or questions from committee members with respect to recommendation 14?

AN HON. MEMBER: Question.

MR. CHAIRMAN: Would all committee members in favour of recommendation 14 kindly signify by raising a hand. All opposed, kindly signify. Carried by a vote of 3 to 1 with one abstention.

Mr. Gurnett has indicated to me that he had to attend another meeting. Mr. Martin is not here. I will be guided by the decision of committee members as to whether we go on with recommendation 15 or skip to recommendation 34.

MR. COOK: Mr. Chairman, while our two colleagues are away — Mr. Martin has never been before the committee to defend this. It is fair to say that the Official Opposition has brought this motion before the committee on numerous occasions. I think most of us are familiar with the arguments that have been used by the NDP. My mind is made up, and I daresay many of my colleagues who have had a chance to listen to the debate in years past would be familiar with the arguments. I'd like to dispose of the motion now.

MR. CHAIRMAN: We're talking now about the procedure.

MR. R. MOORE: I support Mr. Cook on what he said. I have listened very attentively to all the opposition motions. I have participated in debate on them. I understand them fully, and I think everybody here understands them fully. I personally have a meeting at 11 o'clock which is very important to me and my constituents, which I have put off so that we can proceed now. I feel that I have put this committee ahead of other commitments because it's a very important committee, and I think we should continue as scheduled. Those who are here will make that decision. The others had ample opportunity to know to be here, they knew the importance of it, and I don't think we should start changing the rules this late in the game.

MR. NELSON: Mr. Chairman, we have allowed one of our own colleagues to bring his items forward after we'd tabled them whilst he was absent, and I suggest that we go back to 34. We can conclude those items of members that are here, and if we finish those in due course, we can then go back and deal with the motions of Mr. Gurnett and Mr. Martin immediately after. At least we've given a fair opportunity for them to be here. As I say, if we conclude the other items of those people who are here, we can then go back. But I think we should at least give them the courtesy and the opportunity we have to other members. If Mr. Gurnett is not back by a quarter past eleven or 11:30, when we get through these other ones, he can't stop the committee from proceeding. But I think we should at least be fair.

MR. GOGO: Mr. Chairman, I think we have always operated in a spirit of co-operation within the committee. I don't know the reasons for Mr. Gurnett's and Mr. Martin's not being here. I think it would be a given if they were on a select committee of this House and attending meetings on that. That should be a consideration as to how we deal with this. If they've missed an aircraft or couldn't arrive this morning — Mr. Gurnett is here, but Mr. Martin, I don't know.

I would like to hear from you, Mr. Chairman, as to what you would recommend the committee do.

MR. CHAIRMAN: My interpretation of this is that the Standing Committee on the Alberta Heritage Savings Trust Fund Act is the most

important committee of the Legislature of the province of Alberta. Members of this committee were elected by their colleagues in the Chamber. It is a tradition that this committee meets during the months of August, September, and, if necessary, October in each given year. It was a committee decision last week that we meet again today. After hearing all the discussion, committee members argued that we should meet today from 9 o'clock in the morning till noon and, if necessary, from 1 o'clock to 4 o'clock. There was no opposition to that discussion the other day. All committee members have been duly informed of this particular meeting. In essence, this is the climax meeting of the committee for the resolution of the recommendations that have been coming forth.

Having said that, Mr. Gurnett informed me a little earlier this morning that he was also a member of another committee and that a meeting had been called for 11 o'clock this morning to discuss a matter. I don't know the reasons for this other meeting's being held at that time, but obviously it was an individual member's decision.

Of course, I believe fairness is very important as well, but on the other hand, in fairness to the people of Alberta in terms of the precedence and importance of this committee, it's also to be expected that the work of this committee be dealt with according to the rules that the committee has determined for itself.

Mr. Gogo, I'm not sure if that clarifies it or not.

MR. GOGO: Mr. Chairman, I asked for your recommendation, and you have explained many of the reasons. I'd now like to hear what you recommend to the committee.

MR. CHAIRMAN: My recommendation is that we should move on in the sequential order in which these recommendations are listed in the document and that we should deal with recommendation 15. But I will be guided if the majority of committee members are opposed to that.

Would there be additional comments?

HON. MEMBERS: Question.

MR. CHAIRMAN: All those committee members in favour of our slugging on with

recommendation 15 and following the sequential order in which these recommendations are in the document, kindly indicate that support by raising your hand. Three. How many would be opposed to that? One. Okay. We're on to recommendation 15.

Mr. Martin is not here. I will read the recommendation into the record:

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 Alberta Heritage Savings Trust 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.

Would there be any questions or comments that committee members would like to have added to Hansard in this regard?

MR. GOGO: Mr. Chairman, I cannot support this for the reason I've given before; that is, I don't know how meaningful investment decisions that would reflect or affect capital markets can be made in public. For example, we have a portfolio of securities. How you could discuss those within the Assembly without affecting the market is beyond me. So on that basis I will not support the recommendation.

MR. ZIP: Mr. Chairman, I find it very, very difficult in light of the experience that's necessary to make day-to-day investment decisions such as the people in the investment division of the Alberta Heritage Savings Trust Fund have to make at all times. The degree of skill and experience involved in making these decisions is such that it would be beyond the capability of the people who would be required to be involved in this recommendation. It would be beyond their capability to perform adequately. As a result, I cannot support this recommendation.

