

[Chairman: Mr. Oldring]

[5 p.m.]

MR. CHAIRMAN: Good afternoon. I'll call the meeting to order. I trust everybody has received a copy of the draft report. I should begin by thanking our committee secretary, Ann Quinn, for her exceptional effort to get the thing out.

HON. MEMBERS: Hear, hear.

MR. McEACHERN: Before the baby was born, even.

MR. CHAIRMAN: That's right.

I would say that I would propose one final change, if you can leave it in the hands of the chairman. I'd like to add a page of acknowledgement to Henry Kroeger, who of course served on this committee at the outset. I think that would be appropriate, if that's agreeable.

MR. McEACHERN: I'll second that motion.

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Thank you. Moved by the Member for Edmonton-Kingsway.

Okay. If there's no further discussion on that, I trust that you have had a chance to quickly review the report, and I assume everybody has found it to be in order. If so, a motion.

MR. BRADLEY: I so move.

MR. CHAIRMAN: Thank you. Moved by the Member for Pincher Creek-Crowsnest.

MR. R. SPEAKER: I second it.

MR. CHAIRMAN: Seconded by the Member for Little Bow that the report be approved. Any further discussion? The Member for Calgary-Fish Creek, followed by the Member for Edmonton-Kingsway.

MR. PAYNE: Well, my question is not on this motion. I do want to ask what you're estimate of timing of tabling was.

MR. CHAIRMAN: Okay. Well, the report has to be tabled in the Legislative Assembly on Monday. So, again, it won't be tabled in the final form; it'll be tabled in a form similar to the one in front of you this afternoon. It will go to the printers right away, but I assume it won't be back from there for at least two weeks.

The Member for Edmonton-Kingsway.

MR. McEACHERN: Yes; I think the report, following the lines of what was done for a report last year, is fairly well done. But I would just like to add a couple of comments about the work of the committee overall.

It would seem to me that we missed a couple of opportunities in some ways. It seems to me that we allowed this committee to become very partisan this year, more so than last year, and even last year it was probably too partisan in some ways.

It seems to me that we don't get information we can use in time to be very helpful. For example, the Treasurer has made some fairly major moves with the fund over the last two years that were never even debated by the committee. We tried to ask

questions about them, but we didn't really get any satisfactory answers or get enough questions in, at least not to the Treasurer. I got three questions in this year, and he filibustered the rest of the meeting. So I didn't get back in for any further questions, and he did not appear before the committee again.

The same thing was true, as a matter of fact, with the Minister of the Environment. For instance, he moved a lot of money out of the cash and marketable securities section of the fund into the farm credit stability program and the Small Business Term Assistance Fund Act as far back as September of 1986, and while this committee was meeting and debating a hundred and one other things, we were never even told that was going on. We never found out till the December 31 statement came out sometime in February of 1987.

Again, the debentures on AGT and Alberta Municipal Financing Corporation -- they've been letting those be paid out and not taking new ones, and that's okay. I'm not saying they shouldn't do that, but somehow those are fairly major moves. I mean, two years ago we had \$1.5 billion in each of those two Crown corporations. We're now down to \$1 billion in AGT and \$825 million in Alberta Municipal Financing Corporation, and those major moves are being made without this committee's knowledge, let alone consent or debate or discussion.

We've put forward some recommendations to suggest the government should put a plan to the Assembly for each year of those kinds of moves -- and this committee turned those down without a comment, not a comment from any member on the government side of the House on those recommendations -- and also that they account for the fund in a public accounts kind of way, on a quarterly basis for all the major divisions of the fund. Again, that was voted down without a comment.

Leo Piquette made three recommendations that would lead toward diversification. We think the fund should at this stage of the game be used more for diversification, way before it runs out, because although we've got \$12.6 billion supposedly, we've got a \$6 billion deficit stacked against that. We didn't get any major debate on whether or not diversification should be re-established as a major goal of the fund. We didn't get a word about any one of those three recommendations, yet they were all voted down.

MR. R. MOORE: On a point of order, Mr. Chairman.

MR. HERON: Did you get tired or did you get [inaudible] away first?

MR. McEACHERN: No, I'm sorry. You guys didn't comment on it. They were not brought up other years; those were three totally new recommendations, and so were the other ones about how the fund should be handled. So it just seems to me that we've missed an opportunity here for democracy to work and have just decided to go on letting the cabinet run things in secret, and I'm sorry it's worked out that way.