MR. CHAIRMAN: Would there be additional comments that committee members would like to raise?

MR. MUSGREAVE: Mr. Chairman, I'm intrigued with the motion. I can't support it, but I would

like to suggest that future members of this committee should examine how the province of Saskatchewan is handling its fund. I think it comes back to the reason why this committee was established, which I mentioned earlier today. There was concern with some government members that we were, in effect, spending money in a rather different way than we had in the past. That's why this committee was established.

One of the arguments advanced was that you couldn't tell anybody how you were going to spend your money ahead of time because you were going to disturb capital markets. That used to be the argument they used about budgets being very confidential. That doesn't hold water like it used to years ago, because capital markets are so interwoven and so complex that one budget of one government doesn't really make that much significant difference.

So I agree with my colleagues. I couldn't support the motion, but I don't think we should be afraid of knowledge, even if it comes from a neighbouring province.

MR. CHAIRMAN: Would all committee members in favour of recommendation 15 kindly signify their support by raising a hand. All committee members opposed to recommendation 15, kindly signify that opposition by raising a hand. It's defeated unanimously.

Recommendation 16:

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. R. MOORE: Question.

MR. NELSON: Mr. Chairman, I don't support this at all. When I hear about a little grocery store that has received some funding from the government so it may operate, I get extremely upset. Of course, when I see this, it seems to be basically the same thing — government funding some enterprises to compete with those

small businesses out there doing their own thing and doing it appropriately with their own risk. If they make it, good job. If they don't make it, that's the difficulty they face. But at least they've tried to do it on their own. Their entrepreneurship has been put to the test.

During the last couple of days I got extremely upset when I understood that some little grocery store got a few dollars from the government to get into business when it probably shouldn't have gotten into business. I hope that's only a very isolated case. If it isn't, I'll be very upset. There's no way the government should be funding private enterprise to start a business in a manner like that, and they shouldn't be bailing out big business either.

MRS. CRIPPS: Mr. Chairman, I believe this would change the mandate of the trust fund. Knowing you, you will have the original mandate or purposes of the trust fund at hand and will be able to clarify that. I believe there were three major purposes at the outset.

Secondly, in some cases I really believe there's a fallacy in intervening and trying to provide capital by government agencies at lower than normal rates of interest. I believe our overall objective should be to get the Canadian interest rate down and not to try to pick up the pieces with government. We don't have the funds to do it. We don't have the expertise to do it. I believe some of the cases we have in ADC and AOC prove that.

I'd just like to encourage us as a government to use all our persuasive power or whatever we have to encourage the federal government to take a real look at the effect of high interest rates on Albertans and Canadians alike.

MR. MUSGREAVE: Mr. Chairman, the resolution does bring to the fore a real serious problem. I don't think it can be solved by the heritage fund alone, but I think it's an indication to government that there is a concern about long-term capital cost of money. What a lot of people are quick to forget is that a lot of the basic farms in the province of Alberta were established primarily on free land, land that was got very, very cheaply, homestead land. You had to work on it, but it was still free. You weren't starting off with a huge debt.

Similarly, after the war, veterans were given money at 3 percent. I'm a veteran that got a free education, and my wife and I got an

allowance while I went to university. The government has been paid back many times over with that capital investment. I think this is a concern we should keep in mind. I feel that we can talk all we want about reducing interest rates and all the rest of it, but until we get more capital into the hands of young people when it's desperately needed, we're going to face continuing problems.

AN HON. MEMBER: Question.

MR. CHAIRMAN: The question has been called. Committee members in favour of recommendation 16, kindly signify your support by raising a hand. Committee members opposed to recommendation 16, kindly signify your opposition by raising a hand. It's defeated.

Recommendation 17:

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 Canada Mortgage and Housing Corporation and the Farm Credit Corporation, thus reducing pressure on the Alberta Heritage Savings Trust Fund and allowing the Alberta government more flexibility to use the fund to assist Albertans to prosper.

Any comments?

MR. COOK: Mr. Chairman, I think this motion really isn't necessary. The government of Alberta has taken a responsible approach to pressuring the government on the two corporations mentioned. I think we also have to recognize that the federal government sets an environment that we operate in. Basically, the federal government has a massive deficit and had better start showing some fiscal responsibility before interest rates come down. Until that happens, we're going to have continuing pressure on Canadian interest rates, and that affects all of us as Albertans and Canadians.

MR. HYLAND: Mr. Chairman, I would like to amend this recommendation, to read:

That the committee recommend, as it did last year, that the Alberta government should continue [instead of the word "increase"] its efforts to persuade the

federal government to significantly increase support for Albertans through such agencies as the Canada Mortgage and Housing Corporation and the Farm Credit Corporation.

And remove the next lines.

MR. CHAIRMAN: We have an amendment proposed by Mr. Hyland. Committee members, if you'll take your pens out for number 17, what Mr. Hyland is suggesting is that the first line be as it is. The word "increase" would be crossed out and replaced by the word "continue". Following through, there would be a period after "Corporation". So I take it the remaining words would become redundant and would be eliminated from your amendment, Mr. Hyland.

Mr. Gogo, you're next on my list. Would you like to speak to the amendment?