MR. CHAIRMAN: The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. One comment about the report itself: on page 14 under the note about the Provincial Treasurer the assets of the fund are listed, including deemed assets, but in appendix 1 at the very back on page 27 of the report the asset level is stated for the fiscal years 1976-77 to 1986-87. Given the comments the Auditor General has made in the past, that the deemed assets ought to be noted

and highlighted so that the asset value of the fund is not misunderstood or misstated, I'm wondering if a note could be added to state that, yes, it's as noted, or "Figures as contained in this appendix contain the value of the deemed assets," just in order that people will not misunderstand the asset value. Given that this is something that has been stated on numerous occasions by the Auditor General, perhaps a note should be made at the back in that appendix that the figures do contain the value of the deemed assets.

MR. McEACHERN: It could just be the financial assets and total assets, or something like that, for adjustments.

MR. CHAIRMAN: Okay. I'd be happy to make that note. I don't have any difficulty with that.

The Member for Cypress-Redcliff.

MR. HYLAND: A couple of questions. Firstly, the Member for Edmonton-Kingsway talked about running out of time, and I guess we're all subject to the same problems. We sometimes get talking about things we're very interested in, and sometimes I think all of us get liking to hear our own voices and keep going on longer than what we need to ask the question. I think if we can all shorten our speeches, and indeed if we talk to those who appear before us to shorten their speeches, the time frame may be well enough.

Secondly, I'd be interested to know -- and if this isn't the right time, it's fine. If the committee is interested, we can arrange an irrigation tour this summer, even after session. We can even start to work on it now. A lot of the work was done last year, but we can plan two or three days and lay it out and then fit the dates in accordingly when the time comes and we know.

MR. CHAIRMAN: Thank you.

The Member for Lacombe.

MR. R. MOORE: I have no comment at the moment.

MR. CHAIRMAN: The Member for Lethbridge-West.

MR. GOGO: Mr. Chairman, are we debating the motion to adopt the report, or have we dealt with that?

MR. CHAIRMAN: Perhaps we can come back to the motion for adopting the report.

MR. R. MOORE: I call for the question.

MR. CHAIRMAN: Any further discussion? All those in favour? Carried unanimously. Thank you.

MR. GOGO: Mr. Chairman?

MR. CHAIRMAN: The Member for Lethbridge-West.

MR. GOGO: I have a couple of points. One, if you recall -- and this ties in with Mr. Hyland -- the chairman of the investment committee was asked his view about this committee reviewing the projects carried out by the heritage fund prior to the ministers' testifying. The chairman of the investment committee thought that not only was it a good idea but almost thought it was a requirement, if you recall the Premier's comments, so I wanted to raise the business of visits to the sites where the heri-

tage fund has invested and make a comment. Perhaps it ties in with Mr. Hyland.

I would think that if possible, we should schedule the heritage fund for much earlier than we did; if possible, for September, when most people seem to be getting back to work. I forget when our first meeting was, but I think it was November 4, and . . . [interjection] Well, you know, I don't think harvest is an issue any longer, Ray, and not with . . .

MR. R. SPEAKER: Well, I'm not arguing.

MR. GOGO: Oh, okay. But I think it would be important, Mr. Chairman, and then that way if the committee decides to visit the various sites, it could have those well under way before the witnesses were called to testify, instead of the other way around. And I would endorse Mr. Hyland's suggestion with regard to irrigation.

MR. CHAIRMAN: Thank you.

The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. Given the recommendation that we've passed in this set of hearings about a review of the foundation for medical research, was there a discussion prior to my coming this afternoon?

MR. McEACHERN: No.

MR. HAWKESWORTH: I'm just wondering how that might be organized. It seems that it's going to be an extra agenda item for this committee in the upcoming year. I'm wondering how that might be accommodated and organized and if there's been any decision taken on that recommendation on how to proceed.

MR. CHAIRMAN: Sure; thank you. Certainly the chairman always welcomes any input or suggestions for tours that members are interested in. I think we agreed at an earlier meeting that we would make Fort McMurray and the irrigation tours two of our priorities. The Pine Ridge nursery was also suggested near the top of the list, and I would be happy to also include the suggestion from the Member for Calgary-Mountain View on the medical research foundation. We did, of course, as a committee have the opportunity and a number of us toured the Walter C. Mackenzie institute, which ties in with that.

The Member for Edmonton-Kingsway.