MR. GOGO: Yes, Chairman. It doesn't alter my view. I have some difficulty with why we are attempting to pressure the federal government on anything. We should be looking after our own house. Reference is made to the Farm Credit Corporation. We've heard ad nauseam of the farmers in this province being in difficulty. I'm only addressing the Farm Credit Corporation, the FCC, which is the counterpart of the Alberta Agricultural Development Corporation. I hope we realize that what we are being asked to do is encourage the Farm Credit Corporation to continue its policy, and its policy has been to lend money to establish people in establishing farms and purchasing land at prices far beyond the productivity of the land.

Frankly, I think that's why many of our young farmers are in trouble today. They've been encouraged to borrow money to pay a price for these lands, not the value, far and above any productivity they can produce. By passing this motion, I guess we're saying that whatever the Farm Credit Corporation has been doing, it has been doing correctly. I don't think that's correct. I think that realization and reality have to set in. Carrying the credit and paying for farmland is the major problem of the young farmer — not just the interest rate but the value of that land. For us to endorse this recommendation in effect says, "Hey, you've been doing a good job, and you should keep doing it."

On that basis I have difficulty supporting it.

MR. CHAIRMAN: Any additional comments? Mr. Zip, we're now on the amendment.

MR. ZIP: Mr. Chairman, I also have difficulties supporting this recommendation, based to a certain degree on what Mr. Gogo said and looking at the various affordabilities, if you want to use that word, of certain types of investments and capitalizations that the activities of agencies like the Canada Mortgage and Housing Corporation and the Farm Credit Corporation enable people to get involved in. Because prices get inflated, as in the case of land in rural areas and housing in urban areas, and because of the downturn in activity or in prices or whatever it is that's a factor, the ability of people to repay is affected. The pursuit of this type of policy is certainly fraught with difficulties and has contributed to the economic problems we have in the province today. I don't think we should continue to urge the federal government to do things that have a downside to them to the extent I mentioned.

I cannot support this recommendation.

MR. CHAIRMAN: Mr. Speaker, we're on the amendment now.

MR. R. SPEAKER: My comments still apply, Mr. Chairman. Government has created a massive problem in the housing industry. My point of view is that we should get out of it and create moneys at reasonable rates and mortgage rates and let people negotiate their deal with their mortgage and discontinue government in the housing business in any way. So I certainly would vote against asking any government to get any further into the housing business.

MR. COOK: Question.

MR. CHAIRMAN: The question has been called. We'll first deal with the amendment. The motion as amended reads:

That the committee recommend, as it did last year, that the Alberta government continue its efforts to persuade the federal government to significantly increase support for Albertans through such as agencies as the Canada Mortgage and Housing Corporation and the Farm Credit Corporation.

Would committee members in favour of the

amendment kindly signify their support by raising a hand. Would committee members opposed to the amendment kindly signify their opposition by raising a hand. The amendment has been defeated.

We'll now deal with the recommendation. Would committee members in favour of the recommendation as it reads on the document kindly signify their support for recommendation 17 by raising a hand. Committee members opposed to recommendation 17, would you kindly signify your opposition by raising a hand. It is defeated.

Recommendation 18:

That the committee recommend, as it did last year, that consideration be given to selling debentures currently held by the Alberta Heritage Savings Trust Fund in the Alberta Opportunity Company, the Alberta Agricultural Development Corporation, the Alberta Municipal Financing Corporation, the Alberta Mortgage and Housing 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.

Would there be comments forthcoming from committee members with respect to recommendation 18?

MR. GOGO: Mr. Chairman, I have no difficulty with the recommendation by Mr. Gurnett other than the last line: "can be recouped at or above cost." That is a fallacious argument at the best of times. You're far better disposing of something at whatever you can get for it and reinvesting the proceeds. So I think it's a mistake to say we'll wait. That's like buying a government of Canada bond -- recognizing that that's how we won the war, by getting people to buy government bonds at 3 percent. As people know, they were to mature in '97, and they were worth about \$30. A \$100 bond, if you kept it to maturity, was a \$100 bond. So people were hanging on to 3 percent bonds, hoping to realize their full amount or their cost amount 10, 20, 30 years hence. It's a very poor argument. If the decision is to get out, sell them, and use the proceeds in a different way, it should be done, not on the basis of whether they can recoup them at cost but whether or not it's a wise investment decision to do so.

MR. CHAIRMAN: Are there any other comments forthcoming? We've had a call for the question. Would all committee members in favour of recommendation 18 kindly signify their support by raising a hand. Would committee members opposed to recommendation 18 kindly signify their opposition by raising a hand. The recommendation is defeated.

Recommendation 19:

That the committee recommend that the government propose legislation which would ensure accurate reporting of the assets of the Alberta Heritage Savings Trust Fund. Only assets that 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.

MRS. CRIPPS: Mr. Chairman, I think this recommendation is redundant because it's exactly the same as number 2.

MR. CHAIRMAN: The sponsor of the recommendation is not here, so we cannot proceed to a withdrawn statement.

MRS. CRIPPS: I thought we agreed last day to have it withdrawn.

MR. CHAIRMAN: Mr. Zip, you caught my attention.

MR. ZIP: Yes. I have the same concerns as Mrs. Cripps.

MR. CHAIRMAN: Would all the committee members in favour of recommendation 19 kindly signify their support by raising a hand. Committee members opposed to recommendation 19, would you kindly signify your opposition by raising a hand. It's defeated.

Recommendation 20 has been withdrawn.
Recommendation 21:

That the committee recommend that in those instances where significant amounts of Alberta Heritage Savings 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.

Any comments forthcoming from committee members?

MR. COOK: Mr. Chairman, this is ridiculous.

MR. CHAIRMAN: Would there be additional comments forthcoming from committee members? Would committee members in favour of recommendation 21 kindly signify their support by raising a hand. Would committee members opposed to recommendation 21 kindly signify that opposition by raising a hand. Recommendation 21 has been defeated.

Mr. Gurnett, we're now dealing with recommendation 22. Perhaps it would be more appropriate for you to read it into the record than I.

MR. GURNETT: Thank you, Mr. Chairman. My apologies, first of all, for the minutes I had to be away.

Recommendation 22, Independent Assessment:

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 Alberta Heritage Savings Trust Fund, that the terms of reference for the review be drawn up by the committee, and that their report be made public.

MRS. CRIPPS: Mr. Chairman, if I remember rightly, the Independents had an independent review, and they came to the conclusion that the Heritage Savings Trust Fund was very well run. Isn't that true?

MR. R. SPEAKER: We had a good report. Glad you read it.

MR. CHAIRMAN: Would there be additional comments forthcoming with respect to recommendation 22? Mr. Gurnett, would you like to sum up or add something further in closing?

MR. GURNETT: No. I think the recommendation is straightforward and, as I indicated in earlier discussion, is in some ways another aspect of the recommendation on public

hearings, another way to be sure the fund is operating as well as possible, and gives us another means of looking carefully at it.

MR. CHAIRMAN: Would the committee members in favour of recommendation 22 kindly signify their support by raising a hand. Would the committee members opposed to recommendation 22 kindly signify their opposition by raising a hand. Recommendation 22 is defeated.

Recommendation 23.

MR. GURNETT: Recommendation 23, Mr. Chairman, is related to drainage improvement:

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: Would there be additional comments you'd like to make?

MR. GOGO: Mr. Chairman, I think that's a good idea. I understand there are various drainage programs going on now. I forget what the appropriation is; I think it's either Environment or Agriculture. If that has been successful, I anticipate that the ministers responsible would have advised the Assembly. I think there's a lot of merit in the motion. I'm not so sure that the way it reads is the way it should read, but I think the intent is good. If we irrigate southern Alberta because of no water, it seems reasonable that we should be draining northern Alberta if there's too much water.

MR. R. SPEAKER: Mr. Chairman, I want to add my support to it. I believe the reasons for it in terms of land reclamation and land use are very obvious.

MR. NELSON: Chairman, this particular item has been dealt with many times by government members, and I suggest that we amend it by removing the words "endorse the suggestion advanced by the northern Alberta Association of Municipal Districts and Counties and," so the recommendation would read:

That the committee recommend that a

drainage rehabilitation expansion program be established similar to the irrigation rehabilitation and expansion program now in place.

I think government members in particular who have proposed this and brought this item forward should also be recognized, as I'm sure Mr. Gurnett wishes recognition also. I know many members have discussed this with their municipal councillors and so on and so forth, and I think we could look positively at this thing as amended.

MR. CHAIRMAN: Mr. Nelson, you're moving an amendment to recommendation 23?

MR. NELSON: Yes, sir.

MR. CHAIRMAN: Your amendment would be to cross out "endorse the suggestion advanced by the northern Alberta Association of Municipal Districts and Counties and," so the amendment would read:

That the committee recommend that a drainage rehabilitation and expansion program be established similar to the irrigation rehabilitation and expansion program now in place.

Mr. Moore, you caught my attention. Are you on this amendment?

MR. R. MOORE: Mr. Chairman, I was on that same point. I think it has been a position of a lot of government members, myself included, that we treat all Alberta equally. The fact that southern Alberta does need irrigation funds is very evident. The fact is that the reverse is in the north; they need drainage funds. We should treat them all the same. We're one Alberta. I think we continue to support the government members who have put this forward on so many occasions.

MR. GURNETT: Mr. Chairman, I speak against the amendment. The reason I included that particular statement is that the two main reasons for moving in the direction suggested by the recommendation are, first of all, to make sure that drainage is done comprehensively, as is happening with irrigation, as opposed to the present system, where miscellaneous projects are approved in various areas but there's no overall program in the same sense that there is with irrigation. That, of course, wouldn't be

affected by the amendment.

The second reason I brought this recommendation forward is that drainage right now suffers because of the way drainage projects are funded compared to irrigation projects. That's what is addressed specifically by the suggestion of the Association of Municipal Districts and Counties, where they state that drainage districts would be funded in the same way that irrigation districts are. That part of the recommendation may be obscured a little bit if we approve the amendment, so I speak against the amendment and hope we will support the recommendation as it stood before.

MR. CHAIRMAN: Would there be additional comments or debate with respect to the amendment? We'll vote on the amendment. The amended motion would read:

That the committee recommend that a drainage rehabilitation and expansion program be established similar to the irrigation rehabilitation and expansion program now in place.

Those committee members in favour of the amended recommendation kindly signify their support by raising a hand. Those opposed? The amendment is carried. I take it that with the amendment recommendation 23, in essence, has now been changed to read the new recommendation and any vote would almost be redundant.

MR. COOK: Now we have to dispose of the main motion as amended.