MR. McEACHERN: Yeah. I'd like to say that I really would be interested in touring the irrigation works particularly but also the other two projects you mentioned. But I don't think the Member for Calgary-Mountain View is talking about touring the Walter C. Mackenzie. We did do that, or I went on that one anyway. I think he was talking about the need for some work to be done on whether or not we would accommodate the request by the medical research foundation for further funding. I guess I'm kind of wondering if there's something we should be doing, some work on that to bring back some facts and figures and numbers to this committee or something. I don't really know quite how to handle that, but that's what Bob was raising.

MR. GOGO: What recommendation was that?

MR. HAWKESWORTH: It was recommendation 2, Mr. Chairman, and as well, I believe it is a requirement of legislation,

which was pointed out to us during our hearings. So I don't think there's been a lot of discussion yet around the table, and perhaps the members or the chairman have given it some thought. I was wondering whether we would ask witnesses to come to some committee meetings to help us do that evaluation. If it's a matter of some meetings just here in Edmonton or around the province, who is it we would go to to review the triennial report that has already been done on the foundation? I don't know how extensive a review we need to make recommendations on the Heritage Foundation for Medical Research, but it is a mandate of this committee now because of legislation, and as well, we've passed that recommendation. So some thought, I think, soon has to be given to how the committee would carry out that responsibility.

MR. HYLAND: Mr. Chairman, I agree we have to look at that. As I remember, when I put that recommendation in, I specifically didn't say how that report should be carried out. I'm leaving that open for discussion, and I suppose we should think about it, kick it around. I'm not sure if we want us to do it or us to be part of it -- i.e., when I say "us," the committee -- or if it should be just us or a combination of us and somebody else or whatever. I think that's something we have to settle somewhere along the way. As I remember the Act, nor does the Act specifically say who carries out the review. It just asks that it be carried out; it doesn't say who should carry it out. It comes to us, but it doesn't say who has to do it, I don't think.

MR. CHAIRMAN: Thank you.
The Member for Pincher Creek-Crowsnest.

MR. BRADLEY: Mr. Chairman, I haven't had an opportunity to look at the specific section in the foundation Act to see what in fact it entails in terms of review. The recommendation recommends that a review be proceeded with; it doesn't set forward a mechanism. I think we should give some thought to that. It's not something we can make a decision on today, but we should give some thought to it as to our involvement or what mechanism in fact is entailed there. This is a recommendation obviously to the Legislature that the review be proceeded with. The Legislature may itself decide as to how that review should take place.

MR. McEACHERN: It's really to the cabinet, is it not? These recommendations go to cabinet, don't they? The Legislature gets to see the results, but the recommendations are for cabinet, which is the investment committee of the heritage trust fund.

MR. HYLAND: In this case, I'm not sure that it wouldn't take -- a cabinet order might do it, but it might also be an order of the Legislature.

MR. McEACHERN: Well, it's up to cabinet how they want to handle it. If they want to handle it through the heritage trust fund, I guess cabinet has the right to do that.

MR. BRADLEY: I just don't whether it's our mandate to form a review at this point. We should give this some consideration.

MR. McEACHERN: Good question.

MR. CHAIRMAN: Perhaps it's something I can look into as chairman and come back and report to the committee.

Any further discussion at this time? The Member for Lethbridge-West.

MR. GOGO: Well, Mr. Chairman, yes. You mentioned that this is to be tabled on Monday or something. I don't know how much time you've put in. Obviously, you've been putting some time in, so I would move on behalf of the committee that the chairman claim up to five days, whatever is reasonable, for work on preparation of the report to be tabled in the House. That's five days of meeting time.

MR. McEACHERN: Perhaps I could ask a question. What seems a reasonable time in terms of the amount of effort you've put in on it? How many days?

MR. CHAIRMAN: I think one or two days is probably appropriate.

MR. McEACHERN: Then shall I move an amendment to two days?

MR. HYLAND: John left it open, so it would be up to . . .

MR. GOGO: I simply said up to five.

MR. McEACHERN: Oh, I see. All right.

MR. HYLAND: It would be up to the other John.

MR. McEACHERN: Okay; sure.

MR. HYLAND: Question.

MR. CHAIRMAN: All those in favour?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Thank you.
Any further discussion?

MR. GOGO: Ron, your motion.

MR. R. MOORE: I move we adjourn.

MR. CHAIRMAN: Good. Thank you very much again, everyone.

[The committee adjourned at 5:18 p.m.]