MR. CHAIRMAN: The main motion deals with the amended motion:

That the committee recommend that a drainage rehabilitation and expansion program be established similar to the irrigation rehabilitation and expansion program now in place.

Would there be additional comments forthcoming from committee members? All committee members in favour of the amended motion kindly signify their support by raising a hand. It's carried unanimously.

Recommendation 24.

MR. GURNETT: Recommendation 24 has had a lot of prior discussion, Mr. Chairman, and reads:

That the committee recommend that the Farming for the Future program be

operated beginning in the 1987-88 budget year as an agricultural and biological sciences research foundation modelled on the Alberta Heritage Foundation for Medical Research with similar funding to that given AOSTRA and the Alberta Heritage Foundation for Medical Research and that there be a close working relationship between the research recipients and farmers or on-farm demonstration projects in a great percentage of the program.

Mr. Chairman, we've discussed at some length the very good case to be made for indicating, at this time especially, a serious commitment to supporting agricultural research in Alberta. The avenue of an endowed research foundation is an ideal way to do that, and certainly giving it the recognition that it's in the same area of importance as nonrenewable energy and medical research is vital.

I would just indicate — and I'm not sure whether it happens by an amendment or some other means — that recommendation 24 as it now reads was a creation that developed out of recommendations by several members. Perhaps it should be acknowledged that both Mr. Hyland and Mr. Cook had a significant amount of input to its present form.

MR. CHAIRMAN: You're absolutely correct, Mr. Gurnett. In fact, that document, 24, which has the name Mr. Gurnett, should also have two other members' names, Mr. Hyland and Mr. Cook. It was a triumvirate approach. Perhaps, as Mr. Gurnett has had his comments, we would now invite them from Mr. Hyland and Mr. Cook.

MR. HYLAND: Mr. Chairman, just a few words on the motion. I've had some discussion with others who have expressed a concern with it, one of the concerns being that we're using the word "foundation". If I understand the difference between "foundation" and "institute", a foundation is a situation where there's not only government funding but there can be private funding given to it. At one time, certain farmers felt that a cent or two a bushel could be taken off their grain so that they could fund research themselves. That kind of possibility would exist using a foundation rather than an institute.

Concern has also been expressed about the board. At least my understanding of what the

three of us recommended is that it wouldn't be a board of professionals but a board of actual producers appointed by the Minister of Agriculture, exactly the same kind of board that now exists in Farming for the Future. So it wouldn't be arm's length; it would be just as close as it is now. But the main thing we were after was the assurance of funding so that longer term projects could be carried out. When we compared it to other foundations, it was in the way it was funded rather than the setup of the boards.

MR. COOK: Mr. Chairman, I'm not sure I quite agree with my colleague from Cypress.

MR. CHAIRMAN: It would be really helpful, I'm sure, Mr. Cook, if the three sponsors of the motion somehow all agreed on the same interpretation of the motion.

MR. COOK: Mr. Chairman, I think the resolution is purposely vague so that all three might support it and the committee might endorse it as well. I'll leave the interpretation of the organization of the foundation, board, advisory boards, et cetera, to other people who may come after us.

Mr. Chairman, I think this resolution makes the point that both urban and rural Alberta support the concept that agriculture and base research in the sciences that will support agriculture are as vital as energy and medical research.

MR. CHAIRMAN: Would there be any additional comments forthcoming with respect to recommendation 24?

MR. COOK: Question.

MR. CHAIRMAN: You've asked to call for the question. I've always followed the procedure of asking the sponsors of the motion to close the debate on it. We've heard from all sides. A pass from Mr. Gurnett. Mr. Hyland? Pass. Mr. Cook, you called for the question. Would committee members in favour of recommendation 24 kindly signify your support by raising a hand. It's redundant to ask the other question as it was unanimous.

Recommendation 25.

MR. GURNETT: Recommendation 25:

That the committee recommend that an investment be made in a major park in the north of the province so that well-designed recreational opportunities are available in northern Alberta as are available in southern Alberta in Kananaskis Country.

MR. R. MOORE: Mr. Chairman, this committee spent considerable time on number 9, which is practically identical. That was passed, so I think this one — it apparently isn't being withdrawn — is not necessary.

MR. GOGO: Mr. Chairman, to Mr. Gurnett. I don't know what's meant by the words "north" or "northern". We passed number 9; I assume it certainly wouldn't go south of the present Kananaskis. I guess a difficulty I have is whether we're talking about High Level or Edmonton. But I agree. In view of number 9, which has been passed, I wonder whether it's necessary to deal with 25.

MR. CHAIRMAN: Would there be additional comments before we ask Mr. Gurnett to close?

MR. GURNETT: In summing up, Mr. Chairman, I want to repeat that my opposition to recommendation 9 was because I felt it didn't give enough direction. On the other hand, in response to some of the comments made when we were discussing recommendation 9 as well, I think we do need to give some direction, without giving too much.

As has been made clear in all the discussion, the purpose of this recommendation is so that the large body of population in the northern part of the province — without being too specific about defining where that "northern" line is — an equivalent population base, would have access to a well-designed recreational facility. So it really goes a little further than recommendation 9.

I can't agree that our supporting recommendation 9 necessarily indicates the same support for recommendation 25, because recommendation 9 does leave whoever deals with that recommendation completely open as far as what they did about another facility. My hope with this recommendation is to leave it less open than that without necessarily restricting it to a very limited geographical part of the province.

So this is not incompatible with recommendation 9, but I think it has some content that makes it reasonable to deal with on its own merits and, hopefully, approve.

MR. CHAIRMAN: Would all committee members in favour of recommendation 25 kindly signify their support for it by raising a hand. Committee members opposed to recommendation 25, kindly signify their opposition by raising a hand. Is that hand up, Mr. Hyland? Then it's tied 3 to 3 with two abstentions.

MRS. CRIPPS: You're up to bat.

MR. CHAIRMAN: There are three for and three against. Abstentions...

MR. ZIP: I'll vote...

MRS. CRIPPS: You can't change your mind.

MR. CHAIRMAN: I don't know how you can do that, Mr. Zip. We've already had an ascertainment by the chairman that it was 3-3 and 2 which, it would seem to me, it would then leave it at the table for resolution.

MR. MUSGREAVE: Not the chairman again.

MR. COOK: Mr. Chairman, on a point of order. If you fail to vote, the resolution will be lost since there is not a majority. So you don't actually have to vote.

MR. CHAIRMAN: That may be so, Mr. Cook, but we've clarified this at least four times by the chairman raising the question and asking if this was the general understanding of committee members prior to arriving at this. There has been no question such as yours raised. I have taken it and I have deliberately done it on four occasions, which means that, unfortunately, I must now make a decision with respect to recommendation 25. I will be voting against. It's defeated.

Recommendation 26.

MR. GURNETT: The recommendation reads: 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.

Without going into it in detail again, Mr. Chairman, the thought behind it is that, as much of our discussion has shown during the time this committee has sat, occupational health and safety is a growing interest and concern for a large number of people. The benefit of a centre like this is that we could be sure that there was no duplication or important areas that needed attention being missed, that the whole subject was being dealt with both comprehensively and in a co-ordinated way.

MR. CHAIRMAN: Are there comments forthcoming from committee members with respect to recommendation 26? Would you like to sum up, Mr. Gurnett?

MR. GURNETT: No.

MR. CHAIRMAN: Okay. Committee members in favour of recommendation 26...

MR. MUSGREAVE: Mr. Chairman, I want to make a comment, if you don't mind. I don't understand this motion's relation to the \$1 million we've already put into workers' health for research. Couldn't those moneys do the same job? I understand that over \$300,000 hasn't been expended yet. That's just a question.

MR. GURNETT: If I could respond, Mr. Chairman. Specifically, the recommendation doesn't necessarily indicate any new expenditures related to it; it's a recommendation about a direction to take, so that may be the way that such a centre was funded and operated. It may develop that as it is studied, there will be a need for additional funding, but it's not suggested specifically by the recommendation that there would have to be new funding. It's just a use of funding that we would be recommending.

MR. CHAIRMAN: Would there be additional comments or questions? Mr. Gurnett, anything further? Would committee members in favour of recommendation 26 kindly signify their support for the recommendation by raising a hand. Would committee members opposed to recommendation 26 kindly signify their opposition by raising a hand. It's defeated 5 to

3.

Recommendation 27.

MR. GURNETT: Recommendation 27, Northern Alberta Children's Hospital:

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.

I think the case for that was made in my earlier discussion of the recommendation. I just want to re-emphasize that it's not a suggestion that pediatric beds or wards in existing hospitals in Edmonton and northern Alberta cease to function, but rather that we recognize the need for special facilities, especially tied to research and attention to chronically ill children.

MRS. CRIPPS: Mr. Chairman, as a parent who spent years in and out of Alberta hospitals with a terminally ill child, I guess I have a particular empathy for this recommendation, yet I'm very hesitant to support such a recommendation. In my time in and out of the hospital I found that the care received here was absolutely excellent. My only concern really regarded the lack of pediatric nurses and doctors in the emergencies. Our emergency wards are specifically designed for adults and certainly don't meet the needs of a parent coming in with an ill child. That's one of the areas I believe we need to do some reorganization in.

I believe that the low population base in the province of Alberta and around Edmonton makes it virtually impossible to do some very specialized procedures. It doesn't matter whether we have a children's hospital or not; some of those procedures that are not presently done in the hospitals in Alberta would never be able to be done here because of their specialized nature. In order to be good, a doctor has to have practice in some of these procedures and simply would not be in Alberta in any case. Toronto has a greater population of 3.2 million, which is one and a half times the population of the province of Alberta, and another 12 million across the border in close proximity. The reason I was sent with my child to Toronto Sick Kids was that that was one of the two places in North America that did that particular procedure.

There are two sides to the question of the children's hospital. You mentioned that you didn't intend to close the present pediatric wards, but a children's hospital simply would not be feasible unless some of the wards were closed, or certainly effectively closed other than maybe keeping a few beds for emergency purposes, in a lot of hospitals around the city of Edmonton. There are people who do not want to take their children to a central point in the city — because of driving time, traffic congestion, and this community aspect — any more than we want to have our senior citizens in Drayton Valley end up in a senior citizens' lodge in Edmonton.

There are two sides to this question, and while I'm in total support of specialized and funding research in northern Alberta, either at the University or the Royal Alex — I understand they have a proposal before the government now — I'm not sure that a freestanding children's hospital is the answer.

MR. R. MOORE: Mr. Chairman, I think everybody agrees with the concept of improved pediatric treatment and research in that area. We're all very supportive of that. I listened intently to what Mrs. Cripps said, and I agree with what she brought before us today from firsthand knowledge.

I'd like to make an amendment to this motion, Mr. Chairman. If I could, as I read through, I will amend the areas by taking out some words and adding some. It would read:

That the committee recommend that a serious commitment be made to improved pediatric treatment and research for northern Alberta...

I would delete "an immediate", and it would read:

by an investment in a northern Alberta children's hospital when need is indicated.

I'm adding those last three words there too, because we have pediatric beds that are empty here. Up to 50 per cent of our pediatric beds are not presently being utilized. As a responsible group here we shouldn't recommend building further things, especially freestanding buildings, to add to something we already have sufficient of at this time. But over a period of time, Mr. Chairman, when a need is indicated, I think every one of us in this House should be out there pushing hard for that children's hospital.

MR. CHAIRMAN: Just for clarification on the wording of the amendment. My understanding is that the first two lines would remain exactly the same. You would cross out the word "immediate" and then add at the end of the sentence "when need is indicated." So it would read:

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

Mr. Cook, are you speaking to the amendment?

MR. COOK: Mr. Chairman, I think many people have spoken already about the fact that we already have surplus pediatric beds in the city of Edmonton. I'd like to ask that an amendment to the amendment be considered: rather than have the phrase "be built" that the phrase be "be developed". I say that because one serious proposal...

MR. CHAIRMAN: I'm sorry, Mr. Cook. There is no "be built" in the amendment or the motion.

MR. COOK: I'm not working with the benefit of written copy in front of me. Could you read back the amendment?

MR. CHAIRMAN: You should have the written copy provided to you. What we have is a motion which you had circulated to you approximately two hours ago.

MR. COOK: I have that.

MR. CHAIRMAN: The amendment to motion 27 simply takes out the word "immediate" and adds "when need is indicated." There is no "to build" or "to be built" there. Perhaps we can stick to the amendment.

MR. COOK: Mr. Chairman, I'd still like to propose an amendment to the amendment, because two proposals that are being considered would not require the construction of a new hospital or new funding, but rather, for example, the Camsell might be converted into a children's hospital space. I wonder if the word "investment" could be taken out too. I'm not sure it would be necessary.

Secondly, the government's position has been that the Heritage Savings Trust Fund wouldn't be used, but rather it would be taken out of general revenue. I'm not sure that the word "investment" which suggests that that be used — I'd like to suggest that that be taken out as well. I'd simply like to argue that the word "investment" be eliminated.

MR. CHAIRMAN: Okay, you've made arguments, but I have not yet heard you say that you want to move an amendment to the amendment.

MR. COOK: The amendment would be:

.. improved pediatric treatment and research for northern Alberta in a northern Alberta children's hospital when need is indicated.

MR. CHAIRMAN: So the amendment to the amendment being put forward by Mr. Cook would read — you might cross out "immediate investment" and add "when need is indicated." Your amendment to the amendment is that we would then eliminate the word "investment", so it would read:

That the committee recommend that a serious commitment be made to improved pediatric treatment and research for northern Alberta by an in...

"By" and "in" a what?

MR. COOK: Not "by"; "in a northern Alberta children's hospital."

MR. CHAIRMAN: I still don't know what we're going to...

MR. COOK: Take out the words "by" and "investment".

MR. CHAIRMAN: So it would then read:

That the committee recommend that a serious commitment be made to improved pediatric treatment and research for northern Alberta in a northern Alberta children's hospital when need is indicated.

MR. COOK: The reason for it is that it prejudices or suggests that we would actually build a building and that there would be an investment, both of which are not necessarily going to happen if we convert existing space

into a children's hospital.

MR. CHAIRMAN: We're now discussing the amendment to the amendment.

MR. GURNETT: I'd speak against the amendment to the amendment. I understand the case that's being made for it, but the original recommendation is really talking about something that's, of necessity, going to involve investment, not necessarily and not only in physical facilities but in those other aspects of what's meant by a children's hospital.

If we're talking about a specialized centre that, as I suggested before, provides environments as research indicates are needed for the chronically ill, which is involved in specialized research and is very likely involved in specialized training of personnel to work, then the issue becomes much larger than simply a matter of whether or not there are pediatric beds available. The concept of a children's hospital is something much beyond that. Both the amendment to the amendment and the amendment result in that being lost sight of, and we end up simply talking about whether or not there's enough space for pediatric services in northern Alberta.

So I speak against the amendment to the amendment on the basis that we lose sight of what we mean by a true children's hospital and end up by approving the amendment to the amendment simply talking about pediatric beds.

MR. COOK: Mr. Chairman, on a point of order. May I ask that the clock be stopped and that we continue the work of the committee until this resolution is disposed of? We have about 30 seconds.

MR. CHAIRMAN: I don't quite understand. The committee will meet from nine to noon. We will adjourn at noon and reconvene at 1 o'clock.

MR. COOK: Mr. Chairman, it's noon now. I wonder if we could stop the clock until we dispose of resolution 27. We have about 30 seconds to deal with that.

MR. GOGO: On a point of order, Chairman. I don't know what other members have done. I made some firm commitments for the hour from twelve till one on the understanding that I would return at one and deal till four or later

with today's business. So I oppose that suggestion.

MR. CHAIRMAN: To me the debate is redundant. Several days ago the committee determined how it would meet today. Does the committee want to change what it agreed to several days ago?

MR. COOK: Question.

MR. CHAIRMAN: Question on what, Mr. Cook?

MR. COOK: The proposal to stop the clock.

MR. CHAIRMAN: I take it that you want to continue working through.

MR. COOK: We'll deal with this resolution and come to a vote. I think hunger will speed debate.

MR. CHAIRMAN: Okay, we will. We'll be very democratic and do it again. Would those committee members who wish to continue discussion of recommendation 27 through to the resolution of recommendation 27 before adjourning for lunch kindly signify by raising a hand. One, two, three, four. Would those committee members who wish to adjourn now and reconvene at 1 o'clock kindly signify their support by raising a hand. It's 4 to 3 in favour of working through with one abstention, so we're working through. Please proceed.

MR. COOK: Mr. Chairman, can I call the question on the amendment to the amendment?

MR. CHAIRMAN: You'd like to call the question on the amendment to the amendment. Mr. Gogo.

MR. GOGO: Mr. Chairman, I'm very disturbed with what I'm hearing. Of necessity I have to oppose it. We have tens of thousands of Alberta citizens in this part of the province who have said, "We need a children's hospital." We even have leadership candidates campaigning on that basis. In my opinion, we tend to lose sight of two significant groups: the children themselves who will need it and the physicians who hope to practise.

We now have the Alberta children's hospital in Calgary doing an excellent job at a cost of

some \$1,300 a day. That does not mean we don't need that facility here. We've heard testimony by Mrs. Cripps that some 40 percent of the pediatric beds now in the Edmonton area are not being utilized. I would hate to see this deteriorate to the point where it becomes a strictly political kind of thing, even within this committee, whereby it's the children and their parents who suffer. We as legislators create statutes whereby hospital authorities and knowledgeable people like medical committees make recommendations. I really think we should be listening more to them.

At this point, based on the discussion I've heard, I'm not prepared to support the amendment, the subamendment, or the motion. I would like a cooler mind to prevail, and that's why I was hoping we would adjourn from twelve to one. Perhaps some of these people, who I sense are all dedicated to the needs of children, could get their heads together and come back here this afternoon with more rational thought.

MR. CHAIRMAN: Would there be additional comments forthcoming from committee members with respect to the amendment to the amendment? I will read it. The amendment to the amendment will read:

That the committee recommend that a serious commitment be made to improved pediatric treatment and research for northern Alberta in a northern Alberta children's hospital when need is indicated.

Committee members in favour of the amendment to the amendment, kindly signify your support by raising a hand. Committee members opposed to the amendment to the amendment, would you kindly signify. The amendment to the amendment is defeated.

We will now deal with the amended motion. Prior to that is there additional debate with respect to it? I will read it again just so there's clarity, including that of the chairman.

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

Committee members in favour of the amendment to the motion, kindly signify their support by raising a hand. Would committee members opposed to the amendment kindly

signify their opposition by raising a hand. The amendment is carried by a vote of 5 to 3.

We will now go to the amended motion:

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

Would there be additional comments with respect to this? Would committee members in favour of the motion as amended kindly signify it.

MR. GURNETT: Could I speak on the amended motion?

MR. COOK: Agreed.

MR. CHAIRMAN: Okay, please proceed. Actually, the question was called, and I've ruled once against it already this morning. I did rule one member out of order; I had called the question.

MR. MUSGREAVE: Mr. Chairman, you just missed his hand. His hand was up.

MR. CHAIRMAN: I missed it? It was my error? If it's my error, we'll permit Mr. Gurnett to proceed.

MR. GURNETT: Oversight, I'm sure, is the word, Mr. Chairman.

MR. GOGO: It's the first time you've ever missed anything.

MR. CHAIRMAN: Mr. Gurnett, please proceed.

MR. GURNETT: My concern with the amended motion and my reason for not being able to support it is that by saying "an immediate investment," the original recommendation made a specific decision on our part when we sent it forward that the need did exist at this point for the kinds of reasons, hopefully, that we've all discussed and that I sense most of us agree on.

The amended motion -- when we say "when need is indicated" -- in a sense makes this motion very vague again, because we're going to go into a whole debate on when is need going to be indicated and who's going to make that determination. The action on the idea that's

needed by people in this province becomes more delayed because we just shuffle it off to another whole group of people to deal with in their own ways, whereas the original recommendation with the word "immediate" was our judgment that action should proceed at this point. On that basis I can't support the amended motion, although it's certainly in the right direction.

MR. CHAIRMAN: Would there be additional comments forthcoming? Do you want me to read it again, or do we all understand it? All those in favour of supporting recommendation 27 as amended, kindly signify that support by raising a hand. All those opposed, kindly signify their opposition by raising a hand. It's carried.

Well, ladies and gentlemen, we have now reached the hour of seven past twelve. The committee agreed last week we would sit from nine to twelve and then reconvene at 1 o'clock. Might I make a suggestion that in view of the fact we've gone seven minutes past the hour, we might look at 1:15 or 1:30 for reconvening? One-fifteen would be appropriate? Then we'll be back here sharply at 1:15, and I'll call the meeting back to order.

Thank you very much for your serious deliberations this morning.

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

